



B.F. MODARABA

Managed By

E.A. MANAGEMENT (PVT) LTD.

Registered under

The Companies Ordinance 1984 & Modaraba
Companies & Modaraba Ordinance 1980

Annual Accounts
2024



B. F. MODARABA
36TH ANNUAL REPORT 2024
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CORPORATE INFORMATION

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. Hamza Omar Bawany	Director
Mr. Muhammad Samiullah	Independent Director
Ms. Tasneem Yusuf	Independent Director

AUDIT COMMITTEE

Mr. Muhammad Samiullah	Chairman
Mr. Ahmed Ali Mohammad Amin Bawany	Member
Mr. Hamza Omar Bawany	Member

HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Muhammad Samiullah	Chairman
Mr. Ahmed Ali Mohammad Amin Bawany	Member
Mr. Muhammad Omar Amin Bawany	Member

COMPANY SECRETARY

Mr. Muhammad Ayub

SHARIAH ADVISOR

Mr. Mufti Zubair Usmani

LEGAL ADVISOR

Mr. Ghullam Rasool Korai

MODARABA AUDITORS

M/s. RSM Avais Hyder Liaquat
Nauman Chartered Accountants

BANKERS

Al-Baraka Islamic Bank
Bank Al-Habib Islamic Limited
Habib Bank Limited
Habib Metropolitan Islamic Bank Limited
UBL Ameen Islamic Bank

REGISTERED OFFICE

Plot No. 43-1-E, (B) P.E.C.H.S,
Block-6, Off Razi Road,
Shahrah-e-Faisal, Karachi Pakistan.
UAN : 111-229-269
Fax : (92-21) 34322864

EMAIL & WEBSITE

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

SHARES REGISTRAR

M/s. C & K Management Associates (Pvt.) Limited
M-13, Progressive Plaza, Plot No. 5 - CL - 10, Civil
Lines Quarter, Beaumont Road, Karachi-75530
Phone: 35687839-35685930



CHAIRMAN'S REVIEW REPORT

I am pleased to present report to our valued Certificate Holders on the affairs of B.F.Modaraba (BFMOD) for the year ended 30th June, 2024, on the overall performance of the Board of Directors and effectiveness of the role played by the Board in achieving Modaraba's strategic objectives.

In the financial year ended June 30, 2024, Pakistan's economy witnessed a significant revival, supported by an agreement with the IMF for financing and achieved great fiscal discipline. As a result, inflation and interest rates have declined, and the stock market showed remarkable growth, with the index rising from 41,452 to 78,444. BF Modaraba benefited from this economic recovery, achieving strong profits through investments in equities as well as income from diminishing Musharakah deals and other financing products. However, the workshop business, set up in partnership with Sustainable Environment Developers (SED), continued to face challenges due to the earlier economic slowdown and prevailing high-interest rates, as the products are capital intensive. Looking ahead, I am optimistic about a resurgence in the workshop business, with expectations of higher number of orders, which will ultimately contribute positively to the Modaraba's growth.

The composition of the Board of Directors reflects mix of varied backgrounds and rich experience in the fields of business, finance, banking and regulations. The Board carried out the annual review of its effectiveness and performance on a self-assessment basis. The Board also ensures compliance of all regulatory requirements. The Board is ably assisted by its Committees. The Audit Committee reviews the financial statements and ensures that the accounts fairly represent the financial position of the Modaraba. It also ensures effectiveness of internal controls. The HR Committee overviews HR policy framework and recommends selection and compensation of senior management team.

On behalf of the Board, I take opportunity to express my gratitude and appreciation towards SECP and Registrar Modaraba for their continuous guidance and support.

Ahmed Ali Bawany
Chairman

Karachi.
Date : October 03, 2024



چیرمین کی جائزہ رپورٹ

مجھے بورڈ آف ڈائریکٹرز کی مجموعی کارکردگی اور مضاربہ کے اسٹریٹجک مقاصد کے حصول میں بورڈ کی جانب سے ادا کیے گئے کردار کی تاثیر پر 30 جون 2024 کو ختم ہونے والے سال کے لیے مضاربہ کے معاملات کے بارے میں ہمارے قابل قدر سرٹیفکیٹ بولڈرز کو رپورٹ پیش کرتے ہوئے خوشی ہو رہی ہے۔

مالی سال 30 جون 2024 کو ختم ہونے والے سال میں، پاکستان کی معیشت میں نمایاں بحالی دیکھنے میں آئی، جسے آئی ایم ایف کے ساتھ مالی معاونت کے معاہدے اور مالی نظم و ضبط میں بہتری سے تقویت ملی۔ اس کے نتیجے میں افراط زر اور سود کی شرحوں میں کمی ہوئی، اور KSE-100 انڈیکس میں زبردست اضافہ دیکھنے میں آیا، جہاں انڈیکس 41,452 سے بڑھ کر 78,444 تک پہنچ گیا۔ BF Modaraba نے اس معاشی بحالی سے بھرپور فائدہ اٹھایا، جس میں ایکویٹی میں سرمایہ کاری اور کم ہوتی ہوئی مشارکہ ڈیلز اور دیگر فنانشنگ پروڈکٹس سے حاصل ہونے والی آمدنی کے ذریعے مضبوط منافع حاصل کیا۔ تاہم، ورکشاپ کا کاروبار، جو (Sustainable Environment Developers (SED کے ساتھ شراکت میں قائم کیا گیا تھا، ابتدائی معاشی سست روی اور سود کی زیادہ شرحوں کی وجہ سے چیلنجز کا سامنا کرتا رہا، کیونکہ اس کاروبار کی مصنوعات سرمایہ کے لحاظ سے بھاری ہیں۔ آئندہ کے لیے، مجھے ورکشاپ کے کاروبار میں بحالی کی امید ہے، جس سے زیادہ آرڈرز کی توقع ہے، جو بالآخر Modaraba کی ترقی میں مثبت کردار ادا کرے گا۔

بورڈ آف ڈائریکٹرز کی تشکیل مختلف پس منظر اور کاروبار، مالیات، بینکنگ، اور ضوابط کے میدان میں وسیع تجربے کا امتزاج ظاہر کرتی ہے۔ بورڈ نے اپنی مؤثریت اور کارکردگی کا سالانہ جائزہ خود تشخیصی بنیادوں پر کیا۔ بورڈ تمام قانونی تقاضوں کی پابندی کو بھی یقینی بناتا ہے۔ بورڈ کو اس کی کمیٹیوں کی مکمل مدد حاصل ہے۔ آڈٹ کمیٹی مالی بیانات کا جائزہ لیتی ہے اور یہ یقینی بناتی ہے کہ اکاؤنٹس Modaraba کی مالی پوزیشن کی درست نمائندگی کرتے ہیں۔ یہ اندرونی کنٹرولز کی مؤثریت کو بھی یقینی بناتی ہے۔ HR کمیٹی انسانی وسائل کی پالیسی کے فریم ورک کا جائزہ لیتی ہے اور سینئر مینجمنٹ ٹیم کے انتخاب اور معاوضے کی سفارش کرتی ہے۔ بورڈ کی جانب سے، میں SECP اور رجسٹرار Modaraba کا ان کی مسلسل رہنمائی اور تعاون پر شکریہ اور قدردانی کا اظہار کرنے کا موقع حاصل کرتا ہوں۔

بورڈ کی جانب سے، میں ایس ای سی پی اور رجسٹرار مودرابا کی مسلسل رہنمائی اور مدد کے لیے شکریہ اور تعریف کا اظہار کرنے کا موقع لیتا ہوں۔

احمد علی باوانی

چیرمین

Karachi.

Date : October 03, 2024



DIRECTORS' REPORT

Dear Certificate Holders,

Assalam-o-Aalikum,

In the name of ALLAH the most gracious and most merciful, your directors are pleased to present 36th Annual Report of your Modaraba together with the Audited Financial Statements for the year ended June 30, 2024.

FINANCIAL RESULTS

Financial results are summarized as follows:

	2024	2023
	Rupees	Rupees
Revenue	<u>18,445,027</u>	<u>10,459,816</u>
Operating Expenses	(10,244,566)	(8,353,612)
Other Income	341,744	181,760
Share of loss from long term Musharakah	-	(7,415,919)
Profit / (Loss) before charging management fee	<u>8,542,205</u>	<u>(5,127,955)</u>
Management fee	(854,221)	-
Profit / (Loss) before WWF	<u>7,687,984</u>	<u>(5,127,955)</u>
WWF	(153,760)	-
Profit / (Loss) before taxation	<u>7,534,224</u>	<u>(5,127,955)</u>
Taxation	(1,264,835)	(871,155)
Profit / (Loss) after taxation	<u>6,269,389</u>	<u>(5,999,110)</u>
Earnings / (loss) per certificate	<u>0.83</u>	<u>(0.80)</u>

REVIEW OF OPERATIONS

Gross revenues during the year were Rs.18.445 million vis-à-vis Rs. 10.459 million for the corresponding period of 2022-23, shown significant increase of 76% from last year; major components of revenue were Diminishing Musharakah Income, Dividend Income and Trading Income of Rs.6.728 million, 5.986 million and 4.496 million respectively.

Thus, Pre-tax profit stood at Rs. 6.269 million against a Pre-tax loss of Rs. 5.999 million for the corresponding period of 2022-23. Therefore, earning per certificate stood at Rs. 0.83.

Equity Market index showed a significant upward trend of 89% closed at 78,444 points as on June 30, 2024 (2023: 41,452 points). Positive impact was reflected in our portfolio investment valuation and unrealized gain of marketable securities stood at Rs. 17.605 million (2023: Unrealized Loss was Rs. 6.263) shown in the equity as on balance sheet date.



FUTURE OUTLOOK

The year under review has been marked by a significant turnaround, with the economy showing promising signs of recovery. The uncertainty that previously hindered business activities has eased, thanks to a more stable political landscape, strengthening of the Pak Rupee, and declining inflation. The improved economic conditions have positively influenced the capital market, bringing renewed optimism to businesses.

The Modaraba Sector, which faced challenges in the past due to the withdrawal of tax exemptions, is now well-positioned to benefit from the economic improvement. Our joint venture business under Musharakah arrangement to run a workshop has almost halted. Slow economy activities last year in the country due to rising costs of all input material, escalating electricity cost, Pak rupee depreciation, high indigenous inflation and rising costs of finance that have a significant impact on a company's ability to secure work orders from industrial sectors and operate profitably. Fragile economy condition of the country is hammering the momentum of all industrial sector of the country. However, the recent economy indicators shown positive impact i.e. strengthen Pak rupees, decrease in inflation and decrease in discount rate etc. We expect that SED will receive orders from industries which ultimately affect the profitability of Modaraba. SED is providing Energy conservation and Spray Pond solutions to the Sugar and Allied Industries since 2004. SED has a specialized team of Engineers for manufacturing, erection, installation and commissioning of high tech equipment designed to improve energy efficiency for Industries.

