



## **QUARTERLY REPORT**

For the Quarter Ended  
September 30, 2010  
(Un-audited)

**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.

### **BOARD OF DIRECTORS**

#### **DIRECTORS OF MODARABA MANAGEMENT COMPANY**

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

### **AUDIT COMMITTEE**

Mr. Ahmed Ali Mohammad Amin Bawany	- Chairman
Mr. Abdul Ghani Samad	- Member
Mr. Abdul Wahid Jaliawala	- Member

### **CFO & COMPANY SECRETARY**

Muhammad Ayub

### **MODARABA AUDITORS**

Rahman Sarfaraz Rahim Iqbal Rafiq  
Chartered Accountants

### **LEGAL ADVISOR**

Abdul Ghaffar Muhammad Gheewala

### **BANKERS**

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

### **REGISTERED OFFICE**

4th Floor, Bank House No. I,  
Habib Square, M.A. Jinnah Road,  
Karachi-74000, Pakistan.  
Phone : (92-21) 111 786 878, 32413240  
Fax : (92-21) 32421010

### **EMAIL & WEBSITE**

E-mail: info@bfmodaraba.com.pk  
URL: www.bfmodaraba.com.pk

### **SHARES REGISTER**

C & K Management Associated (Pvt.) Ltd,  
404, Trade Tower, Abdullah Haroon Road,  
Near Metropole Hotel, Karachi-75530  
Tel: ( 92-21) 35687839 & 35685930



**CHIEF EXECUTIVE REVIEW  
FOR THE PERIOD ENDED SEPTEMBER 30, 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 first quarter ended September 30, 2010.

Gross revenue during the period was Rs.4.367 million vis-à-vis Rs. 7.429 million for the corresponding period of 2009-10, mainly due to decrease in trading income. However, revenue from dividend, capital gain and lease rentals improved. Thus, Pre-tax Profit stood at Rs. 2.741 million against a Pre-tax Profit of Rs. 4.967 million for the corresponding period of 2009-10. Domestic bourses have been continuously improving and KSE-100 Index has crossed 10,000 levels. This positive trend was reflected in our portfolio investment valuation and unrealized gain in the value of investment in marketable securities stood at Rs.7.5 million as on reporting date.

Due to unstable economy and prevailing law & order situation, we are applying conservative approach while trading in equity market. We are trying to improve our Murabaha/Ijarah financing and during the period under review, we have leased asset worth of Rs. 15.3 million and disbursed Murabaha finance amounting to Rs.10.1 million. The price of commodity for which we have already made commitments rose to its highest level due to strong demand amid limited supplies, and we expect positive contribution from our trading business, Inshallah.

We bow to Allah and pray for His blessing and guidance.

Karachi:  
October 27, 2010

Omar Amin Bawany  
Chief Executive



**B. F. MODARABA**  
**BALANCE SHEET**  
**AS AT SEPTEMBER 30, 2010**

	<b>Notes</b>	<b>Sep-2010</b>	<b>June-2010</b>
		<u>Rupees</u>	<u>Rupees</u>
<b>CERTIFICATE CAPITAL AND RESERVES</b>			
Authorized Capital 10,000,000 Modaraba			
Certificates of Rs. 10/- each		100,000,000	100,000,000
Issued, subscribed and paid-up capital		68,319,625	68,319,625
Statutory reserve		17,232,294	17,232,294
Accumulated profit		11,475,151	8,909,247
		97,027,070	94,461,166
Unrealized gain in value of Financial assets		7,550,527	7,759,611
<b>TOTAL EQUITY</b>		<u>104,577,597</u>	<u>102,220,777</u>
Staff Gratuity		161,150	161,150
Long term lease deposits		2,784,600	84,600
<b>CURRENT LIABILITIES</b>			
Creditors, accrued expenses and other liabilities		797,590	587,450
Advance from Customers		11,650,000	180,000
Due to Management Company		935,236	624,437
Provision for taxation		526,582	351,237
Deferred murabaha income		590,708	171,036
Dividend		278,583	278,583
		14,778,700	2,192,743
		<u>122,302,047</u>	<u>104,659,270</u>
<b>FIXED ASSETS</b>			
Own use		454,341	477,799
Leased Out		17,942,337	457,340
Long Term Deposits		40,019	40,019
<b>CURRENT ASSETS</b>			
Stock in trade		51,085,545	17,426,776
Trade Debts		-	27,660,000
Short term murabahas		10,788,324	11,481,657
Advances, deposit, prepayments & other Receivables		3,551,501	1,371,787
Available-for-sales Financial assets	1	27,083,604	37,735,920
Cash and bank balances		11,356,376	8,007,972
		103,865,350	103,684,112
		<u>122,302,047</u>	<u>104,659,270</u>

