



**HALF YEARLY ACCOUNTS
DECEMBER 31, 2009
(Unaudited)**

UNICAP MODARABA

Managed By
Al-Zāmin Modaraba Management (Pvt) Ltd.

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UNICAP MODARABA

Managed by : AL-Zāmin Modaraba Management (Private) Limited Since 03-05-2000

DIRECTORS' REPORT

Board of Directors of Al-Zamin Modaraba Management (Pvt.) Limited present to the certificate holders the un-audited accounts of Unicap Modaraba for the Half year ended December 31, 2009.

As already reported, the Modaraba is not a going concern and the surplus funds have been invested in Certificates of Musharakah and Term Finance Certificates of an investment bank. During the half year a sum of Rs. 236,226 was earned on these investments whereas the administrative expenses stood at Rs. 237,636. An unrealized loss of Rs. 14,275 was booked on investment in shares. The half year ended in a loss of Rs. 15,685 for the period. The accumulated loss at the end of the half year stands at Rs. 144,514,459.

For and on behalf of the Board of Directors

Karachi
Date: 16th February 2010

Basheer A. Chowdry
Chief Executive

AUDITORS' REPORT TO THE CERTIFICATE HOLDER'S ON REVIEW OF INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying condensed interim balance sheet of Unicap Modaraba (the Modaraba) as at December 31, 2009 and the related condensed interim profit and loss account, condensed interim cash flow statement and condensed interim statement of changes in equity together with the notes forming part thereof (here-in-after referred to as "interim financial information") for the half year then ended. Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan. Our responsibility is to express a conclusion on this interim financial information based on our review. The figures of the condensed interim profit and loss account for the quarters ended December 31, 2009 and 2008 have not been reviewed as we are required to review only the cumulative figures for half year ended December 31, 2009 and 2008.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagement 2410, Review of Interim Financial Information Performed by the Independent Auditors of the Entity'. A review of interim financial information consists of making inquiries, primarily of person responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standard on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan.

Without qualifying our report, we draw your attention to notes 1 to 3 whereby management has provided reasons for not considering the Modaraba a going concern and also disclosed the basis of preparation based on which the annexed financial statement have been prepared.

Karachi
Date : 16th February, 2010

M. Yousuf Adil Saleem & Co.
Chartered Accountants

CONDENSED INTERIM BALANCE SHEET AS AT DECEMBER 31, 2009

	Note	December 31, 2009 Rupees (Unaudited)	June 30, 2009 Rupees (Audited)
ASSETS			
Bank balances		71,275	105,237
Accrued markup / profit		201,802	201,796
Investment in marketable securities	5	113,794	128,069
Investment in certificates of musharakah	6	2,500,000	2,500,000
Investment in term finance certificates	7	647,700	647,700
		3,534,571	3,582,802
LIABILITIES			
Accrued and other liabilities	8	2,403,418	2,435,418
Provision for taxation - net		506,639	507,185
		2,910,057	2,942,603
		624,514	640,199
NET ASSETS REPRESENTED BY CERTIFICATE CAPITAL			
Authorized 20,000,000 Modaraba Certificates of Rs.10/- each		200,000,000	200,000,000
Issued, subscribed and paid up	9	136,400,000	136,400,000
RESERVES			
Statutory reserves		8,738,973	8,738,973
Accumulated loss		(144,514,459)	(144,498,774)
		624,514	640,199
CONTINGENCIES			
	10		

The annexed notes from 1 to 13 form an integral part of these financial statements.

CHIEF EXECUTIVE

DIRECTOR

DIRECTOR

**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2009**

	Half year Ended		Quarter Ended	
	Dec 31, 2009 Rupees	Dec 31, 2008 Rupees	Dec 31, 2009 Rupees	Dec 31, 2008 Rupees
INCOME				
Profit on PLS Account	5,454	10,585	5,454	7,585
Profit on certificate of musharakah	200,004	-	100,002	-
Profit on term finance certificates	30,768	61,530	15,384	30,530
Profit on musharakah arrangement	-	144,328	-	80,328
	236,226	216,443	120,840	118,443
EXPENSES				
Administrative expenses	(237,636)	(206,409)	(178,527)	(164,409)
Unrealized loss on revaluation of marketable securities	(14,275)	(658,008)	(38,965)	(155,008)
LOSS FOR THE PERIOD	(15,685)	(647,974)	(96,652)	(200,974)

The annexed notes from 1 to 13 form an integral part of these financial statements.

