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**FIRST**

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**PAK**

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**MODARABA**

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**QUARTERLY REPORT  
FOR THE PERIOD ENDED  
MARCH 31, 2013**

*Managed by:*

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**Royal Management Services (Pvt.) Limited**

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BOOK - POST  
Printed Matter

If undelivered please return to :  
First Pak Modaraba  
Registrar  
Mehersons Estate, 1st floor, Block-E,  
Talpur Road, Karachi.  
Tel : PABX 021-35643086-87(2 Lines)  
Fax : 021-35643283  
E-mail : [info@firstpakmodaraba.com](mailto:info@firstpakmodaraba.com)



## CORPORATE INFORMATION

<b>BOARD OF DIRECTORS</b>	Mr. Abdul Hameed Khan Mr. Muhammad Akhtar I. Pathan Mr. Mohammad Musharraf Khan	(Chairman) (Director) (Director)
<b>AUDIT COMMITTEE</b>	Mr. Muhammad Akhtar I. Pathan Mr. Abdul Hameed Khan Mr. Mohammad Musharraf Khan	(Chairman) (Member) (Member)
<b>HUMAN RESOURCE AND REMUNERATION COMMITTEE</b>	Mr. Abdul Hameed Khan Mr. Muhammad Akhtar I. Pathan Mr. Mohammad Musharraf Khan	(Chairman) (Member) (Member)
<b>SHARIAH ADVISOR</b>	Mufti Muhammad Ibrahim Essa	
<b>COMPANY SECRETARY</b>	Mr. Mohammad Musharraf Khan	
<b>BANKERS</b>	Burj Bank Limited Habib Bank Ltd. (Islamic Banking) Albaraka Bank (Pakistan) Ltd. Faysal Bank Limited	
<b>AUDITORS</b>	M. Yousuf Adil Saleem & Co. Chartered Accountants	
<b>LEGAL ADVISOR</b>	Muhammad Zubair Quraishy & Co.	
<b>MANAGEMENT COMPANY</b>	M/s Royal Management Services (Pvt.) Limited	
<b>REGISTERED OFFICE</b>	Office No. 54, Ground Floor, Beverley Centre, 56-G, Blue Area, Islamabad	
<b>KARACHI OFFICE</b>	Office No. A-601-602, 6th Floor, Lakson Square Building No.3, Sarwar Shaheed Road, Karachi- 74200, Tel: 92-21-35643086-87, Fax: 92-21-35643283	
<b>SHARE REGISTRAR</b>	Shares & Corporate Services (Pvt.) Limited, Mehersons Estate, 1st Floor, Block-E, Talpur Road, Karachi- 74000 Tel: 021 - 32401634	



## CHAIRMAN'S REVIEW

The Board of Directors of Royal Management Services (Pvt) Limited, Managers First Pak Modaraba are pleased to present 3rd Quarterly Financial Statements of First Pak Modaraba for the period ended 31st March, 2013.

## KEY OPERATING / FINANCIAL HIGHLIGHTS

Period ended	(Rupees in millions)	
	31.03.2013	31.03.2012
<b>Total Income from Operations</b>	4.756	7.155
<b>Operating Expenses</b>	3.056	3.317
<b>Profit from Operation</b>	1.700	3.838
<b>Realized Capital Gain</b>	0.796	1.217
<b>Unrealized Loss on Re-measurement of Investment</b>	(0.091)	(1.796)
<b>Provision against doubtful Receivables</b>	-	(1.500)
<b>Total Comprehensive Income</b>	1.529	0.474
<b>Earnings per Certificate –Re</b>	0.12	0.04

## REVIEW OF OPERATIONS:

During the 3rd quarter ended on 31st March 2013, the Overall operating performance of the First Pak Modaraba reflects that the Net Profit of the Modaraba increased by Rs.1.055 Million amounting to Rs.1.529 Million as against Rs.0.474 Million in the corresponding period last year although Operating Income decreased by 33.50% to Rs.4.756 Million as against Rs.7.155 Million during the same period last year. Modaraba has earned Rs.0.796 Million capital gain on sale of investment as against a gain of Rs. 1.217 Million during the same period last year. Operating expenses has decreased by 7.87% to Rs.3.056 Million from Rs.3.317 Million as compared to corresponding period of last year FY 2011-12. The earnings per certificate are Re.0.12 against Re.0.04 per certificate during corresponding period FY-2011-12.

