



CORPORATE INFORMATION

BOARD OF DIRECTORS	Mr. Abdul Hameed Khan Mr. Muhammad Akhtar I. Pathan Mr. Mohammad Musharraf Khan	(Chairman) (Director) (Director)
AUDIT COMMITTEE	Mr. Muhammad Akhtar I. Pathan Mr. Abdul Hameed Khan Mr. Mohammad Musharraf Khan	(Chairman) (Member) (Member)
COMPANY SECRETARY	Mr. Mohammad Musharraf Khan	
BANKERS	Summit Bank Ltd. Faysal Bank Limited Muslim Commercial Bank Limited Bank Al-Fallah Limited Al Baraka Bank (Pak.) Ltd. Askari Bank Limited	
AUDITORS	M/s M. Yousuf Adil Saleem & Co. Chartered Accountants	
LEGAL ADVISOR	Syed Mazharul Haque Advocate Ghulam Ali & Co.	
MANAGEMENT COMPANY	M/s Royal Management Services (Pvt.) Limited	
REGISTERED OFFICE	Office No. 54, Ground Floor, Beverley Centre, 56-G, Blue Area, Islamabad	
SHARE REGISTRAR	Shares & Corporate Services (Pvt.) Limited, Mehersons Estate, 1st Floor, Block-E, Talpur Road, Karachi- 74000 Tel: 32429632-4 , Fax 32420015	



CHAIRMAN'S REVIEW

The Board of Directors of Royal Management Services (Pvt) Limited, Managers First Pak Modaraba pleased to present Review of the Third Quarter of the Year 2010-11 of First Pak Modaraba together with Un-audited Accounts for the period ended 31st March 2011.

KEY OPERATING / FINANCIAL HIGHLIGHTS

Period ended	(Rupees in millions)	
	31.03.2011	31.03.2010
Total Income from Operations	7.126	7.432
Operating Expenses	3.501	3.525
Profit /(Loss) from Operations	3.625	3.907
Net Profit / (Loss)	3.839	7.665
Earning per Certificate	0.31	0.61

REVIEW OF OPERATIONS:

During the 3rd Quarter ended on 31st March 2011, the Overall operating performance of the First Pak Modaraba reflects that Operating Income slightly decreased to Rs.7.126 Million as against Rs.7.432 Million during the corresponding period last year. Modaraba has earned Rs.1.988 Million capital gain on sale of investment. Operating expenses has slightly decreased to Rs.3.501 Million from Rs.3.525 Million as compared to corresponding period of last year FY 2009-10. Further, it recorded unrealized loss on re-measurement of Investment of Rs.0.282 Million as against a loss of Rs.0.847 Million in the corresponding period in 2009-10. Profit from Operations stand at Rs.3.625 million as against Rs.3.907 million corresponding period of FY 2009-10. The Net Profit of the Modaraba stands to Rs.3.839 Million as against a profit of Rs.7.665 Million in the corresponding period last year. The increase in 2009 profit was mainly due to reversal of provision against CFS Morabaha Cordial Trading Corporation, afterward Modaraba succeeded in recovery of this amount. The Earning per Certificate stands to Rs.0.31 during the period under review.

The Securities and Exchange Commission of Pakistan (SECP) issued an order for the change of management of the Modaraba without giving right of an appeal. The Management of Modaraba has filed a constitution petition in the Sindh High Court on the basis of Constitution of Pakistan under article 10-A, which states that a person shall be entitled to a fair trial and due process. The High court has suspended SECP order and case is pending in the High Court. In addition to this Management of Modaraba has filed another Constitution Petition in Islamabad High Court against Section-20 of Modaraba Ordinance, as in our opinion, it is against the Constitution of Pakistan.

The Accumulated Losses have continuously been decreasing for the last 10 years except 2009 due to worldwide financial disaster. Almost all financial institutions, including those in Pakistan suffered huge losses. The reserves of the Modaraba during the same period have increased from Rs.8.94 million to Rs.21.26 million, which illustrates the profitability of the Modaraba. During the period under review Modaraba performed well and decreased accumulated losses by Rs.3.839 million in spite of damaging action of Securities & Exchange Commission of Pakistan for change of Management of Modaraba.

**Future Outlook:**

The Board of Directors emphasis on recovery of Overdue finances on their high priorities to improve our funding portfolio for better utilization in different business and corporate sectors with higher profitability earnings. With the self sufficiency in funds and better liquidity, we are looking forward to explore more profitable avenues for deployment of funds. However, in view of the cancellation of authorization by Registrar Modaraba, activities of your Modaraba presently are almost at a stand-still. We understand that this is damaging the interest of certificate holders but we have very little in our hands to counter the situation. Let us pray together that the situation changes as soon as possible.