CHIEF EXECUTIVE

DIRECTOR

DIRECTOR

**CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2009**

	December 31, 2009 Rupees	December 31, 2008 Rupees
CASH FLOWS FROM OPERATING ACTIVITES		
Loss before taxation	(15,685)	(647,974)
Adjustment for		
Unrealized loss on revaluation of marketable securities	14,275	658,008
Operating cash flows before working capital changes	(1,410)	10,034
Changes in working capital		
Decrease / (Increase) in assets		
Accrued markup / profit	(6)	(33,422)
Increase / (Decrease) in liabilities		
Accrued and other liabilities	(32,000)	(5,971)
Net cash used in operations	(33,416)	(29,359)
Tax paid	(546)	(1,077)
Net cash used in operating activities	(33,962)	(30,436)
Net decrease in cash and cash equivalents	(33,962)	(30,436)
Cash and cash equivalents at beginning of the period	105,237	647,228
Cash and cash equivalents at end of the period	71,275	616,792

The annexed notes from 1 to 13 form an integral part of these financial statements.

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2009**

 Reserves			Total Rupees
	Certificate capital Rupees	Capital Statutory reserves Rupees	Revenue Accumulated Loss Rupees	
Balance as at July 1, 2008	136,400,000	8,738,973	(143,186,136)	1,952,837
Loss for the period	-	-	(647,974)	(647,974)
Balance as at December, 2008	136,400,000	8,738,973	(143,834,110)	1,304,863
Loss for the period	-	-	(664,664)	(664,664)
Balance as at June 30, 2009	136,400,000	8,738,973	(144,498,774)	640,199
Loss for the period	-	-	(15,685)	(15,685)
Balance as at December 31, 2009	136,400,000	8,738,973	(144,514,459)	624,514

The annexed notes from 1 to 13 form an integral part of these financial statements.

CHIEF EXECUTIVE

DIRECTOR

DIRECTOR

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2009

1. STATUS AND ACTIVITIES

Unicap Modaraba (the Modaraba) is a multipurpose, perpetual Modaraba floated in Pakistan in the year 1991 under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 and the rules framed there under, having its registered office at 104-106, Kassam Court, BC-9, Block-5, Clifton, Karachi. The Modaraba is listed on the Karachi, Lahore and Islamabad Stock Exchanges. The Modaraba was managed, until May 3, 2000, by Chartered Management Services (Private) Limited and thereafter the management was transferred to Al-Zamin Modaraba Management (Private) Limited (the Modaraba Management Company) as the registration of the former was cancelled by the Securities and Exchange Commission of Pakistan in view of the various irregularities committed.

The operations of Modaraba have been reduced to minimal level since the year 2000 and present Modaraba Management Company has no plans to revive the Modaraba and intends to dispose off the management rights of the Modaraba. Further, accumulated losses of the Modaraba at balance sheet date are Rs. 144,514,459 (June 30, 2009: Rs. 144,498,774). Due to aforementioned reasons, the Modaraba is not considered a going concern.

2. STATEMENT OF COMPLIANCE

The Modaraba is not a going concern, therefore, International Financial Reporting Standards (IFRSs) have not been applied in preparation of these financial statements in accordance with the paragraph 25 of IAS - 1; "Presentation of Financial Statements".

These financial statements have been prepared in accordance with the requirements of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 and Modaraba Companies and Modaraba Rules, 1981 and directives issued by the Securities and Exchange Commission of Pakistan ['the Modaraba Regulation'] in a condensed form. These condensed interim financial statements comprise of balance sheet, profit and loss account, cash flow statement and statement of changes in equity together with selected explanatory notes.