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

<b>Chairman</b>	<b>Chief Executive</b>	<b>Director</b>
E. A. Management (Pvt) Ltd	E. A. Management (Pvt) Ltd	E. A. Management (Pvt) Ltd



**B. F. MODARABA  
PROFIT AND LOSS ACCOUNT  
FOR THE QUARTER ENDED SEPTEMBER 30, 2010**

	<u>September 2010 Rupees</u>	<u>September 2009 Rupees</u>
Operating Incomes	<b>4,367,144</b>	7,429,320
Operating expenses	<b>(1,259,151)</b>	(637,819)
Profit/(Loss) before Impairment loss	<b>3,107,993</b>	6,791,501
Impairment loss on investment	<u>-</u>	<u>(1,272,585)</u>
Profit/(Loss) before charging management fee	<b>3,107,993</b>	5,518,916
Provision for management fee	<b>(310,799)</b>	(551,892)
Profit/(Loss) before workers welfare fund	<b>2,797,194</b>	4,967,024
Workers Welfare Fund	<b>(55,944)</b>	-
Profit/(Loss) before taxation	<b>2,741,250</b>	4,967,024
Taxation - current	<b>(175,345)</b>	(1,725,000)
Profit/(Loss) after taxation	<b><u>2,565,905</u></b>	<b><u>3,242,024</u></b>
Earning per certificate - Basic & Diluted	<b>0.38</b>	0.47

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

**Chairman**  
E. A. Management (Pvt) Ltd

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

**Director**  
E. A. Management (Pvt) Ltd



**B. F. MODARABA**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2010**

	For the quarter year ended September 30,	
	2010	2009
	----- Rupees -----	
<b>Profit/ (loss) for the period</b>	<b>2,565,905</b>	3,242,024
Unrealized gain/(loss) on revaluation of available for sale - financial assets	<b>1,173,843</b>	4,147,322
Gain on financial assets transferred to profit and loss account	<b>(1,382,929)</b>	-
Impairment loss transferred to profit and loss account	-	1,272,585
	<b>(209,085)</b>	5,419,907
<b>Total comprehensive income for the period</b>	<b><u>2,356,820</u></b>	<b><u>8,661,931</u></b>

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

**Chairman**  
E. A. Management (Pvt) Ltd

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

**Director**  
E. A. Management (Pvt) Ltd



**B. F. MODARABA**  
**STATEMENT OF CASH FLOWS**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2010**

	<b>Sep. 2010</b>	<b>Sep. 2009</b>
	----- Rupees -----	
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	2,741,250	4,967,024
Adjustments for :		
Depreciation on own assets	23,458	29,565
Amortization on leased assets	515,003	35,226
Gain/(Loss) on sale of financial assets	(1,445,349)	800,527
Provision for Management fee	310,799	551,892
Impairment loss on financial assets	-	1,272,585
Lease Rental Income	(748,314)	-
Dividend Income	(949,204)	(524,860)
	(2,293,607)	2,164,935
	447,643	7,131,959
<b>Changes in working capital</b>		
Decrease / (increase) in current assets :		
Trade Debts	27,660,000	(2,751,000)
Investment in Marketable Securities	-	(6,845,039)
Lease rental receivable	(748,314)	-
Short term Morabaha	693,333	-
Stock in Trade	(33,658,769)	30,263,721
Advances, deposits, prepayments and other receivables	(91,577)	4,906,345
Increase / (decrease) in current liabilities:		
Deferred murabaha income	419,672	-
Accrued expenses	11,680,140	(2,220,554)
Lease deposited	2,700,000	-
Net increase in working capital	8,654,485	23,353,473
Taxes Paid	(14,534)	-
Net cash Inflow(outflow) from operating activities	9,087,594	30,485,431
<b>B CASH FROM INVESTING ACTIVITIES</b>		
Additions in fixed assets		
Own use	-	-
Leased out	(18,000,000)	-
Dividend received	385,014	505,836
Proceed from sale of available for sale-financial assets	11,875,796	-
Net cash inflow(outflow) from investing activities	(5,739,190)	505,836
<b>C. CASH FROM FINANCING ACTIVITIES</b>		
Net cash used in financing activities	-	-
Net increase/ (decrease) in cash and bank balances	3,348,404	30,991,267
Cash and bank balances at the beginning of the period	8,007,972	15,490,527
Cash and bank balances at the period ended September 30, 2010	11,356,376	46,481,793