The Management is cautiously monitoring its investment portfolio to maximize the returns and minimize the risks associated with stock market.

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

Chairman

30th April 2011
KARACHI.



**CONDENSED INTERIM BALANCE SHEET
AS AT MARCH 31, 2011**

	Note	Mar 31, 2011 (Unaudited) (Rupees)	June 30, 2010 (Audited) (Rupees)
ASSETS			
Current Assets			
Cash and bank balances	4	34,494,512	37,758,680
Investments	5	14,490,411	13,844,794
Musharika and morabaha finance	6	-	-
Ijarah rentals receivable	7	24,832	13,020
Advances, prepayments and other receivables	8	15,577,602	13,789,529
Accrued profit	9	546,458	485,928
Tax refundable		4,272,055	4,076,489
Total Current Assets		69,405,870	69,968,440
Non-current assets			
Long term deposits		45,000	45,000
Property and equipment - owned	10	150,598	197,094
Property and equipment -Ijarah	11	1,830,538	1,474,691
TOTAL ASSETS		71,432,006	71,685,225
LIABILITIES			
Current liabilities			
Current portion of ijarah deposits		111,000	331,850
Accrued and other liabilities		1,146,689	2,017,106
Unclaimed dividend		3,062,956	2,589,590
Total Current Liabilities		4,320,645	4,938,546
Non-current liabilities			
Long term ijarah deposits		721,390	433,990
TOTAL LIABILITIES		5,042,035	5,372,536
NET ASSETS		66,389,971	66,312,689
REPRESENTED BY			
Certificate Capital			
12,540,000 Modaraba Certificates of Rupees 10/- each		125,400,000	125,400,000
Statutory reserve		21,261,577	21,261,577
Accumulated loss		(77,234,481)	(77,311,763)
Unrealized loss on available for sale investment		(3,037,125)	(3,037,125)
		(80,271,606)	(80,348,888)
		66,389,971	66,312,689
Contingencies and commitments	12		

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

Statement under rule 12 (2) of the Modaraba Companies Rules, 1981:

These condensed interim financial information has been signed by three directors instead of chief executive officer and two directors as the management company has not yet appointed Chief Executive Officer.

DIRECTOR

DIRECTOR

DIRECTOR



**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED)
FOR THE PERIOD ENDED MARCH 31, 2011**

	Jul -10 to Mar -11	Jul -09 to Mar -10	Jan -11 Mar -11	Jan -10 Mar -10
..... Rupees.....				
INCOME				
Return on term deposit receipts and PLS accounts	3,597,334	1,261,233	1,162,877	836,660
Gain on sale of investments	1,987,670	4,157,950	361,444	567,509
Ijarah rentals	562,714	830,550	204,126	237,090
Dividend income	942,796	1,024,830	379,750	93,191
Gain on disposal of fixed assets-ijarah	-	124,090	-	-
Other income	35,396	33,596	-	-
	<u>7,125,910</u>	<u>7,432,249</u>	<u>2,108,197</u>	<u>1,734,450</u>
Unrealized gain/(loss) on remeasurement of held for trading investments	(282,223)	(847,238)	(662,420)	(436,884)
Reversal / (provision) against doubtful receivables-net	496,377	5,456,756	-	1,238,872
	<u>7,340,064</u>	<u>12,041,767</u>	<u>1,445,777</u>	<u>2,536,438</u>
EXPENDITURE				
Amortization on ijarah assets	(381,303)	(576,807)	(139,519)	(165,649)
Administrative expenses	(3,050,029)	(2,805,169)	(872,827)	(994,380)
Workers welfare fund	(69,450)	(142,811)	-	-
	<u>(3,500,782)</u>	<u>(3,524,787)</u>	<u>(1,012,346)</u>	<u>(1,160,029)</u>
Profit/(loss) for the period	3,839,282	8,516,980	433,431	1,376,409
Modaraba company's management fee	-	(851,698)	-	(137,641)
Profit/(loss) before taxation	3,839,282	7,665,282	433,431	1,238,768
Provision for taxation	-	-	-	-
Profit/(loss) after taxation	<u>3,839,282</u>	<u>7,665,282</u>	<u>433,431</u>	<u>1,238,768</u>
Earnings per certificate	<u>0.31</u>	<u>0.61</u>	<u>0.03</u>	<u>0.10</u>

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**CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE PERIOD ENDED MARCH 31, 2011**

