

Financial Statements
(Un-Audited)
for the Quarter Ended
March 31, 2018



B.F. MODARABA
Managed By
E.A. MANAGEMENT (PVT) LTD.

CORPORATE INFORMATION

MODARABA MANAGEMENT COMPANY

E.A. Management (Pvt.) Ltd.

BOARD OF DIRECTORS

DIRECTORS OF MODARABA MANAGEMENT COMPANY

Mr. Ahmed Ali Muhammad Amin Bawany	- Chairman
Mr. Muhammad Omar Amin Bawany	- Chief Executive
Mr. Hamza Omar Bawany	- Director
Mr. Abdul Ghaffar Umer	- Independent Director

AUDIT COMMITTEE

Mr. Hamza Omar Bawany	- Chairman
Mr. Ahmed Ali Muhammad Amin Bawany	- Member
Mr. Abdul Ghaffar Umer	- Member

HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Ahmed Ali Muhammad Amin Bawany	- Chairman
Mr. Muhammad Omar Amin Bawany	- Member
Mr. Hamza Omar Bawany	- Member

CFO & 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 Investment Bank
Bank Al-Habib Limited-Islamic
Habib Bank Limited
Habib Metropolitan Islamic Bank Limited
UBL Ameen Islamic Banking

REGISTERED OFFICE

Bungalow No. 14-H, Block 6,
P.E.C.H.S, Main Shahrah-e-Faisal,
Karachi, Pakistan.
Phone : (92-21) 34322851-54
UAN : (92-21) 111 229 269
Fax : (92-21) 34322863

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

CHIEF EXECUTIVE REVIEW

FOR THE PERIOD ENDED MARCH 31, 2018

Dear Certificate Holders,
Assalamo Alaikum,

By the grace of Almighty Allah, I take pleasure in presenting a brief review of the performance of your Modaraba for the period ended March 31, 2018.

Gross revenue during the Nine months was Rs.7.033 million vis-à-vis Rs.14.723 million for the corresponding period of 2016-17, down by 52% due to massive decline in the selling price of sugar in which we traded. The selling price of sugar crashed due to ample supply of sugar and uncertain government policies & delayed decisions of export. Thus pre-tax profit stood at Rs.1.005 million against a pre-tax profit of Rs. 9.111 million for the corresponding period of 2016-17. Consequently, earning per certificate has dipped by Re.0.98 to Re.0.10 per certificate. Unrealized gain in the value of investment in marketable securities was Rs.7.422 million which has been reflected in the equity.

We will continue to focus on marketable securities & trading business and expect better result in last quarter of financial year 2017-18 under review.

May Almighty Allah guide us in our efforts of the progress of Modaraba and reward us with his blessings

AMEEN.

Karachi:
April 27, 2018

Muhammad Omar Amin Bawany
Chief Executive

چیف ایگزیکٹو کا جائزہ

برائے اختتامی مدت 31 مارچ 2018

محترم سرٹیفکیٹ ہولڈرز

اسلام علیکم!

اللہ تعالیٰ کے فضل و کرم سے میں 31 مارچ 2018 کو ختم ہونے والی نو ماہ کے لئے آپ کے مضاربہ کی کارکردگی کا مختصر سا جائزہ پیش کرتے ہوئے مسرت محسوس کرتا ہوں۔

اس مدت کے دوران مجموعی آمدنی 7.033 ملین روپے تھی جب 2016-17 کے اسی مدت کے لئے مجموعی آمدنی 14.723 ملین روپے تھی۔ جو کہ 52% کم ہے۔ جس کی اہم وجہ چینگی کی قیمت فروخت میں بڑے پیمانے پر کمی جس میں ہم نے تجارت کی ہے۔ چینگی کی قیمت فروخت بہت زیادہ کمی سپلائی میں اضافہ اور غیر یقینی حکومتی پالیسیاں اور برآمدات کے تاخیر کے فیصلے اہم وجہ ہے۔ لہذا ٹیکس سے پہلے نفع 1.005 ملین روپے جب کہ 2016-17 کے اسی مدت کے ٹیکس سے پہلے نفع 9.111 ملین روپے رہا۔ جس کے نتیجے میں فی سرٹیفکیٹ کی آمدنی بھی 0.98 سے کم ہو کر 0.10 فی سرٹیفکیٹ رہی۔ سیکورٹیز میں سرمایہ کاری کی قیمت میں غیر وصول شدہ نفع 7.422 ملین روپے رہا۔ جسے ایکویٹی میں ظاہر کیا گیا ہے۔