These financial statements are unaudited but subject to limited scope review performed by the external auditors of the Modaraba in accordance with the requirements of the Code of Corporate Governance and they have issued their review report thereon. These financial statements are being submitted to the certificate holders as required under Modaraba regulations.

3. BASIS OF PRESENTATION

As stated in note 1, the Modaraba is not considered a going concern, therefore, these financial statements have been prepared on a basis other than going concern, which is as follows:

- All assets are stated at their realisable value; and
- All liabilities are stated at amounts payable.

4. ACCOUNTING POLICIES

The accounting policies and methods of computation followed in the preparation of these condensed interim financial statements are the same as those applied in preparing the annual financial statements for the year ended June 30, 2009.

5. INVESTMENT IN MARKETABLE SECURITIES

5.1 Investments in listed companies and mutual funds*

* The face value of these shares/certificates is Rs. 10/- each, unless stated otherwise.

December 31, 2009	June 30, 2009		December 31, 2009	June 30, 2009
No of shares (Unaudited)	/ certificates (Audited)		Rupees (Unaudited)	Rupees (Audited)
		Closed end Mutual Fund		
400	400	First Capital Mutual Fund	1,424	952
		Investment Banks and Companies		
17,438	17,438	First Dawood Investment Bank	48,651	53,535
4,820	4,820	First Capital Security Corporation	45,742	50,176
600,000	600,000	International Investment and Finance Services Limited (Note 10.1)	-	-
		Leasing Companies		
1,268	1,268	Pakistan Industrial and Commercial Leasing Limited	127	456
250,000	250,000	Universal Leasing Corporation Limited (Note 10.2)	-	-
		Textile Composite		
10,200	10,200	Colony Thal Textile Mills Limited	17,850	22,950
			113,794	128,069

5.2 The above investments are stated at their quoted market prices as at balance sheet date except for investments mentioned in notes 10.1 and 10.2.

	December 31, 2009 Rupees (Unaudited)	June 30, 2009 Rupees (Audited)
6. INVESTMENT IN CERTIFICATE OF MUSHARAKAH		
	<u>2,500,000</u>	<u>2,500,000</u>

The Modaraba has purchased Certificates of Musharakah of Invest Capital Investment Bank Limited, an associated undertaking, of varying tenors starting from July 1, 2009 to January 14, 2010. The rate of profit on these Certificates of Musharakah is 16% per annum.

This investment is stated at amount realizable from the Investee Company.

	December 31, 2009 Rupees (Unaudited)	June 30, 2009 Rupees (Audited)
7. INVESTMENT IN TERM FINANCE CERTIFICATES		
Term Finance Certificates	<u>647,700</u>	<u>647,700</u>

(Invest Capital Investment Bank Limited - an associated undertaking)

These Term Finance Certificates (TFCs) have a maturity period of five years commencing from May 2005. The expected profit rate on these Term Finance Certificates is 9.50% per annum payable half yearly.

These TFCs are secured by a floating charge on the un-encumbered leased assets and associated lease receivables of the Investee Company. The TFCs are listed on the Karachi Stock Exchange and currently carry an instrument rating of A (Single A) by JCR-VIS Credit Rating Company Limited.

These TFCs are stated at amount realizable from the Investee Company.

	December 31, 2009 Rupees (Unaudited)	June 30, 2009 Rupees (Audited)
8. ACCRUED AND OTHER LIABILITIES		
Accrued expenses	1,058,176	1,090,176
Un-claimed dividend	345,242	345,242
Other liabilities	<u>1,000,000</u>	<u>1,000,000</u>
	<u>2,403,418</u>	<u>2,435,418</u>

The above liabilities are stated at amounts payable.

9. ISSUED, SUBSCRIBED AND PAID UP CERTIFICATES

10,000,000 Modaraba Certificates of Rs.10/- each fully paid in cash	100,000,000	100,000,000
3,640,000 Modaraba Certificates of Rs.10/- each as fully paid bonus certificates	<u>36,400,000</u>	<u>36,400,000</u>
	<u>136,400,000</u>	<u>136,400,000</u>

10. CONTINGENCIES

10.1 Shares of International Investment and Finance Services Limited were pledged against an advance obtained from Universal Leasing Corporation Limited. The lender arranged an unauthorized transfer of these shares in its name. The matter is disputed and a legal suit has been filed by the Modaraba against Universal Leasing Corporation Limited.

