

# **COMPANY PROFILE**

### MODARABA MANAGEMENT COMPANY

E. A. Management (Pvt.) Ltd.

# **DIRECTORS OF MODARABA COMPANY**

Mr. Ahmed Ali Mohammad Amin Bawany
Mr. Omar Amin Bawany
Mr. Abdul Ghani Samad
Mr. Abdul Wahid Jaliawala

Chief Executive
Director
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

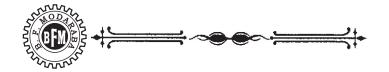
Dear Certificate Holders, Assalamo Alaikum,

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 visà-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**.

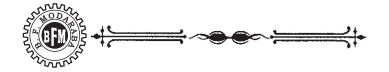
Karachi: April 28, 2010 Omar Amin Bawany Chief Executive



# BALANCE SHEET AS AT MARCH 31, 2010

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

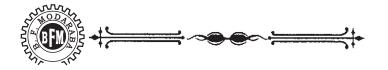
The annexed notes form an integral part of these financial statements.



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

	Nine Mon	ths Ended	Quarter	Ended	
Note	July-09 to	July-08 to	Jan-10 to	Jan-09 to	
	Mar-10 Rupees	Mar-09 Rupees	Mar-10 Rupees	Mar-09 Rupees	
					-
Operating Incomes	11,695,614	10,283,970	1,606,507	1,428,38	9
Less:					
Operating expenses	1,837,900	1,678,662	524,734	504,41	7
Amortization on leased assets	109,690	94,669	37,917	32,72	5
	1,947,590	1,773,331	562,651	537,142	2
Profit before Impairment Loss	9,748,024	8,510,639	1,043,856	891,24	7
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)	28,000	ô
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	42,25	3
Profit/(Loss) after taxation	3,734,400	5,018,486	1,020,468	(209,803	)
					=
Earning per certificate - Basic & Diluted	0.55	0.73	0.15	(0.03	)

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



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

	For the Nine Months ended March 31,		For the quarte	
	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 7,984,027	1,171,308 (9,446,713)	- 310,332	1,171,308 5,807,098
Total comprehensive income for the period	11,718,427	(4,428,227)	1,330,800	5,597,295

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.



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

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

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





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

	lssued		Reserves		Unrealised gain	
Description	subscribed and paid up capital	Statutory reserves	Statutory Unappropriated reserves Profit	Total Reserve	/ (loss) on available for sale Investment	Total
			Rupees		-	
Balance as at July 01, 2008	63,553,140	15,107,786	8,718,545	23,826,331	5,932,956	93,312,427
Comprehensive income for nine months Issuance of bonus certificates	4,766,485	1 1	5,018,486 (4,766,485)	5,018,486 (4,766,485)	(9,446,712)	(4,428,226)
Balance as at March 31, 2009	68,319,625	15,107,786	8,970,546	24,078,332	(3,513,756)	88,884,201
Balance as at April 1, 2009	68,319,625	15,107,786	8,970,546	24,078,332	(3,513,756)	88,884,201
Issuance of bonus certificates	1	•	ı	'	1	1
Comprehensive income for nine months	1	1,103,696	(2,443,195)	(1,339,499)	4,070,266	2,730,767
Balance as at June 30, 2009	68,319,625	16,211,482	6,527,351	22,738,833	556,510	91,614,968
Balance as at July 1, 2009	68,319,625	16,211,482	6,527,351	22,738,833	556,510	91,614,968
Comprehensive income for nine months	ı	1	3,734,400	3,734,400	7,984,027	11,718,427
Balance as at March 31, 2010	68,319,625	16,211,482	16,211,482 10,261,751	26,473,233	8,540,537	103,333,395