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

<b>Chairman</b>	<b>Chief Executive</b>	<b>Director</b>
E. A. Management (Pvt) Ltd	E. A. Management (Pvt) Ltd	E. A. Management (Pvt) Ltd



**B. F. MODARABA**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE QUARTER ENDED SEPTEMBER 2010**

Description	Issued subscribed and paid up capital	Reserves			Unrealized gain / (loss) on available for sale financial assets	Total
		For issue of bonus certificates	Statutory reserves	Unappropriated Profit		
----- Rupees -----						
<b>Balance as at July 01, 2009</b>	68,319,625	-	16,211,482	6,527,351	22,738,833	91,614,968
Comprehensive income for the quarter	-	-	-	3,242,024	3,242,024	8,661,931
<b>Balance as at September 30, 2009</b>	<b>68,319,625</b>	<b>-</b>	<b>16,211,482</b>	<b>9,769,375</b>	<b>25,980,857</b>	<b>100,276,899</b>
Balance as at October 01, 2009	68,319,625	-	16,211,482	9,769,375	25,980,857	100,276,899
Comprehensive income for nine months	-	-	1,020,812	(860,128)	160,684	1,943,878
<b>Balance as at June 30, 2010</b>	<b>68,319,625</b>	<b>-</b>	<b>17,232,294</b>	<b>8,909,247</b>	<b>26,141,541</b>	<b>102,220,777</b>
Balance as at July 1, 2010	68,319,625	-	17,232,294	8,909,247	26,141,541	102,220,779
Comprehensive income for the quarter	-	-	-	2,565,905	2,565,905	2,356,819
<b>Balance as at September 30, 2010</b>	<b>68,319,625</b>	<b>-</b>	<b>17,232,294</b>	<b>11,475,152</b>	<b>28,707,446</b>	<b>104,577,597</b>

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

Chairman  
E.A. Management (Pvt) Ltd.

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

Director  
E.A. Management (Pvt) Ltd.





**B. F. MODARABA**  
**AVAILABLE-FOR-SALE FINANCIAL ASSETS**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2010**

1. FINANCIAL ASSETS	September 2010	June 2010
	Rupees	Rupees
- Available for sale		
1.1 Shares and close-ended Mutual Funds	<b>22,050,244</b>	21,160,574
1.2 Open-ended Mutual Funds	<b>5,033,359</b>	16,575,346
	<b><u>27,083,604</u></b>	<b><u>37,735,920</u></b>

