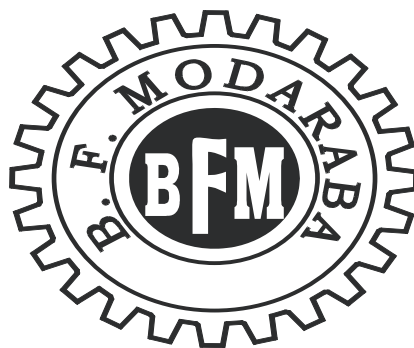


Financial Statements
(Reviewed) for the
Half Year Ended
December 31, 2023



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

CORPORATE INFORMATION

MODARABA MANAGEMENT COMPANY

E. A. Management (Pvt.) Ltd.

BOARD OF DIRECTORS

DIRECTORS OF MODARABA MANAGEMENT COMPANY

Mr. Ahmed Ali Mohammad Amin Bawany	Chairman
Mr. Muhammad Omar Amin Bawany	Chief Executive
Mr. Hamza Omar Bawany	Director
Mr. Muhammad Samiullah	Independent Director
Ms. Tasneem Yusuf	Independent Director

AUDIT COMMITTEE

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

HUMAN RESOURCE & REMUNERATION COMMITTEE

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

COMPANY SECRETARY

Mr. Muhammad Ayub

SHARIAH ADVISOR

Mr. Mufti Zubair Usmani

LEGAL ADVISOR

Mr. Ghulam Rasool Korai

MODARABA AUDITORS

M/s. RSM Avais Hyder Liaquat Nauman
Chartered Accountants

BANKERS

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

REGISTERED OFFICE

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

EMAIL & WEBSITE

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

SHARES REGISTRAR

M/s. C & K Management Associates (Pvt.) Limited
404, Trade Tower, Abdullah Haroon Road, Near
Metropole Hotel, Karachi-75530
Phone: 35687839-35685930

INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE CERTIFICATE HOLDERS OF THE B.F. MODARABA
REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying condensed interim statement of Financial Position of B.F. Modaraba (the Modaraba) as at December 31, 2023, and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows together with the notes forming part thereof (here-in-after referred to as the "condensed interim financial statement"), for the six month period ended December 31, 2023.

E.A. Management (Private) Limited (the Management Company) is responsible for the preparation and presentation of this condensed interim financial statement in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial statement based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of Condensed interim financial statement consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respects, in accordance with approved accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other matter

The figures for the quarter ended December 31, 2023 and December 31, 2022 in the condensed interim financial statement have not been reviewed and we do not express a conclusion on them.

The financial statements of the Modaraba for the year ended June 30, 2023 were audited, and condensed interim financial statement of the Modaraba for the half year ended December 31, 2022 were reviewed by another firm of chartered accountants, who through their report dated October 4, 2023 and February 23, 2023 respectively, expressed an unmodified opinion and conclusion thereon, respectively.

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

Chartered Accountants

Karachi

Date: 29 February 2024

UDIN: RR2023102422rfHjQozW

**DIRECTOR'S REPORTS
FOR THE PERIOD ENDED DECEMBER 31, 2023**

Dear Certificate Holders,

Assalamo Alaikum,

By the grace of Almighty Allah, I take pleasure in presenting a brief review of the performance of your Modaraba for the half year ended December 31, 2023, which has been reviewed by the External auditors.

Our gross revenue during the period was Rs. 11.278 million vis-à-vis Rs. 6.681 million for the corresponding period of 2022-23, mainly from trading income Rs. 4.496, Dividend Income Rs. 3.439 million, & Diminishing Musharakah Income Rs. 2.921 million. The unrealized loss was Rs. 6.263 million at the end of financial year June 2023, now it has been recovered by Rs. 11.877 million and stood at surplus of Rs. 5.614 million on reporting period ended December 2023, which has been reflected in the equity. The KSE-100 index showed a remarkable increase of 42% from 43,899 points at the end of June 2023, closing at 62,451 points for the reporting period. Pre-tax Profit stood at Rs. 5.607 million against a Pre-tax Profit of Rs. 2.250 million for the corresponding period of 2022-23.

We expect further profitability in commodity trading during the 2nd half for the current year, Insha Allah.

We bow to Allah and pray for His blessing and guidance

AMEEN

Karachi:
February 28, 2024

Hamza Omar Bawany
Director

Director

چیف ایگزیکٹو کا جائزہ

برائے اختتامی مدت 31 دسمبر 2023

محترم سرٹیفیکیٹ ہولڈرز
اسلام علیکم!