	Mar 31, 2011 (Unaudited) (Rupees)	Mar 31, 2010 (Unaudited) (Rupees)
A. CASH FLOWS FROM OPERATING ACTIVITIES	3,839,282	7,665,282
Profit before taxation		
Adjustments for non-cash changes and other items:		
Dividend income	(942,796)	(1,024,830)
Unrealized (gain)/ loss on remeasurement of held for trading investments	282,223	847,238
Gain on sale of investments	(1,987,670)	(4,157,950)
Reversal of provision against doubtful receivables-net	(496,377)	(5,456,756)
Depreciation-owned	46,496	22,422
Amortization on ijarah assets	381,303	576,807
Gain on disposal- ijarah assets	-	(124,090)
Other income	-	(33,596)
	<u>(2,716,821)</u>	<u>(9,350,755)</u>
	1,122,461	(1,685,473)
Cash flows before movements in working capital (Increase) / decrease in operating assets		
Musharika and morabaha finance	20,000	22,093,211
Ijarah rentals receivable	(11,812)	-
Advances, prepayments and other receivables	(893,165)	(297,061)
Accrued profit	(60,530)	(486,429)
Tax refundable	(195,566)	-
	<u>(1,141,073)</u>	<u>21,309,721</u>
Increase/(decrease) in operating liabilities		
Ijarah deposits	66,550	(175,350)
Accrued and other liabilities	(870,417)	966,057
	<u>(803,867)</u>	<u>790,707</u>
Cash flows (used) in / generated from operations	(822,479)	20,414,955
Income tax paid	(104,165)	(111,998)
Dividend paid	(3,262,000)	(1,975)
Net cash (used) in / generated from operating activities	<u>(4,188,644)</u>	<u>20,300,982</u>
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Dividend received	601,796	1,092,640
Long term deposits paid	-	(7,500)
Investment encashed	1,059,830	11,951,487
Proceeds from disposal-ijarah assets	220,850	756,673
Purchase of own assets	-	(22,000)
Purchase of ijarah assets	(958,000)	-
Net cash generated from investing activities	<u>924,476</u>	<u>13,771,300</u>
Net increase in cash and cash equivalents	(3,264,168)	34,072,282
Cash and cash equivalents at beginning of the period	37,758,680	1,532,490
Cash and cash equivalents at end of the period	<u>34,494,512</u>	<u>35,604,772</u>

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

Statement under rule 12 (2) of the Modaraba Companies Rules, 1981:

These condensed interim financial information has been signed by three directors instead of chief executive officer and two directors as the management company has not yet appointed Chief Executive Officer.

DIRECTOR

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**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2011**

	Reserves				Total
	Certificate capital	Capital Statutory Reserve	Unrealized loss on available for sale investments	Revenue Accumulated loss	
Balance at July 1, 2009	125,400,000	18,502,915	(3,037,125)	(81,449,756)	59,416,034
Profit for Period	-	-	7,665,282	7,665,282	7,665,282
Balance at March 31, 2010	125,400,000	18,502,915	(3,037,125)	(73,784,474)	67,081,316
Balance at July 01, 2010	125,400,000	21,261,577	(3,037,125)	(77,311,763)	66,312,689
Distribution @ 3 % declared for the year ended June 30, 2010	-	-	-	(3,762,000)	(3,762,000)
Profit for Period	-	-	3,839,282	3,839,282	3,839,282
Balance at March 31, 2011	125,400,000	21,261,577	(3,037,125)	(77,234,481)	66,389,971

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

Statement under rule 12 (2) of the Modaraba Companies Rules, 1981:

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DIRECTOR



**SELECTED EXPLANATORY NOTES TO THE
INTERIM FINANCIAL INFORMATION (Un-Audited)
FOR THE PERIOD ENDED MARCH 31, 2011**

1. THE COMPANY AND ITS OPERATIONS

First Pak Modaraba (the Modaraba) was formed on August 15, 1991 under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 and the Rules framed there under, having its registered office at Office No. 54, Ground Floor, Beverley Centre, 56-G, Blue Area, Islamabad and is managed by Royal Management Services (Private) Limited, a company incorporated in Pakistan under the Companies Ordinance 1984, and registered with the Registrar of Modaraba Companies and Modaraba under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance 1980. The certificates of Modaraba are listed on the Karachi, Lahore and Islamabad Stock Exchanges.

The Modaraba is a multipurpose and perpetual Modaraba and is mainly engaged in the deployment of funds on murabaha and musharika arrangements, lease (Ijarah) financing and is also involved in trading of listed marketable securities.