CORPORATE GOVERNANCE

As required by the Code of Corporate Governance, your Directors are pleased to report that:

- A. The financial statements prepared by the management of the Modaraba present fairly its state of affairs, the result of its operations, cash flow and changes in equity.
- B. Proper books of accounts of the Modaraba have been maintained.
- C. Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgments.
- D. International Financial Reporting Standards, as applicable in Pakistan have been followed in the preparation of financial statements.
- E. The system of internal control is sound and has been effectively implemented and monitored.
- F. There are no significant doubts upon the Modaraba's ability to continue as a going concern.
- G. There is no material departure from best practices of corporate governance as detailed in the Regulations of Rule Book of Pakistan Stock Exchange except as mentioned in annexed compliance with the best practices of corporate governance.
- H. The summary of key operating and financial data of the important statistics for the last six years annexed.
- I. Information against outstanding duties, levies and charges is given in notes to the Accounts.
- J. The Company operates unfunded Provident fund scheme. The fair value of assets based is Rs. 1,120,113.



COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

A statement setting out the status of the compliance with the best practices of corporate governance is annexed to the Annual Report.

BOARD MEETINGS

During the year under review 4 meetings of the Board of Directors were held. A statement showing number of meetings each of the Directors attended are annexed to the Annual Report.

PATTERN OF CERTIFICATE HOLDERS

A statement showing the pattern of holding of the certificates as at June 30, 2024 is annexed to the Annual report.

KEY OPERATING & FINANCIAL DATA

A statement summarizing key operating and financial data for the last six years is annexed to the Annual Report.

AUDITORS

The present Auditors **M/s. Avais Hyder Liaquat Nauman, Chartered Accountants** is retiring on the date of Annual Review Meeting, being eligible, have offered themselves for re-appointment for the year ending June 30, 2025 subject to approval by the Registrar Modaraba Companies and Modarabas, the Board has confirmed their appointment.

Audit observation, if any, has been explained in relevant notes/ statement.

ACKNOWLEDGEMENT

The Board of Directors is grateful to the regulatory authorities for their guidance and support and also to the Certificate holders for their continuing patronage and hard working of employees and confidence in the Management of Modaraba Company.

May Almighty Allah guide us in our efforts of the progress of Modaraba and reward with the blessing **AMEEN**.

On behalf of the Board

Karachi
Date October 03, 2024

Muhammad Omar Amin Bawany
Chief Executive



36 ویں سالانہ ڈائریکٹرز کی رپورٹ

مضارہ کمپنی برائے اختتامی سال 30 جون 2024

محترم سرٹیفکیٹ یافتگان

اسلام علیکم!

اللہ تعالیٰ کے نام سے جو بہت مہربان اور نہایت رحم کرنے والا ہے۔ آپ کے ڈائریکٹرز آپ کے مضارہ کی 36 ویں سالانہ رپورٹ کے ساتھ 30 جون 2024 کو ختم ہونے والے سال کے لئے آؤٹ شدہ مالیاتی گوشوارہ پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

مالی نتائج

2024 Rupees	2023 Rupees
18,445,027	10,459,816
(10,244,566)	(8,353,612)
341,744	181,760
-	(7,415,919)
8,542,205	(5,127,955)
(854,221)	-
7,687,984	(5,127,955)
(153,760)	-
7,534,224	(5,127,955)
(1,264,835)	(871,155)
6,269,389	(5,999,110)
0.83	(0.80)

آمدنی

طویل مدتی مشاعرہ سے ہونے والے نقصان کا حصہ
مینجمنٹ فیس وصول کئے سے پہلے منافع
انتظام کا معاوضہ
WWF سے پہلے منافع۔
ڈبلیو ڈبلیو ایف
ٹیکس سے پہلے منافع۔
ٹیکسیشن۔
ٹیکس کے بعد منافع۔
کمائی / (نقصان) فی سرٹیفکیٹ۔

آپریشنز کا جائزہ

سال کے دوران مجموعی آمدنی 18.445 ملین روپے رہی، جبکہ 2022-23 کے اسی عرصے میں یہ 10.459 ملین روپے تھی، جس میں پچھلے سال کے مقابلے میں 76% کا نمایاں اضافہ ہوا۔ آمدنی کے اہم ذرائع کم بوتلی ہوئی مشارکہ سے 6.728 ملین روپے، ڈیویڈنڈ آمدنی سے 5.986 ملین روپے اور ٹریڈنگ آمدنی سے 4.496 ملین روپے رہے۔ یوں، ٹیکس سے پہلے کا منافع 6.269 ملین روپے رہا، جبکہ 2022-23 کے اسی عرصے میں ٹیکس سے پہلے کا خسارہ 5.999 ملین روپے تھا۔ اس طرح، فی سرٹیفکیٹ آمدنی 0.83 روپے رہی۔ ایکوٹی مارکیٹ انڈیکس میں 89% کا نمایاں اضافہ ہوا اور یہ 30 جون 2024 کو 78,444 پوائنٹس پر بند ہوا (2023: 41,452 پوائنٹس)۔ اس مثبت اثر نے ہمارے پورٹ فولیو میں سرمایہ کاری کی قیمت پر مثبت اثر ڈالا اور قابل فروخت سیکورٹیز کا غیر حقیقی منافع 17,605 ملین روپے رہا (2023: غیر حقیقی خسارہ 6.263 ملین روپے) جو بیلنس شیٹ کی تاریخ میں ایکوٹی میں دکھایا گیا ہے۔



مستقبل کا جائزہ

سال کے دوران معیشت میں نمایاں تبدیلی دیکھنے میں آئی، اور بحالی کے مثبت آثار نظر آ رہے ہیں۔ وہ غیر یقینی صورتحال جو پہلے کاروباری سرگرمیوں میں رکاوٹ ڈال رہی تھی، ایک مستحکم سیاسی منظر نامے، پاکستانی روپے کی مضبوطی، اور افراط زر میں کمی کی وجہ سے ختم ہو چکی ہے۔ بہتر معاشی حالات نے سرمایہ بازار پر مثبت اثر ڈالا، اور کاروباری اداروں میں نیا جوش و خروش پیدا کیا۔ Modaraba سیکٹر، جو ماضی میں ٹیکس چھوٹ کے خاتمے کی وجہ سے مشکلات کا شکار تھا، اب معاشی بحالی سے فائدہ اٹھانے کے لیے اچھی پوزیشن میں ہے۔ مشارکہ کے تحت ہمارے مشترکہ کاروبار تقریباً رک گیا ہے۔ ملک میں اقتصادی سرگرمیوں میں سست روی کی وجہ سے، تمام اشیاء کی بڑھتی ہوئی قیمتیں، بجلی کی بڑھتی ہوئی لاگت، پاکستانی روپے کی قدر میں کمی، اندرونی افراط زر اور فنانشنگ کی بڑھتی ہوئی لاگت نے صنعتی شعبوں سے کام کے آرڈرز حاصل کرنے اور منافع بخش آپریشنز کرنے کی کمپنی کی صلاحیت کو متاثر کیا ہے۔ تاہم، حالیہ اقتصادی اشاریوں نے مثبت اثرات ظاہر کیے ہیں، جیسے کہ پاکستانی روپے کی مضبوطی، افراط زر میں کمی، اور ڈسکاؤنٹ ریٹ میں کمی وغیرہ۔ ہمیں امید ہے کہ SED کو صنعتی شعبوں سے آرڈرز ملیں گے، جو بالآخر Modaraba کی منافعیت پر مثبت اثر ڈالیں گے۔ SED 2004 سے شوگر اور اس سے متعلقہ صنعتوں کو توانائی کی بچت اور اسپرے پونڈ کے حل فراہم کر رہا ہے۔ SED کی ایک ماہر انجینئرنگ ٹیم ہے جو اعلیٰ تکنیکی آلات کی تیاری، تنصیب اور کمیشننگ کے ذریعے صنعت کی توانائی کی کارکردگی کو بہتر بنانے کے لیے کام کر رہی ہے۔

کارپوریٹ گورننس۔

جیسا کہ کوڈ آف کارپوریٹ گورننس کی ضرورت ہے، آپ کے ڈائریکٹرز یہ اطلاع دیتے ہوئے خوش ہیں:

1. مودر ابا کی انتظامیہ کی طرف سے تیار کردہ مالیاتی بیانات اس کے معاملات کی منصفانہ حالت، اس کے آپریشن کا نتیجہ، نقد بہاؤ اور ایکویٹی میں تبدیلیوں کو پیش کرتے ہیں۔
2. مودر ابا کے اکاؤنٹس کی مناسب کتابیں برقرار رکھی گئی ہیں۔
3. مناسب حساب کتاب کی پالیسیوں کو مالی بیانات کی تیاری میں مستقل طور پر لاگو کیا گیا ہے اور اکاؤنٹنگ کا تخمینہ معقول اور سمجھدار فیصلوں پر مبنی ہے۔
4. بین الاقوامی مالیاتی رپورٹنگ کے معیارات، جیسا کہ پاکستان میں لاگو ہوتا ہے، مالی بیانات کی تیاری میں عمل کیا گیا ہے۔
5. اندرونی کنٹرول کا نظام درست ہے اور اسے مؤثر طریقے سے نافذ اور مانیٹر کیا گیا ہے۔
6. موثر ابا کی جاری تشویش کے طور پر جاری رکھنے کی صلاحیت پر کوئی خاص شبہات نہیں ہیں۔
7. کارپوریٹ گورننس کے بہترین طریقوں سے کوئی مادی روانگی نہیں ہے جیسا کہ پاکستان اسٹاک ایکسچینج کے رول بک کے ریگولیشنز میں تفصیل کے علاوہ سوائے کارپوریٹ گورننس کے بہترین طریقوں کے ساتھ منسلک تعینات میں ذکر کیا گیا ہے۔
8. پچھلے چھ سالوں کے اہم اعداد و شمار کے کلیدی آپریشنز اور مالیاتی اعداد و شمار کا خلاصہ۔
9. بقایا ٹیوٹیز، لیویز اور چارجز کے خلاف معلومات اکاؤنٹس کو نوٹوں میں دی گئی ہیں۔
10. کمپنی غیر منافع بخش پروویڈنٹ فنڈ اسکیم چلاتی ہے۔ اثاثوں کی بنیاد پر مناسب قیمت روپے ہے 1,120,113

کارپوریٹ گورننس کے کوڈ کے ساتھ تعینات

سالانہ رپورٹ کے ساتھ کارپوریٹ گورننس کے بہترین طریقوں کی تعینات کی حیثیت بیان کرنے والا بیان۔
بورڈ میٹنگز