اللہ تعالیٰ کے فضل و کرم سے میں 31 دسمبر 2023 کو ختم ہونے والے سہ ماہی کے لئے آپ کے مضاربہ کی کارکردگی کا مختصر سا جائزہ پیش کرتے ہوئے مسرت محسوس کرتا ہوں۔

اس مدت کے دوران ہماری مجموعی آمدنی 11.278 ملین روپے تھی۔ 2022-23 کی اسی مدت کے لیے 6.681 ملین تھی، بنیادی طور پر تجارتی آمدنی 4.496 روپے، ٹیویٹنڈ انکم 3.439 ملین روپے، اور دمنیشننگ مشراکا آمدنی 2.921 ملین روپے۔ مالی سال جون 2023 کے اختتام پر غیر حقیقی نقصان 6.263 ملین روپے تھا، اب اس کی وصولی 11.877 ملین روپے کے اضافے سے ہوئی ہے اور دسمبر 2023 کو ختم ہونے والی رپورٹنگ مدت پر 5.614 ملین روپے کے غیر حقیقی فائدہ پر کھڑا ہے، جو ہماری ایکویٹی کی عکاسی کرتا ہے۔ KSE-100 انڈیکس نے جون 2023 کے آخر میں 43,899 پوائنٹس سے 42% کا اضافہ دکھایا، جو رپورٹنگ کی مدت کے لیے 62,451 پوائنٹس پر بند ہوا۔ قبل از ٹیکس منافع 2022-23 کی اسی مدت کے لیے 2.250 ملین روپے کے قبل از ٹیکس منافع کے مقابلے اس مدت میں 5.607 ملین روپے رہا۔

ہمیں رواں سال کے دوسرے نصف کے دوران کموٹٹی ٹریڈنگ میں مزید منافع کی توقع ہے، انشاء اللہ۔

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

ڈائریکٹر ڈائریکٹر

کراچی: 28 فروری 2024

B.F. Modaraba**Condensed Interim Statement of Financial Position***As at December 31, 2023*

		(Un-audited) December 31, 2023	(Audited) June 30, 2023
ASSETS	Note	-----Rupees-----	
Non-current assets			
Furniture and equipment		16,195	17,276
Long term deposits		40,019	40,019
Long term investments	3	44,589,069	38,739,059
Diminishing Musharaka	4	20,408,845	8,747,881
Long term Musharaka	5	-	-
		<u>65,054,128</u>	<u>47,544,235</u>
Current assets			
Stock in trade	6	41,689,564	48,048,890
Prepayments and other receivables	7	8,509,746	9,636,699
Current portion of Diminishing Musharaka	4	8,922,971	3,147,290
Tax Refundable		3,829,082	3,759,858
Cash and bank balances	8	6,375,243	1,573,030
		<u>69,326,606</u>	<u>66,165,767</u>
Total assets		<u><u>134,380,734</u></u>	<u><u>113,710,002</u></u>
LIABILITIES AND EQUITY			
Current liabilities			
Trade and other payables		1,262,218	1,895,744
Due to Management Company		635,684	-
Unclaimed dividend		<u>1,690,888</u>	<u>1,690,889</u>
		<u>3,588,790</u>	<u>3,586,633</u>
Certificate holders' equity			
Certificate capital		75,151,587	75,151,587
Reserves		<u>50,026,236</u>	<u>41,234,881</u>
		<u>125,177,823</u>	<u>116,386,468</u>
Unrealized gain / loss on re-measurement of investments	9	5,614,121	(6,263,099)
Contingencies and Commitments	11	-	-
Total liabilities and equity		<u><u>134,380,734</u></u>	<u><u>113,710,002</u></u>

The annexed notes from 1 to 16 form an integral part of these financial statements.