ہم سیکورٹیز مارکیٹ اور تجارتی کاروبار پر توجہ مرکوز جاری رکھیں گے اور مالی سال 2017-18 کے آخری سد ماہی بہتر نتائج کی توقع ہے۔

اللہ تعالیٰ مضاربہ کے لئے ترقی اور ہماری کوششوں میں اپنی رہنمائی فرمائے اور ہمیں اپنی نعمتوں سے نوازے۔ آمین

محمد عمر امین باوانی

چیف ایگزیکٹو

کراچی: 27 اپریل 2018

CONDENCED INTERM BALANCE SHEET

AS AT MARCH 31, 2018

	Notes	Mar-2018	June-2017
		— Rupees —	
CERTIFICATE CAPITAL AND RESERVES			
Authorized Capital			
10,000,000 Modaraba Certificates of Rs. 10/- each		<u>100,000,000</u>	<u>100,000,000</u>
EQUITY AND LIABILITIES			
Issued, subscribed and paid-up capital		75,151,587	75,151,587
Reserve		<u>52,816,884</u>	<u>59,585,956</u>
		<u>127,968,471</u>	<u>134,737,543</u>
Unrealized gain on available for sale-financial assets		7,422,630	18,998,836
Total equity		<u>135,391,102</u>	<u>153,736,379</u>
Non-Current Liabilities			
		-	-
Current Liabilities			
Accrued and other liabilities		<u>6,379,356</u>	2,154,193
Due to management company		<u>113,954</u>	1,802,932
Unclaimed Dividend		<u>1,747,776</u>	1,236,326
Provision for taxation		-	21,832
		<u>8,241,085</u>	<u>5,215,282</u>
Total equity and liabilities		<u>143,632,187</u>	<u>158,951,662</u>
Contingencies & Commitments		-	-
ASSETS			
Non-Current Assets			
Own use		<u>40,497</u>	39,745
Long term deposits		<u>40,019</u>	40,019
		<u>80,516</u>	<u>79,764</u>
Current Assets			
Stock in trade		<u>14,149,925</u>	30,087,034
Advances, deposit, prepayments & other receivables		<u>4,229,117</u>	4,995,495
Available-for-sale Financial assets	1	<u>104,348,356</u>	116,889,103
Cash and bank balances		<u>20,824,274</u>	6,900,266
		<u>143,551,671</u>	<u>158,871,898</u>
Total Assets		<u>143,632,187</u>	<u>158,951,662</u>

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

Chairman
E. A. Management (Pvt) Ltd

Chief Executive
E. A. Management (Pvt) Ltd

Director
E. A. Management (Pvt) Ltd

**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT
(UN-AUDITED)**

FOR THE QUARTER ENDED MARCH 31, 2018

	Nine months ended		Quarter ended	
	July-17 to Mar-18	July-16 to Mar-17	Jan-18 to Mar-18	Jan-17 to Mar-17
	Rupees			
Operating Incomes	7,033,965	14,723,132	1,987,688	2,796,087
Less:				
Operating expenses	(5,894,427)	(4,599,288)	(1,661,224)	(1,185,496)
Profit/(Loss) before charging management fee	1,139,538	10,123,843	326,464	1,610,590
Management fee	(113,954)	(1,012,384)	(32,646)	(161,059)
Profit/(Loss) before workers welfare fund	1,025,584	9,111,459	293,817	1,449,531
Workers Welfare Fund	(20,512)	-	(5,876)	-
Profit/(Loss) before taxation	1,005,072	9,111,459	287,941	1,449,531
Taxation - current	(258,983)	(990,310)	(83,061)	(193,645)
Profit/(Loss) after taxation	<u>746,089</u>	<u>8,121,149</u>	<u>204,880</u>	<u>1,255,886</u>
Earning per certificate - Basic & Diluted	<u>0.10</u>	<u>1.08</u>	<u>0.03</u>	<u>0.17</u>