زیر جائزہ سال کے دوران بورڈ آف ڈائریکٹرز کی 4 میٹنگز منعقد ہوئیں۔ ایک بیان جس میں ہر ڈائریکٹر نے شرکت کی میٹنگوں کی تعداد ظاہر کی ہے سالانہ رپورٹ سے منسلک ہے۔

سرٹیفکیٹ ہولڈرز کا پیٹرن۔

30 جون 2024 کے طور پر سرٹیفکیٹس کے انعقاد کا نمونہ ظاہر کرنے والا بیان سالانہ رپورٹ سے منسلک ہے۔



کلیدی آپریٹنگ اور فنانشل ڈیٹا۔

گزشتہ چھ سالوں کے کلیدی آپریٹنگ اور مالیاتی اعداد و شمار کا خلاصہ بیان سالانہ رپورٹ سے منسلک ہے۔

اٹیچرز

موجودہ اٹیچرز، M/s. Avais Hyder Liaquat Nauman، چارٹرڈ اکاؤنٹنٹس، سالانہ جائزہ اجلاس کے دن ریٹائر ہو رہے ہیں، اہل ہونے کی بنا پر، انہوں نے 30 جون 2025 کو ختم ہونے والے سال کے لیے دوبارہ تقرری کی پیشکش کی ہے، جس کی منظوری رجسٹرار Modaraba کمپنیز اور Modarabas سے مشروط ہے، بورڈ نے ان کی تقرری کی تصدیق کی ہے۔ آڈٹ کی کوئی بھی مشاہدات متعلقہ نوٹس/بیان میں وضاحت کیے گئے ہیں۔

اعتراف

بورڈ آف ڈائریکٹرز ریگولیٹری اتھارٹیز کی رہنمائی اور مدد کے لیے اور سرٹیفکیٹ ہولڈرز کی مسلسل سرپرستی اور ملازمین کی محنت اور موڈارابا کمپنی کے انتظام پر اعتماد کے لیے شکر گزار ہیں۔

اللہ رب العزت موڈرہا کی ترقی کی ہماری کوششوں میں رہنمائی فرمائے اور نعمت سے نوازے آمین۔

بورڈ کی جانب سے۔

محمد عمر امین باوانی۔
چیف ایگزیکٹو

کراچی
تاریخ 03 اکتوبر 2024



Shari'ah Advisor Report

For the financial year ended June 30, 2024

This to please report that for the financial year ended June 30, 2024, I have examined/reviewed the transactions and agreements executed, polices implemented and procedures followed by B.F. Modaraba managed by E.A. Management (Private) Limited being Modaraba Management Company.

I have found that transactions and agreements executed, polices implemented and procedures followed by B.F. Modaraba were in accordance with the relevant Shari'ah rulings and they were in line with prospectus issued by B.F. Modaraba, Shari'ah Compliance and Shari'ah Audit Regulations, Islamic Financial Accounting Standards applicable in Pakistan and the Model Financing Agreements approved by the Religious Board of SECP.

I have found that new Sharia' Compliance and Shari'ah Audit mechanism has been introduced which is hoped to lead towards more stringent Sharia' Compliance and Shari'ah Audit practices

I have found that under pool management mechanism, profit sharing ratios fixed for the distribution of profit & losses and the weightages assigned to different classes of deposits were in accordance with Shari'ah rulings.

I have not advised transfer of income to charity account due to non-observance of deviation from Shari'ah rulings.

I will recommend that:

- a) All earning assets and assets owned should be covered under Takaful arrangements instead of conventional insurance.
- b) Proper training to each staff level should be conducted

Conclusion:

The business activities of B.F. Modaraba during the financial year ended June 30, 2023 have been found to be Sharia'h compliant

Dr. Zubair Usmani

Dated: October 03, 2024

Shari'ah Advisor



INDEPENDENT AUDITOR'S REPORT

To the Certificate Holders of BF Modaraba

Report on the audit of the financial statements

Opinion

We have audited the annexed financial statements of **BF Modaraba** (the Modaraba), which comprise the statement of financial position as at June 30, 2024, and the statement of profit or loss, statement of other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss and statement of other comprehensive income, the statement of change in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Modaraba Companies and Modaraba (Flotation and Control) Ordinance, 1980 (XXXI of 1980), in the manner so required and respectively give a true and fair view of the state of the Modaraba's affairs as at June 30, 2024 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Key Audit Matter

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the key audit matters:

Sr. No.	Key Audit Matters	How the matter was addressed in our audit
1	<p>Stock in trade (Refer note 10 to the financial statements)</p> <p>Due to the significance of inventory balances and related estimations involved, this is considered as a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> -Obtained an understanding of internal controls over purchases and valuation of stock in trade and tested, on a sample basis, their design, implementation and operating effectiveness. -Attended physical inventory count performed by the Company. -Obtained confirmations from third party where the inventory is held by third party, for confirming the quantity and condition of the stock. -Obtained and reviewed the inventory count report of the management and assessed its accuracy on a sample basis. -Performed NRV test to ensure that the inventory is valued at lower of cost and NRV.
2	<p>Long Term Investments (Refer note 6 to the financial statements)</p> <p>The Company have invested in the quoted companies and modarabas, and has classified it as fair value through other comprehensive income. Due to the significance of investment balances and related estimations involved, this is considered as a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> -Obtained an understanding of the process relating to classification of investment in the fair value through other comprehensive income. -Performed test of details on a valuation of the investment at fair value including verification of investment rates which are available at PSX website.



		<p>-Insured that the unrealized gains of these investments have been appropriately classified in the other comprehensive income.</p> <p>-Ensured the adequacy of disclosures in accordance with applicable financial reporting standards.</p>
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Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Modaraba and E.A Management (Private) Limited in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management and board of directors for the financial statements

Management of the Modaraba Company is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of the Modaraba Companies and Modaraba (Flotation and Control) Ordinance, 1980 (XXXI of 1980) and for such internal control as management of the Modaraba Company determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management of the Modaraba Company is responsible for assessing the Modaraba's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management of the Modaraba Company either intends to liquidate the Modaraba or to cease operations, or has no realistic alternative but to do so.

Board of directors of the Modaraba Company are responsible for overseeing the Modaraba's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Modaraba's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management of the Modaraba Company.
- Conclude on the appropriateness of management of the Modaraba Company's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Modaraba's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our



auditor's report. However, future events or conditions may cause the Modaraba to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors of the Modaraba Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors of the Modaraba Company with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on other legal and regulatory requirements

Based on our audit, we further report that in our opinion:

- a) Proper books of account have been kept by the Modaraba Company in respect of the Modaraba as required by Modaraba Companies and Modaraba (Flotation and Control) Ordinance, 1980 (XXXI of 1980);
- b) the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Modaraba Companies and Modaraba (Flotation and Control) Ordinance, 1980 (XXXI of 1980) and are in agreement with the books of account;
- c) business conducted, investments made, and expenditure incurred during the year by the Modaraba were in accordance with the objects, terms and conditions of the Modaraba; and
- d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980);

Other Matter

The financial statements for the year ended June 30, 2023 were audited by another firm of chartered accountants, who expressed an unmodified opinion on those financial statement vide their report dated 04 October, 2023.

The engagement partner on the audit resulting in this independent auditor's report is Adnan Zaman.

Chartered Accountants

Karachi

Dated:



B.F. Modaraba

Statement of Financial Position

As at June 30, 2024

ASSETS	Note	2024 -----Rupees-----	2023
Non-current assets			
Furniture and equipment	4	15,120	17,276
Long term deposits	5	40,019	40,019
Long term investments	6	51,322,228	38,739,059
Diminishing Musharaka	7	17,926,053	8,747,881
		<u>69,303,420</u>	<u>47,544,235</u>
Current assets			
Prepayments and other receivables	9	8,418,093	9,636,699
Current portion of Diminishing Musharaka	7	11,103,718	3,147,290
Advance tax - net		3,522,113	3,759,858
Stock in trade	10	41,689,549	48,048,890
Cash and bank balances	11	11,553,945	1,573,030
		<u>76,287,418</u>	<u>66,165,767</u>
Total assets		<u><u>145,590,838</u></u>	<u><u>113,710,002</u></u>
LIABILITIES AND EQUITY			
Current liabilities			
Trade and other payables	12	1,673,986	1,895,744
Due to Management Company	19	854,221	-
Unclaimed dividend		1,690,889	1,690,889
		<u>4,219,096</u>	<u>3,586,633</u>
Certificate holders' equity			
Certificate capital	13	75,151,587	75,151,587
Reserves	14	48,615,351	41,234,881
		<u>123,766,938</u>	<u>116,386,468</u>
Unrealized gain / (loss) on re-measurement of investments classified as fair value through other comprehensive income	15	17,604,802	(6,263,099)
Total liabilities and equity		<u><u>145,590,838</u></u>	<u><u>113,710,002</u></u>
Contingencies and commitments	16	-	-

The annexed notes from 1 to 26 form an integral part of these financial statements.

FOR E.A Management (Private) Limited
(Management Company)

Chairman

Chief Executive

Director

Chief Financial Officer



B.F. Modaraba

Statement of Profit or Loss

For the year ended June 30, 2024

	Note	2024	2023
		-----Rupees-----	
Revenue - net			
Trading Income		4,496,483	-
Dividend - net of Zakat	17	5,985,854	6,221,357
Profit on bank deposits		1,234,895	328,195
Diminishing Musharakah income		6,727,795	2,832,050
Realized gain on redemption of mutual fund units		-	1,075,714
Unrealized gain / (loss) on remeasurement of investments in units of mutual funds		-	2,500
		<u>18,445,027</u>	<u>10,459,816</u>
Administrative expenditure			
Operating expenses	18	(10,244,566)	(8,353,612)
Share of loss from long term Musharaka	8	-	(7,415,919)
Other income		341,744	181,760
Profit / (loss) before charging Management Company's remuneration		<u>8,542,205</u>	<u>(5,127,955)</u>
Management Company's remuneration	19	(854,221)	-
Provision for Worker's Welfare Fund		(153,760)	-
		<u>7,534,224</u>	<u>(5,127,955)</u>
Profit / (loss) before taxation			
Final Taxes	20	(815,182)	(871,155)
Income tax			
Current Tax- For the year	20.2	(449,653)	-
-Prior year		-	-
Deferred tax		-	-
Profit / (loss) after taxation		<u>6,269,389</u>	<u>(5,999,110)</u>
Earning / (loss) per certificate - basic and diluted	21	<u>0.83</u>	<u>(0.80)</u>

The annexed notes from 1 to 26 form an integral part of these financial statements.