Chairman / Director

Director

Chief Financial Officer

B.F. Modaraba

Condensed Interim Statement of Profit or Loss

For the six months and quarter ended December 31, 2023 (unaudited)

	Note	Six months ended		Quarter ended	
		December 31, 2023	December 31 2022	December 31 2023	December 31 2022
		----- Rupees-----			
Revenue - net					
Trading Income	10	4,496,490	-	-	-
Unrealised gain / (loss) on remeasurement of investment in units of mutual funds		-	-	-	-
Realized gain on sale of mutual funds		-	1,075,702	-	1,075,702
Diminishing Musharakah income		2,920,654	1,349,548	2,139,461	675,843
Dividend - net of zakat		3,439,322	4,154,669	1,195,805	1,594,631
Profit on bank deposits		421,497	100,822	271,959	86,392
		11,277,963	6,680,741	3,607,225	3,432,568
Administrative expenditure					
Operating expenses		(4,921,125)	(4,129,774)	(2,092,812)	(1,709,810)
Profit before charging Management Company's remuneration		6,356,838	2,550,967	1,514,413	1,722,758
Management Company's remuneration		(635,684)	(255,097)	(151,399)	(130,955)
Profit before Worker's Welfare Fund		5,721,154	2,295,870	1,363,014	1,591,803
Provision for Workers' Welfare Fund		(114,423)	(45,917)	(27,259)	(23,571)
Profit before taxation		5,606,731	2,249,953	1,335,755	1,568,232
Taxation		(462,491)	(591,627)	(140,663)	(213,134)
Profit / (loss) after taxation		5,144,240	1,658,326	1,195,092	1,355,098
Earnings per certificate - basic and diluted		0.68	0.22	0.16	0.18

The annexed notes from 1 to 16 form an integral part of these financial statements.

Chairman / Director

Director

Chief Financial Officer

B.F. Modaraba**Condensed Interim Statement of Comprehensive Income***For the six months and quarter ended December 31, 2023 (unaudited)*

	Six months ended December 31,		Quarter ended December 31,	
	2023	2022	2023	2022
----- Rupees -----				
Profit / (loss) after taxation	5,144,240	1,658,326	1,195,092	1,355,098
Other comprehensive income				
<i>Items that will not be subsequently reclassified to profit or loss</i>				
Surplus on re-measurement of investments classified as at fair value through other comprehensive income	11,877,220	(1,793,432)	9,081,341	1,021,117
Total comprehensive (loss) / income for the period	17,021,460	(135,106)	10,276,433	2,376,215

The annexed notes from 1 to 16 form an integral part of these financial statements.

Chairman / Director

Director

Chief Financial Officer

B.F. Modaraba**Condensed Interim Statement of Cash Flows***For the six months ended December 31, 2023 (unaudited)*

	December 31, 2023	December 31, 2022
	-----Rupees-----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	5,606,731	2,249,953
Adjustments for non-cash charges and other items:		
- Depreciation on owned assets	1,081	1,304
- Profit on bank deposits	(421,497)	(100,822)
- Provision for Management Company's remuneration	635,684	255,097
- Provision for Provident Fund	315,228	269,878
- Provision for Worker's Welfare Fund	114,403	45,917
- Trading	(4,496,490)	-
- Diminishing Musharakah Income	(2,920,654)	-
- Realized gain on sale of mutual funds	-	(1,075,702)
- Dividend income- net	(3,439,322)	(4,154,669)
	(10,211,567)	(4,758,997)
Operating loss before working capital changes	(4,604,836)	(2,509,044)
Working capital changes		
<i>Decrease / (increase) in current assets</i>		
- Stock in trade	6,359,326	(45,277,700)
- Prepayments and other receivables	3,679,906	(7,690,236)
<i>Decrease in current liabilities</i>		
- Trade and other payables	633,526	(275,446)
	10,672,758	(53,243,382)
Taxes paid	(525,715)	(816,750)
Provident Fund paid to employees	-	(1,042,406)
Dividend paid	-	-
Purchase of investments	-	(4,823,635)
Dividend received	3,439,322	4,154,669
	2,913,607	(2,528,122)
Net cash used in operating activities	8,981,529	(58,280,548)
CASH FLOWS FROM INVESTING ACTIVITIES		
Profit received on bank deposits	424,624	103,077
Proceeds from sale of investment	9,637,329	59,099,581
Diminishing Musharaka	(14,240,826)	1,322,324
Musharaka financing	-	-
Net cash generated from investing activities	(4,179,316)	60,524,982
Net increase in cash and cash equivalents	4,802,213	2,244,434
Cash and cash equivalents as at beginning of the period	1,573,030	2,485,415
Cash and cash equivalents as at the end of period	6,375,243	4,729,849

The annexed notes from 1 to 16 form an integral part of these financial statements.

