



QUARTERLY REPORT

For the Quarter Ended

March 31, 2010

B.F. MODARABA

Managed By

E.A. MANAGEMENT (PVT) LTD.

Registered under

The Companies Ordinance 1984 & Modaraba

Companies & Modaraba Ordinance 1980



COMPANY PROFILE

MODARABA MANAGEMENT COMPANY
E. A. Management (Pvt.) Ltd.

DIRECTORS OF MODARABA COMPANY

Mr. Ahmed Ali Mohammad Amin Bawany	Chairman
Mr. Omar Amin Bawany	Chief Executive
Mr. Abdul Ghani Samad	Director
Mr. Abdul Wahid Jaliawala	Director

AUDIT COMMITTEE

Mr. Omar Amin Bawany	Chairman
Mr. Abdul Wahid Jaliawala	Member
Mr. Abdul Ghani Samad	Member

COMPANY SECRETARY

Muhammad Ayub

MODARABA AUDITORS

Rehman Sarfaraz Rahim Iqbal Rafiq

BANKERS

Al-Baraka Islamic Bank
Bank Al-Habib Islamic Limited
Habib Metropolitan Islamic Bank Limited
Dawood Islamic Bank Limited
Habib Bank Limited

REGISTERED OFFICE

4th Floor, Bank House No.1,
Habib Square, M.A. Jinnah Road,
Karachi-74000 Pakistan
Phone : (92-21) 111-786-878, 32413240
Fax : (92-21) 32421010
E-mail : info@bfmodaraba.com.pk
bfmodaraba1@hotmail.com
URL : www.bfmodaraba.com.pk

SHARES REGISTERAR

M/s. C & K Management Associates (Pvt.) Limited
404, Trade Tower, Abdullah Haroon Road, Near
Metropole Hotel, Karachi-75530 Phone: 35687839-35685930



**CHIEF EXECUTIVE REVIEW
FOR THE PERIOD ENDED MARCH 31, 2010**

Dear Certificate Holders,
Assalamo Alaikum,

By grace of Almighty Allah I take pleasure in presenting a brief review of the performance of your Modaraba for the period ended March 31, 2010.

Gross revenue during the nine months were Rs.11.695 million vis-à-vis Rs.10.283 million for the corresponding period of 2008-09, showing growth of 14 % due to mainly increase in trading income. Impairment in marketable securities amounting to Rs.3.270 million was charged to profit loss account in accordance with SRO 150 (1)/2009, dated 13th February 2009. Thus, Pre-tax Profit stood at Rs. 5.830 million against a Pre-tax Profit of Rs. 6.605 million for the corresponding period of 2008-09. The unrealized gain in the value of investment in marketable securities was Rs.8.540 million after transferring impairment loss to profit and loss account.

May Almighty Allah guide us in our efforts of the progress of Modaraba and reward with the blessing **AMEEN**.

Karachi:
April 28, 2010

Omar Amin Bawany
Chief Executive



BALANCE SHEET
AS AT MARCH 31, 2010

	Notes	<u>Mar-2010</u> Rupees	<u>June-2009</u> Rupees
CERTIFICATE CAPITAL AND RESERVES			
Authorized Capital			
10,000,000 Modaraba Certificates of Rs. 10/- each		<u>100,000,000</u>	<u>100,000,000</u>
EQUITY AND LIABILITIES			
Issued, subscribed and paid-up capital		68,319,625	68,319,625
Reserve		<u>26,473,233</u>	<u>22,738,833</u>
		94,792,858	91,058,458
Unrealized gain on available for sale-financial assets		<u>8,540,536</u>	<u>556,510</u>
Total equity		<u>103,333,395</u>	<u>91,614,968</u>
Non-Current Liabilities			
Staff gratuity		<u>146,012</u>	<u>82,300</u>
Long term lease deposits		<u>84,600</u>	<u>84,600</u>
		<u>230,612</u>	<u>166,900</u>
Current Liabilities			
Accrued and other liabilities		<u>553,639</u>	<u>3,451,618</u>
Provision of taxation		5,959,157	3,980,000
Provision of WWF		116,603	-
Due to management company		647,796	811,102
Unclaimed Dividend		<u>278,583</u>	<u>278,583</u>
Total of current liabilities		<u>7,555,778</u>	<u>8,521,303</u>
Contingencies & Commitments		-	-
Total equity and liabilities		<u>111,119,784</u>	<u>100,303,171</u>
ASSETS			
Non-Current Assets			
Own use		<u>507,377</u>	<u>595,574</u>
Leased out		<u>496,679</u>	<u>606,369</u>
		1,004,056	1,201,943
Long term deposits		40,019	40,019
Current Assets			
Stock in trade		-	<u>37,333,536</u>
Murabaha Facility		12,500,000	-
Trade Debts - Considered good		1,814,950	-
Advances, deposit, prepayments & other receivables		46,405,415	8,020,413
Available-for-sale Financial assets	1	<u>38,799,526</u>	<u>38,216,733</u>
Cash and bank balances		<u>10,555,819</u>	<u>15,490,527</u>
		110,075,710	99,061,209
Total Assets		<u>111,119,784</u>	<u>100,303,171</u>