FOR E.A Management (Private) Limited
(Management Company)

Chairman

Chief Executive

Director

Chief Financial Officer



B.F. Modaraba

Statement of Comprehensive Income

For the year ended June 30, 2024

	2024	2023
	-----Rupees-----	
Profit / (loss) after taxation	6,269,389	(5,999,110)
Other comprehensive income		
<i>Items that will not be subsequently reclassified to profit or loss:</i>		
Surplus / (Deficit) on re-measurement of investments classified as at fair value through other comprehensive income	23,865,893	(1,549,631)
Total comprehensive income / (loss) for the year	<u>30,135,282</u>	<u>(7,548,741)</u>

The annexed notes from 1 to 26 form an integral part of these financial statements.

FOR E.A Management (Private) Limited
(Management Company)

Chairman

Chief Executive

Director

Chief Financial Officer



B.F. Modaraba

Statement of Changes in Equity

For the year ended June 30, 2024

	Certificate capital	Reserves		Total Reserves	Total
		Statutory reserves	Unappropriated profits		
-----Rupees-----					
Balance as at June 30, 2022	75,151,587	50,255,171	(1,258,520)	48,996,651	124,148,238
- Loss after taxation	-	-	(5,999,110)	(5,999,110)	(5,999,110)
- Other comprehensive income	-	-	-	-	-
- Loss realized on disposal of investments in ordinary shares of listed companies	-	-	(1,762,660)	(1,762,660)	(1,762,660)
Balance as at June 30, 2023	75,151,587	50,255,171	(9,020,290)	41,234,881	116,386,468
<i>Total comprehensive income for the year ended June 30, 2024</i>					
- Profit after taxation	-	-	6,269,389	6,269,389	6,269,389
- Other comprehensive income	-	-	-	-	-
- Profit realized on disposal of investments in ordinary shares of listed companies	-	-	1,111,081	1,111,081	1,111,081
Balance as at June 30, 2024	75,151,587	50,255,171	(1,639,820)	48,615,351	123,766,938

* As per Circular No. SC/M/PRDD/PRs/2017-259 dated December 11, 2017 issued by the SECP, the surplus on revaluation of investments has not been included in the equity. Bee

The annexed notes from 1 to 26 form an integral part of these financial statements.

FOR E.A Management (Private) Limited
(Management Company)

Chairman

Chief Executive

Director

Chief Financial Officer



B.F. Modaraba

Statement of Cash Flows

For the year ended June 30, 2024

	2024	2023
	-----Rupees-----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (loss) before taxation	7,534,224	(5,127,955)
Adjustments for non-cash charges and other items:		
- Depreciation on furniture and equipment	4 2,156	2,603
- Profit on bank deposits	(1,234,895)	(328,195)
- Management Company's remuneration	19 854,221	-
- Provision for Provident Fund	729,290	619,954
- Provision for Worker's Welfare Fund	153,760	-
- Unrealized gain on remeasurement of investments	-	(2,500)
- Share of loss from long term Musharaka	-	7,415,919
- Realized gain on redemption of mutual fund units	-	(1,075,714)
- Dividend income - net of zakat	17 (5,985,854)	(6,221,357)
	<u>(5,481,322)</u>	<u>410,710</u>
Operating loss before working capital changes	2,052,902	(4,717,245)
Working capital changes		
<i>Decrease / (increase) in current assets</i>		
- Stock in trade	6,359,341	(48,048,890)
- Prepayments and other receivables	1,249,471	(8,804,738)
<i>Decrease in current liabilities</i>		
- Trade and other payables	(951,048)	(553,739)
	<u>6,657,764</u>	<u>(57,407,367)</u>
Income tax refund/paid - net	(1,027,090)	(1,130,385)
Provident fund paid to employees	-	(1,175,406)
Sale of investments - net	12,242,055	54,275,946
Dividend received	5,985,854	6,221,357
	<u>17,200,819</u>	<u>58,191,512</u>
Net cash inflow / (outflow) from operating activities	<u>25,911,485</u>	<u>(3,933,100)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Profit received on bank deposits	1,204,030	328,636
Diminishing Musharaka	(17,134,600)	2,692,079
Net cash (outflow) / inflow from investing activities	<u>(15,930,570)</u>	<u>3,020,715</u>
Net increase / (decrease) in cash and cash equivalents	9,980,915	(912,385)
Cash and cash equivalents as at beginning of the year	1,573,030	2,485,415
Cash and cash equivalents as at end of the year	11 <u>11,553,945</u>	<u>1,573,030</u>

The annexed notes from 1 to 26 form an integral part of these financial statements.

FOR E.A Management (Private) Limited
(Management Company)

Chairman

Chief Executive

Director

Chief Financial Officer



B.F. Modaraba

Notes to the Financial Statements

For the year ended June 30, 2024

1. STATUS AND NATURE OF BUSINESS

B.F. Modaraba ('the Modaraba') was formed under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 and the rules framed thereunder. The Modaraba is managed by E.A. Management (Private) Limited ('Modaraba Management Company'). The registered office of the Modaraba is situated at Plot No. 43-1-E(B), P.E.C.H.S., Block-6, Off Razi Road, Shahrah-e-Faisal, Karachi. The Modaraba is listed on Pakistan Stock Exchange. The Modaraba is a perpetual multi-purpose modaraba and is primarily engaged in investments in quoted securities, trading of sugar, leasing, musharika and murabaha transactions.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards as applicable in Pakistan comprise of the following:

- (a) International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and such other reporting standards [including Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP)] as notified by the Securities and Exchange Commission of Pakistan (SECP) under section 225(1) of the Companies Act, 2017 (here-in-after collectively referred to as the 'applicable financial reporting standards'); and
- (b) The legal provisions of (i) Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, (ii) Modaraba Companies and Modaraba Rules, 1981, (iii) The Modaraba Regulations, 2021 as well as the notifications, circulars or directives issued thereunder by the SECP from time to time (here-in-after collectively referred to as the 'applicable laws and regulations').

Wherever the requirements of the applicable financial reporting standards differ from the requirements of the applicable laws and regulations, the latter shall prevail.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost, except for :

- Investments in quoted companies and modarabas carried at fair value through other comprehensive income
- Investments in open-ended mutual funds carried at fair value through profit or loss

2.3 Functional and presentation currency

These financial statements are presented in Pak Rupees, which is the Modaraba's functional and presentation currency.

2.4 Use of estimates and judgments

The preparation of financial statements in conformity with approved accounting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Areas where various assumptions and estimates are significant to the Modaraba's financial statements or where judgments were exercised in application of accounting policy are as follows:

	<i>Note</i>
- Provision for taxation	3.12

2.5 New accounting pronouncements

2.5.1 Standards, interpretations and amendments to the published accounting and reporting standards:

New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2024

The following standards, amendments and interpretations are effective for the year ended June 30, 2024. These standards, amendments and interpretations are either not relevant to the Modaraba's operations or did not have significant impact on the financial statements other than certain additional disclosures.

	Effective date (accounting periods beginning on or after)
Amendments to IAS 1 'Presentation of Financial Statements' and IFRS Practice	January 01, 2023
Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of Accounting Estimates	January 01, 2023
Amendments to IAS 12 'Income Taxes' - Deferred Tax related to Assets and Liabilities arising from a single transaction	January 01, 2023
Amendments to IAS 12 'Income Taxes' - Temporary exception to the requirements regarding deferred tax assets and liabilities related to pillar two income taxes	January 01, 2023

The Modaraba adopted the narrow-scope amendments to the International Accounting Standard (IAS) 1, Presentation of Financial Statements which have been effective for annual reporting periods beginning on or after 1 January 2023. Although the amendments did not result in any changes to accounting policy themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of 'material' rather than 'significant' accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting the Modaraba to provide useful entity-specific accounting policy information that users need to understand other information in the financial statements.

Management reviewed the accounting policies and updates to the information disclosed in Note 4 Material accounting policies (2023: Significant accounting policies) in certain instances in line with the amendments and concluded that all its accounting policies are material for disclosure.



2.5.2 *Standards, interpretations and amendments to the published accounting and reporting standards that are not yet effective:*

The following amendments with respect to the accounting and reporting standards would be effective from the dates mentioned below against the respective amendments:

Amendments	Effective date (accounting periods beginning on or after)
- IFRS 16 - 'Leases' (amendments)	January 1, 2024
- IAS 1 - 'Presentation of Financial Statements' (amendments)	January 1, 2024
- IAS 7 - 'Statement of Cashflow' (amendments)	January 1, 2024
- IAS 21 - 'The Effects of Changes in Foreign Exchange Rate' (amendments)	January 1, 2025
- IFRS 7 - 'Insurance Contracts' (amendments)	January 1, 2026

3. MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous financial years.

3.1 Furniture and equipment

Fixed assets held for own use are stated at cost less accumulated depreciation and impairment, if any. Depreciation is charged to income applying the reducing balance method at the rates specified in note 4 to these financial statements.

Depreciation is charged from the date of acquisition of the respective assets up to the date of disposal.

Maintenance and normal repairs are charged to the statement of profit or loss as and when incurred. Major renewals and replacement are capitalized and assets so replaced, if any, are retired.

Assets' residual values if significant and their useful lives are reviewed and adjusted, if appropriate, at each reporting date.

Gain or loss on disposal of assets is accounted for in the year in which it arises.

3.2 Impairment of non-financial assets

The Modaraba assesses at each reporting date the carrying value of assets subject to depreciation or amortization whether there is any indication that assets may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment loss is recognized in profit or loss. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Where impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised recoverable amount but limited to the extent of initial cost of the asset. Reversal of impairment loss is recognized as income.

3.3 Stock in trade

Stock in trade is valued at lower of cost and net realizable value. Net realizable value signifies the estimated selling price in the ordinary course of business less estimated costs necessary to make the sale.

Cost is determined using weighted average method.

ASU

3.4 Trade debts

Trade debts are carried at their initial transaction price less the lifetime expected credit loss allowance.

A receivable is recognized when the goods are delivered to customers as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

3.5 Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash in hand and balances with banks.

3.6 Financial instruments

3.6.1 Initial recognition, classification and measurement

The Modaraba recognizes a financial asset when and only when it becomes a party to the contractual provisions of the instrument evidencing investment.

Regular way purchase of investments are recognized using settlement date accounting i.e. on the date on which settlement of the purchase transaction takes place.

The Modaraba classifies its financial assets into either of following three categories:

- (a) financial assets measured at amortized cost.
- (b) fair value through other comprehensive income (FVOCI);
- (c) fair value through profit or loss (FVTPL); and

(a) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it is held within business model whose objective is to hold assets to collect contractual cash flows, and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

Such financial assets are initially measured at fair value plus transaction costs that are directly attributable to the acquisition or issue thereof.

(b) Financial assets at FVOCI

A financial asset is classified as at fair value through other comprehensive income when it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Such financial assets are initially measured at fair value plus transaction costs that are directly attributable to the acquisition or issue thereof.

