



FIRST PAK MODARABA

Corporate History

First Pak Modaraba (Modaraba) was floated on August 15, 1991 with a paid up capital of Rs.100 million which subsequently increased to Rs 125.4 million. The total equity of the Modaraba as on June 30, 2007 was Rs.96.919 million. The modaraba is managed by Royal Management Services (Private) Limited. The First Pak Modaraba is listed on Karachi, Lahore and Islamabad Stock Exchanges.

This is a perpetual and multipurpose Modaraba engaged in Islamic modes of financing viz Musharika, Modaraba and Ijarah (Leasing) in accordance with the injunction of sharia.

Key Management Personnel

Mr. Muhammad Saeed, the Chief Financial Officer is a fellow member of Institute of Cost and Management Accountants of Pakistan. He has 36 years of diversified experience in the field of Banking, Finance, Human Resource and Management Information Systems. He served United Bank Limited for about 26 years in top and middle level advisory position. He performed as Director Finance for 8 years with the Institute of Cost & Management Accountants of Pakistan. Thereafter he served Habib Education and Schools Trust as Chief Financial Officer and Trust Secretary for about 2 years.

Mr. Farooq Naqvi, Head of Internal Audit is a senior banker and has over 40 years of rich experience of credit analysis, credit portfolio analysis, internal audit/ inspection & H.R functions in various commercial Banks from middle to senior management position.

Performance Highlight (2007-2008)

The over all operating performance of the Modaraba has registered a significant growth both in terms of Income and Profitability. The total income during the year is Rs.14.281 million as against Rs.11.254 million earned during previous year, while the net profit amounted to Rs.9.260 million as against Rs.6.458 million during the previous year. The net equity of modaraba is Rs.96.919 million as against to Rs.97.551 million during the previous year.

Future Outlook

The management has taken a number of strategic measures primarily directed to consolidated and strengthen the operating and financial position of the Modaraba. By the grace of Allah the operating results of the Modaraba during the year, have showed a satisfactory growth, we are fully geared to maintain this upward trend and Inshah Allah foresee to achieve better results and to regularly pay progressive rate of return to the certificate holders of the Modaraba.

Board of Directors

Mr. Abdul Hameed Khan	Chairman
Mr. Muhammad Akhtar I. Pathan	Director
Mr. Muhammad Musharraf Khan	Director & Company Secretary

Commenced

Business on : September 10, 1991

Registered

Office : Mehersons Estate, First floor, Block -1, Talpur Road, Karachi.

Phone : (92-21) 2429632-6

Fax : (92-21) 2429635

E-mail : firstpakmodaraba@hotmail.com

Branches : Karachi

Staff Strength : 7

Auditors : BDO Ebrahim & Co. Chartered Accountants

Registrar : M/s. Shares & Corporate Services (Pvt.) Ltd., Karachi.

Bankers : Faysal Bank Limited
Bank Alfalah Limited
Royal Bank of Scotland
Muslim Commercial Bank Limited

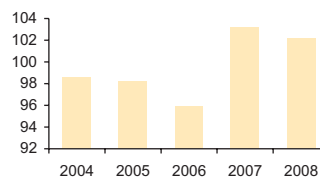


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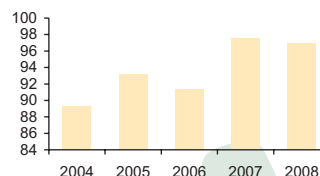
Balance Sheet Summary