**1.1 Shares and close-ended Mutual Funds**

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

June 2010	September 2010	NAME OF COMPANY/ INSTITUTION	September 2010	June 2010
Shares / Certificates	Shares / Certificates		Rupees	Rupees
<b>MUTUAL FUNDS-CLOSE ENDED</b>				
164,000	<b>164,000</b>	Pakistan Premier Fund	<b>1,297,240</b>	1,328,400
<b>164,000</b>	<b>164,000</b>	<b>Total</b>	<b>1,297,240</b>	1,328,400
<b>MODARABAS</b>				
117,636	<b>117,636</b>	Standard Chartered Modaraba	<b>991,673</b>	1,082,253
100,000	<b>100,000</b>	First Habib Bank Modaraba	<b>637,000</b>	503,000
72,900	<b>72,900</b>	First Punjab Modaraba	<b>83,106</b>	80,919
19,360	<b>19,360</b>	First Tri Star Modaraba	<b>57,886</b>	35,429
13,000	<b>13,000</b>	First UDL Modaraba	<b>78,000</b>	76,700
<b>322,896</b>	<b>322,896</b>	<b>Total</b>	<b>1,847,665</b>	1,778,301
<b>INVESTMENT COMPANIES/BANKS</b>				
16,875	<b>16,875</b>	Jahangir Siddique & Company	<b>168,244</b>	213,300
<b>16,875</b>	<b>16,875</b>	<b>Total</b>	<b>168,244</b>	213,300
<b>TEXTILE WEAVING</b>				
200	<b>200</b>	Service Fabric Ltd	<b>55</b>	97
9,000	<b>9,000</b>	Reliance Weaving Mills Ltd	<b>105,300</b>	81,000
<b>9,200</b>	<b>9,200</b>	<b>Total</b>	<b>105,355</b>	81,097
<b>SUGAR &amp; ALLIED</b>				
2,507	<b>2,507</b>	Bawany Sugar Mills Ltd	<b>2,156</b>	2,658
5,000	<b>5,000</b>	Habib ADM Ltd ( <i>Share of Rs 5/- each</i> )	<b>79,650</b>	70,050
<b>7,507</b>	<b>7,507</b>	<b>Total</b>	<b>81,806</b>	72,708
<b>CEMENT</b>				
5300	<b>5300</b>	Cherat Cement Ltd	<b>58,088</b>	48,866
12,000	<b>12,000</b>	Fauji Cement Ltd.	<b>56,280</b>	54,600
<b>17,300</b>	<b>17,300</b>	<b>Total</b>	<b>114,368</b>	103,466
<b>FUEL AND ENERGY</b>				
100,000	<b>100,000</b>	Hub Power Company Ltd	<b>3,329,000</b>	3,196,000
11,000	<b>11,000</b>	Sui Northern Gas Pipeline Ltd.	<b>339,460</b>	305,690
21,780	<b>26,136</b>	Pakistan Petroleum Ltd.	<b>4,506,107</b>	4,010,133
<b>132,780</b>	<b>137,136</b>	<b>Total</b>	<b>8,174,567</b>	7,511,823
<b>AUTO &amp; ALLIED</b>				
4,455	<b>4,455</b>	Pak Suzuki Motors Co Ltd	<b>308,688</b>	353,149
<b>4,455</b>	<b>4,455</b>	<b>Total</b>	<b>308,688</b>	353,149



June 2010 Shares / Certificates	September 2010	NAME OF COMPANY/ INSTITUTION	September 2010 Rupees	June 2010 Rupees
<b>COMMUNICATION</b>				
57,000	<b>57,000</b>	Pakistan Telecommunication Ltd.	<b>1,071,600</b>	1,014,600
10,000	<b>10,000</b>	TRG Pakistan Ltd.	<b>39,900</b>	41,100
<u>67,000</u>	<u><b>67,000</b></u>	<b>Total</b>	<u><b>1,111,500</b></u>	<u>1,055,700</u>
<b>CHEMICALS &amp; PHARMACEUTICALS</b>				
22,764	<b>22,764</b>	Bawany Air Products Ltd	<b>295,933</b>	262,014
81,504	<b>81,504</b>	Fauji Fertilizer Company Ltd	<b>8,544,878</b>	8,400,616
<u>104,268</u>	<u><b>104,268</b></u>	<b>Total</b>	<u><b>8,840,811</b></u>	<u>8,662,630</u>
<u>846,281</u>	<u><b>850,637</b></u>	<b>Grand Total</b>	<u><b>22,050,244</b></u>	<u>21,160,574</u>

#### 1.2 Shares and close-ended Mutual Funds

June 2010 Number of Units	September 2010	MUTUAL FUNDS-OPEN ENDED	September 2010 Rupees	June 2010 Rupees
111,695	-	Meezan Islamic Income Fund	-	5,793,600
<u>208,585</u>	<u><b>100,667</b></u>	Meezan Cash Fund	<u><b>5,033,359</b></u>	<u>10,781,746</u>
<u>320,280</u>	<u><b>100,667</b></u>	<b>Grand Total</b>	<u><b>5,033,359</b></u>	<u>16,575,346</u>

2. These financial statements are unaudited and were authorized for issued on October 27, 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. Amount of Taxation is Provisional and final Tax liability will be determined on the basis of Annual Result.
5. Figures have been rounded off to the nearest rupee and have been re-arranged where necessary for the purpose of comparison.

<b>Chairman</b>	<b>Chief Executive</b>	<b>Director</b>
E. A. Management (Pvt) Ltd	E. A. Management (Pvt) Ltd	E. A. Management (Pvt) Ltd