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

Chairman	Chief Executive	Director
E. A. Management (Pvt) Ltd	E. A. Management (Pvt) Ltd	E. A. Management (Pvt) Ltd



**PROFIT AND LOSS ACCOUNT
FOR THE QUARTER ENDED MARCH 31, 2010**

Note	Nine Months Ended		Quarter Ended	
	July-09 to Mar-10 Rupees	July-08 to Mar-09 Rupees	Jan-10 to Mar-10 Rupees	Jan-09 to Mar-09 Rupees
Operating Incomes	11,695,614	10,283,970	1,606,507	1,428,389
Less:				
Operating expenses	1,837,900	1,678,662	524,734	504,417
Amortization on leased assets	109,690	94,669	37,917	32,725
	<u>1,947,590</u>	<u>1,773,331</u>	<u>562,651</u>	<u>537,142</u>
Profit before Impairment Loss	9,748,024	8,510,639	1,043,856	891,247
Impairment Loss	1.3 (3,270,068)	(1,171,308)	-	(1,171,308)
Profit/(Loss) before charging management fee	6,477,956	7,339,331	1,043,856	(280,062)
Management fee	(647,796)	(733,933)	(104,386)	28,006
Profit/(Loss) before Workers Welfare Fund	5,830,160	6,605,398	939,470	(252,056)
Workers Welfare Fund	(116,603)	-	(18,789)	-
Profit/(Loss) before taxation	5,713,557	6,605,398	920,681	(252,056)
Taxation - current	(1,979,157)	(1,586,912)	99,787	42,253
Profit/(Loss) after taxation	<u>3,734,400</u>	<u>5,018,486</u>	<u>1,020,468</u>	<u>(209,803)</u>
Earning per certificate - Basic & Diluted	0.55	0.73	0.15	(0.03)

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

Chairman **Chief Executive** **Director**
 E. A. Management (Pvt) Ltd E. A. Management (Pvt) Ltd E. A. Management (Pvt) Ltd



**STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED MARCH 31, 2010**

	For the Nine Months ended March 31,		For the quarter year ended March 31,	
	2010	2009	2010	2009
Profit/ (loss) for the period	3,734,400	5,018,486	1,020,468	(209,803)
Unrealized gain/(loss) on revaluation of available for sale - financial assets	5,241,759	(10,618,021)	1,258,934	4,635,790
Gain on financial assets transferred to profit and loss account	(527,801)	-	(948,602)	-
Impairment loss transferred to profit and loss account	3,270,068	1,171,308	-	1,171,308
	7,984,027	(9,446,713)	310,332	5,807,098
Total comprehensive income for the period	<u>11,718,427</u>	<u>(4,428,227)</u>	<u>1,330,800</u>	<u>5,597,295</u>

The annexed notes 1 to 9 form an integral part of these condensed interim financial information. Note 7.3 reflects the effect of departure from the requirement of IAS 39 "Financial Instruments : Recognition and Measurement" in respect of impairment of available for sale investments.

Chairman	Chief Executive	Director
E. A. Management (Pvt) Ltd	E. A. Management (Pvt) Ltd	E. A. Management (Pvt) Ltd



**STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED MARCH 31, 2010**

	March 31, 2010	March 31, 2009
	<u>Rupees</u>	<u>Rupees</u>
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	5,713,557	6,605,398
Adjustments for :		
Depreciation on own assets	88,721	122,206
Amortization on leased assets	109,690	94,669
Gain on sale of financial assets	(880)	-
Impairment Loss	3,270,068	1,171,308
Provision for Management fee	647,796	733,933
Provision for Gratuity	63,712	-
Dividend income	(1,701,864)	(1,390,365)
	<u>2,477,243</u>	<u>731,751</u>
	<u>8,190,800</u>	<u>7,337,149</u>
Changes in working capital		
Decrease / (increase) in current assets :		
Stock in trade	37,333,536	(11,767,178)
Murabaha Facility	(12,500,000)	-
Trade Debts	(1,814,950)	6,021,000
Advances, deposits, prepayments and other receivables	(35,598,140)	(10,738,131)
(Decrease) / increase in current liabilities:		
Management fee	(811,102)	(847,363)
Accrued expenses	(2,781,376)	1,181,530
Net decrease in working capital	<u>(16,172,032)</u>	<u>(16,150,142)</u>
	<u>(7,981,232)</u>	<u>(8,812,993)</u>
Taxes paid	<u>(2,787,400)</u>	<u>(1,022,712)</u>
Net cash inflow / (outflow) from operating activities	<u>(10,768,632)</u>	<u>(9,835,705)</u>
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Additions in fixed assets		
Own use	(524)	(4,550)
Sale Proceeds	-	-
Purchase of financial assets	(13,531,678)	(10,000,000)
Proceed from sale of financial assets	17,663,516	-
Dividend received	1,702,610	1,597,230
Net cash inflow from investing activities	<u>5,833,924</u>	<u>(8,407,320)</u>
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Net cash inflow / (outflow) in financing activities	<u>-</u>	<u>-</u>
Net increase/ (decrease) in cash and bank balances	<u>(4,934,708)</u>	<u>(18,243,025)</u>
Cash and bank balances at the beginning of the period	<u>15,490,527</u>	<u>25,109,181</u>
Cash and bank balances at the end of the period	<u>10,555,819</u>	<u>6,866,156</u>

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

Chairman	Chief Executive	Director
E. A. Management (Pvt) Ltd	E. A. Management (Pvt) Ltd	E. A. Management (Pvt) Ltd



**STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED MARCH 31, 2010**

Description	Issued subscribed and paid up capital	Reserves		Unrealised gain /(loss) on available for sale Investment	Total
		Statutory reserves	Unappropriated Profit		
Balance as at July 01, 2008	63,553,140	15,107,786	8,718,545	23,826,331	93,312,427
Comprehensive income for nine months	-	-	5,018,486	(9,446,712)	(4,428,226)
Issuance of bonus certificates	4,766,485	-	(4,766,485)	-	-
Balance as at March 31, 2009	68,319,625	15,107,786	8,970,546	24,078,332	88,884,201
Balance as at April 1, 2009	68,319,625	15,107,786	8,970,546	24,078,332	88,884,201
Issuance of bonus certificates	-	-	-	-	-
Comprehensive income for nine months	-	1,103,696	(2,443,195)	(1,339,499)	2,730,767
Balance as at June 30, 2009	68,319,625	16,211,482	6,527,351	22,738,833	91,614,968
Balance as at July 1, 2009	68,319,625	16,211,482	6,527,351	22,738,833	91,614,968
Comprehensive income for nine months	-	-	3,734,400	7,984,027	11,718,427
Balance as at March 31, 2010	68,319,625	16,211,482	10,261,751	26,473,233	103,333,395

----- Rupees -----

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The annexed notes 1 to 9 form an integral part of these condensed interim financial information. Note 7.3 reflects the effect of departure from the requirement of IAS 39 "Financial Instruments : Recognition and Measurement" in respect of impairment of available for sale investments.

Chairman
E. A. Management (Pvt) Ltd

Chief Executive
E. A. Management (Pvt) Ltd

Director
E. A. Management (Pvt) Ltd



AVAILABLE-FOR-SALE FINANCIAL ASSETS FOR THE PERIOD ENDED MARCH 31, 2010

1. FINANCIAL ASSETS

Available for sale

1.1 Shares and close-ended Mutual Funds

1.2 Open-ended Mutual Funds

1.1 Shares and Close-Ended Mutual Funds

Unless stated otherwise the holdings are in ordinary shares/certificates of Rs. 10/- each.

