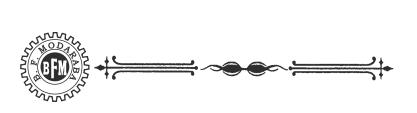


# B. F. MODARABA 32<sup>ND</sup>ANNUAL REPORT 2020 CONTENTS

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CORPORATE INFOR	RMATION
MODARABA MANAGEMENT COMPANY	
E. A. Management (Pvt.) Ltd.	
BOARD OF DIRECTORS DIRECTORS OF MODARABA MANAGEMENT	ΓΟΜΡΑΝΥ
Mr. Ahmed Ali Mohammad Amin Bawany	Chairman
Mr. Muhammad Omar Amin Bawany	Chief Executive
Mr. Hamza Omar Bawany Mr. Abdul Ghaffar Umer	Director
Mi. Abdui Gharrai Unier	Independent Director
AUDIT COMMITTEE	
Mr. Abdul Ghaffar Umer Mr. Ahmed Ali Mohammad Amin Bawany	Chairman Member
Mr. Hamza Omar Bawany	Member
-	
HUMAN RESOURCE & REMUNERATION CO	
Mr. Abdul Ghaffar Umer Mr. Ahmed Ali Mohammad Amin Bawany	Chairman Member
Mr. Muhammad Omar Amin Bawany	Member
COMPANY SECRETARY Mr. Muhammad Ayub	
<u>SHARIAH ADVISOR</u> Mr. Mufti Zubair Usmani	
<u>LEGAL ADVISOR</u> Mr. Ghullam Rasool Korai	
MODARABA AUDITORS M/s. Rehman Sarfaraz Rahim Iqbal Rafiq 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	
404, Trade Tower, Abdullah Haroon Road, Near	
Metropole Hotel, Karachi-75530	
Phone: 35687839-35685930	
(2)	



# CHAIRMAN'S REVIEW REPORT

The year under review began under the shadow of policy adjustments and structural reforms to rectify microeconomic imbalances. Outbreak of COVID-19 pandemic in second half of the year and resultant lockdown measures adopted by the Government brought economic activity for most of the sectors to complete halt in last quarter of the year. However, it is encouraging to note that Government's stabilization measures are resulting in considerable improvement in economic indicators and are leading to gradual recovery of economic growth.

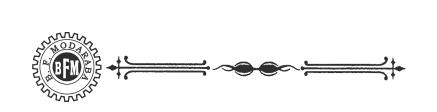
The composition of the Board of Directors reflects mix of varied backgrounds and rich experience in the fields of business, finance, banking and regulations. The Board carried out the annual review of its effectiveness and performance on a self-assessment basis. The Board also ensures compliance of all 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 : September 25, 2020

چيئرمين کې جائز دريور په زیر غور سال مائکرو معاشی عدم توازن کی اصلاح کے ایڈجسٹمنٹ پالیسی اور ساختی اصلاحات کے سائے کے ساتھ شروع ہوا۔ سال کے دوسر ے نصف حصبے میں COVID-19 وہائی بیمار ی کا پھیلنا اور اس کے نتیجے میں حکومت کی طرف سے اختیار کردہ لاک ڈاؤن اقدامات نے سالانہ آخری سہ ماہی میں بیشتر شعبوں کو مکمل طور پر روک دیا تھا۔ تاہم ، یہ بتانا حوصلہ افزا ہے کہ حکومت کے استحکام کے اقدامات کے نتیجے میں معاشی اشاریوں میں خاطر خواہ بہتری واقع ہورہی ہے اور وہ آہستہ آہستہ معاشی نمو کوبحال کر رہے ہیں۔ بوردْ آف دْائر يكْترز كي ساخت برنس، فنانس، بيكنك اورر يكوليشنز كي شعبوں ميں وسيح تجربه اور مختلف پس منظركا عكاس ہے۔ بورڈ نے ذاتی تشخیص کی بنیاد پراپن کا میابی اور کارکردگی کا سالا نہ جائزہ انجام دیا ہے۔ بورڈ نے مینجنٹ کی جانب سے تمام ریگولیٹری ضروریات کی تغییل کوبھی یقینی بنایا ہے۔ بورڈ کی اس کی کمیٹیوں کی جانب سے موثر مدد کی گئی ہے۔ آ ڈٹ کمیٹن مالی گوشواروں کا جائز ہ لیتی ہےاوریقینی بناتی ہے کہ مضاربہ کی مالی حالت کوٹھیک ٹھیک پیش کیا جائے۔ بیانٹرل کنٹرول کے اثر کوبھی یقینی بناتی ہے۔اپنچ آرکمیٹی اپنچ آریالیسی فریم ورک کا جائزہ لیتی ہےاور سینئر مینچنٹ ٹیم کے چناؤ اور معاوضہ کی سفارش کرتی ہے۔ بورڈ کے توسط میں ایس ای بی اور جسٹر ارمضار بہ کی سلسل رہنمائی اور معاونت کے لیے شکر گذار ہوں ۔ احمدعلي باواني کراچی کر،چای 25 ستمبر 2020 چير مين 4



# 32<sup>nd</sup> ANNUAL REPORT OF THE DIRECTORS OF THE MODARABA COMPANY FOR THE YEAR ENDED JUNE 30, 2020

# Dear Certificate Holders,

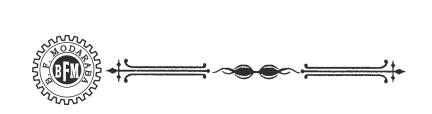
# Assalam-o-Aalikum,

In the name of ALLAH the most gracious and most merciful, your directors are pleased to present 32nd Annual Report of your Modaraba together with the audited financial statements for the year ended June 30, 2020.

# FINANCIAL RESULTS

# Financial results are summarized as follows:

	2020	2019
	Rupees	Rupees
		(Restated)
Revenue	10,866,537	5,089,039
Profit / (loss) before charging management fee	4,584,907	(1,654,065)
Management fee	(518,095)	-
Profit / (loss) before WWF	4,066,812	(1,654,065)
WWF	(81,335)	-
Profit / (loss) before taxation	3,985,477	(1,654,065)
Taxation	(1,328,925)	(1,275,423)
Profit / (loss) after taxation	2,656,552	(2,929,488)
Add: Un-appropriated profit brought forward Add: Transfer to the unappropriated profits	12,317,774 -	9,478,788 2,838,986
	12,317,774	12,317,774
Appropriations:		
Transferred to statutory reserve @ 50% of Profit (2019: NIL) Cash Dividend @ NIL% ( 2019: NIL)	(1,328,276)	-
	(1,328,276)	-
	13,646,050	12,317,774
Earnings / (loss) per certificate	0.35	(0.39)



#### REVIEW OF OPERATIONS

Gross revenues during the year were Rs.10.867 million vis-à-vis Rs. 5.089 million for the corresponding period of 2018-19, major components of revenue were dividend income of Rs.8.908 million, and Profit on Bank Deposit Rs.2.431 million. Thus, overall profitability remained positive as Pre-tax Profit stood at Rs.3.985 million against a Pre-tax loss of Rs. 1.654 million for the corresponding period of 2018-19. Comparative Figures were restated due to the retrospective Correction of errors. Consequently, earning per certificate stood at Rs. 0.35. PSX 100 Index that dipped to 33,902 points at the end of the last year showed improvement during the year and closed at 34,422 points as on June 30, 2020. However, unrealized loss in the value of investment in marketable securities was Rs. 10.980 million which has been reflected in the equity.

#### FUTURE OUTLOOK

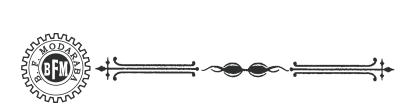
The year under consideration was full of economic as well as political challenges including weakening of Pak Rupee, rising inflation and interest rates and volatile capital market. However, the country has successfully averted the balance of payments crises and all economic trends indicate that our deficits are coming down rapidly to within manageable ranges. CPEC has entered into its second phase that shall be more focused on trade and industry, moving on from infrastructure. This shall play a pivotal role in terms of technology and skills transfer to our economy. The Management of your Modaraba is proactively studying available options which would best protect and preserve Certificate holders' interest in the future.

#### 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. 424,960.





# 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, 2020 is annexed to the Annual report.

# TRADING OF CERTIFICATE

During the year there was no trading in certificates of Modaraba by CEO, Directors, Company Secretary and their spouses and minor children.

# **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. Rehman Sarfaraz Rahim Iqbal Rafiq, Chartered Accountants** retiring on the date of Annual Review Meeting, being eligible, have offered themselves for re-appointment for the year ending June 30, 2021 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.

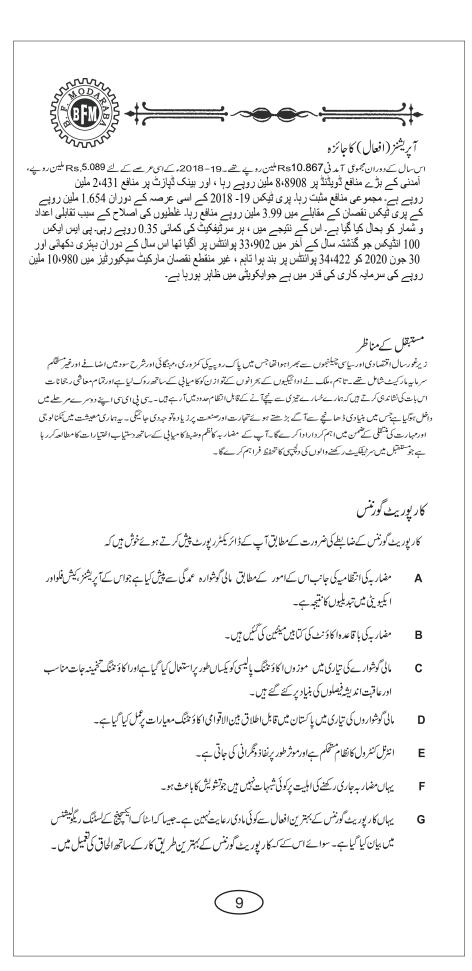
On behalf of the Board

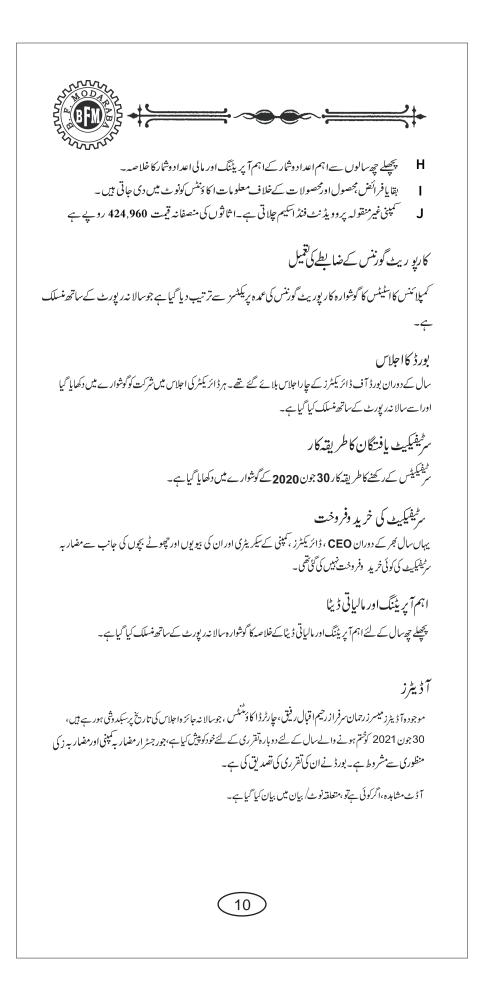
Muhammad Omar Amin Bawany Chief Executive

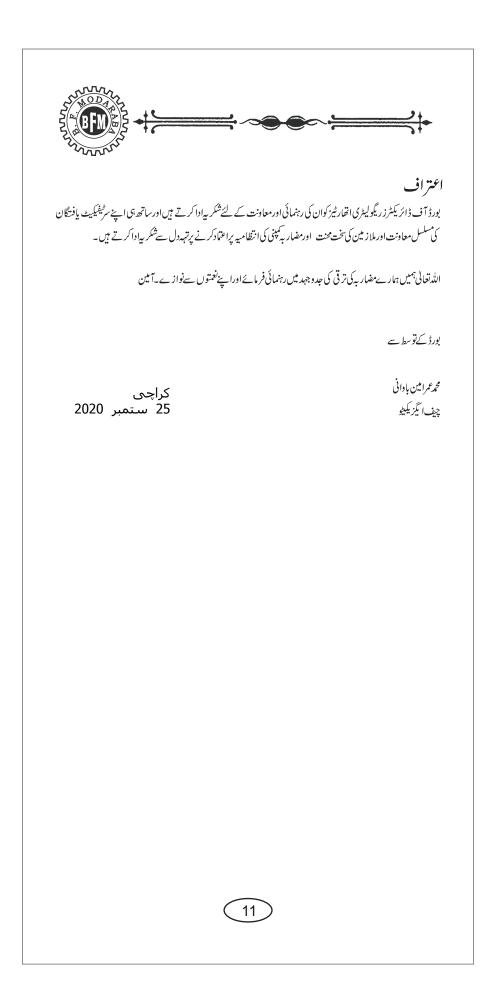
Karachi Date September 25, 2020

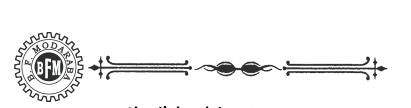


مضاربه کمپنی برائے اختیا ز	ئر یکٹرز کی ریورٹ سال 30 جون 2020	
محتر مسرطيفيكيك يافتكان		
اسلام وعليكم!		
اللد نعالی کے نام سے جو بہت مہر پان اور نہایت رحم کرنے والا ہے	۔ آپ کے ڈائر یکٹرز آپ کے	ەمضارىبەكى <b>32</b> ويں سالانەر يۈرٹ
کے ساتھ 30 جون 2020 کوختم ہونے والے سال کے لئے آ ڈ	ب شده مالیاتی گوشواره پیش کر۔	تے ہوئے خوشی محسوں کرتے ہیں۔
مالباتي متائج		
مالیاتی نتائج کاخلاصہ/سمری درج ذیل ہے۔	2020	2010
	<b>2020</b> روپ	<b>2019</b> روپ
آمدنیاں	10,866,537	5,089,039
منافع قبل ازمينجنب كي فيس	4,584,907	(1,654,065)
مینجینہ فیں	(518,095)	-
منافع قبل از <b>WWF</b>	4,066,812	(1,654,065)
<b>WWF</b> منافع قمل ازئیک	$\frac{(81,335)}{3,985,477}$	(1,654,065)
میں بن ارب قیل	(1,328,925)	(1,275,423)
منافع نیکس کے بعد	2,656,552	(2,929,488)
	12,317,774	9,478,788 2,838,986
جمع: غير تصرف شده منافع براردٔ فاروردٔ	12,317,774	12,317,774
تصرفات		y y
صفرقات منافع 306 نیصد کے حساب سے دستوری ذ خائر میں منتقل کیا گیا	(1,328,276)	_
منافع کی تقسیم بحساب کرد ورک ولی جا یا چا منافع کی تقسیم بحساب <u>Nil ف</u> صد (NIL : 2019)	-	-
	(1,328,276)	
	13,646,050	12,317,774
فی سرٹیفیکیٹ آمدنی	0.35	(0.39)









# Shari'ah Advisor Report For the financial year ended June 30, 2020

This to please report that for the financial year ended June 30, 2020, 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:

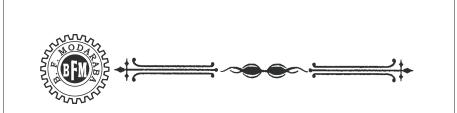
The business activities of B.F. Modaraba during the financial year ended June 30, 2020 have been found to be Sharia'h compliant

Dr. Zubair Usmani

Dated: September 25, 2020

Shari'ah Advisor





# INDEPENDENT AUDITORS' REPORT TO THE CERTIFICATE HOLDERS

We have audited the annexed statement of financial position of **B.F. Modaraba** ('the Modaraba') as at June 30, 2020 and the related statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows together with the notes forming part thereof (here-in-after referred to as 'the financial statements'), for the year then ended 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 our audit.

