

B. F. MODARABA
CHIEF EXECUTIVE REVIEW REPORT
For the Period Ended March 31,2007

Dear Certificate Holders,

Assalmo Alaikum,

I take pleasure in presenting a brief review of the performance of your Modaraba for the Nine month ended March 31, 2007.

Gross revenue during the Nine month were Rs. 10.857 million vis -à-vis Rs.16.2 million for the corresponding period of 2006, showing decrease by 32.96% mainly due to lower trading income by Rs.7 million. However, capital gain on sale of marketable securities and dividend income increase by Rs. 1.7 million registering healthy growth of 55%. Pre -tax profit at Rs.7.9 million thus is lower by Rs. 4.9 million from the preceding period's Rs.12.8 million reflecting 38.28% decline from the same period of last year. The unrealized gain in the value of investment in marketable securities is Rs.5.4million, which has been reflected in the equity.

I thank my colleagues on the Board, Executives and all staff members for their unstinted support at all times

On behalf of the board

April 26, 2007
Karachi

OMAR AMIN BAWANY
Chief Executive

B. F. MODARABA
BALANCE SHEET
AS AT MARCH 31, 2007

	Notes	Mar-07 Rupees	Jun-06 Rupees
CAPITAL AND RESERVES			
Authorized Capital			
10,000,000 ModarabaCertificates of Rs. 10/- each		<u>100,000,000</u>	<u>100,000,000</u>
Issued, subscribed and paid-up capital		59,119,200	51,408,000
Statutory reserve		11,207,419	11,207,419
Accumulated profit / (loss)		<u>11,154,461</u>	<u>11,762,827</u>
		81,481,080	74,378,246
Unrealized gain in value of investment		<u>5,474,169</u>	<u>7,990,768</u>
TOTAL EQUITY		<u>86,955,249</u>	<u>82,369,014</u>
STAFF GRATUITY		114,440	126,320
SECURITY DEPOSIT LEASES		750,000	750,000
CURRENT LIABILITIES			
Creditors, accrued expenses and other liabilities		<u>1,096,955</u>	<u>1,959,986</u>
Provision of taxation		4,132,459	3,250,000
Current portion of lease deposits		358,500	438,500
Unclaimed Dividend		<u>278,583</u>	<u>278,583</u>
		5,866,497	5,927,069
		<u>93,686,186</u>	<u>89,172,403</u>
FIXED ASSETS			
Own use		1,047,672	1,179,634
Leased out		1,879,349	2,655,604
CURRENT ASSETS			
Stock in trade		<u>-</u>	<u>11,301,835</u>
Lease rental receivables		199,194	191,377
Short term morabahas		-	9,000,000
Advances, deposit, prepayments & other receivables		35,626,630	7,747,226
Investment	1	34,085,946	27,552,008
Cash and bank balances		<u>20,847,395</u>	<u>29,544,719</u>
		90,759,165	85,337,165
		<u>93,686,186</u>	<u>89,172,403</u>

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

Chief Executive
E. A. Management (Pvt) Ltd

Director
E. A. Management (Pvt) Ltd

Director
E. A. Management (Pvt) Ltd

B. F. MODARABA
PROFIT & LOSS ACCOUNT
FOR THE PERIOD & QUARTER ENDED MARCH 31, 2007

	Nine months ended		Quarter ended	
	Mar-07 Rupees	Mar-06 Rupees	Mar-07 Rupees	Mar-06 Rupees
Operating Incomes	10,857,575	16,212,069	2,507,659	12,682,424
Operating expenses	1,288,773	1,044,385	317,638	302,906
Amortization on leased assets	696,254	857,259	227,628	293,063
	1,985,027	1,901,644	545,266	595,969
Profit before charging Management Fee	8,872,548	14,310,425	1,962,393	12,086,455
Management fee	(887,255)	(1,431,042)	(196,240)	(1,208,645)
Profit before taxation	7,985,293	12,879,383	1,766,153	10,877,810
Taxation - current	(882,459)	(2,312,500)	(368,585)	(2,300,000)
Profit after taxation	7,102,834	10,566,883	1,397,568	8,577,810
	1.20	1.79	0.24	1.45