Trading in stock market is being done on a prudent manner and is traded only in those shares which are shariah compliant. The management has adopted conservative approach for fresh disbursement due to adverse economic condition.

## Future Outlook:

The Board of Directors accentuates for the recovery of overdue finances and fresh disbursement to improve our profitability for distribution of better returns to certificate holders.

## Acknowledgement:

The Board of Directors express is thankful to its Certificate Holder for reposing their confidence in the Management of the Modaraba and also appreciates the hard work and dedication of the staff of the Modaraba.

For & on behalf of the Board of Directors of  
**Royal Management Services (Pvt) Limited**  
Managers of First Pak Modaraba

  
Chairman

25th April, 2013  
KARACHI.



**CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)**  
**AS AT MARCH 31, 2013**

<b>ASSETS</b>	<b>Note</b>	<b>Mar 31, 2013 (Unaudited) (Rupees)</b>	<b>June 30, 2012 (Audited) (Rupees)</b>
<b>Current Assets</b>			
Cash and bank balances	4	45,865,852	9,086,062
Investments	5	12,762,938	47,443,006
Morabaha finance	6	-	-
Ijarah rentals receivable	7	74,496	-
Advances, prepayments and other receivables	8	13,953,042	14,587,867
Accrued profit		98,018	907,265
Tax refundable-considered good		4,889,437	4,512,654
<b>Total Current Assets</b>		<u>77,643,783</u>	<u>76,536,854</u>
<b>Non-current Assets</b>			
Property and equipment -Ijarah	9	380,543	548,192
Property and equipment - owned	10	140,677	73,214
Long term Investment		-	1,350,000
Advances and deposits		45,750	58,250
<b>Total Non-Current Assets</b>		<u>566,970</u>	<u>2,029,656</u>
<b>TOTAL ASSETS</b>		<u>78,210,753</u>	<u>78,566,510</u>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Current portion of ijarah deposits		287,400	-
Accrued and other liabilities		913,485	1,677,626
Unclaimed profit distribution		4,132,917	3,748,284
<b>Total Current Liabilities</b>		<u>5,333,802</u>	<u>5,425,910</u>
<b>Non-Current liabilities</b>			
Long term ijarah deposits		-	287,400
<b>TOTAL LIABILITIES</b>		<u>5,333,802</u>	<u>5,713,310</u>
<b>NET ASSETS</b>		<u>72,876,951</u>	<u>72,853,200</u>
<b>REPRESENTED BY</b>			
Certificate Capital			
12,540,000 Modaraba Certificates of Rupees 10/- each		125,400,000	125,400,000
Statutory reserve		24,325,280	24,325,280
Accumulated loss		(73,811,204)	(73,834,955)
Unrealized loss on available for sale Investments		(3,037,125)	(3,037,125)
		<u>72,876,951</u>	<u>72,853,200</u>

The annexed notes form an integral part of this condensed interim financial information.

This condensed interim financial information has been signed by three directors instead of chief executive officer and two directors as no Chief Executive Officer has been appointed.

DIRECTOR

DIRECTOR

DIRECTOR



**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)  
FOR THE PERIOD ENDED MARCH 31, 2013**

	Jul -12 to Mar -13	Jul -11 to Mar -12	Jan -13 to Mar -13	Jan -12 to Mar -12
..... Rupees.....				
<b>INCOME</b>				
Return on term deposit receipts and PLS accounts	3,051,580	4,024,025	854,903	1,090,300
Gain on sale of investments	796,380	1,216,723	246,280	406,798
Ijarah rentals	223,488	586,338	74,496	178,086
Dividend income	685,023	1,328,283	222,536	453,502
	<u>4,756,471</u>	<u>7,155,369</u>	<u>1,398,215</u>	<u>2,128,686</u>
Unrealized (loss)/gain on remeasurement of held for trading investments	(90,763)	(1,795,836)	11,385	832,620
Provision against doubtful receivables-net	-	(1,500,000)	-	-
	<u>4,665,708</u>	<u>3,859,533</u>	<u>1,409,600</u>	<u>2,961,306</u>
<b>EXPENDITURE</b>				
Depreciation on ijarah assets	(167,650)	(418,559)	(55,883)	(139,520)
Administrative expenses	(2,866,954)	(2,899,239)	(826,500)	(847,187)
Workers welfare fund	(21,645)	-	-	-
	<u>(3,056,249)</u>	<u>(3,317,798)</u>	<u>(882,383)</u>	<u>(986,707)</u>
Profit for the period	1,609,459	541,735	527,217	1,974,600
Modaraba company's management fee	-	-	-	-
Profit before taxation	1,609,459	541,735	527,217	1,974,600
Provision for taxation	(80,908)	(68,063)	-	-
Profit after taxation	<u>1,528,551</u>	<u>473,672</u>	<u>527,217</u>	<u>1,974,600</u>
<b>Other Comprehensive income</b>	-	-	-	-
Total comprehensive income for the period	<u>1,528,551</u>	<u>473,672</u>	<u>527,217</u>	<u>1,974,600</u>
<b>Earnings per certificate</b>	<u>0.12</u>	<u>0.04</u>	<u>0.04</u>	<u>0.16</u>