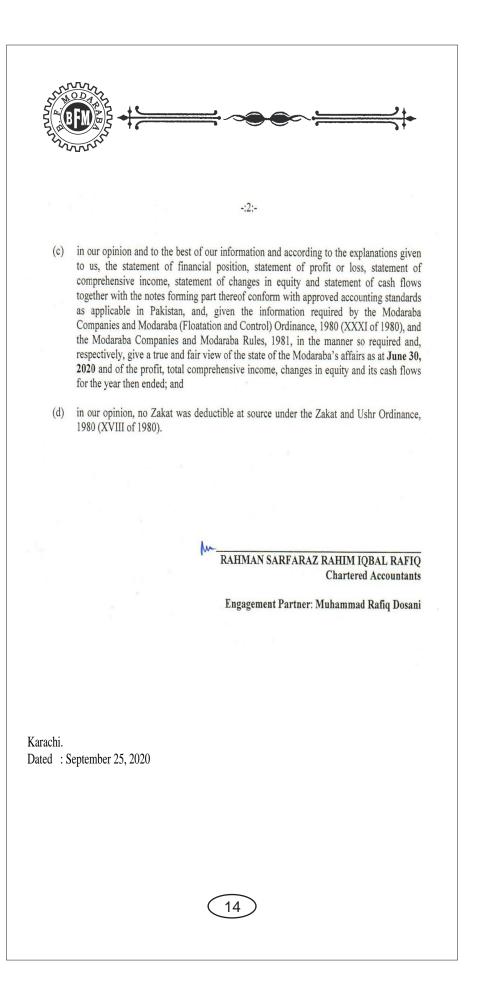
These financial statements are the Modaraba Company's [E.A. Management (Private) Limited] responsibility who is also responsible to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards as applicable in Pakistan and the requirements of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 (XXXI of 1980), and the Modaraba Companies and Modaraba Rules, 1981. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of any material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting policies and significant estimates made by the Modaraba Company, as well as, evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that -

- (a) in our opinion, proper books of accounts have been kept by the Modaraba Company in respect of the Modaraba as required by the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 (XXXI of 1980), and the Modaraba Companies and Modaraba Rules, 1981;
- (b) in our opinion:
  - (i) the statement of financial position, statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows together with the notes forming part thereon have been drawn up in conformity with the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 (XXXI of 1980) and the Modaraba Companies and Modaraba Rules, 1981, and are in agreement with the books of accounts and are further in agreement with accounting policies consistently applied;
  - the expenditure incurred during the year was for the purpose of the Modaraba's business; and
  - the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects, terms and conditions of the Modaraba;

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Cont'd ... P/2



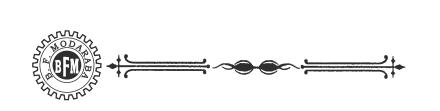
B.F. MODARABA STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2020  Note 2020 2019 ASETS Non-current assets Furniture and equipment 4 27,023 32,017 Long term deposits 5 40,019 40,019 40,019 Long term investments 6 103,046,631 95,616,505 Current assets Trade debts - considered good and unsecured Prepayments and other receivables 7 378,099 3,174,271 2,332,676 24,738,062 24,738,06 24,733,465 3,066,553 Certificate holders 'equity Certificate capital 10 75,151,587 75,151,587 75,151,587 75,11,102 75,151,587	NAN NY			
Note       2020       2019         ASSETS				
ASSETS       Rupers         Non-current assets $27,023$ $32,017$ Long term deposits       5 $40,019$ $40,019$ Long term investments       6 $103,046,631$ $95,616,505$ Ourrent assets $103,013,673$ $95,688,541$ Current assets $103,013,673$ $95,688,541$ Current assets $131,404,105$ $126,315,078$ Advance tax- net $3174,271$ $232,2676$ Cash and bank balances       8 $24,738,062$ $12,2875,792$ Advance tax- net $232,2676$ $24,538,262$ $1,540,971$ Cash and bank balances       9 $3,168,302$ $1,540,971$ Due to Management Company $159,581$ $1545,582$ $1,545,582$ Unclaimed dividend $4,873,465$ $3,086,553$ Certificate holders' equity $62,359,515$ $59,702,963$ Cashfield as fair value through other comprehensive income $12$ $(10,980,462)$ $(11,626,025)$ Total liabilities and equity $131,404,105$ $126,315,078$ $59,702,963$ Unrealized (loss)/gain on re-measurement of investments $133,4854,550$ $13$		Nota	2020	
Furtilitie and equipment427,023 $32,017$ Long term deposits5 $40,019$ $40,019$ Long term investments6 $103,046,631$ $95,616,505$ Current assets7 $378,099$ $14,960,000$ Prepayments and other receivables7 $378,099$ $458,069$ Advance tax - net24,738,062 $12,875,792$ $23,32,676$ Cash and bank balances8 $28,290,432$ $30,626,537$ Total assets $131,404,105$ $126,315,078$ LIABILITIES AND EQUITY $159,581$ -Current liabilities7 $3,168,302$ $1,540,971$ Due to Management Company $159,581$ -Unclaimed dividend $1,545,582$ $1,545,582$ Certificate holders' equity $10$ $75,151,587$ Certificate capital $10$ $75,151,587$ Reserves $11$ $62,329,515$ $59,702,963$ Intrealized (loss) /gain on re-measurement of investments $131,404,105$ $126,315,078$ Classified as fair value through other comprehensive income $12$ $(10,980,462)$ $(11,626,025)$ Total liabilities and equity $131,404,105$ $126,315,078$ $137,511,102$ Contingencies and commitments $13$ Interanexed notes from 1 to 24 form an integral part of these financial statements. $73$ $\mathcal{W}$ $For E-A Management (Private) Limited$	ASSETS	Note		
Furtilitie and equipment427,023 $32,017$ Long term deposits5 $40,019$ $40,019$ Long term investments6 $103,046,631$ $95,616,505$ Current assets7 $378,099$ $14,960,000$ Prepayments and other receivables7 $378,099$ $458,069$ Advance tax - net24,738,062 $12,875,792$ $23,32,676$ Cash and bank balances8 $28,290,432$ $30,626,537$ Total assets $131,404,105$ $126,315,078$ LIABILITIES AND EQUITY $159,581$ -Current liabilities7 $3,168,302$ $1,540,971$ Due to Management Company $159,581$ -Unclaimed dividend $1,545,582$ $1,545,582$ Certificate holders' equity $10$ $75,151,587$ Certificate capital $10$ $75,151,587$ Reserves $11$ $62,329,515$ $59,702,963$ Intrealized (loss) /gain on re-measurement of investments $131,404,105$ $126,315,078$ Classified as fair value through other comprehensive income $12$ $(10,980,462)$ $(11,626,025)$ Total liabilities and equity $131,404,105$ $126,315,078$ $137,511,102$ Contingencies and commitments $13$ Interanexed notes from 1 to 24 form an integral part of these financial statements. $73$ $\mathcal{W}$ $For E-A Management (Private) Limited$	Non-current assets			
Long term deposits       5 $40,019$ $40,019$ Long term investments       6 $103,046,631$ $95,616,505$ Current assets       7 $378,099$ $14,960,000$ Prepayments and other receivables       7 $378,099$ $458,069$ Advance tax - net       24,738,062 $12,875,792$ $23,32,676$ Cash and bank balances       8 $23,220,432$ $30,626,537$ Total assets $131,404,105$ $126,315,078$ LIABILITIES AND EQUITY       1 $126,315,078$ Current liabilities       7 $3,168,302$ $1,540,971$ Due to Management Company $159,581$ - $10$ Unclaimed dividend $1,545,582$ $1,545,582$ $3,086,553$ Certificate holders' equity $75,151,587$ $75,151,587$ $59,702,963$ Certificate capital       10 $75,151,587$ $59,702,963$ $134,854,550$ Unrealized (loss) /gain on re-measurement of investments $131,404,105$ $126,315,078$ $104,980,462$ $(11,626,025)$ Total liabilities and equity $131,404,105$ $126,315,078$ $106,315,078$ $106,315,078$		4	27.023	32.017
Long term investments6103,046,63195,616,505Current assets103,113,67395,688,541Trade debts - considered good and unsecured7 $\overline{378,009}$ 14,960,000Prepayments and other receivables7 $\overline{378,009}$ 14,960,000Advance tax - net824,738,06212,875,792Cash and bank balances824,738,06212,875,79228,290,43230,626,53730,626,537Total assets131,404,105126,315,078LIABILITIES AND EQUITY159,581-Unclaimed divided1,545,8821,540,971Due to Management Company159,581-Unclaimed divided1,545,8821,540,971Certificate holders' equity4873,4653,086,553Certificate capital10 $\overline{75,151,587}$ $\overline{59,702,963}$ Reserves11 $\overline{62,359,515}$ $\overline{59,702,963}$ Unrealized (loss) /gain on re-measurement of investments classified as fair value through other comprehensive income12(10,980,462)Unrealized (loss) /gain on re-measurement of investments classified as fair value through other comprehensive income13-Contingencies and commitments13Total liabilities and equity131,404,105126,315,078Contingencies and commitments13Total liabilities and equity13Total nexced notes from 1 to 24 form an integral part of these financial statementsWFor E-A Management (Private) Li				
Image: Current assets         Trade debts - considered good and unsecured         Prepayments and other receivables       7         Advance tax - net       378,009         Cash and bank balances       8         24,738,062       12,875,792         28,290,432       30,626,537         Total assets       131,404,105       126,315,078         LIABILITIES AND EQUITY       1         Current liabilities       9       3,168,302       1,540,971         Trade and other payables       9       3,168,302       1,540,971         Due to Management Company       159,581       -         Unclaimed dividend       1,545,582       1,545,582         Certificate holders' equity       62,359,515       59,702,963         Certificate capital       10       75,151,587       59,702,963         Itay, State for E-A Management (Private)       131,404,105       126,315,078				
Trade debts - considered good and unsecured Prepayments and other receivables7 $378,099$ $3,174,271$ $2,4738,062$ $2,332,676$ $12,875,792$ $30,626,537$ Advance tax - net Cash and bank balances8 $2,332,676$ $12,875,792$ $30,626,537$ Total assets $131,404,105$ $126,315,078$ LIABILITIES AND EQUITY126,315,078Current liabilities Trade and other payables9 $3,168,302$ $1,540,971$ Due to Management Company $1,545,582$ $1,575,11,102$ $1,34,854,550$ Unrealized (loss)/gain on re-measurement of investments classified as fair value through other comprehensive income $12$ $(10,980,462)$ $(11,626,025)$ Total liabilities and equity $131,404,105$ $126,315,078$ Contingencies and commitments $13$ $13$ $-$ The annexed notes from 1 to 24 form an integral part of these financial statements.W			the second s	the second s
Prepayments and other receivables       7 $378,099$ $458,069$ Advance tax - net       8 $3,174,271$ $2,332,676$ Cash and bank balances       8 $24,738,062$ $2,332,676$ Total assets $131,404,105$ $126,315,078$ LIABILITIES AND EQUITY       Iteleform $131,404,105$ $126,315,078$ LIABILITIES AND EQUITY       9 $3,168,302$ $1,540,971$ Due to Management Company $159,581$ -         Unclaimed dividend $1,545,582$ $1,545,582$ $1,545,582$ Certificate holders' equity $4,873,465$ $3,086,553$ Certificate capital       10 $75,151,587$ $59,702,963$ Reserves       11 $62,359,515$ $59,702,963$ Unrealized (loss)/gain on re-measurement of investments $12$ $(10,980,462)$ $(11,626,025)$ Total liabilities and equity $131,404,105$ $126,315,078$ Contingencies and commitments $13$ -         the annexed notes from 1 to 24 form an integral part of these financial statements. $13$ $M$ The annexed notes from 1 to 24 form an integral part of these financial statements. $M$				
Advance tax - net       3,174,271       2,332,676         Cash and bank balances       8       3,174,271       2,332,676         Cash and bank balances       8       24,738,062       2,875,792         Z8,290,432       30,626,537         Total assets       131,404,105       126,315,078         LIABILITIES AND EQUITY       9       3,168,302       1,540,971         Due to Management Company       159,581       -         Unclaimed dividend       1,545,582       1,545,582         Certificate holders' equity       75,151,587       75,151,587         Certificate capital       10       75,151,587       75,151,587         Reserves       11       62,359,515       59,702,963         Unrealized (loss)/gain on re-measurement of investments       131,404,105       126,315,078         Unrealized (loss)/gain on re-measurement of investments       131,404,105       126,315,078         Contingencies and commitments       13       -       -         Total liabilities and equity       131,404,105       126,315,078         Contingencies and commitments       13       -       -         Contingencies and commitments       13       -       -         He annexed notes from 1 to 24 form an integral part of these				14,960,000
Cash and bank balances       8       24,738,062       12,875,792         Total assets       131,404,105       126,315,078         LIABILITIES AND EQUITY       126,315,078         Current liabilities       9       3,168,302       1,540,971         Total assets       9       3,168,302       1,540,971         Due to Management Company       159,581       -         Unclaimed dividend       1,545,582       1,545,582         Unclaimed dividend       1,545,582       1,545,582         Certificate holders' equity       75,151,587       75,151,587         Certificate capital       10       75,151,587       59,702,963         Reserves       11       62,359,515       59,702,963         137,511,102       134,854,550       134,854,550         Unrealized (loss) /gain on re-measurement of investments       12       (10,980,462)       (11,626,025)         Total liabilities and equity       131,404,105       126,315,078       -         Contingencies and commitments       13       -       -         The annexed notes from 1 to 24 form an integral part of these financial statements.       W       -         W       Total liabilities       13       -       -         The annexed notes from 1		7		
28,290,432 $30,626,537$ Total assets $131,404,105$ $126,315,078$ LIABILITIES AND EQUITY $126,315,078$ Current liabilities9 $3,168,302$ $1,540,971$ Due to Management Company $159,581$ $.$ Unclaimed dividend $1,545,582$ $1,545,582$ Unclaimed dividend $1,545,582$ $1,545,582$ Que to Management Company $10$ $75,151,587$ Our erificate holders' equity $10$ $75,151,587$ Certificate capital $10$ $75,151,587$ Reserves $11$ $62,359,515$ $137,511,102$ $134,854,550$ Unrealized (loss) /gain on re-measurement of investments $12$ classified as fair value through other comprehensive income $12$ $131,404,105$ $126,315,078$ Contingencies and commitments $13$ $13$ $131,404,105$ $126,315,078$ MwFor E.A Management (Private) Limited				
Total assets       131,404,105       126,315,078         LIABILITIES AND EQUITY       9       3,168,302       1,540,971         Due to Management Company       9       3,168,302       1,540,971         Due to Management Company       159,581       -         Unclaimed dividend       1,545,582       1,545,582         Certificate holders' equity       75,151,587       75,151,587         Certificate capital       10       75,151,587       75,151,587         Reserves       11       62,359,515       39,702,963         Unrealized (loss)/gain on re-measurement of investments       131,404,105       126,315,078         Cassified as fair value through other comprehensive income       12       (10,980,462)       (11,626,025)         Total liabilities and equity       131,404,105       126,315,078         Contingencies and commitments       13       -       -         W       For E.A Management (Private) Limited	Cash and bank balances	8		
LIABILITIES AND EQUITY         Current liabilities         Trade and other payables       9         Juck Management Company       159,581         Unclaimed dividend       1,545,582         Vertificate capital       10         Reserves       11         62,359,515       59,702,963         137,511,102       134,854,550         Unrealized (loss) /gain on re-measurement of investments       13         classified as fair value through other comprehensive income       12       (10,980,462)       (11,626,025)         Total liabilities and equity       131,404,105       126,315,078         Contingencies and commitments       13       -         The annexed notes from 1 to 24 form an integral part of these financial statements.         W       For E.A Management (Private) Limited			28,290,432	30,626,537
Current liabilities         Trade and other payables       9       3,168,302       1,540,971         Due to Management Company       159,581       -         Unclaimed dividend       1,545,582       1,545,582         Que to Management Company       159,581       -         Unclaimed dividend       1,545,582       1,545,582         Que to Management Company       1,545,582       3,086,553         Certificate holders' equity       10       75,151,587       62,359,515       75,151,587         Certificate capital       10       75,151,587       62,359,515       59,702,963         Reserves       11       62,359,515       134,854,550         Unrealized (loss) /gain on re-measurement of investments       13       (11,626,025)         Total liabilities and equity       131,404,105       126,315,078         Contingencies and commitments       13       -         Ibe annexed notes from 1 to 24 form an integral part of these financial statements.       M         W       Total Hamiltents       13         For E.A Management (Private) Limited       Limited	Total assets		131,404,105	126,315,078
Trade and other payables       9       3,168,302       1,540,971         Due to Management Company       159,581       .         Unclaimed dividend       1,545,582       1,545,582         Que to Management Company       159,581       .         Unclaimed dividend       1,545,582       1,545,582         Que to Management Company       10       75,151,587         Certificate holders' equity       75,151,587       75,151,587         Certificate capital       10       75,151,587       75,151,587         Reserves       11       62,359,515       134,854,550         Unrealized (loss) /gain on re-measurement of investments       classified as fair value through other comprehensive income       12       (10,980,462)       (11,626,025)         Total liabilities and equity       131,404,105       126,315,078       .         Contingencies and commitments       13       .       .         The annexed notes from 1 to 24 form an integral part of these financial statements.       .       .         W       For E.A Management (Private) Limited       .	LIABILITIES AND EQUITY			
Trade and other payables       9       3,168,302       1,540,971         Due to Management Company       159,581       .         Unclaimed dividend       1,545,582       1,545,582         Que to Management Company       159,581       .         Unclaimed dividend       1,545,582       1,545,582         Que to Management Company       10       75,151,587         Certificate holders' equity       75,151,587       75,151,587         Certificate capital       10       75,151,587       75,151,587         Reserves       11       62,359,515       134,854,550         Unrealized (loss) /gain on re-measurement of investments       classified as fair value through other comprehensive income       12       (10,980,462)       (11,626,025)         Total liabilities and equity       131,404,105       126,315,078       .         Contingencies and commitments       13       .       .         The annexed notes from 1 to 24 form an integral part of these financial statements.       .       .         W       For E.A Management (Private) Limited       .	Current liabilities			
Due to Management Company       159,581         Unclaimed dividend       1,545,582         Unclaimed dividend       1,545,582         4,873,465       3,086,553         Certificate holders' equity       10         Certificate capital       10         Reserves       11         62,359,515       137,511,587         134,854,550       134,854,550         Unrealized (loss) /gain on re-measurement of investments       12         classified as fair value through other comprehensive income       12         (10,980,462)       (11,626,025)         Total liabilities and equity       131,404,105         Contingencies and commitments       13         The annexed notes from 1 to 24 form an integral part of these financial statements.         W       For E.A Management (Private) Limited		9	3,168,302	1.540,971
Unclaimed dividend       1,545,582       1,545,582         Certificate holders' equity       3,086,553         Certificate capital       10       75,151,587         Reserves       11       62,359,515       75,151,587         Unrealized (loss) /gain on re-measurement of investments       137,511,102       134,854,550         Unrealized (loss) /gain on re-measurement of investments       12       (10,980,462)       (11,626,025)         Total liabilities and equity       131,404,105       126,315,078         Contingencies and commitments       13       -         The annexed notes from 1 to 24 form an integral part of these financial statements.       13         W       For E.A Management (Private) Limited				-
Certificate holders' equity         Certificate capital       10       75,151,587         Reserves       11       62,359,515       59,702,963         137,511,102       134,854,550         Unrealized (loss)/gain on re-measurement of investments       12       (10,980,462)       (11,626,025)         Total liabilities and equity       131,404,105       126,315,078         Contingencies and commitments       13       -         The annexed notes from 1 to 24 form an integral part of these financial statements.         W         For E.A Management (Private) Limited	Unclaimed dividend			1,545,582
Certificate capital       10       75,151,587         Reserves       11       62,359,515       75,151,587         Unrealized (loss)/gain on re-measurement of investments       137,511,102       134,854,550         Unrealized (loss)/gain on re-measurement of investments       12       (10,980,462)       (11,626,025)         Total liabilities and equity       131,404,105       126,315,078         Contingencies and commitments       13       -         The annexed notes from 1 to 24 form an integral part of these financial statements.       .         W       For E.A Management (Private) Limited			4,873,465	3,086,553
Reserves       11       62,359,515       59,702,963         Unrealized (loss)/gain on re-measurement of investments classified as fair value through other comprehensive income       12       (10,980,462)       (11,626,025)         Total liabilities and equity       131,404,105       126,315,078         Contingencies and commitments       13       -         The annexed notes from 1 to 24 form an integral part of these financial statements.         Image: For E.A Management (Private) Limited	Certificate holders' equity			
Unrealized (loss)/gain on re-measurement of investments classified as fair value through other comprehensive income       12       (10,980,462)       (11,626,025)         Total liabilities and equity       131,404,105       126,315,078         Contingencies and commitments       13       -       -         The annexed notes from 1 to 24 form an integral part of these financial statements.       W         For E.A Management (Private) Limited	Certificate capital	10	75,151,587	75,151,587
Unrealized (loss)/gain on re-measurement of investments classified as fair value through other comprehensive income 12 (10,980,462) (11,626,025) Total liabilities and equity <u>131,404,105</u> 126,315,078 Contingencies and commitments 13 The annexed notes from 1 to 24 form an integral part of these financial statements. For E.A Management (Private) Limited	Reserves	11		59,702,963
classified as fair value through other comprehensive income       12       (10,980,462)       (11,626,025)         Total liabilities and equity       131,404,105       126,315,078         Contingencies and commitments       13       -       -         The annexed notes from 1 to 24 form an integral part of these financial statements.       .       .         For E.A Management (Private) Limited       .       .			137,511,102	134,854,550
Total liabilities and equity       131,404,105       126,315,078         Contingencies and commitments       13       -         The annexed notes from 1 to 24 form an integral part of these financial statements.       .         Image: Second content of the second				
Contingencies and commitments 13	classified as fair value through other comprehensive income	12	(10,980,462)	(11,626,025)
The annexed notes from 1 to 24 form an integral part of these financial statements.	Total liabilities and equity		131,404,105	126,315,078
For E.A Management (Private) Limited	Contingencies and commitments	13		
, For E.A Management (Private) Limited	The annexed notes from 1 to 24 form an integral part of these fir	ancial stat	ements.	
	M			
(Management Company)	For E.A Management (P	rivate) l	Limited	
	(Management Co	mpany)		