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



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

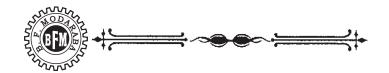
# 1. FINANCIAL ASSETS

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 June 2010 2009	DESCRIPTION	March 2010	June 2009
Shares/Certificates	MUTUAL FUND-CLOSED ENDED	— Rup	
<b>164,000</b> 164,000	Pakistan Premier Fund	972,520	672,400
<u>164,000</u> <u>164,000</u>		972,520	672,400
	MODARABAS		
<b>117,636</b> 117,636	Standard Chartered Modaraba	1,009,319	1,099,897
<b>100,000</b> 100,000	First Habib Bank Modaraba	485,000	391,000
<b>72,900</b> 72,900	First Punjab Modaraba	109,350	123,930
<b>19,360</b> 19,360	First Tri Star Modaraba	26,136	79,182
13,000 13,000	First UDL Modaraba	70,330	45,630
<b>322,896</b> 322,896		1,700,135	1,739,639
	INVESTMENT COMPANIES/BANKS		
- 40,898	Security Investment Bank Limited	-	122,285
<b>53,701</b> 73,186	Trust Invetement Bank	148,751	727,469
<b>16,875</b> 6,875	Jahangir Siddique & Company	365,681	159,431
<b>70,576</b> 120,959		514,432	1,009,185
222	TEXTILE WEAVING	40	00
<b>200</b> 200	Service Fabric Limited Reliance Weaving Mills Limited	49	68
9,000 9,000 9,200 9,200	Reliance Weaving Willis Littlited	84,420 84,469	31,500 31,568
	SUGAR AND ALLIED	04,403	
<b>2,507</b> 2,507	Bawany Sugar Mills Limited	5,666	5,014
10,000 -	Al-Noor Sugar Mills Limited	289,800	-
<b>5,000</b> 5,000	Habib ADM Ltd. (Share of Rs.5/- each)	79,950	80,250
<b>17,507</b> 7,507		375,416	85,264
	CEMENT		
- 531	Maple Leaf Cement Limited Fauji Cement Limited	70.400	2,262
<b>12,000</b> - <b>5,300</b>	Cherat Cement	78,120 62,540	71,709
17,300 5,831	Cherat Cement	140,660	73,971
	FUEL AND ENERGY	140,000	73,371
<b>100,000</b> 100,000	Hub Power Company Limited	3,427,000	2,709,000
<b>11,000</b> 11,000	Sui Northern Gas Pipeline Ltd.	379,830	351,450
<b>21,780</b> 18,150	Pakistan Petroleum Limited	4,256,247	3,440,151
<u> </u>	Oil and Gas Developmen Corpotation Ltd.	-	<u>786,400</u>
<b>132,780</b> 139,150		<u>8,063,077</u>	7,287,001
	AUTO AND ALLIED		
<b>4,455</b> 4,455	Pak Suzuki Motors Company Ltd. Millat Tractors Ltd.	354,486	302,495
- 68 - 500	Indus Motors Ltd.	-	18,988
- 500 - 20	Agriauto Ind Ltd.	-	53,860 653
<b>4,455</b> 5,043	g	354,486	375,996
	COMMUNICATION		310,000
<b>57,000</b> 57,000	Pakistan Telecommunication Company Ltd.	1,197,570	982,680
<b>10,000</b> 10,000	TRG Pakistan Ltd.	33,400	13,500
<b>67,000</b> 67,000		1,230,970	996,180



March 2010	June 2009	DESCRIPTION	March 2010	June 2009
Shares/Ce	ertificates		— R	upees
		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
104,268	78,981		9,167,586	4,947,825
909,982	920,567		22,603,751	17,219,029
1.2 Muti	ual Funds	s Open-Ended Units		

### 1.2 Mutual Funds Open-Ended Units

March 2010	June 2009		March 2010 _	June 2009
Units	Units	MUTUAL FUNDS OPEN ENDED	R	upees
		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
314.259	758,949	Grand Total	16,195,775	20,997,704
314,239	130,949	Giailu iolai	10,193,773	20,997,704

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

- 2. These financial statements are unaudited and were authorized for issued on April 28, 2010 by the Board of Directors of the Management Company.
- 3. 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.
- 4. Figures have been rounded off to the nearest rupee and have been rearranged where necessary for the purpose of comparison.

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