2. BASIS OF PREPARATION

2.1 These condensed interim financial statements have been prepared in accordance with the requirements of Modaraba Companies and Modaraba (Floatation and Control) Ordinance 1980, Modaraba Companies and Modaraba Rules, 1981 and the directives issued by Securities and Exchange Commission of Pakistan (SECP) [The Modaraba Regulations] together with the approved Accounting Standards as applicable in Pakistan to Modarabas. Approved Accounting Standard comprise of such International Accounting Standard (IASs) as notified under the provisions of the Companies Ordinance, 1984 and made applicable to Modarabas. Wherever, the requirements of the Modaraba Regulations differ from these standards, the requirements of the Modaraba Regulations take precedence.

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

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation followed in the preparation of these condensed interim financial information are the same as those applied in preparing the annual audited financial statements for the year ended June 30, 2010.

4. CASH AND BANK BALANCES

	March 31, 2011 (Un-audited) (Rupees)	June 30, 2010 (Audited) (Rupees)
Cash in hand	3,130	4,230
Cash at banks		
Current accounts	20,546	19,446
Saving accounts	4,470,836	4,735,004
Term deposits	30,000,000	33,000,000
	34,491,382	37,754,450
	<u>34,494,512</u>	<u>37,758,680</u>

4.1 Effective mark-up rate in respect of PLS accounts ranges from 4% to 11.5 % (June 2010: 3% to 11.5%) per annum.

4.2 Effective mark-up rate in respect of term deposit accounts ranges from 12.90% to 14.25% (June 2010: 12.75% to 14.25%) per annum.

**FIRST PAK MODARABA**

	Note	March 31, 2011 (Un-audited) (Rupees)	June 30, 2010 Audited (Rupees)
5. INVESTMENTS			
Unless stated otherwise, the holdings are in the fully paid ordinary shares/ certificates/ units of Rs 10/- each.			
Available for sale	5.1	1,837,875	1,837,875
Held for trading at fair value through profit or loss account	5.2	12,652,536	12,008,929
		<u>14,490,411</u>	<u>13,846,804</u>

5.1 Available-for-sale

March 31, 2011	June 30, 2010	Name of Investee	Number of shares Unquoted securities		
		Prudential Securities Limited			
487,500	487,500	Cost		4,875,000	4,875,000
		Less: Fair value adjustments		<u>(3,037,125)</u>	<u>(3,037,125)</u>
				<u>1,837,875</u>	<u>1,837,875</u>

5.2 Held for trading at fair value through profit or loss account

March 31, 2011	June 30, 2010	Name of Investee	Number of Certificates / Shares / Units listed securities		
		Open-end Mutual Funds			
100,809	100,809	National Investment Trust Limited		3,185,565	2,825,677
22,471	10,171	JS Aggressive Asset Allocation Fund		522,451	433,895
		Financial Services			
17,500	20,000	Jahangir Siddiqui & Co.		149,800	252,800
10,000	10,000	JS Investments Limited		57,700	74,600
40,000	40,000	Invest Capital Investment Bank Limited		20,000	34,000
		Banks			
895,318	905,318	Silkbank Limited		1,871,215	2,453,412
-	5,000	Bank of Punjab		-	50,400
-	1,500	National Bank of Pakistan		-	96,150
-	9,000	Bank Alfalah Limited		-	85,140
		Non Life Insurance			
2,500	2,500	Pakistan Reinsurance Company Limited		45,775	42,800
		Pharma And Bio Tech			
2,012	3,012	GlaxoSmithkline Pakistan Limited		175,849	244,394

**FIRST PAK MODARABA**

March 31, 2011	June 30, 2010	Name of Investee	March 31, 2011 (Un-audited) (Rupees)	June 30, 2010 Audited (Rupees)
Number of Certificates / Shares / Units listed securities				
Personal Goods				
2,447	20,447	Nishat Mills Limited	159,031	881,674
44,000	14,000	Azgard Nine Limited	379,720	156,240
1,650	1,650	Nishat (Chunian) Limited	47,289	28,479
Construction & Materials				
1,000	2,500	Lucky Cement Limited	202,440	155,350
-	8,000	D.G. Khan Cement Company Limited	-	188,960
-	5,000	Fauji Cement Company Limited	-	22,750
Electricity				
18,200	1,500	Kot Addu Power Company Limited	749,476	62,610
17,500	-	Hub Power Company Limited	658,700	-
Oil And Gas				
306	9,500	National Refinery Limited	95,295	1,737,075
2,000	-	Pakistan Petroleum Limited	422,820	-
1,000	4,000	Attock Refinery Limited	123,720	322,240
2,000	-	Pakistan State Oil Limited	555,020	-
5,000	-	Byco Petroleum Pakistan Limited	46,550	-
Fixed Line Telecommunication				
-	5,000	Pakistan Telecommunication Company Limited	-	89,000
Chemicals				
61,400	1,160	Fauji Fertilizer Bin Qasim Limited	2,543,188	30,207
400	6,000	Engro Corporation Limited	82,312	1,041,481
20,000	-	Lottee Pakistan PTA	322,800	-
Beverages				
-	5,000	Shakarganj Foods Limited	-	5,600
General Industrials				
-	5,130	EcoPack Limited	-	12,261
3,000	5,500	Packages Limited	235,820	651,750
Suspended / Delisted Company				
120,000	120,000	Prudential Investment Bank Limited	-	-
279,749	279,749	Pakistan Industrial and Commercial Leasing Limited	-	27,975
			<u>12,652,536</u>	<u>12,008,929</u>