BF.MODARABA         STATEMENT OF PROFIT OR LOSS         FOR THE YEAR ENDED JUNE 30, 2020         Note         Q202       2019         Note       Rupees         Revenue - net       630,634         Gain realised on disposal of investments in units of mutual funds       -       630,634         Urrealised loss on remeasurement of investments in units of mutual funds       (472,586)       (5,750,632)         Trading profit from sale of sugar       14       -       2,543,660         Dividend - net of zakat       15       8,908,497       6,546,052         Profit on bank deposits accounts       2,430,626       1,119,325         JUNB66,6537       5,089,039       Administrative expenditure         Operating expenses       16       (6,281,630)       (6,743,104)         Profit before charging Management Company's remuneration       17       (518,095)       -         Provision for Worker's Welfare Fund       (81,335)       -       -         Profit / (loss) before taxation       3,985,477       (1,654,065)         Taxation       18       (1,328,925)       (1,275,423)         Profit / (loss) after taxation       2,656,552       (2,929,488)         Earnings / (loss) per certifficate - basic and       19				<b>=</b> ≓+
STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED JUNE 30, 2020         (Restated) 2020         Note         Revenue - net         Gain realised on disposal of investments in units of mutual funds       -       630,634         Unrealised loss on remeasurement of investments in units of mutual funds       -       630,634         Unrealised loss on remeasurement of investments in units of mutual funds       (472,586)       (5,750,632)         Trading profit from sale of sugar       14       -       2,543,660         Dividend - net of zakat       15       8,908,497       6,546,052         Profit on bank deposits accounts       2,430,626       1,119,325         Operating expenses       16       (6,281,630)       (6,743,104)         Profit before charging Management Company's remuneration       4,584,907       (1,654,065)         Management Company's remuneration       17       (518,095)       -         Profit / (loss) before taxation       3,985,477       (1,654,065)         Taxation       18       (1,328,925)       (1,275,423)         Profit / (loss) after taxation       2,656,552       (2,929,488)         Earnings / (loss) per certificate - basic and       19       0.35       (0.39)         The anne	27 COLUMN			•
STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED JUNE 30, 2020         (Restated) 2020         Note         Revenue - net         Gain realised on disposal of investments in units of mutual funds       -       630,634         Unrealised loss on remeasurement of investments in units of mutual funds       -       2,543,660         Dividend - net of zakat       15       8,908,497       6,546,052         Profit on bank deposits accounts       2,430,626       1,119,325         Dividend - net of zakat       15       8,908,497       6,546,052         Profit on bank deposits accounts       2,430,626       1,119,325         Operating expenses       16       (6,281,630)       (6,743,104)         Profit before charging Management Company's remuneration       4,584,907       (1,654,065)         Management Company's remuneration       17       (518,095)       -         Profit / (loss) before taxation       3,985,477       (1,654,065)         Taxation       18       (1,328,925)       (1,275,423)         Profit / (loss) after taxation       2,656,552       (2,929,488)         Earnings / (loss) per certificate - basic and       19       0.35       (0.39)         The annexed notes from 1 to 24 form an integral pa				
STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED JUNE 30, 2020         (Restated) 2020         Note         Revenue - net         Gain realised on disposal of investments in units of mutual funds       -       630,634         Unrealised loss on remeasurement of investments in units of mutual funds       -       2,543,660         Dividend - net of zakat       15       8,908,497       6,546,052         Profit on bank deposits accounts       2,430,626       1,119,325         Dividend - net of zakat       15       8,908,497       6,546,052         Profit on bank deposits accounts       2,430,626       1,119,325         Operating expenses       16       (6,281,630)       (6,743,104)         Profit before charging Management Company's remuneration       4,584,907       (1,654,065)         Management Company's remuneration       17       (518,095)       -         Profit / (loss) before taxation       3,985,477       (1,654,065)         Taxation       18       (1,328,925)       (1,275,423)         Profit / (loss) after taxation       2,656,552       (2,929,488)         Earnings / (loss) per certificate - basic and       19       0.35       (0.39)         The annexed notes from 1 to 24 form an integral pa				
STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED JUNE 30, 2020         (Restated) 2020         Note         Revenue - net         Gain realised on disposal of investments in units of mutual funds       -       630,634         Unrealised loss on remeasurement of investments in units of mutual funds       -       2,543,660         Dividend - net of zakat       15       8,908,497       6,546,052         Profit on bank deposits accounts       2,430,626       1,119,325         Dividend - net of zakat       15       8,908,497       6,546,052         Profit on bank deposits accounts       2,430,626       1,119,325         Operating expenses       16       (6,281,630)       (6,743,104)         Profit before charging Management Company's remuneration       4,584,907       (1,654,065)         Management Company's remuneration       17       (518,095)       -         Profit / (loss) before taxation       3,985,477       (1,654,065)         Taxation       18       (1,328,925)       (1,275,423)         Profit / (loss) after taxation       2,656,552       (2,929,488)         Earnings / (loss) per certificate - basic and       19       0.35       (0.39)         The annexed notes from 1 to 24 form an integral pa				
FOR THE YEAR ENDED JUNE 30, 2020       (Restated)         Note       2020       2019         Note       Revenue - net         Gain realised on disposal of investments in units of mutual funds       -       630,634         Unrealised loss on remeasurement of investments in units of mutual funds       -       630,634         Unrealised loss on remeasurement of investments in units of mutual funds       (472,586)       (5,750,632)         Trading profit from sale of sugar       14       -       2,543,660         Dividend - net of zakat       15       8,908,497       6,546,052         Profit on bank deposits accounts       2,430,626       1,119,325       5,089,039         Administrative expenditure       0       0       (6,281,630)       (6,743,104)         Profit before charging Management Company's remuneration       17       (518,095)       -         Provision for Worker's Welfare Fund       (81,335)       -       -         Profit / (loss) before taxation       18       (1,328,925)       (1,275,423)         Profit / (loss) after taxation       2,656,552       (2,929,488)         Earnings / (loss) per certificate - basic and       19       0.35       (0.39)         The annexed notes from 1 t				
(Restated) 2020NoteRevenue - netGain realised on disposal of investments in units of mutual funds-630,634Unrealised loss on remeasurement of investments in units of mutual funds-2,543,660Dividend - net of zakat158,908,4976,546,052Profit on bank deposits accounts2,430,6261,119,325Jug66,5375,089,039Administrative expenditureOperating expenses16(6,281,630)(6,743,104)Profit before charging Management Company's remunerationProfit / (loss) before taxation17(518,095)-Profit / (loss) before taxation18(1,328,925)(1,275,423)Profit / (loss) after taxation190.35(0.39)The annexed notes from 1 to 24 form an integral part of these financial statements.				
Note				(Restated)
Revenue - netGain realised on disposal of investments in units of mutual funds-630,634Unrealised loss on remeasurement of investments in units of mutual funds-630,634Unrealised loss on remeasurement of investments in units of mutual funds(472,586)(5,750,632)Trading profit from sale of sugar14-2,543,660Dividend - net of zakat158,908,4976,546,052Profit on bank deposits accounts2,430,6261,119,32510,866,5375,089,039Administrative expenditureOperating expenses16(6,281,630)(6,743,104)Profit before charging Management Company's remuneration17(518,095)-Profit / (loss) before taxation17(518,095)-Profit / (loss) before taxation18(1,328,925)(1,275,423)Profit / (loss) after taxation2,656,552(2,929,488)Earnings / (loss) per certificate - basic and diluted190.35(0.39)The annexed notes from 1 to 24 form an integral part of these financial statements.				
Gain realised on disposal of investments in units of mutual funds-630,634Unrealised loss on remeasurement of investments in units of mutual funds(472,586)(5,750,632)Trading profit from sale of sugar14-2,543,660Dividend - net of zakat158,908,4976,546,052Profit on bank deposits accounts2,430,6261,119,32510,866,5375,089,039Administrative expenditureOperating expenses16(6,281,630)Profit before charging Management Company's remuneration17(518,095)Provision for Worker's Welfare Fund(81,335)-Profit / (loss) before taxation18(1,328,925)(1,275,423)Profit / (loss) after taxation190.35(0.39)The annexed notes from 1 to 24 form an integral part of these financial statements.10	Devenue - net	Note	Rup	ees
of mutual funds       -       630,634         Unrealised loss on remeasurement of       investments in units of mutual funds       (472,586)       (5,750,632)         Trading profit from sale of sugar       14       -       2,543,660         Dividend - net of zakat       15       8,908,497       6,546,052         Profit on bank deposits accounts       2,430,626       1,119,325       10,866,537       5,089,039         Administrative expenditure       -	Revenue - net			
Unrealised loss on remeasurement of investments in units of mutual funds $(472,586)$ $(5,750,632)$ Trading profit from sale of sugar14-2,543,660Dividend - net of zakat15 $8,908,497$ $6,546,052$ Profit on bank deposits accounts $2,430,626$ $1,119,325$ In,866,537 $5,089,039$ Administrative expenditureOperating expenses16 $(6,281,630)$ $(6,743,104)$ Profit before charging Management Company's remuneration $17$ $(518,095)$ -Provision for Worker's Welfare Fund $(81,335)$ -Profit / (loss) before taxation $18$ $(1,328,925)$ $(1,275,423)$ Profit / (loss) after taxation $19$ $diluted$ $0.35$ $(0.39)$ The annexed notes from 1 to 24 form an integral part of these financial statements.				
investments in units of mutual funds $(472,586)$ $(5,750,632)$ Trading profit from sale of sugar14-2,543,660Dividend - net of zakat15 $8,908,497$ $6,546,052$ Profit on bank deposits accounts $2,430,626$ $1,119,325$ <b>Administrative expenditure</b> $16$ $(6,281,630)$ $(6,743,104)$ Profit before charging Management Company's remuneration $16$ $(6,281,630)$ $(6,743,104)$ Profit before charging Management Company's remuneration $17$ $(518,095)$ -Provision for Worker's Welfare Fund $(81,335)$ -Profit / (loss) before taxation $18$ $(1,328,925)$ $(1,275,423)$ Profit / (loss) after taxation $19$ $(0.35)$ $(0.39)$ The annexed notes from 1 to 24 form an integral part of these financial statements.	of mutual funds		-	630,634
Trading profit from sale of sugar       14       -       2,543,660         Dividend - net of zakat       15       8,908,497       6,546,052         Profit on bank deposits accounts       2,430,626       1,119,325         Administrative expenditure       16       (6,281,630)       (6,743,104)         Profit before charging Management Company's remuneration       17       (518,095)       -         Management Company's remuneration       17       (518,095)       -         Profit / (loss) before taxation       3,985,477       (1,654,065)         Taxation       18       (1,328,925)       (1,275,423)         Profit / (loss) after taxation       19       0.35       (0.39)         The annexed notes from 1 to 24 form an integral part of these financial statements.       19			(172 596)	(5 750 622)
Dividend - net of zakat       15       8,908,497       6,546,052         Profit on bank deposits accounts       2,430,626       1,119,325         Administrative expenditure       16       (6,281,630)       (6,743,104)         Profit before charging Management Company's remuneration       17       (518,095)       -         Management Company's remuneration       17       (518,095)       -         Profit / (loss) before taxation       3,985,477       (1,654,065)         Taxation       18       (1,328,925)       (1,275,423)         Profit / (loss) after taxation       2,656,552       (2,929,488)         Earnings / (loss) per certificate - basic and       19       0.35       (0.39)         The annexed notes from 1 to 24 form an integral part of these financial statements.       19       0.35       (0.39)		14	(472,300)	
Administrative expenditure $10,866,537$ $5,089,039$ Administrative expenditureOperating expenses16 $(6,281,630)$ $(6,743,104)$ Profit before charging Management Company's remuneration $16$ $(6,281,630)$ $(6,743,104)$ Management Company's remuneration $17$ $(518,095)$ $-$ Provision for Worker's Welfare Fund $(81,335)$ $-$ Profit / (loss) before taxation $3,985,477$ $(1,654,065)$ Taxation $18$ $(1,328,925)$ $(1,275,423)$ Profit / (loss) after taxation $2,656,552$ $(2,929,488)$ Earnings / (loss) per certificate - basic and $19$ $0.35$ $(0.39)$ The annexed notes from 1 to 24 form an integral part of these financial statements. $10$ $10$		15		
Administrative expenditure         Operating expenses       16       (6,281,630)       (6,743,104)         Profit before charging Management Company's remuneration       4,584,907       (1,654,065)         Management Company's remuneration       17       (518,095)       -         Provision for Worker's Welfare Fund       (81,335)       -         Profit / (loss) before taxation       3,985,477       (1,654,065)         Taxation       18       (1,328,925)       (1,275,423)         Profit / (loss) after taxation       2,656,552       (2,929,488)         Earnings / (loss) per certificate - basic and       19       0.35       (0.39)         The annexed notes from 1 to 24 form an integral part of these financial statements.       10       10	Profit on bank deposits accounts			
Operating expenses16 $(6,281,630)$ $(6,743,104)$ Profit before charging Management Company's remuneration $\overline{4,584,907}$ $(1,654,065)$ Management Company's remuneration17 $(518,095)$ $-$ Provision for Worker's Welfare Fund $(81,335)$ $-$ Profit / (loss) before taxation $3,985,477$ $(1,654,065)$ Taxation18 $(1,328,925)$ $(1,275,423)$ Profit / (loss) after taxation $2,656,552$ $(2,929,488)$ Earnings / (loss) per certificate - basic and19 $0.35$ $(0.39)$ The annexed notes from 1 to 24 form an integral part of these financial statements. $16$ $(1,275,423)$	Administrative expenditure		10,800,557	5,089,039
Profit before charging Management Company's remuneration       4,584,907       (1,654,065)         Management Company's remuneration       17       (518,095)       -         Provision for Worker's Welfare Fund       (81,335)       -         Profit / (loss) before taxation       3,985,477       (1,654,065)         Taxation       18       (1,328,925)       (1,275,423)         Profit / (loss) after taxation       2,656,552       (2,929,488)         Earnings / (loss) per certificate - basic and       19       0.35       (0.39)         The annexed notes from 1 to 24 form an integral part of these financial statements.       10       11		16	(6,281,630)	(6,743,104)
remuneration       4,584,907       (1,654,065)         Management Company's remuneration       17       (518,095)       -         Provision for Worker's Welfare Fund       (81,335)       -         Profit / (loss) before taxation       3,985,477       (1,654,065)         Taxation       18       (1,328,925)       (1,275,423)         Profit / (loss) after taxation       2,656,552       (2,929,488)         Earnings / (loss) per certificate - basic and       19       0.35       (0.39)         The annexed notes from 1 to 24 form an integral part of these financial statements.       10       10				
Management Company's remuneration       17       (518,095)       -         Provision for Worker's Welfare Fund       (81,335)       -         Profit / (loss) before taxation       3,985,477       (1,654,065)         Taxation       18       (1,328,925)       (1,275,423)         Profit / (loss) after taxation       2,656,552       (2,929,488)         Earnings / (loss) per certificate - basic and       19       0.35       (0.39)         The annexed notes from 1 to 24 form an integral part of these financial statements.       10       10			4 584 007	(1.654.065)
Provision for Worker's Welfare Fund       (81,335)         Profit / (loss) before taxation       3,985,477         Taxation       18         (1,328,925)       (1,275,423)         Profit / (loss) after taxation       2,656,552         Earnings / (loss) per certificate - basic and       19         diluted       0.35       (0.39)         The annexed notes from 1 to 24 form an integral part of these financial statements.	remuneration		4,584,907	(1,054,005)
Profit / (loss) before taxation       3,985,477       (1,654,065)         Taxation       18       (1,328,925)       (1,275,423)         Profit / (loss) after taxation       2,656,552       (2,929,488)         Earnings / (loss) per certificate - basic and       19       0.35       (0.39)         The annexed notes from 1 to 24 form an integral part of these financial statements.       10       10	Management Company's remuneration	17	(518,095)	-
Taxation       18       (1,328,925)       (1,275,423)         Profit / (loss) after taxation       2,656,552       (2,929,488)         Earnings / (loss) per certificate - basic and       19         diluted       0.35       (0.39)         The annexed notes from 1 to 24 form an integral part of these financial statements.	Provision for Worker's Welfare Fund		(81,335)	-
Profit / (loss) after taxation       2,656,552       (2,929,488)         Earnings / (loss) per certificate - basic and 19       19         diluted       0.35       (0.39)         The annexed notes from 1 to 24 form an integral part of these financial statements.       10	Profit / (loss) before taxation		3,985,477	(1,654,065)
Earnings / (loss) per certificate - basic and 19 diluted	Taxation	18	(1,328,925)	(1,275,423)
diluted 0.35 (0.39) The annexed notes from 1 to 24 form an integral part of these financial statements.	Profit / (loss) after taxation		2,656,552	(2,929,488)
diluted 0.35 (0.39) The annexed notes from 1 to 24 form an integral part of these financial statements.	Farnings / (loss) per certificate - basic and	19		
and the second	•		0.35	(0.39)
and the second	The encoved notes from 1 to 24 form on integral	nort of these fir		
100-		part of these fil	lanetal statements.	
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	Ear E A Management	(Duivata) I in	ited	
Ear E A Managamant (Driveta) Limited	_		inteu	
For E.A Management (Private) Limited	(intrinugenent C	company)		
For E.A Management (Private) Limited (Management Company)				