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DIRECTOR

  
DIRECTOR

  
DIRECTOR



**CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)  
FOR THE PERIOD ENDED MARCH 31, 2013**

	Mar 31, 2013 (Unaudited) (Rupees)	Mar 31, 2012 (Unaudited) (Rupees)
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	1,609,459	541,735
Adjustments for non-cash changes and other items:		
Gain on sale of investments	(796,380)	(1,216,723)
Dividend income	(685,023)	(1,328,283)
Unrealized loss / (gain) on remeasurement of held for trading investments	90,763	1,795,836
Reversal against doubtful receivables-net	-	1,500,000
Amortization on ijarah assets	167,650	418,559
Depreciation-own assets	46,937	46,667
	<u>(1,176,053)</u>	<u>1,216,056</u>
	<u>433,406</u>	<u>1,757,791</u>
Cash flows before movements in working capital		
(Increase) /decrease in operating assets		
Ijarah rentals receivable	(74,496)	92,740
Accrued profit	809,247	(349,622)
Advances, prepayments and other receivables	426,805	(2,041,578)
	<u>1,161,556</u>	<u>(2,298,460)</u>
Increase/(decrease) in operating liabilities		
Ijarah deposits	-	(111,000)
Accrued and other liabilities	(764,142)	(755,356)
	<u>(764,142)</u>	<u>(866,356)</u>
Cash generated from/(used in) from operations	830,820	(1,407,025)
Income tax paid	(37,922)	(11,642)
Net cash generated from/(used in) operating activities	<u>792,898</u>	<u>(1,418,667)</u>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Dividend received	485,773	892,281
Investments encashed/(made)-net	36,735,685	(3,382,002)
Purchase of own assets	(114,400)	-
Net cash generated from/(used in) investing activities	<u>37,107,058</u>	<u>(2,489,721)</u>



	Note	Mar 31, 2013 (Unaudited) (Rupees)	Mar 31, 2012 (Unaudited) (Rupees)
<b>C CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Profit distribution		(1,120,166)	(4,295,494)
Net cash used in financing activities		(1,120,166)	(4,295,494)
Net increase/(decrease) in cash and cash equivalents (A+B+C)		36,779,790	(8,203,882)
Cash and cash equivalents at beginning of the period		9,086,062	49,292,322
Cash and cash equivalents at end of the period		45,865,852	41,088,440
<b>CASH AND CASH EQUIVALENT</b>			
Cash and bank balances	4	45,865,852	6,088,440
Short term investment having less than three months maturity		-	35,000,000
		45,865,852	41,088,440

The annexed notes form an integral part of this condensed interim financial information.

This condensed interim financial information has been signed by three directors instead of chief executive officer and two directors as no Chief Executive Officer has been appointed.

DIRECTOR

DIRECTOR

DIRECTOR



**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)  
FOR THE PERIOD ENDED MARCH 31, 2013**

	Reserves			Total
	Capital Statutory Reserve	Revenue Unrealized loss on available for sale investments	Accumulated loss	
Balance at July 1, 2011	125,400,000	23,948,076	(3,037,125)	75,983,182
Profit for the period ended March 31, 2012	-	23,948,076	(70,327,769)	473,672
Other comprehensive income for the period ended March 31, 2012	-	-	-	-
Distribution @ 4 % declared for the year ended June 30, 2011	-	-	-	(5,016,000)
Balance at March 31, 2012	125,400,000	23,948,076	(3,037,125)	71,440,854
Balance at July 1, 2012	125,400,000	24,325,280	(3,037,125)	72,863,200
Profit for the period ended March 31, 2013	-	-	-	1,528,551
Other comprehensive income for the period ended March 31, 2013	-	-	-	-
Distribution @ 1.2 % declared for the year ended June 30, 2012	-	-	-	(1,504,800)
Balance at March 31, 2013	125,400,000	24,325,280	(3,037,125)	72,876,951

The annexed notes form an integral part of this condensed interim financial information.