**FIRST PAK MODARABA**

	Note	March 31, 2011 (Un-audited) (Rupees)	June 30, 2010 Audited (Rupees)
6. MUSHARAKA AND MURABAHA FINANCE			
Musharika finance - Unsecured		9,000,000	9,000,000
Morabaha finance - Unsecured		15,319,705	15,339,705
		<u>24,319,705</u>	<u>24,339,705</u>
Less: Provision for doubtful musharika and morabaha finance	6.1	(24,319,705)	(24,339,705)
		<u>-</u>	<u>-</u>
6.1 Movement of provision			
Opening balance		24,339,705	18,306,880
Reversals during the year		(20,000)	(6,032,825)
Closing balance		<u>24,319,705</u>	<u>24,339,705</u>
7. IJARAH RENTALS RECEIVABLE			
Considered good		24,832	13,020
Considered doubtful		230,542	230,542
		<u>255,374</u>	<u>243,562</u>
Less: Provision for doubtful receivables		(230,542)	(230,542)
		<u>24,832</u>	<u>13,020</u>
8. ADVANCES, PREPAYMENTS AND OTHER RECEIVABLES			
Considered good			
Advance		744,731	640,566
Tax		11,000	55,000
Staff		1,000,000	1,000,000
Deposit		218,359	14,435
Prepayments			
Receivables			
Against sale of shares		11,510,029	11,779,970
Dividend		349,750	-
Others		1,743,733	775,935
		<u>15,577,602</u>	<u>14,265,906</u>
Less: Provision for doubtful receivables		-	(476,377)
		<u>15,577,602</u>	<u>13,789,529</u>

**FIRST PAK MODARABA**

	Note	March 31, 2010 (Un-audited) (Rupees)	June 30, 2009 Audited (Rupees)
9. ACCRUED PROFIT			
Considered good			
Term deposit receipts		546,458	485,928
Musharaka and murabaha finances		13,598,917	13,598,917
		<u>14,145,375</u>	<u>14,084,845</u>
Less: Provision for doubtful receivables		(13,598,917)	(13,598,917)
		<u>546,458</u>	<u>485,928</u>
10. MOVEMENT OF NET BOOK VALUE OF FIXED ASSETS - IN OWN USE			
Book value at the beginning of the period/year		197,094	123,804
Add: Additions during the period/year		-	107,500
		<u>197,094</u>	<u>231,304</u>
Less: Depreciation charged during the period / year		46,496	34,210
		<u>150,598</u>	<u>197,094</u>
11. MOVEMENT OF NET BOOK VALUE OF FIXED ASSETS - IJARAH			
Book value at the beginning of the period / year		1,474,691	3,267,517
Add: Additions during the period / year		958,000	-
		<u>2,432,691</u>	<u>3,267,517</u>
Less: Disposal during the period / year at book value		220,850	1,090,815
Depreciation charged during the period / year		381,303	702,011
		<u>602,153</u>	<u>1,792,826</u>
		<u>1,830,538</u>	<u>1,474,691</u>
12. CONTINGENCIES AND COMMITMENTS			
There are no changes in contingencies and commitments as disclosed in annual audited financial statements for the year ended June 30, 2010			
13. DATE OF AUTHORISATION OF ISSUE			
These condensed interim financial information has been authorized for issue on 30 April, 2011 by the Board of Directors of the Royal Management Services (Private) Limited.			
14. GENERAL			
Figures have been rounded off to the nearest Rupee.			
Statement under rule 12 (2) of the Modaraba Companies Rules, 1981:			
These condensed interim financial information has been signed by three directors instead of chief executive officer and two directors as the management company has not yet appointed Chief Executive Officer.			


 DIRECTOR


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 DIRECTOR



FIRST

PAK

MODARABA

**QUARTERLY REPORT
FOR THE PERIOD ENDED
MARCH 31, 2011**

Managed by:

Royal Management Services (Pvt.) Limited

BOOK - POST
Printed Matter

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