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

Chairman
E. A. Management (Pvt) Ltd

Chief Executive
E. A. Management (Pvt) Ltd

Director
E. A. Management (Pvt) Ltd

**CONDENSED INTERIM STATEMENT OF
COMPREHENSIVE INCOME (UN-AUDITED)**
FOR THE QUARTER ENDED MARCH 31, 2018

	Nine months ended March 31		Quarter ended March 31	
	2018	2017	2018	2017
	Rupees			
Profit/ (loss) for the period	746,089	8,121,149	204,880	1,255,886
Unrealized gain/(loss) on revaluation of available for sale - financial assets	(2,376,656)	6,630,560	4,321,099	(1,046,295)
Gain on financial assets transferred to profit and loss account	(9,199,550)	(7,021,898)	(1,198,600)	(2,148,128)
	(11,576,205)	(391,337)	3,122,499	(3,194,422)
Total comprehensive income for the period	(10,830,116)	7,729,812	3,327,379	(1,938,537)

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

Chairman
E. A. Management (Pvt) Ltd

Chief Executive
E. A. Management (Pvt) Ltd

Director
E. A. Management (Pvt) Ltd

**CONDENSED INTERM STATEMENT OF CASH FLOWS
(UNAUDITED)**

FOR THE QUARTER ENDED MARCH 31, 2018

	March 31, 2018	March 31, 2017
	----- Rupees -----	
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	1,005,072	9,111,459
Adjustments for :		
Depreciation on own assets	6,246	6,000
Gain on sale of financial assets	(8,897,249)	(10,786,703)
Provision for Management fee	113,954	1,012,384
Provision for Provident fund	320,682	275,398
Provision for WWF	20,512	-
Dividend income	(1,997,305)	(2,075,984)
	<u>(10,433,161)</u>	<u>(11,568,905)</u>
	<u>(9,428,088)</u>	<u>(2,457,446)</u>
Changes in working capital		
Decrease / (increase) in current assets :		
Stock in trade	15,937,109	(30,087,034)
Trade Debts	-	36,580,000
Advances, deposits, prepayments and other receivables	1,095,408	(2,192,194)
(Decrease) / increase in current liabilities:		
Accrued and other liabilities	4,658,346	(62,341)
Net increase in working capital	<u>21,690,863</u>	<u>4,238,431</u>
	<u>12,262,775</u>	<u>1,780,985</u>
Taxes paid	(256,096)	(859,702)
Dividend paid	(7,003,708)	(4,723,173)
P.F. paid	(774,377)	(95,000)
Management fee paid	(1,802,932)	(1,218,009)
Net cash inflow / (outflow) from operating activities	<u>2,425,662</u>	<u>(5,114,898)</u>
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Additions in fixed assets		
Own use	(7,000)	-
Purchase of Investments	(4,649,638)	(83,735,818)
Proceed from sale of investment	14,511,429	58,931,371
Dividend received	1,643,555	2,327,109
Net cash inflow from investing activities	<u>11,498,346</u>	<u>(22,477,338)</u>
C. CASH FLOW FROM FINANCING ACTIVITIES		
Net cash inflow / (outflow) in financing activities	<u>-</u>	<u>-</u>
Net increase/ (decrease) in cash and bank balances	13,924,008	(27,592,236)
Cash and bank balances at the beginning of the period	6,900,266	29,155,953
Cash and bank balances at the end of the period	<u>20,824,274</u>	<u>1,563,717</u>

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

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

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

FOR THE QUARTER ENDED MARCH 31, 2018

Description	Issued subscribed and paid up capital	Statutory reserves	Reserves		Unrealized gain / (loss) on available for sale financial assets	Total
			Unappropriated Profit	Total Reserves		
	Rupees					
Balance as at July 01, 2016	75,151,587	37,586,535	11,004,249	48,590,784	30,098,793	153,841,164
Comprehensive income for nine months	-	-	8,121,149	8,121,149	(391,337)	7,729,812
Cash Dividend @ 6.50%	-	-	(4,884,853)	(4,884,853)	-	(4,884,853)
Balance as at March 31, 2017	<u>75,151,587</u>	<u>37,586,535</u>	<u>14,240,545</u>	<u>51,827,080</u>	<u>29,707,456</u>	<u>156,686,123</u>
Balance as at April 1, 2017	75,151,587	37,586,535	14,240,545	51,827,080	29,707,456	156,686,123
Comprehensive income	-	7,940,013	(181,136)	7,758,877	(10,708,620)	(2,949,743)
Balance as at June 30, 2017	<u>75,151,587</u>	<u>45,526,548</u>	<u>14,059,409</u>	<u>59,585,957</u>	<u>18,998,836</u>	<u>153,736,379</u>
Balance as at July 1, 2017	75,151,587	45,526,548	14,059,409	59,585,957	18,998,836	153,736,379
Comprehensive income for nine months	-	-	746,089	746,089	(11,576,205)	(10,830,116)
Cash Dividend @ 10%	-	-	(7,515,159)	(7,515,159)	-	(7,515,159)
Balance as at March 31, 2018	<u>75,151,587</u>	<u>45,526,548</u>	<u>7,290,339</u>	<u>52,816,884</u>	<u>7,422,630</u>	<u>135,391,102</u>

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

Chairman
E.A. Management (Pvt) Ltd.

