



**THIRD QUARTER ACCOUNTS
MARCH 31, 2008
(Unaudited)**

UNICAP MODARABA

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

104-106, Kassam Court, BC-9, Block-5, Clifton, Karachi-75600
Telephone: 5876651,5876652 Fax: 5870408

**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 third quarter ended on March 31, 2008.

The Mudarabah is non-operational for the last eight years. An income of Rs. 301,755/= was generated from the investment of surplus funds during the period of nine months. Efforts are continuing to dispose off the management rights of the Mudarabah.

For and on behalf of the Board of Directors

Karachi
Date: 26th April, 2008

Basheer A. Chowdry
Chief Executive

BALANCE SHEET AS AT MARCH 31, 2008 (UNAUDITED)

	Note	March 31, 2008 Rupees	June 30, 2007 Rupees
ASSETS			
Bank balances		10,629	14,245
Accrued markup / profit		79,007	98,643
Investment in marketable securities	5	1,596,313	896,658
Investment in musharakah arrangement		2,000,000	2,000,000
Investment in term finance certificates		1,905,000	1,905,000
		5,590,949	4,914,546
LIABILITIES			
Accrued and other liabilities		2,075,508	2,187,633
Provision for taxation		1,213,021	1,213,033
Un-claimed dividend		344,918	345,242
		3,633,447	3,745,908
NET ASSETS		1,957,502	1,168,638
REPRESENTED BY			
Authorized Capital		200,000,000	200,000,000
Issue, subscribed and paid up certificates		136,400,000	136,400,000
Reserves and accumulated losses		(134,442,498)	(135,231,362)
		1,957,502	1,168,638

The annexed notes form an integral part of these financial statements.

CHIEF EXECUTIVE

DIRECTOR

DIRECTOR



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**PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED MARCH 31, 2008 (UNAUDITED)**

	Nine months ended March 31, 2008 Rupees	Nine months ended March 31, 2007 Rupees	Quarter ended March 31, 2008 Rupees	Quarter ended March 31, 2007 Rupees
INCOME				
Profit on musharakah arrangement	165,862	172,384	53,095	42,977
Profit on term finance certificate	135,729	120,650	45,243	30,162
Profit on pls account	164	-	164	-
	301,755	293,034	98,502	73,139
EXPENSES				
Administrative and operating expenses	(212,540)	(219,864)	(47,779)	(43,865)
	89,215	73,170	50,723	29,274
Unrealized (loss)/gain on revaluation of marketable securities	699,649	(126,239)	501,443	576
PROFIT/(LOSS) FOR THE PERIOD	788,864	(53,069)	552,166	29,850

The annexed notes form an integral part of these financial statements.

CHIEF EXECUTIVE

DIRECTOR

DIRECTOR

**CASH FLOW STATEMENT
FOR THE PERIOD ENDED MARCH 31, 2008 (UNAUDITED)**

	March 31, 2008 Rupees	March 31, 2007 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) before taxation	788,864	(53,069)
Adjustment for		
Unrealized loss/(gain) on revaluation of marketable securities	(699,655)	126,239
Operating cash flow before working capital changes	89,209	73,170
Changes in working capital		
Decrease/(Increase) in current assets		
Accrued markup / profit	19,636	56,742
(Decrease)/Increase in liabilities		
Accrued and other liabilities	(112,137)	(69,382)
Un-claimed dividend	(324)	-
	(112,461)	(69,382)
Net cash (used in) operating activities	(3,616)	60,530
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(3,616)	60,530
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	14,245	29,819
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	10,629	90,349

The annexed notes form an integral part of these financial statements.

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STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED MARCH 31, 2008 (UNAUDITED)

	Certificate Capital Rupees	Statutory Reserve Rupees	Accumulated (Losses) Rupees	Total Rupees
Balance as at July 1, 2006	1 36,400,000	8,497,409	(144,152,394)	745,015
Loss after taxation	-	-	(53,069)	(53,069)
Balance as at March 31, 2007	1 36,400,000	8,497,409	(144,205,463)	691,946
Balance as at July 1, 2007	1 36,400,000	8,582,134	(143,813,496)	1,168,638
Profit for the period	-	-	788,864	788,864
Balance as at March 31, 2008	136,400,000	8,582,134	(143,024,632)	1,957,502

The annexed notes form an integral part of these financial statements.

CHIEF EXECUTIVE

DIRECTOR

DIRECTOR

NOTES TO THE ACCOUNTS FOR THE PERIOD ENDED MARCH 31, 2008

1. STATUS AND ACTIVITIES

Unicap Modaraba (the mudarabah) is a multipurpose, perpetual Mudarabah floated in Pakistan in the year 1991 under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 and the rules framed thereunder, having its registered office at 104-106, Kassam Court, BC-9, Block-5, Clifton, Karachi. The Mudarabah is listed on the Karachi, Lahore and Islamabad Stock Exchanges. The Mudarabah was managed, until May 03, 2000, by Chartered Management Services (Private) Limited and thereafter the management was transferred to Al-Zamin Modaraba Management (Private) Limited (the Mudarabah 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 the Mudarabah have been reduced to minimal level since the year 2000 and the present Mudarabah Management Company has no plans to revive the Mudarabah and intends to dispose off the management rights of the Mudarabah. Further, accumulated losses of the Mudarabah at balance sheet date are Rs.143,024,632 (2007: Rs.143,813,496). Due to aforementioned reasons, the Mudarabah is not considered as going concern.