Earning per certificate - Basic & Diluted

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

STATEMENT OF CHANGES IN EQUITY FOR THE 3RD QUARTER ENDED
MARCH 31, 2007

	Issued Subscribed Paidup Capital	Reserve for issue of Bonus Certificate	Statutory Reserve	Accumulated (Loss)/ Profit	Unrealized gain in value of investment	Total
Balance at July 01, 2005	51,408,000	5,140,800	7,374,710	(2,320,960)	8,970,693	70,573,243
Profit for the period July 01, 2005 to March 31, 2006	-	-	-	10,566,883	-	10,566,883
Unrealized gain in value of investment	-	-	-	-	4,111,732	4,111,732
Realized gain on investment disposed transfer to profit & Loss account	-	-	-	-	(1,114,951)	(1,114,951)
Reversal of reserve for issue of bonus certificate @ 10%	-	(5,140,800)	-	5,140,800	-	-
Balance as at March 31, 2006	51,408,000	-	7,374,710	13,386,723	11,967,474	84,136,907
Profit for the period of April 06 to June 30 2006	-	-	-	2,208,813	-	2,208,813
Unrealized gain in value of investment	-	-	-	-	(3,976,706)	(3,976,706)
Transfer to statutory reserve	-	-	3,832,709	(3,832,709)	-	-
Balance as at June 30, 2006	51,408,000	-	11,207,419	11,762,827	7,990,768	82,369,014
Profit for the period Jul 01 to Mar 31, 2007	-	-	-	7,102,834	-	7,102,834
Unrealized gain in value of investment	-	-	-	-	15,601	15,601
Realized gain on investment disposed off transfer to profit & Loss account	-	-	-	-	(2,532,200)	(2,532,200)
Issue of Bonus Certificate @ 15%	7,711,200	-	-	(7,711,200)	-	-
Balance as at March 31, 2007	59,119,200	-	11,207,419	11,154,461	5,474,169	86,955,249