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

Director
E.A. Management (Pvt) Ltd.

**AVAILABLE FOR SALE FINANCIAL ASSETS
(UN-AUDITED)**

FOR THE PERIOD ENDED MARCH 31, 2018

1. INVESTMENTS		March 31, 2018	June 30, 2017
- Available for sale		Rupees	Rupees
Investments in listed shares and close ended units	1.1	35,898,677	49,201,891
Investments in open ended units	1.2	68,449,679	67,687,212
		<u>104,348,356</u>	<u>116,889,103</u>

1.1 Investments in listed shares and close-ended units

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

March 2018 Shares / Certificates	June 2017		March 2018 Rupees	June 2017 Rupees
		MODARABAS		
92,636	117,636	Orix Modaraba	1,798,064	2,744,448
72,900	72,900	First Punjab Modaraba	360,855	583,200
<u>165,536</u>	<u>190,536</u>		<u>2,158,919</u>	<u>3,327,648</u>
		BANKS		
53,000	50,000	Meezan Bank Limited	4,220,920	3,950,000
<u>53,000</u>	<u>50,000</u>		<u>4,220,920</u>	<u>3,950,000</u>
		CEMENT		
10,000	-	Kohat Cement Limited	1,604,900	-
162,000	162,000	Fauji Cement Company Limited	4,738,500	6,646,860
<u>172,000</u>	<u>162,000</u>		<u>6,343,400</u>	<u>6,646,860</u>
		FUEL AND ENERGY		
20,000	110,000	Hub Power Company Limited	2,010,000	12,917,300
49,000	49,000	Kohinoor Energy Limited	1,923,241	2,110,421
600,500	600,500	K-Electric Limited	4,209,748	4,143,693
17,873	30,873	Pakistan Petroleum Limited	3,804,089	4,573,560
<u>687,373</u>	<u>790,373</u>		<u>11,947,078</u>	<u>23,744,974</u>
		ENGINEERING		
25,000	25,000	Mughal Iron & Steel Ind.	1,835,000	2,018,250
25,000	25,000	International Steel	2,897,750	3,197,250
<u>50,000</u>	<u>50,000</u>		<u>4,732,750</u>	<u>5,215,500</u>
		AUTOMOBILE ASSEMBLE		
2,000	2,000	Pak Suzuki Motor Company Limited	955,360	1,560,340
<u>2,000</u>	<u>2,000</u>		<u>955,360</u>	<u>1,560,340</u>
		COMMUNICATION		
57,000	57,000	Pakistan Telecommunication Company Limited	703,950	889,770
<u>57,000</u>	<u>57,000</u>		<u>703,950</u>	<u>889,770</u>
		CHEMICALS & PHARMACEUTICALS		
70,000	70,000	Engro Fertilizer Limited	4,836,299	3,866,799
<u>70,000</u>	<u>70,000</u>		<u>4,836,299</u>	<u>3,866,799</u>
<u>1,256,909</u>	<u>1,371,909</u>		<u>35,898,677</u>	<u>49,201,891</u>

1.2 Investment in mutual funds open-ended units

March 2018 No. of Units	June 2017 No. of Units	DESCRIPTION	March 2018 Rupees	June 2017 Rupees
MUTUAL FUNDS-OPEN ENDED				
1,107,256	1,107,256	Meezan Islamic Income Fund	58,507,416	56,901,895
133,957	133,957	Meezan Balanced Fund	2,180,801	2,270,551
111,436	111,436	Meezan Islamic Fund	7,761,462	8,514,766
1,352,649	1,352,649		68,449,679	67,687,212

2. These financial statements are unaudited and were authorized for issued on **April 27, 2018** by the Board of Directors of the Management Company.
3. The accounting policies adopted for the preparation of these financial statements are consistent with those applied for the preparation of the preceding published financial statements.
4. Figures have been rounded off to the nearest rupee and have been re-arranged where necessary for the purpose of comparison.

Chairman
E. A. Management (Pvt) Ltd

Chief Executive
E. A. Management (Pvt) Ltd

Director
E. A. Management (Pvt) Ltd