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**SELECTED EXPLANATORY NOTES TO THE  
INTERIM FINANCIAL INFORMATION (Un-Audited)  
FOR THE PERIOD ENDED MARCH 31, 2013**

**1. LEGAL STATUS AND NATURE OF BUSINESS**

1.1 First Pak Modaraba (the modaraba) is a multipurpose, perpetual Modaraba. The Modaraba is registered under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 and the Modaraba Companies and Modaraba Rules, 1981 and is managed by Royal Management Services (Private) Limited, a company incorporated in Pakistan under the Companies Ordinance 1984. The Modaraba is listed on the Karachi, Lahore and Islamabad Stock Exchanges. The Modaraba is currently engaged in various modes of Islamic fundings and businesses which include Ijarah financing, deployment of fund in musharika, morabaha and investment in securities. Registered office of the Modaraba is situated at Office No. 54, Ground Floor, Beverly Centre, 56-G, Blue Area, Islamabad.

1.2 The condensed interim financial information is presented in Pak Rupees, which is the Modaraba's functional and presentation currency.

1.3 These condensed interim financial information comprise of condensed interim balance sheet, condensed interim profit and loss, condensed interim cash flow statement and condensed interim statement of changes in equity together with selected explanatory notes forming part thereof. The disclosures made in these condensed interim financial information have, however, been limited based on the requirements of the International Accounting Standard 34, 'Interim Financial Reporting'. It does not include all the information and disclosures made in the annual published audited financial statements and should be read in conjunction with the annual audited financial statements of the Modaraba for the year ended June 30, 2012.

**2. SIGNIFICANT ACCOUNTING POLICIES**

2.1 The accounting policies and the methods of computation adopted for the preparation of this condensed interim financial information are the same as those applied in preparing the financial statements of the Modaraba for the year ended June 30, 2012

2.2 Amendments to certain existing standards and interpretations on approved accounting standards effective during the period were not relevant to the Modaraba's operations and did not have any impact on the accounting policies of the Modaraba except where changes affected presentation and disclosures in this condensed interim financial information.

**3. BASIS OF PREPARATION**

These condensed interim financial information have been prepared under the historical cost convention, except for certain investments which have been measured at fair value / equity method.

**4. CASH AND BANK BALANCES**

	March 31, 2013 (Un-audited) (Rupees)	June 30, 2012 (Audited) (Rupees)
Cash in hand	3,005	2,735
Cash at banks		
Current accounts	2,942,086	2,534,170
Saving accounts	42,920,761	6,549,157
	<u>45,862,847</u>	<u>9,083,327</u>
	<u>45,865,852</u>	<u>9,086,062</u>



	Note	March 31, 2013 (Un-audited) (Rupees)	June 30, 2012 Audited (Rupees)
<b>5. INVESTMENTS</b>			
Available for sale	5.1	1,837,875	1,837,875
Held for trading at fair value through profit or loss	5.2	8,900,063	9,905,131
Loan and receivables	5.3	2,025,000	35,700,000
		<u>12,762,938</u>	<u>47,443,006</u>

**5.1 Available for sale**

Fully paid ordinary shares of Rs. 10/- each

	March 31, 2013	June 30, 2012	March 31, 2013 (Un-audited) (Rupees)	June 30, 2012 Audited (Rupees)
<b>Number of shares</b>				
<b>Unquoted securities</b>				
	487,500	487,500	4,875,000	4,875,000
			(3,037,125)	(3,037,125)
			<u>1,837,875</u>	<u>1,837,875</u>

**5.2 Held for trading at fair value through profit and loss**

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

**Number of Certificates  
/ Shares / Units**

<b>quoted securities</b>		<b>Name of Investee</b>		
		<b>Open-end Mutual Funds</b>		
	30,621	-	3,069,183	-
	-	100,809	-	3,050,480
		<b>Oil &amp; Gas</b>		
	1,500	5,000	341,475	1,156,950
	-	1,000	-	235,840
	2,000	-	350,434	-
		<b>Chemicals</b>		
	-	9,700	-	987,848
	7,000	-	769,300	-
	73,000	52,500	2,745,530	2,143,050
	700	4,000	97,076	524,280
	-	40,000	-	281,200
		<b>Construction and materials</b>		
	-	3,000	-	118,140
	1,500	-	116,955	-
	15,000	-	96,450	-
	-	1,000	-	115,390
		<b>General Industrials</b>		
	-	2,000	-	199,400