Chief Executive
E. A. Management (Pvt) Ltd

Director
E. A. Management (Pvt) Ltd

Director
E. A. Management (Pvt) Ltd

B. F. MODARABA

Notes to the Financial Statement For the Period Ended March 31, 2007

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

Number of Shares/Certificate		NAME OF COMPANY /	March 2007	June 2006
June 2006	March 2007	INSTITUTION	Rupees	Rupees
<i>MUTUAL FUND</i>				
141,750	-	PICIC Growth Mutual Fund	-	4,479,300
-	250,000	Pakistan Premier Fund	2,962,500	-
32,500	40,956	Pakistan Capital Market Fund	502,121	468,975
		Total	3,464,621	4,948,275
<i>MODARABAS</i>				
42,000	-	First Allied Bank Modaraba	-	770,700
101,850	112,035	Standard Chartered Modaraba	1,428,446	1,772,190
100,000	100,000	First Habib Bank Modaraba	890,000	930,000
72,900	72,900	First Panjab Modaraba	583,200	721,710
19,360	19,360	First Tri Star Modaraba	19,360	23,232
13,000	13,000	First UDL Modaraba	74,100	84,500
		Total	2,995,106	4,302,332
<i>LEASING</i>				
50,913	58,549	Trust Leasing Corporation Ltd	2,119,474	1,873,598
<i>INVESTMENT COMPANIES/BANKS</i>				
8,538	8,538	Bankers Equity Ltd.	-	-
34,082	34,082	Security Investment Bank Ltd	461,811	366,382
		Total	461,811	366,382
<i>TEXTILE WEAVING</i>				
200	200	Service Fabric Ltd	250	590
7,200	9,000	Reliance Weaving Mills Ltd	168,300	186,480
		Total	168,550	187,070
<i>SUGAR & ALLIED</i>				
2,507	2,507	Bawany Sugar Mills Ltd	11,282	15,042
5,000	5,000	Habib ADM Ltd (Share of Rs 5/- each)	68,500	36,750
		Total	79,782	51,792
<i>CEMENT</i>				
325	325	Maple Leaf Cement Ltd	5,931	8,320
22,000	25,300	Cherat Cement Ltd.	1,195,425	1,430,000
		Total	1,201,356	1,438,320
<i>FUEL AND ENERGY</i>				
100,000	100,000	Hub Power Company Ltd	2,895,000	2,300,000
10,000	11,000	Sui Northern Gas Pipeline Ltd.	719,400	1,000,000
-	25,000	OGDCL	2,970,000	-
-	15,000	PPL	3,680,250	-
5,000	10,500	Pak Oil Fields Ltd	3,366,825	1,674,000
		Total	13,631,475	4,974,000
<i>AUTO & ALLIED</i>				
22	31	Millat Tractors	8,525	7,081
2,970	2,970	Pak Suzuki Motors Co Ltd	1,544,252	929,610
			1,552,777	936,691
<i>CHEMICALS & PHARMACEUTICALS</i>				
16,260	16,260	Bawany Air Products Ltd	292,680	272,355
1,304	1,304	FFC-Bin Qasim Ltd	41,532	38,142
47,331	47,331	Fauji Fertilizer Ltd	4,995,787	5,727,051
		Total	5,329,999	6,037,548
<i>TECHNOLOGY & COMMUNICATION</i>				
60,000	65,000	PTCL	3,081,000	2,436,000
<i>FOOD AND ALLIED</i>				
50,000	50,000	Sunflo Cit-Russ Ltd	-	-
947,012	1,096,148	Total	34,085,946	27,552,008

Chief Executive
E. A. Management (Pvt) Ltd

Director
E. A. Management (Pvt) Ltd

Director
E. A. Management (Pvt) Ltd

B. F. MODARABA
CASH FLOW STATEMENT
FOR THE PERIOD ENDED MARCH 31, 2007

	March 31, 2007	March 31, 2006
	(Rupees)	
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	7,985,293	12,879,383
Adjustments for :		
Depreciation on own assets	137,362	219,073
Amortization on leased assets	696,254	857,259
Dividend income	(2,232,959)	(1,928,792)
	(1,399,343)	(852,460)
	6,585,950	12,026,923
Changes in working capital		
Decrease / (increase) in current assets :		
Stock in trade	11,301,835	(10,292,624)
Investment in marketable securities	(9,050,537)	(3,109,206)
Lease rental receivable	(7,817)	7
Advances, deposits, prepayments and other receivables	(25,019,811)	(10,393,064)
(Decrease) / increase in current liabilities:		
Lease deposits	(80,000)	-
Accrued expenses	(863,031)	(593,711)
Net increase in working capital	(23,719,361)	(24,388,598)
	(17,133,411)	(12,361,675)
Gratuity paid	(11,880)	
Taxes paid	(3,244,587)	
Net cash inflow / (outflow) from operating activities	(20,389,878)	(12,361,675)
B CASH FROM INVESTING ACTIVITIES		
Additions in fixed assets		
Own use	(5,400)	-
Sale Proceeds	80,000	-
Dividend received	2,617,954	1,768,482
Net cash inflow from investing activities	2,692,554	1,768,482
C. CASH FROM FINANCING ACTIVITIES		
Morabaha disbursements less repayments	9,000,000	4,498,750
Dividend paid	-	(701)
Net cash inflow / (outflow) in financing activities	9,000,000	4,498,049
Net increase/ (decrease) in cash and bank balances	(8,697,324)	(6,095,144)
Cash and bank balances at the beginning of the period	29,544,719	28,756,766
Cash and bank balances at the end of the period	20,847,395	22,661,622

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

Chief Executive
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