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- Andrews			
B.F.MODARABA	ENGLIS DICOME		
STATEMENT OF COMPREH			
FOR THE YEAR ENDED JUN	E 50, 2020		
			(Restated)
		2020	2019
		Rup	ees
Profit / (loss) after taxation		2,656,552	(2,929,488)
Other comprehensive income			
Items that will not be subsequer	tly reclassified to profit or		
loss			
Surplus / (deficit) on re-measuren	nent of investments		
classified as at fair value through			
income		645,563	(7,066,548)
Total comprehensive income / (	loss) for the year	3,302,115	(9,996,036)
*Surplus on revaluation of invest	in accordance with the	requirements of	
SC/M/PRDD/PRs/2017-259 date			
		ancial statements.	
SC/M/PRDD/PRs/2017-259 date		ancial statements.	
SC/M/PRDD/PRs/2017-259 dated The annexed notes from 1 to 24 f		ancial statements.	
SC/M/PRDD/PRs/2017-259 dated The annexed notes from 1 to 24 f		uncial statements.	
SC/M/PRDD/PRs/2017-259 date The annexed notes from 1 to 24 f	orm an integral part of these fina		
SC/M/PRDD/PRs/2017-259 date The annexed notes from 1 to 24 f	orm an integral part of these fina		
SC/M/PRDD/PRs/2017-259 date The annexed notes from 1 to 24 f	orm an integral part of these fina		
SC/M/PRDD/PRs/2017-259 date The annexed notes from 1 to 24 f	orm an integral part of these fina		

WWW		
B.F.MODARABA STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2020		(Restated)
	2020 Rupee:	2019 5
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (loss) before taxation	3,985,477	(1,654,065
Adjustments for non-cash charges and other items: - Depreciation on owned assets	4,996	6,401
- Profit on bank deposits	(2,430,626)	(1,119,325
<ul> <li>Provision for Management Company's remuneration</li> <li>Provision for provident fund</li> </ul>	518,095 380,713	379,863
- Provision for Worker's Welfare Fund	81,335	-
- Unrealised loss on remeasurement of investments	472,586	5,750,632
<ul> <li>Gain on sale of investment</li> <li>Dividend income net</li> </ul>	(8,908,497)	(630,634 (6,546,052
	(9,881,398)	(2,159,115
Operating loss before working capital changes	(5,895,921)	(3,813,180
Working capital changes		
Decrease / (increase) in current assets		10 105 000
- Stock in trade - Trade debts	- 14,960,000	10,107,090 (13,096,594
- Prepayments and other receivables	79,970	1,084,418
Increase / (decrease) in current liabilities		
- Trade and other payables	1,176,413	(3,095,491
	16,216,383	(5,000,577
Taxes paid	(2,170,514)	(1,746,571
Provident fund paid to employees Management Company's remuneration paid	(23,000) (346,593)	(582,881 (497,457
Sector Se	(2,540,107)	(2,826,909
Net cash generated from / (used in) operating activities	7,780,355	(11,640,666
CASH FLOWS FROM INVESTING ACTIVITIES		
Profit received on bank deposits	2,430,626	1,119,325
(Purchase) / sale of investments - net	(7,257,208)	(10,158,191
Dividend received	8,908,497	8,612,291
Net cash generated from / (used in) investing activities	4,081,915	(426,575
Net increase in cash and cash equivalents	11,862,270	(12,067,241
Cash and cash equivalents as at beginning of the year Cash and cash equivalents as at the end of year	<u>12,875,792</u> 24,738,062	24,943,033 12,875,792
The annexed notes from 1 to 24 form an integral part of these financial $\mu$	al statements.	
For E.A Management (Priv (Management Comp		
(Management Colli)	,	
Chairman Chief Executive	Director Chief F	inancial Offi