Chairman / Director

Director

Chief Financial Officer

B.F. Modaraba**Notes to the Condensed Interim Financial Statements***For the six months ended December 31, 2023 (unaudited)***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-I-E(B), P.E.C.H.S., Block-6, Off Razi Road, Shahrah-e-Faisal, Karachi. The Modaraba is listed on Pakistan Stock Exchange. The Modaraba commenced its business operation on January 7, 1988. 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 CONDENSED INTERIM FINANCIAL STATEMENTS**2.1 Statement of compliance with the applicable accounting and reporting standards**

These condensed interim 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.

These condensed interim financial statements do not include all the information and disclosures as required in the annual financial statements and should be read in conjunction with the Modaraba's annual financial statements for the year ended June 30, 2023.

2.2 Basis of measurement of items in these interim financial statements

All the items in these interim financial statements have been measured at their historical cost except for long term investments in quoted equity securities and open-ended mutual funds which are carried at fair value.

2.3 Functional and presentation currency

Items included in these condensed interim financial statements are measured using the currency of the primary economic environment in which the Modaraba operates. These condensed interim financial statements are presented in Pak Rupees which is the Modaraba's functional and presentation currency.

2.4 Judgements and sources of estimation uncertainty

In preparing these condensed interim financial statements, the significant judgments made by management in applying the Modaraba's accounting policies and the key sources of estimation uncertainty were the same as those applied in the annual financial statements of the Modaraba as at and for the year ended June 30, 2023.

PM

2.5 Significant accounting policies

The significant accounting policies applied in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Modaraba for the year ended June 30, 2023.

		(Un-audited) December 31, 2023	(Audited) June 30, 2023
3. LONG TERM INVESTMENTS			
	<i>Note</i>	Rupees	
<i>At fair value through other comprehensive income</i>			
Ordinary shares of listed companies	3.1	44,589,069	38,702,409
<i>At fair value through profit or loss</i>			
Units of open-ended mutual funds	3.2	-	36,650
		44,589,069	38,739,059

3.1 Investments in ordinary shares of listed companies

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

Number of shares		Name of Company / Institution	Cost		Market value	
December 31, 2023	June 30, 2023		December 31, 2023	June 30, 2023	December 31, 2023	June 30, 2023
-----Rupees-----						
		MODARABAS				
21,136	21,136	OLP Modaraba	191,281	191,281	258,071	238,837
		BANK				
455	58,455	Meezan Bank Limited	24,610	3,161,658	73,419	5,048,758
		CEMENT				
199,125	199,125	Fauji Cement Limited	5,414,849	5,414,849	3,767,445	2,341,710
-	13,000	Kohat Cement Limited	-	2,122,412	-	2,255,110
10,000	10,000	D.G.Khan Cement Limited	975,797	975,797	774,000	513,000
10,000	10,000	Maple Leaf Cement	312,200	312,200	389,200	283,300
6,000	6,000	Lucky Cement	3,466,908	3,466,908	4,671,600	3,132,540
		REFINERY				
12,500	12,500	Attock Refinery Limited	2,078,108	2,078,108	4,093,375	2,145,375
		FUEL AND ENERGY				
22,419	22,419	Hub Power Company Limited	1,037,619	1,037,619	2,625,041	1,559,914
49,000	49,000	Kohinoor Energy Limited	2,126,091	2,126,091	1,923,250	1,506,750
10,099	10,099	Pakistan Petroleum Limited	886,443	886,443	1,161,688	597,255
600,500	600,500	K-Electric Limited	5,255,514	5,255,514	3,158,630	1,032,860
		OIL & GAS EXPLORATION COMPANIES				
20,000	20,000	Pakistan Oil Fields	6,763,291	6,763,291	8,438,800	8,035,400
		ENGINEERING				
-	-	Mughal Iron & Steel Industries Limited	-	-	-	-
25,000	25,000	International Steels Limited	3,654,865	3,654,865	1,825,500	1,013,250
		CHEMICALS & PHARMACEUTICALS				
95,000	95,000	Engro Fertilizer Limited	5,943,738	5,943,738	10,661,850	7,840,350
		FOOD & PERSONAL CARE PRODUCTS				
-	10,000	Frieslandcampina Engro Pakistan	-	731,100	-	590,300
		TEXTILE COMPOSITE				
10,000	10,000	Nishat Mills Ltd	843,634	843,634	767,200	567,700
			38,974,948	44,965,508	44,589,069	38,702,409