(c) Financial assets at FVTPL

A financial asset shall be measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income, as aforesaid. However, for an investment in equity instrument which is not held for trading, the Modaraba may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value of the investment.

Such financial assets are initially measured at fair value.

RSU

3.6.2 *Subsequent measurement*

(a) *Financial assets measured at amortized cost*

These assets are subsequently measured at amortized cost (determined using the effective interest method) less accumulated impairment losses.

Interest / markup income, foreign exchange gains and losses and impairment losses arising from such financial assets are recognized in the statement of profit or loss.

(b) *Financial assets at FVOCI*

These are subsequently measured at fair value less accumulated impairment losses.

A gain or loss on a financial asset measured at fair value through other comprehensive income in accordance is recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses, until the financial asset is derecognized or reclassified. When the financial asset is derecognized the cumulative gain or loss previously recognized in other comprehensive income is reclassified to equity as a reclassification adjustment. Interest is calculated using the effective interest method and is recognized in profit or loss.

(c) *Financial assets at FVTPL*

These assets are subsequently measured at fair value.

Net gains or losses arising from remeasurement of such financial assets as well as any interest income accruing thereon are recognized in the statement of profit or loss. However, for an investment in equity instrument which is not held for trading and for which the Modaraba has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of the investment, such gains or losses are recognized in other comprehensive income. Further, when such investment is disposed off, the cumulative gain or loss previously recognized in other comprehensive income is not reclassified from equity to profit or loss.

3.6.3 *Impairment*

The Modaraba recognizes a loss allowance for expected credit losses in respect of financial assets measured at amortized cost.

For trade debts, the Modaraba applies the IFRS 9 'Simplified Approach' to measuring expected credit losses which uses a lifetime expected loss allowance.

For other financial assets, the Modaraba applies the IFRS 9 'General Approach' to measuring expected credit losses whereby the Modaraba measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. However, if, at the reporting date, the credit risk on a financial instrument has not increased significantly since initial recognition, the Modaraba measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

The Modaraba measures expected credit losses on financial assets in a way that reflects an unbiased and probability-weighted amount, time value of money and reasonable and supportable information at the reporting date about the past events, current conditions and forecast of future economic conditions. The Modaraba recognizes in profit or loss, as an impairment loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

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3.6.4 *De-recognition*

Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Modaraba has transferred substantially all risks and rewards of ownership.

The Modaraba directly reduces the gross carrying amount of a financial asset when the Modaraba has no reasonable expectations of recovering the financial asset in its entirety or a portion thereof. A write-off constitutes a derecognition event.

3.7 **Financial liabilities**

Financial liabilities are classified as measured at amortized cost or 'at fair value through profit or loss' (FVTPL). A financial liability is classified as at FVTPL if it is classified as held for trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in the statement of profit or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in the statement of profit or loss. Any gain or loss on de-recognition is also recognized in the statement of profit or loss.

Financial liabilities are derecognized when the contractual obligations are discharged or cancelled or have expired or when the financial liability's cash flows have been substantially modified.

3.8 **Provisions and contingent liabilities**

Provisions

A provision is recognized in the statement of financial position when the Modaraba has a legal or constructive obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are not recognized for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expense.

As the actual outflows can differ from estimates made for provisions due to changes in laws, regulations, public expectations, technology, prices and conditions, and can take place many years in the future, the carrying amounts of provisions are reviewed at each reporting date and adjusted to take account of such changes. Any adjustments to the amount of previously recognized provision is recognized in the statement of profit or loss unless the provision was originally recognized as part of cost of an asset.

Contingent liabilities

A contingent liability is disclosed when the Modaraba has a possible obligation as a result of past events, whose existence will be confirmed only by the occurrence or non-occurrence, of one or more uncertain future events not wholly within the control of the Modaraba; or the Modaraba has a present legal or constructive obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

3.9 **Offsetting of financial assets and liabilities**

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position only when there is a legally enforceable right to set off the recognized amount and the Modaraba intends either to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

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3.10 Revenue

Revenue from trading activities

Revenue from sale of goods (sugar) is recognized when the customer obtains control of the goods, being when the goods are delivered to the customer and there is no unfulfilled obligation that could affect the customer's acceptance of the goods. Delivery occurs when the goods have been dispatched from the Modaraba's premises, the risk of loss has been transferred to the customer, and either the customer has accepted the goods in accordance with the sales contract, the acceptance provisions have elapsed, or the Modaraba has objective evidence that all criteria for acceptance have been satisfied.

The Modaraba does not expect to have contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Modaraba does not adjust any of the transaction prices for the time value of money.

Dividend income

Dividends received from investments measured at fair value through profit or loss and at fair value through other comprehensive income are recognized in the statement of profit or loss when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Modaraba and the amount of the dividend can be measured reliably. This applies even if they are paid out of pre-acquisition profits, unless the dividend clearly represents a recovery of a part of the cost of an investment. In this case, dividend is recognized in other comprehensive income if it relates to an investment measured at fair value through other comprehensive income.

Interest income

Return on bank deposits is recognized on a time proportion basis on the principal amount outstanding and at the rate applicable.

3.11 Employee Benefits

Short-term paid absences

Provision for accumulating compensated absences, whether vesting or non-vesting, is recognized as the employees render services that increase their entitlement to future paid absences. Such provision is measured as the additional amount that the Modaraba expects to pay as a result of the unused entitlement that has accumulated at the end of the reporting period.

Non-accumulating compensated absences are recognized as expense in the period in which they occur.

Post-employment benefits - Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate fund and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. As a consequence, actuarial risk (that benefits will be less than expected) and investment risk (that assets will be insufficient to meet expected benefits) fall, in substance, on the employee.

The Modaraba operates an unfunded provident scheme for its employees which is classified as a defined contribution plan. Equal monthly contributions are made by the Modaraba and the employees to the plan at the rate equal to 9% of their basic salary.

When an employee has rendered service to the Modaraba during a period, the Modaraba recognizes the contribution payable to a defined contribution plan in exchange for that service as an expense in profit or loss and as a liability in the statement of financial position (accrued expense), after deducting any contribution already paid. If the contribution already paid exceeds the contribution due for service before the end of the reporting period, the Modaraba recognizes that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund.

When contributions to a defined contribution plan are not expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service, they are discounted using the discount rate determined by reference to market yields at the end of the reporting period on high quality corporate bonds (or when there is no deep market in such bonds, the government bonds) having term consistent with the estimated term of the post-employment benefit obligations.

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3.12 Taxation

Current

Provision of current tax is based on the taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates that have been enacted or substantively enacted at the balance sheet date.

Deferred

Deferred tax is recognized using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amounts of assets and liabilities in the financial statements and their tax base. This is recognized on the basis of the expected manner of the realization and the settlement of the carrying amount of assets and liabilities using the tax rates to the extent that it is probable enacted or substantively enacted at the reporting date. Deferred tax assets are recognized to the extent that future taxable profit will be available against which the deductible temporary differences can be utilized. Deferred tax assets are reduced to the extent that is no longer probable that the related tax benefit will be realized.

Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

4. Furniture and Equipment

	Office equipment	Furniture & fixture	Computer & allied equipment	Total
	----- (Rupees) -----			
As at June 30, 2022				
Cost	147,225	146,603	351,720	645,548
Accumulated depreciation	(139,659)	(137,363)	(348,647)	(625,669)
	<u>7,566</u>	<u>9,240</u>	<u>3,073</u>	<u>19,879</u>
<i>Movement during the year ended June 30, 2023</i>				
Opening net book value	7,566	9,240	3,073	19,879
Depreciation for the year	(757)	(924)	(922)	(2,603)
Closing net book value	<u>6,809</u>	<u>8,316</u>	<u>2,151</u>	<u>17,276</u>
As at June 30, 2023				
Cost	147,225	146,603	351,720	645,548
Accumulated depreciation	(140,416)	(138,287)	(349,569)	(628,272)
	<u>6,809</u>	<u>8,316</u>	<u>2,151</u>	<u>17,276</u>
<i>Movement during the year ended June 30, 2024</i>				
Opening net book value	6,809	8,316	2,151	17,276
Depreciation for the year	(680)	(831)	(645)	(2,156)
Closing net book value	<u>6,129</u>	<u>7,485</u>	<u>1,506</u>	<u>15,120</u>
As at June 30, 2024				
Cost	147,225	146,603	351,720	645,548
Accumulated depreciation	(141,096)	(139,118)	(350,214)	(630,428)
	<u>6,129</u>	<u>7,485</u>	<u>1,506</u>	<u>15,120</u>
Rate of depreciation per annum	<u>10%</u>	<u>10%</u>	<u>30%</u>	

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	Note	2024	2023
		-----Rupees-----	
5. LONG TERM DEPOSITS			
<i>Basic deposits placed with:</i>			
- Central Depository Company of Pakistan Limited		25,000	25,000
- State Bank of Pakistan		10,019	10,019
- Pakistan Telephone Communications Limited		5,000	5,000
		<u>40,019</u>	<u>40,019</u>
6. LONG TERM INVESTMENTS			
<i>At fair value through other comprehensive income</i>			
Investments in quoted companies and modarabas	6.1	51,322,228	38,702,409
<i>At fair value through profit or loss</i>			
Investment in open-ended mutual funds	6.2		36,650
		<u>51,322,228</u>	<u>38,739,059</u>

6.1 Investments in quoted companies and modarabas

Number of shares/certificate		Name of Company / Institution	Cost		Market value	
2024	2023		2024	2023	2024	2023
-----Rupees-----						
		MODARABAS				
21,136	21,136	Orix Modaraba	191,281	191,281	287872	238,837
		First Punjab Modaraba				
		BANK				
455	58,455	Meezan Bank Limited	24,610	3,161,658	108922	5,048,758
		CEMENT				
199,125	199,125	Fauji Cement Limited	5,414,849	5,414,849	4561954	2,341,710
-	13,000	Kohat Cement Limited		2,122,412		2,255,110
10,000	10,000	D.G.Khan Cement Limited	975,797	975,797	902700	513,000
10,000	10,000	Maple Leaf Cement	312,200	312,200	380000	283,300
6,000	6,000	Lucky Cement Limited	3,466,908	3,466,908	5440380	3,132,540
		TEXTILE				
10,000	10,000	Nishat Mills Limited	843,634	843,634	708500	567,700
		FOOD & PERSONAL CARE PRODUCTS				
-	10,000	Frieslandcampina Engro Pakistan		731,100		590,300
		REFINERY				
12,500	12,500	Attock Refinery Limited	2,078,108	2,078,108	4394875	2,145,375
		FUEL AND ENERGY				
22,419	22,419	Hub Power Company Limited	1,037,619	1,037,619	3656091	1,559,914
49,000	49,000	Kohinoor Energy Limited	2,126,091	2,126,091	1994790	1,506,750
10,099	10,099	Pakistan Petroleum Limited	886,443	886,443	1182694	597,255
-	600,500	K-Electric Limited		5,255,514		1,032,860
20,000	20,000	Pakistan Oilfields Limited	6,763,291	6,763,291	9798800	8,035,400
		ENGINEERING				
		Mughal Iron & Steel Industries Limited				
25,000	25,000	International Steels Limited	3,654,865	3,654,865	2113750	1,013,250
		AUTOMOBILE ASSEMBLER				
		Pak Suzuki Motors Limited				
		COMMUNICATION				
		Pakistan Telecommunication Company Limited				
		CHEMICALS & PHARMACEUTICALS				
95,000	95,000	Engro Fertilizer Limited	5,943,738	5,943,738	15790900	7,840,350
			<u>33,719,434</u>	<u>44,965,508</u>	<u>51,322,228</u>	<u>38,702,409</u>