Unrealized gain as on July 01, 2018 on remeasurement of investment in units of mutual funds carried at fair value through profit or loss - effect of correction of prior period errors (refer note 23) - 4,005,384 4,005,3 <i>Total comprehensive income for the year ended</i> <i>June 30, 2019</i> - Loss after taxation (restated) - (2,929,488) (2,929,4 - (2,929,488) (2,929,4 (2,929,488) (2,929,4 - (2,929,488) (2,929,4 (2,929,488) (2,929,4 (2,929,488) (2,929,4 (2,929,488) (2,929,4 (2,929,488) (2,929,4 Transfer to the statutory reserve @ 50% (restated) - (2,838,986 2,838,9 Gain realized on disposal of investments in ordinary shares of listed companies (restated) - (2,838,986 2,838,9 Balance as at June 30, 2019 (as restated) 75,151,587 47,385,189 12,317,774 134,854,5 <i>Total comprehensive income for the year ended</i> <i>June 30, 2020</i> - Profit after taxation - (2,656,552 2,656,					
Certificate       Statutory       Unappropriated profits       Total profits         Balance as at June 30, 2018       75,151,587       47,385,189       8,402,892       130,939,6         Unrealized gain as on July 01, 2018 on remeasurement of investment in units of mutual funds carried at fair value through profit or loss - effect of correction of prior period errors (refer note 23)       -       4,005,384       1,0292,488       (2,929,488)       (2,929,488)       (2,929,488)       (2,929,488)       (2,929,488)       (2,929,488)       (2,929,488)	STATEMENT OF CHANGES IN EQUITY				
capital       reserves       profits         Rupees       Rupees         Balance as at June 30, 2018       75,151,587       47,385,189       8,402,892       130,939,6         Unrealized gain as on July 01, 2018 on remeasurement of investment in units of mutual funds carried at fair value through profit or loss - effect of correction of prior period errors (refer note 23)       -       4,005,384       4,005,3         Total comprehensive income for the year ended June 30, 2019       -       -       4,005,384       4,005,3         Class after taxation (restated)       -       -       (2,929,488)       (2,929,4         Transfer to the statutory reserve @ 50% (restated)       -       -       -       -         Gain realized on disposal of investments in ordinary shares of listed companies (restated)       -       2,838,986       2,838,986       2,838,986         Data comprehensive income for the year ended June 30, 2019 (as restated)       -       -       2,656,552       2,656,552         Total comprehensive income for the year ended June 30, 2020       -       -       2,656,552       2,656,552         Profit after taxation       -       -       -       2,656,552       2,656,552       2,656,552         Other comprehensive income       -       -       2,656,552       2,656,552       2,656,552       2,		Certificate -	and the second se		-
Balance as at June 30, 2018       75,151,587       47,385,189       8,402,892       130,939,6         Unrealized gain as on July 01, 2018 on remeasurement of investment in units of mutual funds carried at fair value through profit or loss - effect of correction of prior period errors (refer note 23)       -       4,005,384       4,005,3         Total comprehensive income for the year ended June 30, 2019       -       -       4,005,484       4,005,3         - Other comprehensive income       -       -       (2,529,488)       (2,929,4         Transfer to the statutory reserve @ 50% (restated)       -       -       -       2,838,986       2,838,9         Balance as at June 30, 2019 (as restated)       75,151,587       47,385,189       12,317,774       134,854,5         Total comprehensive income       -       -       -       2,656,552       2,656,552       2,656,552       2,656,552       2,656,552       2,656,552       2,656,552       2,656,552       2,656,552       2,656,552       2,656,552       2,656,552       2,656,552       2,65		capital			Total
Unrealized gain as on July 01, 2018 on remeasurement of investment in units of mutual funds carried at fair value through profit or loss - effect of correction of prior period errors (refer note 23) - 4,005,384 4,005,3 Total comprehensive income for the year ended June 30, 2019 - Loss after taxation (restated) - (2,929,488) (2,929,4 - (2,929,488) (2,929,4 - (2,929,488) (2,929,4 Transfer to the statutory reserve @ 50% (restated) - (2,929,488) (2,929,4 Transfer to the statutory reserve @ 50% (restated) - (2,838,986 2,838,9 Balance as at June 30, 2019 (as restated) 75,151,587 47,385,189 12,317,774 134,854,5 Total comprehensive income - 2,656,552 2,656,5 Transfer to the statutory reserve @ 50% - 1,328,276 (1,328,276) - Balance as at June 30, 2020 75,151,587 48,713,465 13,646,050 137,511,1 The annexed notes from 1 to 24 form an integral part of these financial statements.			Rupe	es	
of investment in units of mutual funds carried at fair         value through profit or loss - effect of correction of         prior period errors (refer note 23)         Total comprehensive income for the year ended         June 30, 2019         - Loss after taxation (restated)         - Other comprehensive income               - Other comprehensive income   -	Balance as at June 30, 2018	75,151,587	47,385,189	8,402,892	130,939,6
June 30, 2019         Loss after taxation (restated)         Other comprehensive income         . <th>of investment in units of mutual funds carried at fair value through profit or loss - effect of correction of</th> <th></th> <th></th> <th>4,005,384</th> <th>4,005,3</th>	of investment in units of mutual funds carried at fair value through profit or loss - effect of correction of			4,005,384	4,005,3
- Loss after taxation (restated)       .					
Image: constraint of the statutory reserve @ 50% (restated)       .<	- Loss after taxation (restated)	-		(2,929,488)	(2,929,4
Gain realized on disposal of investments in ordinary shares of listed companies (restated)       2,838,986       2,838,986       2,838,986         Balance as at June 30, 2019 (as restated)       75,151,587       47,385,189       12,317,774       134,854,5         Total comprehensive income for the year ended       June 30, 2020       -       -       2,656,552       2,656,552         - Other comprehensive income       -       -       2,656,552       2,656,552       2,656,552         Transfer to the statutory reserve @ 50%       -       1,328,276       (1,328,276)       -         Balance as at June 30, 2020       75,151,587       48,713,465       13,646,050       137,511,1	- Other comprehensive income	<u> </u>	<u> </u>	- (2,929,488)	(2,929,4)
of listed companies (restated)       -       -       2,838,986       2,838,986       2,838,986         Balance as at June 30, 2019 (as restated)       75,151,587       47,385,189       12,317,774       134,854,5         Total comprehensive income for the year ended       -       -       2,656,552       2,656,552         - Profit after taxation       -       -       2,656,552       2,656,552       2,656,552         - Other comprehensive income       -       -       2,656,552       2,656,552       2,656,552         Transfer to the statutory reserve @ 50%       -       1,328,276       (1,328,276)       -         Balance as at June 30, 2020       75,151,587       48,713,465       13,646,050       137,511,1         The annexed notes from 1 to 24 form an integral part of these financial statements.       -       -       -	Transfer to the statutory reserve @ 50% (restated)				
Total comprehensive income for the year ended         June 30, 2020         - Profit after taxation         - Other comprehensive income				2,838,986	2,838,9
June 30, 2020         - Profit after taxation         - Other comprehensive income               2,656,552<	Balance as at June 30, 2019 (as restated)	75,151,587	47,385,189	12,317,774	134,854,55
- Profit after taxation       -       -       2,656,552       2,656,5         - Other comprehensive income       -       -       2,656,552       2,656,5         Transfer to the statutory reserve @ 50%       -       1,328,276       (1,328,276)         Balance as at June 30, 2020       75,151,587       48,713,465       13,646,050       137,511,1         The annexed notes from 1 to 24 form an integral part of these financial statements.       -       -       -       -					
- Other comprehensive income       - <td< td=""><td>1</td><td></td><td></td><td>2.656.552</td><td>2.656.5</td></td<>	1			2.656.552	2.656.5
Transfer to the statutory reserve @ 50%       1,328,276       (1,328,276)         Balance as at June 30, 2020       75,151,587       48,713,465       13,646,050       137,511,1         The annexed notes from 1 to 24 form an integral part of these financial statements.	- Other comprehensive income	<u> </u>			
Balance as at June 30, 2020         75,151,587         48,713,465         13,646,050         137,511,1           The annexed notes from 1 to 24 form an integral part of these financial statements.         48,713,465         13,646,050         137,511,1			-		2,030,3
The annexed notes from 1 to 24 form an integral part of these financial statements.	ransier to the statutory reserve @ 50%		1,528,276	(1,328,276)	
The second se	Balance as at June 30, 2020	75,151,587	48,713,465	13,646,050	137,511,1
The second se	The annexed notes from 1 to 24 form an integral part of thes	se financial statements			
For E.A Management (Private) Limited	(				
For E.A Management (Private) Limited (Management Company)					



# B. F. MODARABA NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

#### 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 on listed in 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 the (i) Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, (ii) Modaraba Companies and Modaraba Rules, 1981, (iii) Prudential Regulations for Modarabas 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 convention.

# 2.3 Functional and presentation currency

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

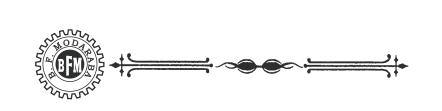
# 2.4 Use of estimates and judgments

The preparation of financial statements in conformity with the approved accounting standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and 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 results of which form the basis of making the 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:

- ]	Investments in listed equity securities	3.6
- 1	Provision for taxation	3.14
m		

Note



# 2.5 New accounting pronouncements

2.5.1 Amendments to approved accounting standards and interpretations which became effective during the year ended June 30, 2020

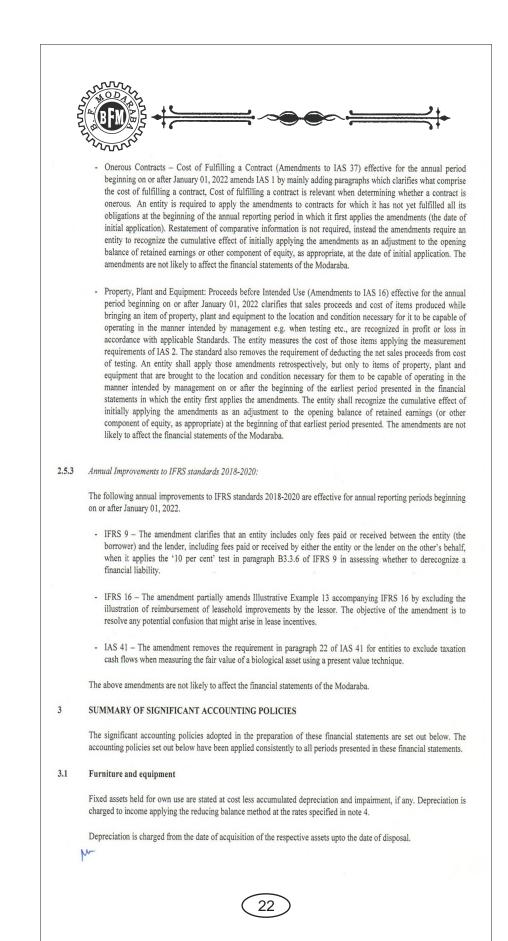
There are new and amended standards and interpretations that are mandatory for accounting periods beginning July 01, 2018 including (IFRS 16 'Leases') which are considered not to be relevant or do not have any significant effect on the Modaraba's financial statements and are, therefore, not stated in these financial statements.

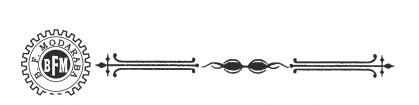
2.5.2 New / revised accounting standards, amendments to published accounting standards and interpretations that are not yet effective

The following International Financial Reporting Standards (IFRS Standards) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after the dates specified below;

- Amendment to IFRS 3 'Business Combinations' Definition of a Business (effective for business combinations for which the acquisition date is on or after the beginning of annual period beginning on or after January 01, 2020). The IASB has issued amendments aiming to resolve the difficulties that arise when an entity determines whether it has acquired a business or a group of assets. The amendments clarify that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. The amendments include an election to use a concentration test. The application of the amendment is not likely to have an impact on the Modaraba's financial statements.
- Amendments to IAS 1 'Presentation of Financial Statements' and IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' (effective for annual periods beginning on or after January 01, 2020). The amendments are intended to make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. In addition, the IASB has also issued guidance on how to make materiality judgments when preparing their general purpose financial statements in accordance with IFRS Standards. The amendments are not likely to affect the financial statements of the Modaraba.
- Interest rate benchmark reform which amended IFRS 9, IAS 39 and IFRS 7 is applicable for annual financial periods beginning on or after January 01, 2020. The G20 asked the Financial Stability Board (FSB) to undertake a fundamental review of major interest rate benchmarks. Following the review, the FSB published a report setting out its recommended reforms of some major interest rate benchmarks such as IBORs. Public authorities in many jurisdictions have since taken steps to implement those recommendations. This has, in turn, led to uncertainty about the long-term viability of some interest rate benchmarks. In these amendments, the term 'interest rate benchmark reform' refers to the market-wide reform of an interest rate benchmark including its replacement with an alternative benchmark rate, such as that resulting from the FSB's recommendations set out in its July 2014 report 'Reforming Major Interest Rate Benchmarks' (the reform). The amendments made provide relief from the potential effects of the uncertainty caused by the reform. A company shall apply the exceptions to all hedging relationships directly affected by interest rate benchmark reform. The amendments are not likely to affect the financial statements of the Modaraba.
- Classification of liabilities as current or non-current (Amendments to IAS 1) effective for the annual period beginning on or after January 01, 2022. These amendments in the standards have been added to further clarify when a liability is classified as current. The standard also amends the aspect of classification of liability as non-current by requiring the assessment of the entity's right at the end of the reporting period to defer the settlement of liability for at least twelve months after the reporting period. An entity shall apply those amendments retrospectively in accordance with IAS 8. The amendments are not likely to affect the financial statements of the Modaraba.







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.

# 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 assets

# 3.6.1 Classification and initial measurement

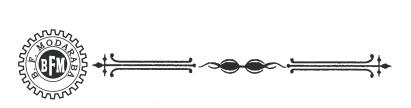
The Modaraba classifies its financial assets into either of following three categories:

- (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 either:

- (a) 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; or
- (b) it is an investment in equity instrument which is designated as at fair value through other comprehensive income in accordance with the irrevocable election available to the Company at initial recognition.

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.

Such financial assets are initially measured at fair value.

#### 3.6.2 Initial recognition

The Modaraba recognizes an investment 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 trade date accounting i.e. on the date on which the trading of the purchase transaction takes place.

#### 3.6.3 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 profit or loss.

#### (b) Financial assets at FVOCI

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

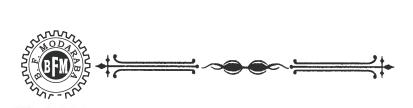
A gain or loss on a financial asset measured at fair value through other comprehensive income in accordance is recognised in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses, until the financial asset is derecognised or reclassified. When the financial asset is derecognised the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment (except for investments in equity instruments which are designated as at fair value through other comprehensive income is not so reclassified). Interest is calculated using the effective interest method and is recognised 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 profit or loss.





#### 3.6.4 Impairment

The Modaraba's only financial asset that is subject to the impairment requirements of IFRS 9 is trade receivables.

The Modaraba applies the IFRS 9 'Simplified Approach' to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. The Modaraba measures expected credit losses on trade receivables 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 recognises 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.

#### 3.6.5 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.

#### 3.7 Trade and other payables

Trade and other payables are recognized initially at fair value plus directly attributable cost, if any and subsequently measured at amortized cost.

# 3.8 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 and loss account.

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.

### 3.9 Provisions

Provisions are recognized when the Modaraba has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. However, provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

#### 3.10 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 recognised amount and the Modaraba intends either to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

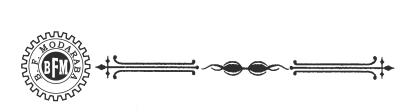
#### 3.11 Revenue recognition

Revenue from trading activities

Revenue from sale of goods (sugar) is recegnized 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 are received from investments measured at fair value through profit or loss and at fair value through other comprehensive income. Dividends 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.

#### 3.12 Staff provident fund

The Modaraba operates an unrecognized provident fund scheme for all its eligible employees. The charge for provision fund benefit payable to employees is recognized on an annual basis equal to 9% of their basic salary.

# 3.13 Compensated absences

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

#### 3.14 Taxation

#### Current

Unless the income of the Modaraba (other than income from trading activities) is treated as exempt under clause (100) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 ('the Ordinance'), the total income (excluding dividend income) is subject to taxation at the rate of 25%.

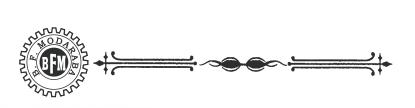
The income of non-trading Modaraba is exempt from taxation under clause (100) of Part I of the Second Schedule of the Ordinance, subject to the condition that not less than 90% of the total profits in the year (as reduced by the amount transferred to statutory reserve) are distributed amongst the certificate holders.

# 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 realised.

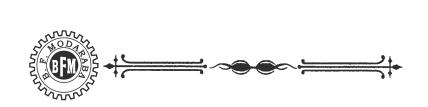
Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.