10.2 An Ex-Director and Sponsor of Chartered Management Services (Private) Limited (ex-modaraba management company) obtained financing from a bank against an unauthorized and illegal pledge of shares of Universal Leasing Corporation Limited belonging to the Modaraba. After failing to recover the shares from the lender bank, the Modaraba has filed a legal suit against the bank. A counter case has been filed by the lender seeking recovery of Rs. 1,894,524, however, management does not foresee any liability to materialize.

The above mentioned cases are likely to take some time to conclude particularly due to the fact that the respective shares have reportedly been disposed off by the aforesaid counterparties. Necessary provisioning has been made in the books and accordingly the same appear at nil values in these financial statements (note 5).

10.3 The assessment of Modaraba has been finalized for and upto the Tax year 2008.

The Tax Year 2003, corresponding with the Financial Year ended June 30, 2003, has been selected for tax audit under Section 177 of the Income Tax Ordinance, 2001 (the Ordinance). The Tax Audit is under process and pending to be finalized on the part of the Taxation Officer as the final show cause has duly been complied with. Moreover, the return of income had to be revised under the Ordinance. Under the original return of income, the tax liability was estimated at Rs. 45,755/- against which the Modaraba had already suffered a deduction under section 153 of the Ordinance against the payment received by it for the sale of its land during the year. The return of income of the Modaraba was revised under section 114(6) of the Ordinance based on the fact that the gain on sale of land made by Modaraba during the year could not, inadvertently be excluded earlier while calculating the taxable profit/(loss) for the year. Since the gain on sale of land is not taxable under the Ordinance, the same was then duly excluded from the taxable income. Resultantly, a refund of Rs. 45,742/- was claimed in the revised return.

For assessment years 2000-2001, 2001-2002 and 2002-2003 appeals have been preferred before the Honourable Income Tax Appellate Tribunal against the appellate orders of the Commissioner of Income Tax - Appeals, which may result in a maximum liability of Rs. 1 million. Moreover, the Modaraba has also moved to the available forum of ADRC by way of appeals and submissions. The management expects a favourable outcome from the above forum and, accordingly, no provision has been made in these financial statements.

11. TRANSACTIONS WITH RELATED PARTIES	December 31, 2009 Rupees	December 31, 2008 Rupees
Unaudited.....	

Related parties include Al - Zamin Modaraba Management (Private) Limited being the Modaraba Management Company and Invest Capital Investment Bank Limited.

Invest Capital Investment Bank Limited - associated undertaking

Profit earned on investments made	<u>230,772</u>	<u>205,858</u>
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The investments in TFC and Certificates of Musharaka with an associated undertaking are disclosed in notes 6 and 7 to the condensed interim financial statements.

12. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were authorized for issue on 16th February 2010 by the Board of Directors of the Management Company.

13. GENERAL

Figures for the quarters ended December 31, 2009 and 2008 have not been subject to limited scope review by the external auditors.

CHIEF EXECUTIVE	DIRECTOR	DIRECTOR
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BOARD OF DIRECTORS

The Board of Directors of Al-Zamin Modaraba Management (Pvt) Limited comprises of eminent professionals and businessmen having rich experience and strong relationship in domestic and international banking circles. The members of the Board are as follows:

Mr. Zafar Iqbal	Chairman
Mr. Basheer Ahmed Chowdry	Chief Executive
Mr. Manzoor Hussain Shah Kazmi	Director
Mr. Sohail Ansar	Director
Mr. Shiekh Arshad Farooq	Director
Mr. Muhammad Kamal Abdul Nasir	Director
Mr. Mohammad Imranul Haque	Director

Management

Mr. Basheer Ahmed Chowdry	Chief Executive
Mr. Mohammad Moizul Haque	Chief Operating Officer
Mr. Ansar Husain	Executive Director
Ms. Hamida Aqeel	Company Secretary
Mr. Mohammad Naim Ashraf	Chief Financial Officer

Registered Office

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