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6.2 Investments in open-ended mutual funds

Number of units		Name of Mutual Fund	Cost		Fair Value	
2024	2023		2024	2023	2024	2023
			-----Rupees-----			
-		AKD Islamic Stock Fund	-	-	-	-
-		Meezan Islamic Fund	-	-	-	-
-		Meezan Islamic Income Fund	-	-	-	-
	733	Meezan Rozana Amdani Fund		33,232,050		33,232,050
			-	33,232,050	-	33,232,050

7. DIMINISHING MUSHARAKA		2024	2023
		-----Rupees-----	
Considered good		29,029,771	11,895,171
Less: Current portion of Diminishing Musharaka		(11,103,718)	(3,147,290)
		<u>17,926,053</u>	<u>8,747,881</u>

7.1 These financings carry profit rate of KIBOR plus 3.1% & 4.1% per annum and are repayable on monthly basis . The arrangement is secured against promissory note.

8. LONG TERM MUSHARAKA

This represents Musharaka Agreement entered into between Modaraba and M/s. Sustainable Environment Developers (SED) on May 26, 2021, with profit sharing ratio of 48.5% and 51.5% respectively. The agreement will dissolve / terminate upon mutual consent. Carrying amount of the Musharaka investment is as follows:

	2024	2023
	-----Rupees-----	
Cost of investment		
Carrying value as at	22,800,000	22,800,000
Investment made during the year	-	-
	<u>22,800,000</u>	<u>22,800,000</u>
Accumulated share of profit / (loss):		
Opening balance	(22,800,000)	(15,384,081)
Share of loss for the year	-	(7,415,919)
	<u>(22,800,000)</u>	<u>(22,800,000)</u>
Carrying value as at reporting date	<u>-</u>	<u>-</u>

9. PREPAYMENTS AND OTHER RECEIVABLES

	2024	2023
Prepayments	128,177	149,969
<i>Other receivables</i>		
Profit on bank deposits & other receivable	31,856	991
Receivable against Takaful (Diminishing Musharakah)	326,288	300,390
Sales tax	7,931,772	9,185,349
	<u>8,289,916</u>	<u>9,486,730</u>
	<u>8,418,093</u>	<u>9,636,699</u>

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10. STOCK IN TRADE

This represents purchase of sugar from related party for the purpose of trading. (Note 22).

		2024	2023
	Note	-----Rupees-----	
11. CASH AND BANK BALANCES			
Cash in hand		124,145	35,863
Balance with banks:			
- Current accounts		1,092,042	1,092,042
- Saving accounts	11.1	10,337,758	445,125
		11,429,800	1,537,167
		11,553,945	1,573,030

11.1 Saving accounts represent Islamic bank accounts. The rate of profit on these accounts ranges from 17% to 19.50 % (2023: 16.50% to 18.9%) per annum.

		2024	2023
	Note	-----Rupees-----	
12. TRADE AND OTHER PAYABLES			
Payable against purchase of securities		-	-
<i>Accrued liabilities:</i>			
- Auditor's remuneration		400,000	335,000
- Provident fund payable		1,120,113	390,823
- Sindh Workers' Welfare Fund	12.1	153,760	1,169,808
- Other liabilities		113	113
		1,673,986	1,895,744

12.1 This represents the provision for Sindh Workers' Welfare Fund recognized in respect of financial years ended June 30, 2015 to June 30, 2021. The provision has been computed at the rate of 2% of declared taxable income or accounting profit, whichever is higher, as notified under the Sindh Workers' Welfare Fund Act, 2014 promulgated in June 2015.

13. CERTIFICATE CAPITAL

2024	2023		2024	2023
----- No. of Certificates -----			----- Rupees -----	
10,000,000	10,000,000	Authorized certificate capital	100,000,000	100,000,000
		Modaraba certificates of Rs. 10 each		
3,000,000	3,000,000	Issued, subscribed and paid-up capital	30,000,000	30,000,000
		Modaraba certificates of Rs.10/- each for cash		
4,515,158	4,515,158	Modaraba certificates of Rs.10/- each issued as bonus certificates	45,151,587	45,151,587
7,515,158	7,515,158		75,151,587	75,151,587

		2024	2023
	Note	-----Rupees-----	
14. REVENUE RESERVES			
Statutory reserve	14.1	50,255,171	50,255,171
Unappropriated profits		(1,639,820)	(9,020,290)
		48,615,351	41,234,881

		2024	2023
	Note	-----Rupees-----	
15. UNREALIZED PROFIT / (LOSS) ON REMEASUREMENT OF INVESTMENTS CLASSIFIED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME			
Market value of investments	6.1	51,322,228	38,702,409
Less: cost of investments	6.1	(33,717,426)	(44,965,508)
		<u>17,604,802</u>	<u>(6,263,099)</u>
15.1 Movement in unrealized profit / (loss)			
Unrealized loss at the beginning of the year - net		(6,263,099)	(6,263,099)
Gain realized on disposal transferred to unappropriated profits		-	-
Surplus on remeasurement of investments recognized during the year in other comprehensive income		17,604,802	-
		<u>17,604,802</u>	<u>-</u>
Unrealized profit / (loss) at the end of the year - net		<u>17,604,802</u>	<u>(6,263,099)</u>
Surplus on revaluation of investments ¹ in accordance with the requirements of Circular No. SC/M/PRDD/PRs/2017-259 dated December 11, 2017.			
16. CONTINGENCIES AND COMMITMENTS			
There were no contingencies and commitments as at June 30, 2024 (June 30, 2023: None).			
		2024	2023
	Note	-----Rupees-----	
17. DIVIDEND INCOME - NET OF ZAKAT			
Dividend income - gross	17.1	5,985,968	6,235,971
Less: Zakat deducted at source		(114)	(14,614)
		<u>5,985,854</u>	<u>6,221,357</u>
17.1 Dividend income - gross			
<i>Dividend income from investments classified as at fair value through profit or loss</i>			
Meezan Rozana Amdani Fund		1,947	1,960,221
Meezan Islamic Income Fund		-	-
Alfalah GHP Islamic Value Fund		-	-
		1,947	1,960,221
<i>Dividend income from investments classified as at fair value through other comprehensive income</i>			
D.G.Khan Cement		-	10,000
Lucky Cement		108,000	-
Hub Power Company Limited		392,333	538,056
Nishat Mills Limited		50,000	40,000
Kohinoor Energy Limited		710,500	318,500
Pakistan Oilfields Limited		1,700,000	1,400,000
Pakistan Petroleum Limited		50,496	15,148
International Steel Limited		125,000	187,500
Engro Fertilizer Limited		2,375,000	1,092,500
Meezan Bank Limited		242,920	506,774
Attock Refinery		187,500	125,000
OLP Modaraba		42,272	42,272
		<u>5,984,021</u>	<u>4,275,750</u>
		<u>5,985,968</u>	<u>6,235,971</u>

		2024	2023
	Note	-----Rupees-----	
18. OPERATING EXPENSES			
Salaries and other benefits		7,781,150	6,468,825
Fees and subscription		1,714,465	1,332,456
Auditors' remuneration	18.1	500,000	335,000
Miscellaneous		150,830	127,843
Advertisement		27,720	22,680
Printing and stationery		45,760	24,870
Postage and telephone		13,360	26,620
Travelling and conveyance		9,100	10,750
Depreciation	4	2,156	2,603
Bank charges		25	1,965
		<u>10,244,566</u>	<u>8,353,612</u>

18.1 Auditors' remuneration			
Audit fee		350,000	250,000
Half yearly review		100,000	60,000
Review of code of corporate governance		50,000	25,000
		<u>500,000</u>	<u>335,000</u>

19. MANAGEMENT COMPANY'S REMUNERATION			
Management Company's remuneration	19.1	854,221	-
Add: Sales tax		-	-
		<u>854,221</u>	<u>-</u>

19.1 The Modaraba Management Company is entitled to a remuneration for services rendered to the Modaraba under the provisions of the Modaraba Companies and Modarabas (Floatation and Control) Ordinance, 1980 up to a maximum of 10% per annum of the net annual profits of the Modaraba. Remuneration charged for the year is 854,221 (2023: Nil)

		2024	2023
	Note	-----Rupees-----	
20. LEVIES AND INCOME TAXATION			
Levy	20.1	815,182	871,155
Taxation	20.2	449,653	-
Net Levy and Taxation charged		<u>1,264,835</u>	<u>871,155</u>

20.1 This represents final taxes paid under sections 150 of Income Tax Ordinance, 2001, representing levy in terms of requirements of IFRIC 21 and IAS 37.

20.2 Current			
- for the year		449,653	-
- for prior year		-	-
Deferred	20.3	-	-
		<u>449,653</u>	<u>-</u>

20.3 As of the reporting date there were no material temporary differences, therefore, no deferred tax has been recognized in these financial statements.

20.4 The income tax assessments of the Modaraba have been finalized up to, and including, the tax year 2023. Tax returns filed by the Modaraba are deemed to be assessed under section 120 of the Income Tax Ordinance, 2001 unless selected for re-assessment or audit by the taxation authorities. However, at any time during a period of five years from the date of filing of a return, the taxation authorities may select an income tax return filed by the Modaraba for the purpose of re-assessment.

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	2024	2023
	-----Rupees-----	
21. EARNINGS PER CERTIFICATE - Basic and diluted		
21.1 Basic earning per certificate		
Profit / (loss) after taxation	<u>6,269,389</u>	<u>(5,999,110)</u>
	-----Number-----	
Weighted average number of certificates outstanding	<u>7,515,158</u>	<u>7,515,158</u>
	-----Rupees-----	
Earning / (loss) per certificate - basic	<u>0.83</u>	<u>(0.80)</u>

21.2 Diluted earnings / (loss) per certificate

There is no dilutive effect on the basic earnings per certificate of the Modaraba, since there were no potential certificates in issue as at June 30, 2024 and June 30, 2023.