**FIRST PAK MODARABA**

March 31, 2013	June 30, 2012		March 31, 2013 (Un-audited) (Rupees)	June 30, 2012 Audited (Rupees)
<b>Number of Certificates / Shares / Units quoted securities</b>				
<b>Name of Investee</b>				
<b>Personal Goods</b>				
-	6,650	Nishat (Chunian) Limited	-	115,644
<b>Food Products</b>				
4,000	-	Engro Foods	508,520	-
<b>Pharma And bio tech</b>				
-	3,044	GlaxoSmithKline Pakistan Limited	-	192,504
<b>Fixed Line Telecommunication</b>				
5,000	2,500	Pakistan Telecommunication Company Limited	101,500	34,225
<b>Electricity</b>				
14,000	12,000	Hub Power Company Limited	703,640	502,680
-	5,500	Kot Addu Power Company Limited	-	247,500
<b>Suspended / Delisted Companies</b>				
120,000	120,000	Prudential Investment Bank Limited	-	-
279,749	279,749	Pakistan Industrial & Commercial Leasing Limited	-	-
			<u>8,900,063</u>	<u>9,905,131</u>

**5.3 Loans and receivables**

	Note	March 31, 2013 (Un-audited) (Rupees)	June 30, 2012 Audited (Rupees)
- Term deposit receipts		-	33,000,000
- Other receivables	5.3.1	2,025,000	4,050,000
Less: Long term portion		-	(1,350,000)
		<u>2,025,000</u>	<u>2,700,000</u>
		<u>2,025,000</u>	<u>35,700,000</u>

**5.3.1** The represent investments made in the term finance certificate of Invest Capital Investment Bank Limited (ICIBL). The management of the Modaraba on April 30, 2012 entered in to a settlement agreement with the ICIBL against total outstandig balance of Rs. 5,000,000 . As per revised terms the ICIBL paid Rs. 500,000/- at the time of execution and signing the agreement and remaining investment to be paid in 20 equal installments out which total 11 installments have been received as of March 31, 2013.

**FIRST PAK MODARABA**

	March 31, 2013 (Un-audited) (Rupees)	June 30, 2012 Audited (Rupees)
<b>6. MORABAHA FINANCE</b>		
Morabaha finance - Unsecured	15,319,705	15,319,705
Less: Provision for doubtful morabaha finance	(15,319,705)	(15,319,705)
	<u>-</u>	<u>-</u>
<b>7. IJARAH RENTALS RECEIVABLE</b>		
Considered good	74,496	-
Considered doubtful	119,542	119,542
	<u>194,038</u>	<u>119,542</u>
Less: Provision for doubtful receivables	(119,542)	(119,542)
	<u>74,496</u>	<u>-</u>
<b>8. ADVANCES, PREPAYMENTS AND OTHER RECEIVABLES</b>		
Considered good		
Advance tax	37,922	457,691
Current portion of advance to staff	53,000	117,000
Dividend Receivable	199,250	-
Advance	1,000,000	1,000,000
Prepayments	245,240	140,830
Receivables against sale of shares	11,476,209	11,969,938
Others	941,421	902,408
	<u>13,953,042</u>	<u>14,587,867</u>
<b>9. PROPERTY AND EQUIPMENT -IJARAH</b>		
There is no addition and disposal of Ijarah assets during the period.		
<b>10. PROPERTY AND EQUIPMENT - OWN</b>		
During the period office equipment and motorcycle of Rs. 30,900/- and Rs.83,500/- (March 31, 2012 : NIL) are purchased respectively.		
<b>11. DATE OF AUTHORISATION OF ISSUE</b>		
These condensed interim financial information has been authorized for issue on April 25, 2013 by the Board of Directors of the Royal Management Services (Private) Limited.		
<b>12. GENERAL</b>		
Figures have been rounded off to the nearest Rupee.		

This condensed interim financial information has been signed by three directors instead of chief executive officer and two directors as no Chief Executive Officer has been appointed.

  
 DIRECTOR

  
 DIRECTOR

  
 DIRECTOR