Ruler

3.2 Investment in units of open-ended mutual funds

<u>Number of units</u>		<u>Name of Mutual Fund</u>	<u>Cost</u>		<u>Fair Value</u>	
<u>December 31,</u> <u>2023</u>	<u>June 30,</u> <u>2023</u>		<u>December 31,</u> <u>2023</u>	<u>June 30,</u> <u>2023</u>	<u>December 31,</u> <u>2023</u>	<u>June 30,</u> <u>2023</u>
<hr/> <div>Rupees</div> <hr/>						
-	733	Meezan Rozana Amdani Fund	-	34,150	-	36,650
			-	34,150	-	36,650

4. DIMINISHING MUSHARAKA

Considered good
Less: Current portion of Diminishing Musharaka

(Un-audited) December 31, 2023	(Audited) June 30, 2023
-----Rupees-----	
29,331,816	11,895,171
(8,922,971)	(3,147,290)
<u>20,408,845</u>	<u>8,747,881</u>

5. LONG TERM MUSHARAKA FINANCING

This represent Musharaka Agreement entered into between Modaraba and M/s. Sustainable Environment Developers (SED) on May 26, 2021, with profit sharing ratio of 48.5% and 51.5% respectively. The agreement will dissolve / terminate upon mutual

	(Un-audited) December 31, 2023	(Audited) June 30, 2023
-----Rupees-----		
Cost of investment		
Carrying value as at	22,800,000	22,800,000
Investment made during the year	-	-
	<u>22,800,000</u>	<u>22,800,000</u>
Accumulated share of loss:		
Opening balance	(22,800,000)	(15,384,081)
Share of loss for the year	-	(7,415,919)
	<u>(22,800,000)</u>	<u>(22,800,000)</u>
Carrying value as at reporting date	<u>-</u>	<u>-</u>

6. STOCK IN TRADE

This represents 590 tonnes of remaining Quantity in tons of sugar purchased for the purpose of trading from Faran Sugar Mills Limited (a related party).

(Un-audited) December 31, 2023	(Audited) June 30, 2023
-----Rupees-----	
220,016	149,969
2,136	991
412,960	300,390
7,874,634	9,185,349
<u>8,509,746</u>	<u>9,636,699</u>

7. PREPAYMENTS AND OTHER RECEIVABLES

Prepayments
Profit on bank deposits
Receivable against Takaful (Diminishing Musharakah)
Sales tax

220,016	149,969
2,136	991
412,960	300,390
7,874,634	9,185,349
<u>8,509,746</u>	<u>9,636,699</u>

8.	CASH AND BANK BALANCES		(Un-audited) December 31, 2023	(Audited) June 30, 2023
			-----Rupees-----	
	Cash in hand		41,600	35,863
	Balance with banks:			
	- Current accounts		1,092,042	1,092,042
	- Saving accounts	8.1	5,241,601	445,125
			6,333,643	1,537,167
			6,375,243	1,573,030

- 8.1 Saving accounts represent Islamic bank accounts. The rate of profit on these accounts ranges from 15% to 19.80% (June 30, 2023: 4.5% to 18.9%) per annum.

9.	UNREALIZED GAIN / LOSS ON RE-MEASUREMENT OF INVESTMENTS CLASSIFIED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME		(Un-audited) December 31, 2023	(Audited) June 30, 2023
			-----Rupees-----	
	Market value of investments		44,589,069	38,702,409
	Less: Cost of investments		(38,974,948)	(44,965,508)
			5,614,121	(6,263,099)

10	TRADING INCOME		(Un-audited) December 31, 2023	(Un-Audited) December 31, 2022
			-----Rupees-----	
	Sales		12,809,950	-
	Less: Sales Tax		(1,954,060)	-
	Net Sales		10,855,890	-
	Less: Cost of goods sold	10.1	(6,359,400)	-
			4,496,490	-

10.1	COST OF GOODS SOLD		(Un-audited) December 31, 2023	(Un-Audited) December 31, 2022
			-----Rupees-----	
	Opening Stock		48,048,890	-
	Add: Purchases		-	-
	Less: Closing Stock		(41,689,490)	-
	Cost of goods sold		6,359,400	-

11. CONTINGENCIES AND COMMITMENTS

There has been no change in the status of the contingencies and commitments as reported in the annual financial statements of the Modaraba for the year ended June 30, 2023.