22. RELATED PARTY TRANSACTIONS AND BALANCES

The related parties comprise of associate company, Modaraba Management Company, directors and key management personnel of the Modaraba Management Company as well as their close family members. Remuneration and benefits to the executives of the Modaraba are in accordance with the terms of employment.

Details of transactions with related parties, other than those disclosed elsewhere in these financial statements, are as follows:

	2024	2023
	-----Rupees-----	
<u>Associated Company</u>		
Faran Sugar Mills Limited		
<i>Transactions during the year</i>		
Purchase of sugar	<u>-</u>	<u>56,245,000</u>
<u>Modaraba Management Company</u>		
E.A Management (Private) Limited		
<i>Transactions during the year</i>		
Management fee - payment during the year	<u>-</u>	<u>-</u>
Management fee - charge for the year	<u>854,221</u>	<u>-</u>
<u>Associate Company</u>		
Reliance Insurance Company Limited		
<i>Transactions during the year</i>		
Takaful Policy	<u>752,000</u>	<u>740,000</u>

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23. FINANCIAL INSTRUMENTS

23.1 Financial risk analysis

The Board of Directors of the Modaraba Management Company has the overall responsibility for the establishment and oversight of the Modaraba's risk management framework. The Modaraba has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

23.1.1 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Modaraba is exposed to credit risk in respect of trade debts and bank balances.

Concentration of credit risk arise when a number of counterparties are engaged in similar business activities, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of an entity's performance to developments affecting a particular industry.

The Modaraba's policy is to enter into financial contracts in accordance with the internal risk management polices and the requirements of the Prudential Regulations for Modarabas issued by the SECP. The Modaraba seeks to manage its credit risk exposure through diversification of its investments in equity instruments, mutual funds, trading from sale of sugar and bank deposit arrangements to avoid undue concentration of risks with individuals or groups of customers in specific locations or businesses

A financial asset is regarded as credit impaired as and when it falls under the definition of a 'defaulted' financial asset. For the Modaraba's internal credit management purposes, a financial asset is considered as defaulted when it is past due for 90 days or more.

The Modaraba writes off a defaulted financial asset when there remains no reasonable probability of recovering the carrying amount of the asset through available means.

The maximum exposure to credit risk at the reporting date is as follows:

2024		2023	
Carrying amount	Maximum exposure	Carrying amount	Maximum exposure
(Rupees)			
11,429,800	11,429,800	1,537,167	1,537,167

The credit quality of Modaraba's bank balances as at the reporting date can be assessed with reference to external credit ratings as follows:

	Rating short term	Rating Agency	2024	2023
----- Rupees -----				
Al-Baraka Islamic Bank	A1	PACRA	27,345	27,345
Bank Al-Habib Limited	A-1+	PACRA	11,297,926	1,415,410
Habib Bank Limited	A-1+	PACRA	4,271	4,271
Habib Metropolitan Bank Limited	A-1+	PACRA	99,729	89,611
UBL Islamic Bank	A-1+	VIS	530	530
			11,429,801	1,537,167

23.1.2 Liquidity risk

Liquidity risk is the risk that the Modaraba will encounter difficulty in meeting its financial obligations as they fall due. Liquidity risk arises because of the possibility that the Modaraba will be required to pay its liabilities earlier than expected or will face difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. The Modaraba's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stress conditions, without incurring unacceptable losses or risking damage to the Modaraba's reputation. The following are the contractual maturities of financial liabilities:

	Carrying value	Contractual cashflows				
		Total	Six months or less	Six to twelve months	One to five years	More than five years
Rupees						
As on June 30, 2024						
Trade and other payables	1,673,986	1,673,986	1,673,986	-	-	-
Unclaimed dividend	1,690,889	1,690,889	1,690,889	-	-	-
	<u>1,690,889</u>	<u>1,690,889</u>	<u>1,690,889</u>	<u>-</u>	<u>-</u>	<u>-</u>
As on June 30, 2023						
Trade and other payables	1,520,226	1,835,127	1,835,127	-	-	-
Unclaimed dividend	1,690,889	1,690,889	1,690,889	-	-	-
	<u>3,211,115</u>	<u>3,526,016</u>	<u>3,526,016</u>	<u>-</u>	<u>-</u>	<u>-</u>

23.1.3 Market risk

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates or the market price due to a change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market. Market risk comprises of currency risk, interest rate risk and other price risk.

(a) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. As of the reporting date, the Modaraba was not exposed to any foreign currency risk as all its transactions were carried out in Pak Rupees.

(b) Profit rate risk

Profit rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market profit rates. As of the reporting date, the Modaraba was not exposed to any profit rate risk.

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(c) Other price equity risk

Other price risk represents the risk that the fair value of a financial instrument will fluctuate because of changes in the market prices (other than those arising from interest / markup rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all or similar financial instruments traded in the market. Presently, daily stock market fluctuation is controlled by government authorities with cap and floor of 10%. The restriction of floor prices reduces the volatility of prices of equity securities and the chances of market crash at any moment. The Modaraba manages price risk by monitoring its exposure in quoted securities and implementing the strict discipline in internal risk management and investment policies, which includes disposing of its equity investments before it led the Modaraba to incur significant mark-to-market and credit losses. As of the reporting date, the Modaraba was exposed to equity risk since it had investments in quoted securities amounting to Rs. 51.322 million (2023: Rs. 38.702 million) and investments in mutual funds amounting to Rs. 0 (2023: Rs. 0.36 million).

The carrying value of investments subject to price risk is based on quoted market prices as of the reporting date. Market prices are subject to fluctuation and, consequently, the amount realized in the subsequent sale of an investment may significantly differ from the reported market value. Fluctuation in the market price of a security may result from perceived changes in the underlying economic characteristics of the investee, the relative price of alternative investments and general market conditions. Furthermore, the amount realized in the sale of a particular security may be affected by the relative quantity of the security being sold.

The Modaraba's portfolio of investments is broadly diversified so as to mitigate the significant risk of decline in prices of securities in particular sectors of the market.

Analysis of investments in quoted securities by business sector is as follows:

	June 30, 2024		June 30, 2023	
	(Rupees)	%	(Rupees)	%
Modarabas	287,872	0.47	238,837	0.62
Bank	108,922	9.84	5,048,758	13.03
Cement	11,285,034	16.61	8,525,660	22.01
Textile	708,500	1.11	567,700	1.47
Food & personal care products	-	1.15	590,300	1.52
Refinery	4,394,875	4.18	2,145,375	5.54
Fuel and energy	16,632,375	24.81	12,732,179	32.87
Engineering	2,113,750	1.97	1,013,250	2.62
Automobile assembler	-	-	-	-
Communication	-	-	-	-
Chemicals & pharmaceuticals	15,790,900	15.28	7,840,350	20.24
Open-ended mutual funds	-	-	36,650	0.09
	51,322,228	100.00	38,739,059	100.00

Sensitivity analysis

The table below summarizes Modaraba's equity price risk as of June 30, 2024 and 2023 and shows the effects of a hypothetical 10% increase and a 10% decrease in market prices as at the year end reporting dates. The selected hypothetical change does not reflect what could be considered to be the best or worst case scenarios. Indeed, results could be worse because of the nature of markets and the aforementioned concentrations existing in Modaraba's investment portfolio.

	Fair value	Hypothetical price change	Estimated FV after hypothetical change in prices	Hypothetical increase / (decrease) in profit / (loss) before tax	Hypothetical increase / (decrease) in OCI
June 30, 2024 Rupees	51,322,228	10% increase	56,454,451	-	5,132,223
		10% decrease	46,190,005	-	(5,132,223)
June 30, 2023 Rupees	38,739,059	10% increase	104,773,990	5,355,951	4,168,957
		10% decrease	85,724,174	(5,355,951)	(4,168,957)

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23.2 Financial instruments by categories

	At fair value through profit or loss	At fair value through other comprehensive income	Amortized cost	Total
Rupees				
As at June 30, 2024				
Financial assets				
Long term deposits	-	-	40,019	40,019
Long term investments	-	51,322,228	-	51,322,228
Diminishing Musharaka	-	-	29,029,771	29,029,771
Long term Musharaka	-	-	-	-
Other receivables	-	-	358,144	358,144
Cash and bank balances	-	-	11,553,945	11,553,945
	-	51,322,228	40,981,879	92,304,107
				Financial liabilities at amortized cost
				- Rupees -
Financial liabilities				
Trade and other payables				1,673,986
Unclaimed dividend				1,690,889
				<u>3,364,875</u>
	At fair value through profit or loss	At fair value through other comprehensive income	Amortized cost	Total
Rupees				
As at June 30, 2023				
Financial assets				
Long term deposits	-	-	40,019	40,019
Long term investments	-	38,739,059	-	38,739,059
Diminishing Musharaka	-	-	11,895,171	11,895,171
Long term Musharaka	-	-	-	-
Other receivables	-	-	301,381	301,381
Cash and bank balances	-	-	1,573,030	1,573,030
	-	38,739,059	13,809,601	52,548,660
				Financial liabilities at amortized cost
				- Rupees -
Financial liabilities				
Trade and other payables				1,895,744
Unclaimed dividend				1,690,889
				<u>3,586,633</u>

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24. FAIR VALUE OF ASSETS AND LIABILITIES

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

The Modaraba measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Fair value measurements using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

Following is the fair value hierarchy of financial assets carried at fair value in the statement of financial position:

	June 30, 2024			
	Level 1	Level 2	Level 3	Total
	----- Rupees -----			
Financial assets				
Investments in units of open-end mutual funds		-	-	-
Investment in ordinary shares of listed companies	51,322,228	-	-	51,322,228
	<u>51,322,228</u>	<u>-</u>	<u>-</u>	<u>51,322,228</u>
June 30, 2023				
	Level 1	Level 2	Level 3	Total
	----- Rupees -----			
Financial assets				
Investments in units of open-end mutual funds	36,650	-	-	36,650
Investment in ordinary shares of listed companies	38,702,409	-	-	38,702,409
	<u>38,739,059</u>	<u>-</u>	<u>-</u>	<u>38,739,059</u>

25. CAPITAL MANAGEMENT

The Modaraba's prime objective when managing capital is to safeguard its ability to continue as a going concern in order to provide adequate returns for certificate-holders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Modaraba may adjust the amount of dividends paid to certificate-holders and issue new certificates.

The management closely monitors the return on capital along with the level of distributions to certificate holders. Following is the quantitative analysis of what the Modaraba manages as capital:

	2024	2023
	-----Rupees-----	
Certificate holders' equity		
- Issued, subscribed and paid up capital	75,151,587	75,151,587
- Reserves	<u>48,615,351</u>	41,234,881
Total capital managed by the Modaraba	<u>123,766,938</u>	<u>116,386,468</u>

26. GENERAL

26.1 Events after the reporting date

There are no subsequent events that are required to be adjusted or disclosed in these financial statements.