2. STATEMENT OF COMPLIANCE

The Mudarabah 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 Para 23 of IAS - 1; "Presentation of Financial Statements".

These financial statements have been prepared in accordance with the requirements of the Mudarabah Companies and Mudarabah (Floatation and Control) Ordinance, 1980 and Mudarabah Companies and Mudarabah Rules, 1981 and directives issued by the Securities and Exchange Commission Of Pakistan ['the Mudarabah Regulation'].

3. BASIS OF PRESENTATION

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

- All the 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 for the preparation of these financial statements are the same as those applied in preparing the financial statements for the yeae ended June 30,2007.

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.

March 31, 2008	June 30, 2007		March 31, 2008 Rupees	June 30, 2007 Rupees
Number of shares/certificates				
400	400	Closed end Mutual Fund	3,481	4,040
		First Capital Mutual Fund		
17,438	17,438	Investment Companies and Banks	1,053,237	504,828
4,820	4,820	Dawood Investment Bank Limited	491,158	336,677
600,000	600,000	First Capital Security Corporation Limited		
		International Investment & Finance Services Limited (Note 9.1)	-	-
1,268	1,268	Leasing Companies	2,537	2,663
250,000	250,000	Pakistan Industrial & Commercial Leasing Limited		
		Universal Leasing Corporation Limited) (Note 9.2)	-	-
10,200	10,200	Textile and Others	45,900	48,450
		Colony Thal Textile Mills Limited		
			1,596,313	896,658

5.2 These investments are stated at their quoted market prices as at balance sheet except for investments mentioned in note 9.1 and 9.2.

	Note	March 31, 2008 Rupees	June 30, 2007 Rupees
6. INVESTMENT IN MUSHARAKAH ARRANGEMENT		2,000,000	2,000,000
<p>The Mudarabah has entered into a musharakah arrangement with Al-Zamin Leasing Modaraba, an associated undertaking, for a period of six months having maturity in August 2008. The rate of profit on this musharaka is 11% (2007: 13%) per annum. This investment is stated at amount realisable from the Investee Mudarabah.</p>			
7. INVESTMENT IN TERM FINANCE CERTIFICATES			
Term finance Certificates (Al-Zamin Leasing Modaraba an associated undertaking)		1,905,000	1,905,000
<p>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.</p> <p>These TFCs are secured by a floating charge on the un-encumbered leased assets and associated lease receivables of the Investee Mudarabah. 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.</p> <p>These TFCs are stated at amount realisable from the Investee Mudarabah.</p>			
8. ISSUED, SUBSCRIBED AND PAID UP CERTIFICATES			
10,000,000 Mudarabah Certificates of Rs. 10/- each fully paid in cash		100,000,000	100,000,000
3,640,000 Mudarabah Certificates of Rs. 10/- each as fully paid bonus certificates		36,400,000	36,400,000
		136,400,000	136,400,000
9. CONTINGENCIES			
9.1	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 Mudarabah against Universal Leasing Corporation Limited.		
9.2	An Ex-Director and Sponsor of Chartered Management Services (Private) Limited (ex-mudarabah management company) obtained financing from a bank against an unauthorized and illegal pledge of shares of Universal Leasing Corporation Limited belonging to the Mudarabah. After failing to recover the shares from the lender bank, the Mudarabah 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 in this regard the 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.		
9.3	The assessment of Mudarabah has been finalized for and upto the Tax year 2007.		
	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 Rupees 45,755/- against which the Mudarabah 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 Mudarabah was revised under section 114(6) of the Ordinance based on the fact that the gain on sale of land made by Mudarabah 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 Rupees 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 options to move to other forums available to Mudarabah by way of appeals and submissions before the FTO and ADRC are also under consideration. The management expects a favourable outcome from the above forums and, accordingly, no provision has been made in these financial statements.		
10. TRANSACTION WITH RELATED PARTIES			
<p>Related parties include Al-Zamin Modaraba Management (Private) Limited being the Mudarabah Management Company and Al-Zamin Leasing Modaraba being Mudarabah under common management</p>			
Al-Zamin Modaraba Management (Private) Limited-Management Company			
Operating expenses paid by the mudarabah management company		186,874	230,618
Reimbursements made to the mudarabah management company		265,000	345,000
Al-Zamin Leasing Modaraba-an associated undertaking			
Profit earned on investment made		301,591	436,922
<p>The investments in TFC and Musharakah arrangement with an associated undertaking and payable to the Mudarabah Management Company are disclosed in note 6 to 7 to the financial statements.</p>			
11. DATE OF AUTHORIZATION FOR ISSUE			
<p>These financial statements were authorized for issue on 26th April 2008 by the Board of Directors of the Management Company.</p>			

CHIEF EXECUTIVE

DIRECTOR

DIRECTOR

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. Mohammad Aslam Khan	Director
Mr. Najib Amanullah	Director
Mr. Shiekh Arshad Farooq	Director
Mr. Muhammad Kamal Abdul Nasir	Director
Mr. Mohammad Imranul Haque	Director
Dr. Namoos Baquar	Director
Mr. Anis Wahab Zuberi	(Nominee of National Investment Trust)
Mr. Muhammad Zahid	(Nominee of Zahidjee Fabrics (Pvt) Ltd.)
Mr. Rashid Ahmed	(Nominee of National Investment Trust)

Management

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

Registered Office

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