Year Ended June 30,	2004	2005	2006	2007	2008
(Rs. In Million)					
EQUITY					
Issued, subscribed and paid up capital	125.40	125.40	125.40	125.40	125.40
Statutory Reserve	13.45	14.23	14.23	16.52	15.71
Revenue Reserve and accumulated losses	(49.61)	(46.48)	(48.25)	(44.37)	(44.19)
Total Equity	89.24	93.15	91.38	97.55	96.92
LIABILITIES					
Redeemable Capital	—	—	—	—	—
Long Term Morabaha and Musharaka	—	—	—	—	—
Long Term Finance	—	—	—	—	—
Customer Security Deposit	0.49	0.45	0.53	0.81	1.30
Other Deferred Liabilities	—	—	—	—	—
Current Liabilities					
Current Maturity of Morabaha and Musharaka	—	—	—	—	—
Current Maturity of Long Term Loans	—	—	—	—	—
Short Term Morabaha and Musharaka	—	—	—	—	—
Short Term Finances	—	—	—	—	—
Other Current Liabilities	7.55	4.55	4.01	4.84	3.93
Proposed Dividend	1.25	—	—	—	—
Total Current Liabilities	8.80	4.64	4.01	4.84	3.93
Total Equity & Liabilities	98.54	98.24	95.92	103.20	102.16
Assets					
Assets Leased Out	—	—	—	—	—
Work-in Progress on Assets Leased Out	2.75	—	—	4.40	5.35
Net Investment in Lease Finance	—	—	—	—	—
Assets in Own Use	1.10	—	—	0.21	0.08
Long Term Morabaha and Musharaka	—	—	—	—	—
Long Term Investments	—	—	—	—	—
Other Long Term Assets	—	—	—	0.22	0.14
Current Assets					
Current Portion of Lease Finance	—	—	—	—	—
Trade Debts	—	—	—	—	—
Short Term Morabaha and Musharaka	39.49	39.28	39.60	15.95	—
Short Term Investments	20.42	16.66	17.254	22.45	27.53
Other Current Assets	7.11	9.41	3.98	7.01	24.59
Cash and Bank Balances	27.19	30.41	31.31	52.96	44.47
Total Current Assets	94.70	95.80	92.50	98.37	96.59
Total Assets	98.54	98.24	95.93	103.20	102.16

Balance Sheet Growth



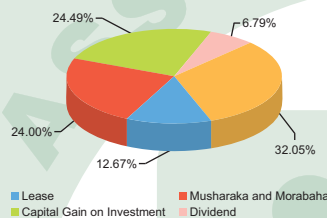
Equity Growth



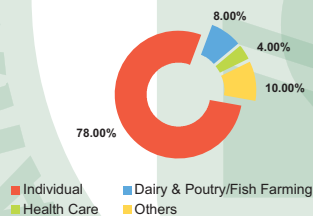
Income Statement Highlights

Year Ended June 30,	2004	2005	2006	2007	2008
(Rs. In Million)					
Income					
Lease	1.52	1.50	1.41	1.37	1.81
Trading	—	—	—	—	—
Musharaka and Morabaha	0.96	1.75	0.16	2.43	3.43
Capital Gain on investment	2.48	(1.82)	0.10	2.88	3.50
Dividend	0.69	(0.01)	1.26	1.17	0.97
COI	—	—	—	—	—
Other	0.89	1.74	1.47	3.42	4.58
Total Income	6.55	3.17	4.39	11.26	14.28
Expenses					
Operating	5.54	4.78	4.79	3.69	3.32
Financial	—	—	—	—	—
Amortisation, Depreciation	1.11	1.10	1.00	1.02	1.43
Allowance for potential lease losses	(10.67)	(7.02)	0.38	(0.64)	0.70
Provision for Diminution in value of investment	—	—	—	—	2.62
Management Fee	1.81	0.43	—	0.72	0.49
Profit Before Taxation	8.76	3.88	(1.78)	6.47	5.72
Taxation	—	—	—	—	0.09
Net Profit	8.76	3.88	(1.78)	6.47	5.63
Appropriations					
Total Dividend	1.25	—	—	3.76	3.76
Bonus	—	—	—	—	—
Statutory Reserve	1.75	0.77	—	2.59	1.69
Other Reserves	—	—	—	—	—

Revenue Analysis (2007-08)



Sector Wise Exposure (2007-08)



Significant Ratios

Year Ended June 30,	2004	2005	2006	2007	2008
Break-up Value per Certificate (Rs.)	7.11	7.43	7.29	7.78	7.73
Market Price on 30th June (Rs.)	3.05	1.40	1.60	1.90	5.83
Dividend per Certificate (Rs.)	0.10	—	—	0.30	0.30
Earning per Certificate (Rs.)	0.70	0.31	(0.14)	0.52	0.45
Total Assets/Net Worth (x)	1.10	1.09	1.05	1.06	1.05
Debt Leverage (x)	0.10	—	—	—	—
Current Ratio (x)	0.96	12.27	23.04	20.35	24.46
Net Profit Margin (%)	133.52	122.60	—	57.48	39.43
Return on Equity (%)	9.81	4.17	—	6.63	5.81
Return on Investment (%)	8.89	8.89	15.66	17.99	—
Financial Charges/Total Expenses (%)	—	—	—	—	—
Dividend payout (%)	17.90	—	—	97.00	95.45

Categories of Certificate Holders as at June 30, 2008