26.2 Date of authorization for issue of these financial statements

These financial statements were authorized for issue by the Board of Directors of the Modaraba Management Company in their meeting held on **October 03, 2024**

26.3 Level of rounding

All figures in these financial statements have been rounded off to the nearest Rupee, unless otherwise stated.

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FOR E.A Management (Private) Limited
(Management Company)

Chairman

Chief Executive

Director

Chief Financial Officer



PATTERN OF CERTIFICATE HOLDING
AS AT JUNE 30, 2024

NO. OF CERTIFICATE HOLDERS	CERTIFICATE HOLDING	TOTAL CERTIFICATES HELD
627	1 - 100	13,385
236	101 - 500	59,283
76	501 - 1000	57,375
153	1001 - 5000	317,553
30	5001 - 10000	224,099
6	10001 - 15000	64,335
1	15001 - 20000	15,588
3	20001 - 25000	64,301
2	25001 - 30000	55,939
1	30001 - 35000	31,000
1	35001 - 40000	39,000
3	40001 - 45000	127,310
1	45001 - 50000	46,000
1	55001 - 60000	57,790
1	70001 - 75000	72,105
1	110001 - 115000	112,000
1	115001 - 120000	115,724
1	145001 - 150000	150,000
1	190001 - 195000	193,000
1	220001 - 225000	223,185
1	230001 - 235000	231,790
1	240001 - 245000	244,153
1	365001 - 370000	366,447
1	505001 - 510000	507,073
1	510001 - 515000	510,551
1	520001 - 525000	520,393
1	540001 - 545000	541,362
1	675001 - 680000	675,629
2	935001 - 940000	1,878,788
1157	TOTAL	7,515,158



CATEGORIES OF CERTIFICATE HOLDINGS
AS AT JUNE 30, 2024

	Number of Certificate Holders	Total Certificates Held	Percentage %
Director CEO and their Spous and Minor Children Holding			
Mr. Omar Amin Bawany - Chief Executive		29,411	0.3914
Mrs. Rukhsana		366,447	4.8761
Mr. Ahmed Ali Bawany - Chairman		730,258	9.7171
Hamza Omar Bawany - Director		42,539	0.5660
	7	1,168,655	15.5506
Associated Companies, Undertaking and related Parties			
E.A Management (Pvt) Ltd.		939,394	12.5000
Faran Sugar Mills Ltd.		939,394	12.5000
Reliance Insurance Co. Ltd.		115,724	1.5399
	3	1,994,512	26.5399
NIT and ICP			
Trustee National Bank of Pakistan, Pension Fund		41,908	0.5576
Trustee National Bank of Pakistan, Benevolent Fund		1,471	0.0196
M/S. ICP		7,399	0.0985
National Bank of Pakistan Ltd		756	0.0101
IDBP (ICP Unit)		142	0.0019
	7	51,676	0.6876
Certificate Holders Holding Five percent or more			
Sind Particle Board Mills		675,629	8.9902
Mrs. Shaheda Muhammad Amin		548,670	7.3008
Mrs. Gulshan Ara Muhammad Amin		510,551	6.7936
Mrs. Aisha Bai Muhammad Amin		520,393	6.9246
	5	2,255,243	30.0093
INDIVIDUALS	1119	1,830,041	23.99
INVESTMENT COMPANIES	1	1	0
JOINT STOCK COMPANIES	9	117,141	1.56
FINANCIAL INSTITUTIONS	2	10456	0.1391
OTHERS	1	1,899	0.003
CHARITABLE TRUSTS	2	80707	1.0739
COOPERATIVE SOCIETIES	1	4827	0.0642
Total	1157	7,515,158	100



July 2023-June 2024			
NUMBER OF MEETINGS			
Name of Director	No. of BOD Meetings Attended	No. of Audit Committee Meetings Attended	No. of HR & R Committee Meeting Attended
1. Mr. Muhammad Omar Amin Bawany	3	N/A	1
2. Mr. Ahmed Ali Mohammad Amin Bawany	4	4	1
3. Mr. Hamza Omar Bawany	4	4	N/A
4. Mr. Muhammad Samiullah	4	4	1
5. Ms. Tasneem Yusuf	4	4	N/A

KEY OPERATING AND FINANCIAL DATA				Rs. 000's		
Year	2024	2023	2022	2021	2020	2019 (Restated)
Paid-up Capital	75,151	75,151	75,151	75,151	75,151	75,151
Equity		116,386	124,148	143,017	137,511	134,855
Operating Revenue	18,445	10,460	7,940	12,772	10,867	5,089
Net Profit / (Loss) After Tax	6,269	(5,999)	(15,511)	5,506	2,657	(2,929)
Bonus	-	-	-	-	-	-
Cash Dividend	-	-	-	5%	-	-
Earning / (Loss) Per Certificate (Rs.)	0.83	(0.80)	(2.011)	0.73	0.35	(0.39)



**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE CERTIFICATE HOLDERS OF BF MODARABA**

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of **BF Modaraba** for the year ended **June 30, 2024** in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Modaraba. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with these Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Modaraba Management Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2024.

Further, we highlight below the explanation for non-compliance with the requirements of the Code as stated in paragraph 19 of the Statement of Compliance:

S. No	Nature of Requirement	Paragraph No.	Description of the Non-Compliance
1	Explanatory	19	As per provision to the regulation 24 of the Listed Companies (Code of Corporate Governance) Regulations, 2019, the same person shall not simultaneously hold office of chief financial officer and the company secretary. However, as stated in clause 19 of the Statement of Compliance the management is of the view, currently these positions are held by the same person since considering the volume of business, it is not cost effective for the Modaraba to assign these positions to two separate individuals.

Chartered Accountants
Karachi.
Date:
UDIN:

**Statement of Compliance with Listed Companies
(Code of Corporate Governance) Regulations, 2019**

Name of Modaraba: **B.F.Modaraba**
Year ended: **June 30, 2024**

The Modaraba Management Company (hereinafter referred to as 'the Company') has complied with the requirements of the Regulations in the following manner:

1. The total number of directors are 5 as per the following:
 - a) Male: - 4
 - b) Female: - 1

2. The composition of Board of Directors ("the Board") is as follows:

Category	Name
Independent Director	Mr. Muhammad Samiullah Ms. Tasneem Yusuf
Executive Director	Mr. Muhammad Omar Amin Bawany
Non-Executive Director	Mr. Ahmed Ali Bawany Mr. Hamza Omar Bawany

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company;
4. The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures;
5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Company;
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by Board/ shareholders as empowered by the relevant provisions of the Companies Act, 2017 and the Regulations;
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Companies Act, 2017 and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;
8. The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Companies Act, 2017 and the Regulations;
9. Four directors of the Company have already attended Directors' training program from recognized institutes and remaining one meet the criteria for exemption as stated in proviso to regulation 19(2) of the Regulations;

10. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;

11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board;

12. The Board has formed committees comprising of members given below:

a) Audit Committee

1.	Mr. Muhammad Samiullah	Chairman
2.	Mr. Ahmed Ali Bawany	Member
3.	Mr. Hamza Omar Bawany	Member

b) HR and Remuneration Committee

1.	Mr. Muhammad Samiullah	Chairman
2.	Mr. Ahmed Ali Bawany	Member
3.	Mr. Muhammad Omar Amin Bawany	Member

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committees for compliance;

14. The frequency of meetings of the committees were as per following:

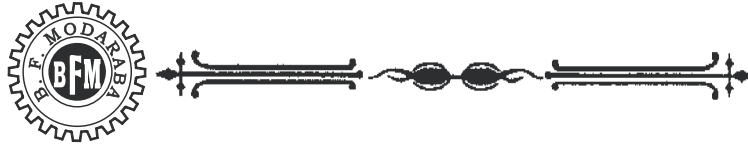
- a) Audit Committee – Quarterly
- b) HR and Remuneration Committee – Yearly

15. The Board has set up an effective internal audit function who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company;

16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the Company;

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Companies Act 2017, the Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;

18. We confirm that all requirements of the regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.



19. Explanation for non-compliance with requirements, other than regulations 3,6,7,8,27,32,33 and 36 are as below:

- a) As per the proviso to regulation # 24 of Listed Companies (Code of Corporate Governance Regulations 2019), the same person shall not simultaneously hold the position of Company Secretary and Chief Financial Officer. However, currently these positions are held by the same person since considering the volume of business, it is not cost effective for the Modaraba to assign these positions to two separate individuals.

Chairman



NOTICE OF ANNUAL REVIEW MEETING

The 25TH Annual Review Meeting of the Certificate Holders of B.F. Modaraba will be held on Monday October 28, 2024 at 4:00 p.m. at the registered office of Modaraba at **Plot No. 43-1-E, (B) P.E.C.H.S, Block-6, Off Razi Road, Shahrah-e-Faisal, Karachi**, to review the performance of the Modaraba for the year ended June 30, 2024. The Certificate Transfer Books of the Modaraba will remain closed from October 22, 2024 to October 28, 2024 (both days inclusive). Transfers received at the Share Registrar Office, **M/s. C & K Management Associated (Pvt.) Ltd, M-13, Progressive Plaza, Plot No. 5 - CL - 10, Civil Lines Quarter, Beaumont Road, Karachi -75530**, before the close of business hours on October 21, 2024, will be treated in time.

Ordinary Business

The financial statements June-2024 of the Modaraba can be accessed through the following weblink and QR enabled code:

<http://bfmodaraba.com.pk/wp-content/themes/bf-modaraba/docs/year2024/Annual-Accounts-June-2023-2024.pdf>



Note

All unclaimed dividends for three (3) years from the date due and payable shall be deposited to the credit of the Federal Government and in case of shares, shall be delivered to the Securities & Exchange Commission of Pakistan (SECP).

Dated: October 07, 2024

Muhammad Ayub
Company Secretary



VISION

To provide financial products translating and services within the spirit of Islamic Shariah and in accordance with the law to contribute in the promotion of the law and to contribute towards fulfilling our responsibilities in building a progressive society.

MISSION

- * To engage effectively, responsibly and profitability in providing financial products and services consistently seeking high standard of performance to maintain a long term success position in the competitive environment. This will be achieved by:
 - * Introducing a just and equitable financial system by being a good multipurpose financial institution;
Providing a range of specialized services working on Shariah principles to sustain continuous earning growth through effective management of its existing resources and through selective investment and financing.
 - * Providing for reasonable and just profit, prudent growth and pursuit of better efficiency.
 - * Focusing on serving our clients and customers building relationship with them based on trust and mutual benefit; and
 - * Fulfilling our responsibilities to satisfy the certificate holders, clients and the employees.



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