March 2010	June 2009	DESCRIPTION	March 2010	June 2009
Shares/Certificates			--- Rupees ---	
MUTUAL FUND-CLOSE ENDED				
164,000	164,000	Pakistan Premier Fund	972,520	672,400
<u>164,000</u>	<u>164,000</u>		<u>972,520</u>	<u>672,400</u>
MODARABAS				
117,636	117,636	Standard Chartered Modaraba	1,009,319	1,099,897
100,000	100,000	First Habib Bank Modaraba	485,000	391,000
72,900	72,900	First Punjab Modaraba	109,350	123,930
19,360	19,360	First Tri Star Modaraba	26,136	79,182
13,000	13,000	First UDL Modaraba	70,330	45,630
<u>322,896</u>	<u>322,896</u>		<u>1,700,135</u>	<u>1,739,639</u>
INVESTMENT COMPANIES/BANKS				
-	40,898	Security Investment Bank Limited	-	122,285
53,701	73,186	Trust Investment Bank	148,751	727,469
16,875	6,875	Jahangir Siddique & Company	365,681	159,431
<u>70,576</u>	<u>120,959</u>		<u>514,432</u>	<u>1,009,185</u>
TEXTILE WEAVING				
200	200	Service Fabric Limited	49	68
9,000	9,000	Reliance Weaving Mills Limited	84,420	31,500
<u>9,200</u>	<u>9,200</u>		<u>84,469</u>	<u>31,568</u>
SUGAR AND ALLIED				
2,507	2,507	Bawany Sugar Mills Limited	5,666	5,014
10,000	-	Al-Noor Sugar Mills Limited	289,800	-
5,000	5,000	Habib ADM Ltd. (Share of Rs.5/- each)	79,950	80,250
<u>17,507</u>	<u>7,507</u>		<u>375,416</u>	<u>85,264</u>
CEMENT				
-	531	Maple Leaf Cement Limited	-	2,262
12,000	-	Fauji Cement Limited	78,120	-
5,300	5,300	Cherat Cement	62,540	71,709
<u>17,300</u>	<u>5,831</u>		<u>140,660</u>	<u>73,971</u>
FUEL AND ENERGY				
100,000	100,000	Hub Power Company Limited	3,427,000	2,709,000
11,000	11,000	Sui Northern Gas Pipeline Ltd.	379,830	351,450
21,780	18,150	Pakistan Petroleum Limited	4,256,247	3,440,151
0	10,000	Oil and Gas Developmen Corpotation Ltd.	-	786,400
<u>132,780</u>	<u>139,150</u>		<u>8,063,077</u>	<u>7,287,001</u>
AUTO AND ALLIED				
4,455	4,455	Pak Suzuki Motors Company Ltd.	354,486	302,495
-	68	Millat Tractors Ltd.	-	18,988
-	500	Indus Motors Ltd.	-	53,860
-	20	Agriauto Ind Ltd.	-	653
<u>4,455</u>	<u>5,043</u>		<u>354,486</u>	<u>375,996</u>
COMMUNICATION				
57,000	57,000	Pakistan Telecommunication Company Ltd.	1,197,570	982,680
10,000	10,000	TRG Pakistan Ltd.	33,400	13,500
<u>67,000</u>	<u>67,000</u>		<u>1,230,970</u>	<u>996,180</u>



March 2010	June 2009	DESCRIPTION	March 2010	June 2009
Shares/Certificates			--- Rupees ---	
CHEMICALS & PHARMACEUTICALS				
22,764	22,764	Bawany Air Products Limited	227,413	80,812
-	304	FFC-Bin Qasim Limited	-	5,378
81,504	55,913	Fauji Fertilizer Limited	8,940,173	4,861,635
<u>104,268</u>	<u>78,981</u>		<u>9,167,586</u>	<u>4,947,825</u>
<u>909,982</u>	<u>920,567</u>		<u>22,603,751</u>	<u>17,219,029</u>

1.2 Mutual Funds Open-Ended Units

March 2010 Units	June 2009 Units		March 2010	June 2009
			--- Rupees ---	
MUTUAL FUNDS-OPEN ENDED				
-	53,024	Pakistan Capital Market Fund	-	440,095
-	104,450	United Islamic Income Fund	-	10,479,503
111,695	103,995	Meezan Islamic Income Fund	5,668,503	5,398,366
202,564	-	Meezan Cash Fund	10,527,272	-
-	497,480	Nafa Islamic Income Fund	-	4,679,740
<u>314,259</u>	<u>758,949</u>	Grand Total	<u>16,195,775</u>	<u>20,997,704</u>

1.3 Note: Impairment loss is recognized in accordance with S.R.O150(1)/2009 dated 13th February, 2009.

- These financial statements are unaudited and were authorized for issued on April 28, 2010 by the Board of Directors of the Management Company.
- The accounting policies adopted for the preparation of these financial statements are consistent with those applied for the preparation of the preceding published financial statements.
- Figures have been rounded off to the nearest rupee and have been re-arranged where necessary for the purpose of comparison.

Chairman **Chief Executive** **Director**
 E. A. Management (Pvt) Ltd E. A. Management (Pvt) Ltd E. A. Management (Pvt) Ltd