



Securities and Exchange Commission of Pakistan Internal & External Communications Department

PRESS RELEASE
FOR IMMEDIATE RELEASE

SECP REVIVES A SICK MODARABA TO SAFEGUARD CERTIFICATE HOLDERS' INTEREST

ISLAMABAD – FEBRUARY 24, 2009: The Securities and Exchange Commission of Pakistan (SECP) has transferred the management rights of Trust Modaraba to Al-Zamin Modaraba Management (Pvt.) Limited after a thorough review of the credentials, business track record along with the business plan.

On August 20, 2008, SECP had removed the then management company of Trust Modaraba and appointed an independent Administrator to safeguard the interest of Modaraba certificate holders after an SECP inspection team pointed out serious irregularities into the affairs of the Modaraba.

As mandated by the Commission, the Administrator thoroughly reviewed the affairs of the Modaraba and initiated corrective/remedial measures not only to arrest the continuous deterioration in its assets but to bring out the true financial health of the Modaraba by circulating the annual audited accounts. In addition, the Administrator initiated a full scope legal course for recovery of the facilities from the defaulters.

Meanwhile, SECP invited Expression of Interests (EOIs) for transfer of management rights of the Modaraba to any party having proven track-record and sound financial footing. This was done with a view to keep the Modaraba as a viable financial intermediary and to secure the future of the certificate holders. Various EOIs were received and the most suitable parties were invited to conduct due diligence of the Modaraba and to submit a time bound, practicable revival/business plan.

SECP transferred the management rights of Trust Modaraba to Al-Zamin Modaraba Management (Pvt.) Limited on 23 February, 2009. It is expected to benefit all stakeholders of the Trust Modaraba.

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