12. TRANSACTIONS ENTERED INTO AND BALANCES HELD WITH RELATED PARTIES

The related parties comprise of Faran Sugar Mills Limited, Modaraba Management Company, Reliance Insurance/Takaful Limited, directors and key management personnel of Modaraba Management Company as well as their close family members. Details of transactions with related parties, other than those disclosed elsewhere in these condensed interim financial statements, are as follows:

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	(Un-audited) December 31, 2023	(Audited) June 30, 2023
Transactions during the six months ended		
Faran Sugar Mills Limited	-	56,245,000
Reliance Insurance Company Limited (Takaful Policy)	437,500	740,000
Provision for Management fee	635,684	-
	(Un-audited) December 31, 2023	(Audited) June 30, 2023
Balances outstanding at period end		
Management fee payable	635,684	-

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

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

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

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

Following is the fair value hierarchy of the assets carried at fair value:

	December 31, 2023			
	Level 1	Level 2	Level 3	Total
	----- Rupees -----			
Financial assets				
Investment in ordinary shares of listed companies	44,589,069	-	-	44,589,069
Investments in units of open-end mutual funds	-	-	-	-
	44,589,069	-	-	44,589,069
	June 30, 2023			
	Level 1	Level 2	Level 3	Total
	----- Rupees -----			
Financial assets				
Investment in ordinary shares of listed companies	38,702,409	-	-	38,702,409
Investments in units of open-end mutual funds	36,650	-	-	36,650
	38,739,059	-	-	38,739,059

14. FINANCIAL RISK MANAGEMENT

The Modaraba's financial risk management objectives and policies are consistent with those disclosed in the preceding annual published financial statements of the Modaraba for the year ended June 30, 2023.

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15. INFORMATION ABOUT BUSINESS SEGMENTS

	2023				Consolidated
	Sugar Trading	Investments	Diminishing Musharkah	Others	
	Rupees				
Segment Revenues	10,855,890	3,439,322	2,920,654	421,497	17,637,363
Segment Results					
Segment Expenses	(6,359,400)	-	-	-	(6,359,400)
Unallocated operating expenses	-	-	-	(4,921,125)	(4,921,125)
Management fee	-	-	-	(635,684)	(635,684)
Provision for workers' welfare fund	-	-	-	(114,423)	(114,423)
Profit for the year	4,496,490	3,439,322	2,920,654	(5,249,735)	5,606,731
Assets and liabilities					
Segment assets	41,689,564	44,589,069	29,331,816		115,610,449
Unallocated assets	-	-	-	18,770,285	18,770,285
Consolidated total assets	41,689,564	44,589,069	29,331,816	18,770,285	134,380,734
Segment liabilities	-	-	-	-	-
Unallocated liabilities	-	-	-	18,770,285	18,770,285
Consolidated total liabilities	-	-	-	18,770,285	18,770,285

The above mentioned segments do not necessarily match with the organizational structure of Modaraba.

	2022				Consolidated
	Sugar Trading	Investments	Diminishing Musharkah	Others	
	Rupees				
Segment Revenues	-	5,230,371	1,349,548	100,822	6,680,741
Segment Results					
Segment Expenses	-	-	-	-	-
Unallocated operating expenses	-	-	-	(4,129,774)	(4,129,774)
Management fee	-	-	-	(255,097)	(255,097)
Provision for workers' welfare fund	-	-	-	(45,917)	(45,917)
Profit for the year	-	5,230,371	1,349,548	(4,329,966)	2,249,953
Assets and liabilities					
Segment assets	-	38,739,059	11,895,171	-	50,634,230
Unallocated assets	-	-	-	63,075,772	63,075,772
Consolidated total assets	-	38,739,059	11,895,171	63,075,772	113,710,002
Segment liabilities	-	-	-	-	-
Unallocated liabilities	-	-	-	3,586,633	3,586,633
Consolidated total liabilities	-	-	-	3,586,633	3,586,633

The above mentioned segments do not necessarily match with the organizational structure of Modaraba.

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16. GENERAL**16.1 Date of authorization for issue of financial statements**

These condensed interim financial statements were authorized for issue by the Board of Directors of the Modaraba Management Company in their meeting held on February 28, 2024.

As per section 232 of Companies Act, 2017 as the Chief Executive Officer is out of Pakistan, the financial statements shall be signed by two directors authorized on this behalf.

16.2 Level of rounding

Unless otherwise indicated, all figures in these condensed interim financial statements have been rounded off to the nearest rupee.

Chairman / Director

Director

Chief Financial Officer