4 FURNITURE AND EQUIPMENT

equipmer	ıt	fixture	equipment	Total
			(Rupees)	
147,2		146,603	351,720	645,548
iation (135,6 11,5		(132,519) 14,084	(338,919) 12,801	(607,130) 38,418
		14,004	12,001	50,410
e year ended				
11.6	22	14.004	10 001	20.41
lue 11,5 year (1,1		14,084	12,801	38,41
year (1,1 ue 10,3		(1,408) 12,676	(3,840) 8,961	(6,40 32,01
147,2	25	146,603	351,720	645,54
iation (136,8		(133,927)	(342,759)	(613,53
10,3		12,676	8,961	32,01
ne year ended				
lue 10,3		12,676	8,961	32,01
year (1,0	_	(1,268)	(2,688)	(4,99
lue 9,3	42	11,408	6,273	27,02
147,2		146,603	351,720	645,54
iation (137,8	,	(135,195)	(345,447)	(618,52
9,3	342	11,408	6,273	27,02
n per annum 10%	Tooling	10%	30%	
DOCITO			2020	2019
POSITS			Rupe	es
ed with: y Company of Pakistan Limited			25,000	25,0
tistan			10,019	10,0
ne Communications Limited			5,000	5,0
			40,019	40,0
				(Restated)
/ESTMENTS			2020	2019
		Note	Rupe	es
gh other comprehensive income isted companies		6.1	21,840,336	20,314,7
gh profit or loss				
l mutual funds		6.2	81,206,295	75,301,7
			103,046,631	95,616,50
isted companies		5	6.1 6.2	6.2 <u>81,206,295</u> <u>103,046,631</u>



#### 6.1 Investments in ordinary shares of listed companies

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

mber of shares	/ certificates	Name of Company / Institution	Cost		Market	value
2020	2019		2020	2019	2020	2019
				Rup	ees	
		MODARABAS				
21,136	21,136	Orix Modaraba	191,281	191,281	380,446	327,60
72,900	72,900	First Punjab Modaraba	127,575	127,575	145,800	167,67
		BANK				
21,230	21,230	Meezan Bank Limited	742,751	742,751	1,461,685	1,850,40
		CEMENT				
162,000	162,000	Fauji Cement Limited	5,091,404	5,091,404	2,734,560	2,548,26
13,000	13,000	Kohat Cement Limited	2,122,412	2,122,412	1,786,850	682,89
10,000	10,000	D.G.Khan Cement Limited	975,797	975,797	853,300	565,40
		REFINERY				
12,500	12,500	Attock Refinery Limited	2,078,108	2,078,108	1,116,500	965,87
		FUEL AND ENERGY				
22,419	22,419	Hub Power Company Limited	1,037,619	1,037,619	1,625,377	1,765,49
49,000	49,000	Kohinoor Energy Limited	2,126,091	2,126,091	1,714,011	1,764,00
10,099	83	Pakistan Petroleum Limited	886,443	6,421	876,391	11,99
600,500	600,500	K-Electric Limited	5,255,514	5,255,514	1,807,747	2,636,19
		ENGINEERING				
25,000	25,000	Mughal Iron & Steel Industries Limited	1,756,825	3,654,865	997,000	629,00
25,000	25,000	International Steels Limited	3,654,865	1,756,825	1,291,250	992,75
		AUTOMOBILE ASSEMBLER				
2,000	2,000	Pak Suzuki Motors Limited	1,434,613	1,434,613	323,660	457,92
		COMMUNICATION				
57,000	57,000	Pakistan Telecommunication Company Limited	1,006,050	1,006,050	506,161	471,39
		CHEMICALS & PHARMACEUTICALS				
70,000	70,000	Engro Fertilizer Limited	4,333,450	4,333,450	4,219,598	4,477,89
			32,820,798	31,940,776	21,840,336	20,314,75

6.1.1 The assessment of the Modoraba's business model was made as at the date of initial application of IFRS 9 i.e. July 01, 2018, and then applied retrospectively to those financial assets that were not derecognised before July 01, 2018. As a result of the above assessment, the management has concluded that all the investments in shares of listed companies previously classified as 'Available for Sale' will be re-classified as 'at Fair Value through Other Comprehensive Income' in accordance with the objectives of the Modoraba.

# 6.1.2 Particulars of investments disposed of during the year

During the year ended June 30, 2020, no disposals of investments in ordinary shares of listed companies classified as at fair value through other comprehensive income were made. However, during the comparative year, certain disposals were made the details of which are as follows:

Scrip symbol	Scrip name	Number of shares disposed of	Fair value of the investment at the date of disposal	Cumulative gain / (loss) on disposal	Dividend income recognized on disposed of investments	Reason for the disposal
				(Rupees)		
MEBL	Meezan Bank Ltd	39,000	3,565,589	2,064,692	54,987	Refer note 6.1.3.

		-				
To	otal	_	4,986,959	2,838,987	54,987	
ORIXM Or	rix Modaraba	71,500	1,421,370	774,295		Refer note 6.1.3.
MEBL M	eezan Bank Ltd	39,000	3,565,589	2,064,692	54,987	Refer note 6.1.3.

6.1.3

Initially the management had made these investments with long term objectives, however, during the comparative year upon performance analysis and future expectations the management decided to divest these investments and realize the capital gains.

28

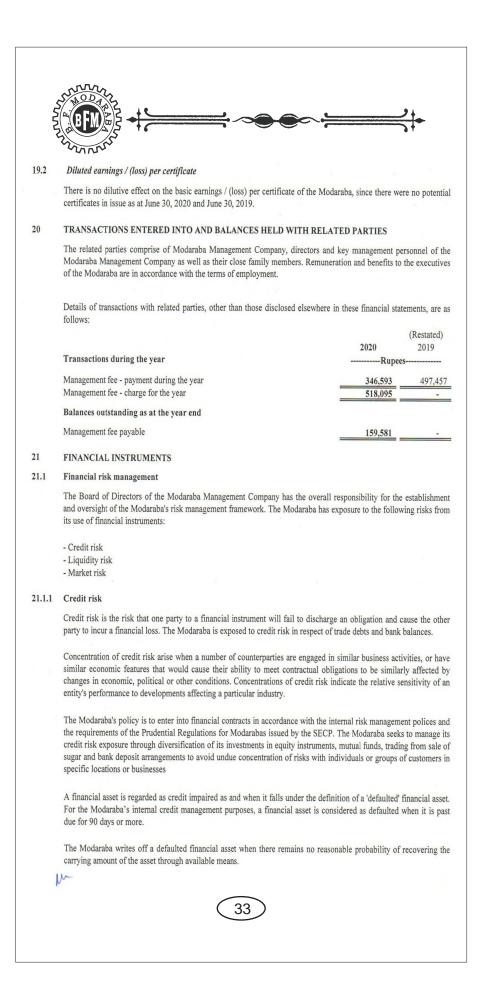
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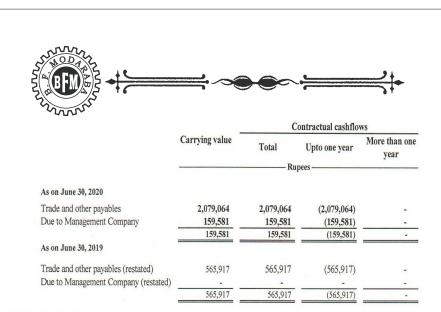
Ş	2220000	5 70					5 t
.2	Investment in	units of oper	n-ended mutual funds				
	Number of	f units	Name of Mutual Fund	Cost		Fair	r Value
	2020	2019		2020	2019	2020	2019
					Rupees -		
	51,229 69,549	51,061 69,549	Alfalah GHP Islamic Value Fund AKD Islamic Stock Fund	5,014,914	5,000,000	4,549,833	4,568,39
	116,508	111,436	Meezan Islamic Fund	3,000,000 6,379,345	3,000,000 6,142,544	2,080,320 5,439,299	2,420,39 5,340,40
	1,343,360	1,224,273	Meezan Islamic Income Fund	69,029,940	62,904,469	69,136,843	62,972,56
				83,424,199	77,047,013	81,206,295	75,301,75
					2020		2019
		ENTS AND O	THER RECEIVABLES	Note		Rupees	
	Prepayments Other receiva	hlan			12	23,960	128,74
	Profit on bank					5,597	77,418
	Loan to staff	x deposits				5,597	35,000
	Sales tax				24	8,542	216,911
					25	54,139	329,32
					37	78,099	458,06
	CASH AND E	BANK BALA	NCES				
	Cash in hand Balance with b	anks.			7	0,774	27,949
		t accounts			94	3,655	943,654
	- Saving			8.1	23,72		11,904,189
					24,66		12,847,843
					24,73	8,062	12,875,792
.1			slamic bank accounts. The rate o	f profit on these ad	counts range	s from 5.0	0% to 5.35%
	(2019: 5% to 1	10.20%) per a	illiuni.				(Restated)
	TRADE AND	OTHER PA	VABLES	Note	2020		2019
	Payable agains			9.1		2,660	-
	Accrued liabili				00.	-,000	
	- Accrued aud	ditor's remune	ration		27	5,000	300,000
	- Salaries pay				26.	3,713	-
	- Commission					8,000	18,000
	<ul> <li>Provident fu</li> <li>Sindh Work</li> </ul>		und	9.2		4,960	67,247
	- Other liabili		und	9.2		6,390 7,579	975,054 180,670
						58,302	1,540,97
.1			payable to Growth Securities (Pv		hase of Pakis	stan Petrol	
0.2	This represent: 30, 2015 to J	ts the provision June 30, 2020	osequently, in the month of July 20 n for Sindh Workers' Welfare Fund ). The provision has been compu r is higher, as notified under the S	d recognized in resp ated at the rate of	ect of the fina 2% of decla	ancial year red taxab	le income o

		+				+
	27-22					
10	CERTIFICATE	CAPITAL				
	2020	2019			2020	2019
			Authorized certificate capita	1	Kupe	
	10,000,000	10,000,000	Modaraba certificates of Rs. 10	0 each =	100,000,000 =	100,000,00
			Issued, subscribed and paid- Modaraba certificates of Rs.			
	3,000,000	3,000,000	cash		30,000,000	30,000,00
	4,515,158	4,515,158	Modaraba certificates of Rs.10 bonus certificates	/- each issued as	45,151,587	45,151,58
	7,515,158	7,515,158		-	75,151,587	75,151,58
					2020	(Restated) 2019
1	RESERVES			Note	Rupee	2S
	Statutory reserve Unappropriated p	rofits		11.1	48,713,465	
1.1	Unappropriated p Statutory reserve r SECP. These reguitill such time that r	represents profit lations require a reserves equal 1	s set aside to comply with the modaraba to transfer not less t 00% of the paid up capital. Thu	Prudential Regulatio han 20% and not mor ereafter, a sum not les	13,646,050 62,359,515 ens for Modarabas re than 50% of its ss than 5% of the	12,317,77 59,702,96 s issued by th after tax prof after tax prof
1.1	Unappropriated p Statutory reserve r SECP. These reguitill such time that r	represents profit lations require a reserves equal 1 d. During the yea	modaraba to transfer not less ti 00% of the paid up capital. The ar, the Modaraba has transferre	Prudential Regulatio han 20% and not mor ereafter, a sum not les	13,646,050 62,359,515 e than 50% of its ss than 5% of the .328 million (20	12,317,77 59,702,96 s issued by th after tax prof after tax prof 19: Nil) whic (Restated)
	Unappropriated p Statutory reserve r SECP. These regu till such time that r is to be transferred represents 50% of	represents profit lations require a reserves equal 1 d. During the yea the profit after t	modaraba to transfer not less ti 00% of the paid up capital. The ar, the Modaraba has transferre ax.	Prudential Regulatio han 20% and not mor ereafter, a sum not les d an amount of Rs. 1	13,646,050 62,359,515 e than 50% of its ss than 5% of the .328 million (20 2020	12,317,77 59,702,96 s issued by th after tax prof after tax prof 19: Nil) whic (Restated) 2019
	Unappropriated p Statutory reserve r SECP. These regu till such time that n is to be transferred represents 50% of UNREALIZED ( REMEASURE CLASSIFIED	represents profit lations require a reserves equal 10 d. During the yea the profit after t (LOSS) / GAIN CMENT OF IN	modaraba to transfer not less ti 00% of the paid up capital. The ar, the Modaraba has transferre ax. ON VESTMENTS ALUE THROUGH	Prudential Regulatio han 20% and not mor ereafter, a sum not les	13,646,050 62,359,515 e than 50% of its ss than 5% of the .328 million (20	12,317,77 59,702,96 s issued by th after tax prof after tax prof 19: Nil) whic (Restated) 2019
	Unappropriated p Statutory reserve n SECP. These regu till such time that n is to be transferred represents 50% of UNREALIZED ( REMEASURE CLASSIFIED OTHER COM Market value of in	represents profit lations require a reserves equal 1 d. During the yea the profit after t (LOSS) / GAIN (MENT OF INV AS AT FAIR V (PREHENSIVE nvestments	modaraba to transfer not less ti 00% of the paid up capital. The ar, the Modaraba has transferre ax. ON VESTMENTS ALUE THROUGH	Prudential Regulatio han 20% and not mor ereafter, a sum not les d an amount of Rs. 1	13,646,050 62,359,515 e than 50% of its ss than 5% of the .328 million (20 2020 Ruped 21,840,336	12,317,77 59,702,96 5 issued by th after tax prof after tax prof 19: Nil) whice (Restated) 2019 20,314,75
	Unappropriated p Statutory reserve n SECP. These regu till such time that n is to be transferred represents 50% of UNREALIZED ( REMEASURE CLASSIFIED OTHER COM	represents profit lations require a reserves equal 1 d. During the yea the profit after t (LOSS) / GAIN (MENT OF INV AS AT FAIR V (PREHENSIVE nvestments	modaraba to transfer not less ti 00% of the paid up capital. The ar, the Modaraba has transferre ax. ON VESTMENTS ALUE THROUGH	Prudential Regulatio han 20% and not mor ereafter, a sum not les ed an amount of Rs. 1 <i>Note</i>	13,646,050 62,359,515 e than 50% of its ss than 5% of the .328 million (20 2020 Ruped	12,317,77 59,702,96 5, issued by th after tax prof after tax prof 19: Nil) whic (Restated) 2019 20,314,75 (31,940,770
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11.1 2 2.1	Unappropriated p Statutory reserve r SECP. These regui till such time that r is to be transferred represents 50% of UNREALIZED ( REMEASURE CLASSIFIED OTHER COM Market value of in Less: cost of inve Movement in un	represents profit lations require a reserves equal 14 1. During the yea the profit after t (LOSS) / GAIN CMENT OF INV AS AT FAIR V IPREHENSIVE nvestments stments realized (loss) /	modaraba to transfer not less ti 00% of the paid up capital. The ar, the Modaraba has transferre ax. ON VESTMENTS ALUE THROUGH INCOME	Prudential Regulatio han 20% and not mor ereafter, a sum not les ed an amount of Rs. 1 <i>Note</i>	13,646,050 62,359,515 ethan 50% of its ss than 5% of the .328 million (20 2020 	12,317,77 59,702,96 s issued by th after tax prof after tax prof 19: Nil) whice (Restated) 2019 cs
12	Unappropriated p Statutory reserve r SECP. These regu- till such time that r is to be transferred represents 50% of UNREALIZED ( REMEASURE CLASSIFIED OTHER COM Market value of in Less: cost of inve Movement in un Unrealized loss as Gain realized on of	represents profit lations require a reserves equal 14 d. During the yea the profit after t (LOSS) / GAIN (MENT OF IN) AS AT FAIR V (PREHENSIVE nvestments stments realized (loss) / s at the beginnin disposal transfer	modaraba to transfer not less ti 00% of the paid up capital. The ar, the Modaraba has transferre ax. ON VESTMENTS ALUE THROUGH INCOME gain g of the year - net red to unappropriated profits	Prudential Regulatio han 20% and not mor ereafter, a sum not les ed an amount of Rs. 1 <i>Note</i>	13,646,050 62,359,515 e than 50% of its ss than 5% of the .328 million (20 2020 Ruped 21,840,336 (32,820,798) (10,980,462)	after tax prof after tax prof 19: Nil) whic (Restated) 2019
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12	Unappropriated p Statutory reserve r SECP. These regu- till such time that r is to be transferred represents 50% of UNREALIZED ( REMEASURE CLASSIFIED OTHER COM Market value of in Less: cost of inve Movement in un Unrealized loss as Gain realized on a Surplus / (deficit)	represents profit lations require a reserves equal 14 d. During the yea the profit after t (LOSS) / GAIN (MENT OF IN) AS AT FAIR V (PREHENSIVE nvestments stments realized (loss) / s at the beginnin disposal transfer on remeasurem ag the year in oth	modaraba to transfer not less ti 00% of the paid up capital. The ar, the Modaraba has transferre ax. ON VESTMENTS ALUE THROUGH INCOME gain g of the year - net red to unappropriated profits ent of investments wer comprehensive income	Prudential Regulatio han 20% and not mor ereafter, a sum not les ed an amount of Rs. 1 <i>Note</i>	13,646,050 62,359,515 ethan 50% of its ss than 5% of the 1.328 million (20 2020 Ruped 21,840,336 (32,820,798) (10,980,462) (11,626,025) - 645,563 645,563	12,317,77 59,702,96 s issued by th after tax prof after tax prof 19: Nil) whice (Restated) 2019 20,314,75 (31,940,777 (11,626,022 (1,720,49) (2,838,986 (7,066,548 (9,905,534)
2	Unappropriated p Statutory reserve r SECP. These regu- till such time that r is to be transferred represents 50% of UNREALIZED ( REMEASURE CLASSIFIED OTHER COM Market value of in Less: cost of inve Movement in un Unrealized loss as Gain realized on o Surplus / (deficit) recognised durin	represents profit lations require a reserves equal 14 d. During the yea the profit after t (LOSS) / GAIN (MENT OF IN) AS AT FAIR V (PREHENSIVE nvestments stments realized (loss) / s at the beginnin disposal transfer on remeasurem ag the year in oth as at the end of	modaraba to transfer not less ti 00% of the paid up capital. The ar, the Modaraba has transferre ax. ON VESTMENTS ALUE THROUGH INCOME gain g of the year - net red to unappropriated profits ent of investments wer comprehensive income the year - net	Prudential Regulatio han 20% and not mor ereafter, a sum not les ed an amount of Rs. 1 <i>Note</i>	13,646,050 62,359,515 e than 50% of its ss than 5% of the .328 million (20 2020 Rupeo 21,840,336 (32,820,798) (10,980,462) (11,626,025) - 645,563	12,317,77 59,702,96 s issued by th after tax prof after tax prof 19: Nil) whic (Restated) 2019 20,314,75 (31,940,776 (11,626,025) (1,720,491)
2	Unappropriated p Statutory reserve n SECP. These regui- till such time that n is to be transferred represents 50% of UNREALIZED ( REMEASURE CLASSIFIED OTHER COM Market value of in Less: cost of inve Movement in un Unrealized loss as Gain realized on a Surplus / (deficit) recognised durin Unrealized loss as	represents profit lations require a reserves equal 1/ d. During the yea the profit after t (LOSS) / GAIN CMENT OF INV AS AT FAIR V PREHENSIVE nvestments stments realized (loss) / s at the beginnin disposal transfer o n remeasureming the year in oth as at the end of ES AND COMI	modaraba to transfer not less ti 00% of the paid up capital. The ar, the Modaraba has transferre ax. ON VESTMENTS ALUE THROUGH INCOME gain g of the year - net red to unappropriated profits ent of investments ter comprehensive income the year - net MITMENTS	Prudential Regulatio han 20% and not mor ereafter, a sum not les d an amount of Rs. 1 Note 6	13,646,050 62,359,515 e than 50% of its ss than 5% of the .328 million (20 2020 Ruped 21,840,336 (32,820,798) (10,980,462) - 645,563 (10,980,462) - (10,980,462) -	12,317,77 59,702,96 is issued by th after tax prof after tax prof 19: Nil) whice (Restated) 2019 20,314,75 (31,940,776 (11,626,022 (1,720,491) (2,838,986 (7,066,548 (9,905,534)
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5/				21-
	~UUUS		2020	2019
	TRADING BRODIT FROM CALLE OF SUCAE	Note	Rupe	es
	TRADING PROFIT FROM SALE OF SUGAR			
	Sales revenue			24,578,750
	Cost of sales	14.1		(22,035,090
				2,543,660
1	Cost of sales			
	Opening stock			10 107 000
	Purchases			10,107,090 11,928,000
				22,035,090
	Closing stock		<u> </u>	-
			-	22,035,090
	DIVIDEND INCOME - NET OF ZAKAT			
	Dividend income - gross	15.1	8,908,497	6,564,127
	Less: Zakat deducted at source			(18,075
			8,908,497	6,546,052
l	Dividend income - gross			
	Dividend income from investments classified as at fair value through profit or loss			
	fun vane in orgi proji or toss			
	Meezan Islamic Fund		278,589	
	Meezan Islamic Income Fund Alfalah GHP Islamic Value Fund		7,206,437	4,644,008
	Analan Offer Islamic Value Fund		17,545	4.644.008
	Dividend income from investments classified as at fair value through other comprehensive income		,,,	.,,
	D.G.Khan Cement		10,000	42,500
	Fauji Cement Limited		121,500	283,500
	Kohat Cement Limited		32,500	50,000
	Hub Power Company Limited		-	56,000
	Kohinoor Energy Limited		98,000	196,000
	Pakistan Petroleum Limited Pak Suzuki Motors Limited		166	109
	International Steel Limited			6,320
	Mughal Steel		37,500	112,500
	Pakistan Telecommunication Company Limited		30,000 28,500	55,000
	Engro Fertilizer Limited		910,000	85,500 770,000
	Meezan Bank Limited		84,920	173,400
	First Punjab Modaraba		04,720	36,450
	Orix Modaraba		52,840	52,840
	415		1,405,926	1,920,119
	pr		8,908,497	6,564,127

C				51-
6		N	2020	2019
6	OPERATING EXPENSES	Note	Rupee	S
	Salaries and other benefits		4,568,578	4,724,644
	Fees and subscription		1,041,951	1,098,429
	Newspapers and periodicals		5,520	7,837
	Printing and stationery Repair and maintenance		18,440	90,231
	Travelling and conveyance		114,514 5,900	316,181 3,500
	Postage and telephone		14,750	20,180
	Auditors' remuneration	16.1	335,000	335,000
	Depreciation	4	4,996	6,401
	Advertisement		20,160	30,160
	Bank charges		539	784
	Miscellaneous		124,482	83,940
	Rent, rates and taxes		26,800	25,817
			6,281,630	6,743,104
6.1	Auditors' remuneration			
	Audit fee		250,000	250,000
	Review of code of corporate governance		25,000	25,000
	Half yearly review including other certificates		60,000	60,000
			335,000	335,000
17	MANAGEMENT COMPANY'S REMUNERATION			
17	MANAGEMENT COMPANY'S REMUNERATION Management Company's remuneration excluding sales tax		458,491	
17			458,491 59,604 518,095	-
17	Management Company's remuneration excluding sales tax Sales tax on Management Company's remuneration The Modaraba Management Company is entitled to a remun		59,604 518,095 endered to the Moda	
	Management Company's remuneration excluding sales tax Sales tax on Management Company's remuneration	atation and Control) C the remuneration for the	59,604 518,095 endered to the Modal ordinance, 1980 upto e year ended 30 June	a maximum o
17.1	Management Company's remuneration excluding sales tax Sales tax on Management Company's remuneration The Modaraba Management Company is entitled to a remun provisions of the Modaraba Companies and Modarabas (Flor 10% per annum of the net annual profits of the Modaraba. Th recognised at 10% (2019: 10%) of the profit for the year befor	atation and Control) C e remuneration for the re charging such remu	endered to the Moda ordinance, 1980 upto e year ended 30 June uneration. 2020	a maximum o 2020 has been 2019
17.1	Management Company's remuneration excluding sales tax Sales tax on Management Company's remuneration The Modaraba Management Company is entitled to a remun provisions of the Modaraba Companies and Modarabas (Flor 10% per annum of the net annual profits of the Modaraba. Th recognised at 10% (2019: 10%) of the profit for the year befor TAXATION	atation and Control) C the remuneration for the	59,604           518,095           endered to the Moda           brdinance, 1980 upto           e year ended 30 June           uneration.           2020	a maximum o 2020 has been 2019 <b>s</b>
17.1	Management Company's remuneration excluding sales tax Sales tax on Management Company's remuneration The Modaraba Management Company is entitled to a remun provisions of the Modaraba Companies and Modarabas (Flor 10% per annum of the net annual profits of the Modaraba. Th recognised at 10% (2019: 10%) of the profit for the year befor TAXATION Current	atation and Control) C te remuneration for the ore charging such remu Note	endered to the Moda ordinance, 1980 upto e year ended 30 June uneration. 2020	a maximum o 2020 has been 2019
17.1	Management Company's remuneration excluding sales tax Sales tax on Management Company's remuneration The Modaraba Management Company is entitled to a remun provisions of the Modaraba Companies and Modarabas (Flor 10% per annum of the net annual profits of the Modaraba. Th recognised at 10% (2019: 10%) of the profit for the year befor TAXATION	atation and Control) C e remuneration for the re charging such remu	59,604           518,095           endered to the Moda           ordinance, 1980 upto           eyar ended 30 June           aneration.           2020	a maximum o 2020 has been 2019 s 1,275,423
17.1	Management Company's remuneration excluding sales tax Sales tax on Management Company's remuneration The Modaraba Management Company is entitled to a remur provisions of the Modaraba Companies and Modarabas (Flor 10% per annum of the net annual profits of the Modaraba. Th recognised at 10% (2019: 10%) of the profit for the year befor <b>TAXATION</b> Current Deferred	atation and Control) C te remuneration for the ore charging such remu <i>Note</i> 18.1	59,604           518,095           endered to the Moda           ordinance, 1980 upto           e year ended 30 June           uneration.           2020	a maximum o 2020 has been 2019 s
17.1	Management Company's remuneration excluding sales tax Sales tax on Management Company's remuneration The Modaraba Management Company is entitled to a remun provisions of the Modaraba Companies and Modarabas (Flor 10% per annum of the net annual profits of the Modaraba. Th recognised at 10% (2019: 10%) of the profit for the year befor TAXATION Current	atation and Control) C te remuneration for the ore charging such remu <i>Note</i> 18.1	59,604           518,095           endered to the Moda           ordinance, 1980 upto           e year ended 30 June           uneration.           2020	a maximum o 2020 has been 2019 s
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17.1 18 18.1 18.2 19	Management Company's remuneration excluding sales tax Sales tax on Management Company's remuneration The Modaraba Management Company is entitled to a remun provisions of the Modaraba Companies and Modarabas (Flor 10% per annum of the net annual profits of the Modaraba. Th recognised at 10% (2019: 10%) of the profit for the year befor <b>TAXATION</b> Current Deferred As of the reporting date there were no material temporary di in these financial statements. Income tax assessments of the Modaraba have been finaliz Ordinance, 2001. <b>EARNINGS / (LOSS) PER CERTIFICATE - Basic and Basic earnings / (loss) per certificate</b> Profit / (loss) after taxation	atation and Control) C te remuneration for the re charging such remu <i>Note</i> <i>18.1</i> :fferences, therefore, r ed upto tax year 2019	59,604           518,095           endered to the Modal           brdinance, 1980 upto           e year ended 30 June           uneration.           2020	a maximum o 2020 has beer 2019 s
17.1 18 18.1 18.2 19	Management Company's remuneration excluding sales tax Sales tax on Management Company's remuneration The Modaraba Management Company is entitled to a remun provisions of the Modaraba Companies and Modarabas (Flor 10% per annum of the net annual profits of the Modaraba. Th recognised at 10% (2019: 10%) of the profit for the year befor <b>TAXATION</b> Current Deferred As of the reporting date there were no material temporary di in these financial statements. Income tax assessments of the Modaraba have been finaliz Ordinance, 2001. <b>EARNINGS / (LOSS) PER CERTIFICATE - Basic and Basic earnings / (loss) per certificate</b> Profit / (loss) after taxation	atation and Control) C te remuneration for the re charging such remu <i>Note</i> <i>18.1</i> :fferences, therefore, r ed upto tax year 2019	59,604           518,095           endered to the Modal           ordinance, 1980 upto           eyar ended 30 June           uneration.           2020	a maximum o 2020 has beer 2019 5
17.1 18 18.1 18.2 19 19.1	Management Company's remuneration excluding sales tax Sales tax on Management Company's remuneration The Modaraba Management Company is entitled to a remun provisions of the Modaraba Companies and Modarabas (Flor 10% per annum of the net annual profits of the Modaraba. Th recognised at 10% (2019: 10%) of the profit for the year befor <b>TAXATION</b> Current Deferred As of the reporting date there were no material temporary di in these financial statements. Income tax assessments of the Modaraba have been finaliz Ordinance, 2001. <b>EARNINGS / (LOSS) PER CERTIFICATE - Basic and Basic earnings / (loss) per certificate</b> Profit / (loss) after taxation Weighted average number of certificates outstanding	atation and Control) C te remuneration for the re charging such remu <i>Note</i> <i>18.1</i> :fferences, therefore, r ed upto tax year 2019	59,604           518,095           endered to the Modal           ordinance, 1980 upto           eyar ended 30 June           uneration.           2020	a maximum o 2020 has beer 2019 s





### 21.1.3 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 did not hold any material investment in profitbearing financial instruments and, hence, was not exposed to any interest rate risk.

#### (c) Other price equity risk

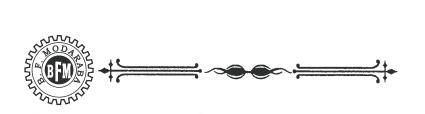
Other price risk represents the risk that the fair value of a financial instrument will fluctuate because of changes in the market prices (other than those arising from interest / markup rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument 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. 21.840 million (2019: Rs. 20.315 million) and investments in mutual funds amounting to Rs. 81.206 million (2019: Rs. 75.302 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 a laternative investments and general market conditions. Furthermore, 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.

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

	June 30, 20	20	June 30, 201	19
	(Rupees)	%	(Rupees)	%
Modarabas	526,246	0.51	495,278	0.52
Bank	1,461,685	1.42	1,850,407	1.94
Cement	5,374,710	5.22	3,796,551	3.97
Refinery	1,116,500	1.08	965,875	1.01
Fuel and energy	6,023,526	5.85	6,177,681	6.46
Engineering	2,288,250	2.22	1,621,750	1.70
Automobile assembler	323,660	0.31	457,920	0.48
Communication	506,161	0.49	471,390	0.49
Chemicals & pharmaceuticals	4,219,598	4.09	4,477,899	4.68
Open-ended Mutual funds	81,206,295	78.81	75,301,754	78.75
	103,046,631	100.00	95,616,505	100.00

# Sensitivity analysis

The table below summarizes Modaraba's equity price risk as of June 30, 2020 and 2019 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 fair value after hypothetical change in prices	Hypothetical increase / (decrease) in profit / (loss) before tax	Hypothetical increase / (decrease) in other comprehensive income
June 30, 2020	Rupees	103,046,631	10% increase	113,351,295	8,120,630	2,184,034
			10% decrease	92,741,968	(8,120,630)	(2,184,034)
June 30, 2019	Rupees	95,616,505	10% increase	105,178,155	7,530,175	2,031,475
			10% decrease	86,054,854	(7,530,175)	(2,031,475)

# Fair value hierarchy

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.

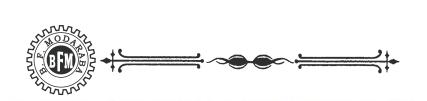
The carrying amounts of all financial assets and liabilities reflected in the financial statements approximate their fair values.

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	The Modaraba measures fair valuused in making the measurements:	es using the following	g fair value hierarch	ny that	reflects the si	ignifi	icance of the inj
	Level 1: Fair value measurements		unadjusted) in activ	e marl	kets for identic	cal as	ssets or liabilitie
	Level 2: Fair value measurements the asset or liability, either directly	using inputs other tha	n quoted prices inc	luded	within Level 1	that	t are observable
	Level 3: Fair value measurements (i.e. unobservable inputs).	using inputs for the	asset or liability th	at are	not based on	obse	ervable market o
	Following is the fair value hierarch	ny of financial assets of	carried at fair value	in the	statement of f	finan	cial position:
					June 30, 2		
			Leve		Level 2 Le	vel 3	Total
	Financial assets						
	Investments in units of open-end mutual Investment in ordinary shares of listed			)6,295 40,336	•	•	81,206,29
	investment in ordinary shares of listed	companies	and the second sec	46,631	-		21,840,33 103,046,63
					June 30, 2	019	
		Leve	11		vel 3	Total	
	Financial assets				Rupees		
	Investments in units of open-end mutua	al funds	75.30	)1,754			75,301,75
	Investment in ordinary shares of listed		20,31	4,751			20,314,75
			95,61	6,505	-	-	95,616,50
	Financial instruments by categor	ries					
		At fair value through profit or	At fair value through other comprehensive	An	nortized cost		Total
		loss	income				
	As at June 30, 2020		Ri	ipees			
	Financial assets						
	Long term deposits				40,019		40,019
	Long term investments Other receivables	81,206,295	21,840,336		-		103,046,631
	Cash and bank balances		-		5,597 24,738,062		5,59° 24,738,062
		81,206,295	21,840,336		24,783,678		127,830,309
							Financial
						a	liabilities at mortized cost
	Financial liabilities						- Rupees -
	Trade and other payables						2,079,064
	Due to Management Company						159,581
	ph					_	2,238,645
	No. 1						





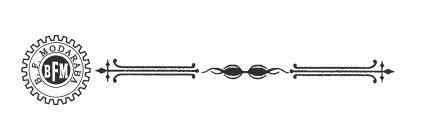
For a considerably long period of time, the Modaraba has been holding investments in ordinary shares of listed companies and the units of open-ended quoted mutual funds. As reported in note 3.2(i) to the financial statements of the Modaraba for the year ended June 30, 2019, upon initial application of IFRS 9, the Modaraba adopted the OCI option, referred to above, to present subsequent changes in the fair value of *all* its investments (including investments in units of mutual funds) in other comprehensive income. However, since, as per IAS 32 *Financial Instruments: Presentation*, units of a mutual fund are considered as **'puttable financial instruments** (thus, falling under the definition of a 'financial liability'), they are not considered as 'equity instruments' for the purpose of applying the aforesaid OCI option in IFRS 9 (as also acknowledged by the International Accounting Standards Board (IASB) in paragraph BC5.21 of IFRS 9. Accordingly, the OCI option was not available for investments in units of mutual funds and, thus, these investments should have been carried at FVPL instead of at FVOCI.

Hence, in these financial statements, the above error has been rectified retrospectively in accordance with the requirements of IAS 8 '*Accounting Policies, Changes in Accounting Estimates and Errors*', and the corresponding figures have been restated, wherever deemed necessary. However, these restatements have no effect on the statement of financial position as at the beginning of the earliest period presented (i.e. as of June 30, 2018) because, as reported in note 3.2(i) to the financial statements of the Modaraba for the year ended June 30, 2019, the change in classification of investments in ordinary shares of listed companies and units of mutual funds was only applied as at July 01, 2018 (i.e. not retrospectively) as permitted under the transitional provisions of IFRS 9. Hence, the statement of financial position as at June 30, 2018 has not been presented in these financial statements.

The retrospective correction of the aforesaid errors has its effects on the corresponding figures presented in these financial statements as follows:

	Reserves	Surplus / (deficit) on re- measurement of investments at fair value through comprehensive income	Trade and other payables	Due to Management Company
Effects on the statement of financial position		Rupees		
Balance as at June 30, 2019 (as previously reported)	61,039,244	(13,371,286)	1,603,358	346,593
Effect of restatement as on June 30, 2019				
Reclassification of unrealized loss on re-measurement of investments in units of mutual funds	(1,745,261)	1,745,261		
Reversal of Management fee Reversal of provision for Workers' Welfare Fund	346,593 62,387	:	(62,387)	(346,593)
Balance as at June 30, 2019 (as restated)	59,702,963	(11,626,025)	1,540,971	
Effects on profit or loss Recognition of unrealized loss on investment in units of mutual Recognition of gain realised on disposal of investments in units of mutual funds				(5,750,632) 630,634
of mutual funds Reversal of Management Company's remuneration				630,634 346,593
Reversal of provision for Workers' Welfare Fund				62,387
Decrease in profit before and after taxation				(4,711,018)
Decrease in the basic and diluted earnings per certificate				(0.63)
Effects on other comprehensive income				
Derecognition of unrealized loss on investment in units of mutu Derecognition of loss realized on disposal of investments Decrease in other comprehensive loss	al funds			5,120,067
Net decrease in total comprehensive loss				409,048
t-				
	38			
	$\smile$			

		~		<del>;+</del>
24	GENERAL			
24.1	Date of authorization fo	or issue		
		nts were authorized for issue b g held on <u>September 25, 2</u>	y the Board of Directors of the $020$ .	Modaraba Management
24.2	Corresponding figures			
	Following corresponding of which is not regarded		ents have been reclassified for better	r presentation, the impact
				Amount
	From component		To component	(Rupees)
	Short term investments		Long term investments	
	(Current assets)		(Non-current assets)	95,616,505
24.3	Level of rounding			
	All figures in these finance	cial statements have been rounded	d off to the nearest rupee.	
M				
		FOR E.A Management ( (Management Compa		
-	Chairman	Chief Executive	Director Chi	ief Financial Officer
		39	>	

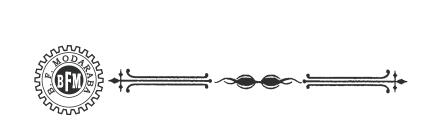


## PATTERN OF CERTIFICATE HOLDING AS AT JUNE 30, 2020

NO. OF CERTIFICATE HOLDERS	CERTI	FICAT	TE HOLDING	TOTAL CERTIFICATES HELD
635	1	-	100	13,850
244	101	-	500	61,378
74	501	-	1000	54,188
167	1001	-	5000	341,312
30	5001	-	10000	216,163
6	10001	-	15000	71,382
2	15001	-	20000	32,486
5	20001	-	25000	109,329
2	25001	-	30000	55,939
4	40001	-	45000	170,144
1	45001	-	50000	46,000
1	70001	-	75000	72,105
1	95001	-	100000	97,000
1	115001	-	120000	115,724
1	155001	-	160000	164,500
1	170001	-	175000	171,360
1	180001	-	185000	183,078
1	185001	-	190000	187,877
1	210001	-	215000	212,554
1	225001	-	230000	227,910
1	265001	-	270000	269,240
1	280001	-	285000	280,303
1	285001	-	290000	286,500
1	315001	-	320000	318,113
1	335001	-	340000	339,095
1	355001	-	360000	356,138
1	505001	-	510000	507,073
1	675001	-	680000	675,629
2	935001	-	940000	1,878,788
1189		Т	OTAL	7,515,158



		~- <u></u>	$ \rightarrow $
AN THE AND			φT
CATEGORIES OF C	ERTIFICAT	E HOLDI	NGS
AS AT J	UNE 30, 202	0	
	Number of Certificate Holders	Total Certificates Held	Percentage %
Director CEOand 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		507,073	6.7473
Hamza Omar Bawany - Direcotor		42,539	0.5660
	6	945,470	12.5808
Associated Companies, Undertaking and related	Parties		
E.A Management (Pvt) Ltd.		939,394	12.5000
E.A Management (PVI) Ltd. Faran Sugar Mills Ltd.		939,394 939,394	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 IDBP (ICP Unit)		756 1,911	0.0101 0.0254
		.,	0.0201
	7	53,445	0.7112
Certificate Holders Holding Five percent or more			
Sind Particle Board Mills		675,629	8.9902
Mrs.Shaheda Muhammad Amin		539,216	7.1750
Mrs.Gulshan Ara Muhammad Amin		508,213	6.7625
Mrs.Aisha Bai Muhammad Amin		510,455	6.7923
	7	2,233,513	29.7201
INDIVIDUALS	1143	1,903,604	25.3302
	4	107,971	1.4367
INSURANCE COMPANIES JOINT STOCK COMPANIES	1 8	187,877 4,634	2.5000 0.0617
FINANCIAL INSTITUTIONS	8 1	4,054	0.1391
OTHERS	7	45,747	0.6087
CHARITABLE TRUSTS	1	23,102	0.3074
COOPERATIVE SOCIETIES	1	4,827	0.0642
Total	1189	7,515,158	100



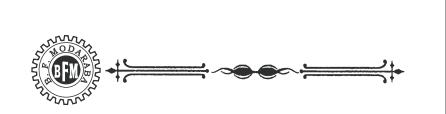
# July 2019-June 2020

## 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	4	N/A	1
2. Mr. Ahmed Ali Mohammad Amin Bawany	3	3	1
3. Mr. Hamza Omar Bawany	4	4	N/A
4. Mr. Abdul Ghaffar Umar	4	4	1

KEY OPERAT	<b>Rs. 000's</b>					
Year	2020	2019 (Restated	2018 )	2017	2016	2015
Paid-up Capital	75,151	75,151	75,151	75,151	75,151	75,151
Equity	137,511	134,855	130,939	134,737	123,742	118,778
Operating Revenue	10,867	5,089	12,434	24,223	17,761	15,379
Net Profit / (Loss) After Tax	2,657	(2,929)	3,717	15,880	10,224	9,116
Bonus	-	-	-	-	-	-
Cash Dividend	-	-	-	10%	6.50%	7%
Earning / (Loss) Per Certificate (Rs.)	0.35	(0.39)	0.49	2.11	1.36	1.21

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#### 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 E.A. Management Company (Private) Limited ('the Management Company') for the year ended June 30, 2020 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 Management Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Modaraba'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 Management Company's personnel and review of various documents prepared by the Management Company to comply with the 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 Management Company's corporate governance procedures and risks.

The Regulations require the 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. 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.

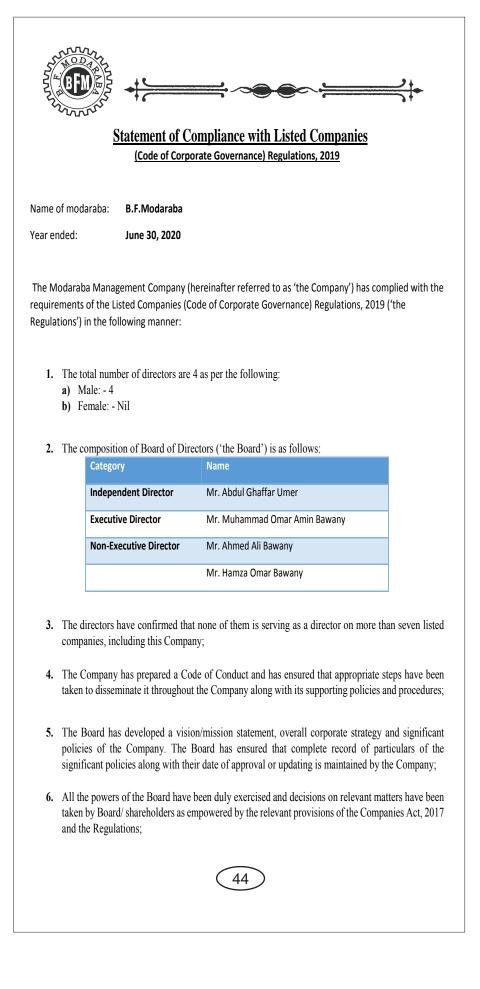
Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Modaraba's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Modaraba for the year ended June 30, 2020.

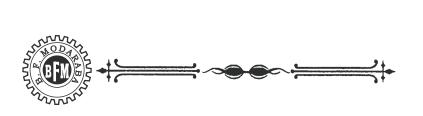
Further, we highlight below an instance of non-compliance with a mandatory requirement and an explanation for non-compliance with a non-mandatory requirement of the code as stated in paragraphs 18 and 19 of the Statement of Compliance respectively:

S.No.	Nature of the requirement	Paragraph No.	Description
1	Mandatory	18	As per regulation # 6 of Listed Companies (Code of Corporate Governance) Regulations, 2019, number of independent directors shall be at least two or one third of the total board members, whichever is higher. However, during the year June 30, 2020, the Modaraba had only one independent director.
2	Non- mandatory	19	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, as noted in clause 19, 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.

Karachi. Date: September 25, 2020 Rahman Sarfaraz Rahim Iqbal Rafiq Chartered Accountants







- 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.** The Board has not arranged any Directors' training program during the year ended June 30, 2020. Two directors of the Company have already attended Directors' training program from recognized institutes and remaining two meet the criteria for exemption as stated in proviso to regulation 19(2) of the Regulations;
- 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 Commit	tee

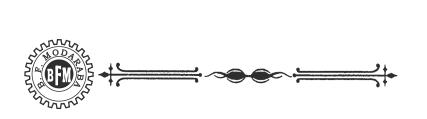
1.	Mr. Abdul Ghaffar Umer	Chairman
2.	Mr. Ahmed Ali Bawany	Member
3.	Mr. Hamza Omar Bawany	Member

#### b) HR and Remuneration Committee

1.	Mr. Abdul Ghaffar Umer	Chairman
2.	Mr. Ahmed Ali Bawany	Member
3.	Mr. Muhammad Omar Amin Bawany	Member

- 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, 7, 8, 27,32, 33 and 36 of the Regulations have been complied with. Explanation as required under the regulation is mentioned below:

Company currently has one elected independent director out of total four directors who are representing EA Management Company (Pvt.) Limited (Management Company of Modaraba) on the board and it is impracticable to appoint Two directors out of Four member of the board as independent. The elected independent director has requisite competency, skills, knowledge and experience to discharge and execute his duties competently as per laws and regulations under which hereby fulfill the necessary requirements.

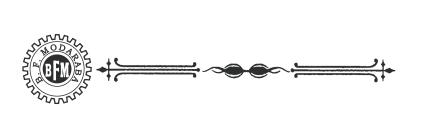
- **19.** Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are as below:
  - a) As per the proviso to regulation # 24 of Listed Companies (Code of Corporate Governance) Regulations, 2019, the same person shall not simultaneously hold the position 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

E.A Management (Private) Limited

(Management Company)





NOTICE OF ANNUAL REVIEW MEETING

The 21st Annual Review Meeting of the Certificate Holders of B.F. Modaraba will be held on Wednesday October 28, 2020 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, 2020.

The Certificate Transfer Books of the Modaraba will remain closed from October 22, 2020 to October 28, 2020 (both days inclusive).

Transfers received at the Share Registrar Office, M/s. C & K Management Associated (Pvt.) Ltd, 404, Trade Tower, Abdullah Haroon Road, Near Metropole Hotel, Karachi-75530, before the close of business hours on October 21, 2020, will be treated in time.

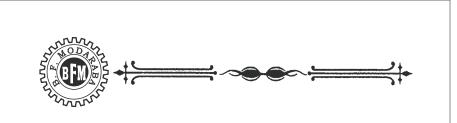
Certificate holders are requested to promptly notify to the Shares Registrar of the company of any change in their registered address.

Karachi. Date: September 25, 2020 Muhammad Ayub Company Secretary

### NOTE:

At the time of attending the meeting individual CDC account holders shall produce their original National Identity Cards and corporate entities shall produce the Board's Resolution/Power of Attorney with Specimen Signature of the nominees.





#### 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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