

Financial Statements  
(Un-Audited)  
for the Quarter Ended  
March 31, 2017



**B.F. MODARABA**

Managed By

**E.A. MANAGEMENT (PVT) LTD.**

Registered under

The Companies Ordinance 1984 & Modaraba  
Companies & Modaraba Ordinance 1980

## **CORPORATE INFORMATION**

### **MODARABA MANAGEMENT COMPANY**

E.A. Management (Pvt.) Ltd.

### **BOARD OF DIRECTORS**

#### **DIRECTORS OF MODARABA MANAGEMENT COMPANY**

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

### **AUDIT COMMITTEE**

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

### **HUMAN RESOURCE & REMUNERATION COMMITTEE**

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

### **CFO & COMPANY SECRETARY**

Mr. Muhammad Ayub

### **SHARIAH ADVISOR**

Mr. Mufti Zubair Usmani

### **LEGAL ADVISOR**

Mr. Ghullam Rasool Korai

### **MODARABA AUDITORS**

M/s. RSM Avais Hyder Liaquat Nauman  
Chartered Accountants

### **BANKERS**

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

### **REGISTERED OFFICE**

4th Floor, Bank House No. I,  
Habib Square, M.A. Jinnah Road,  
Karachi-74000, Pakistan.  
Phone : (92-21) 111 786 878, 32413240  
Fax : (92-21) 32421010

### **EMAIL & WEBSITE**

E-mail: [info@bfmodaraba.com.pk](mailto:info@bfmodaraba.com.pk)  
[feedback@bfmodaraba.com.pk](mailto:feedback@bfmodaraba.com.pk)  
URL : [www.bfmodaraba.com.pk](http://www.bfmodaraba.com.pk)

### **SHARES REGISTRAR**

M/s. C & K Management Associates (Pvt.) Ltd,  
404, Trade Tower, Abdullah Haroon Road,  
Near Metropole Hotel, Karachi-75530  
Tel: ( 92-21) 35687839 & 35685930

**CHIEF EXECUTIVE REVIEW**

FOR THE PERIOD ENDED MARCH 31, 2017

Dear Certificate Holders,  
Assalamo Alaikum,

By the grace of Almighty Allah I take pleasure in presenting a brief review of the performance of your Modaraba for the period ended March 31, 2017.

Gross revenue during the Nine months was Rs.14.723 million vis-à-vis Rs.10.790 million for the corresponding period of 2015-16. Pre-tax Profit stood at Rs.9.111 million against a Pre-tax Profit of Rs. 5.925 million for the corresponding period of 2015-16 mainly due to handsome capital gain. Unrealized gain in the value of investment in marketable securities was Rs.29.707 million which has been reflected in the equity.

We will continue to focus on marketable securities and expect further revenue from trading in marketable securities, InshaAllah.

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

AMEEN.

Karachi:  
April 28, 2017

Muhammad Omar Amin Bawany  
Chief Executive

چیف ایگزیکٹو کا جائزہ

برائے اختتامی مدت 31 مارچ 2017

محترم سٹیفکیٹ ہولڈرز

اسلام علیکم!

اللہ تعالیٰ کے فضل و کرم سے میں 31 مارچ 2017 کو ختم ہونے والی پہلی سہ ماہی کے لئے آپ کے مضاربہ کی کارکردگی کا مختصر سا جائزہ پیش کرتے ہوئے مسرت محسوس کرتا ہوں۔

اس مدت کے دوران مجموعی آمدنی 14.723 ملین روپے تھی جب 2015-16 کے اسی مدت کے لئے مجموعی آمدنی 10.790 ملین روپے تھی۔ جس کی اہم وجہ سیکورٹیز کی آمدنی میں اضافہ ہے۔ لہذا ٹیکس سے پہلے نفع 9.111 ملین روپے جب کہ 2015-16 کے اسی مدت کے ٹیکس سے پہلے نفع 5.925 ملین روپے رہا۔ سیکورٹیز میں سرمایہ کاری کی مالیت میں غیر وصول شدہ نفع 29.707 ملین روپے رہا۔ جسے ایکویٹی میں ظاہر کیا گیا ہے۔

ہم سیکورٹیز کی خرید و فروخت میں مسلسل فوکس رکھیں گے اور مزید نفع کی توقع رکھتے ہیں۔ انشاء اللہ

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

محمد عمر امین باوانی

چیف ایگزیکٹو

کراچی: 28 مارچ 2017

**CONDENCED INTERM BALANCE SHEET**

AS AT MARCH 31, 2017

	Notes	Mar-2017	June-2016
		— Rupees —	
<b>CERTIFICATE CAPITAL AND RESERVES</b>			
Authorized Capital			
10,000,000 Modaraba Certificates of Rs. 10/- each		<u>100,000,000</u>	<u>100,000,000</u>
<b>EQUITY AND LIABILITIES</b>			
Issued, subscribed and paid-up capital		75,151,587	75,151,587
Reserve		<u>51,827,081</u>	48,590,784
		<u>126,978,668</u>	123,742,371
Unrealized gain on available for sale-financial assets		<u>29,707,455</u>	30,098,793
Total equity		<u>156,686,123</u>	153,841,164
<b>Non-Current Liabilities</b>			
		-	-
<b>Current Liabilities</b>			
Accrued and other liabilities		<u>1,743,016</u>	1,624,961
Due to management company		<u>1,012,384</u>	1,218,009
Unclaimed Dividend		<u>1,236,326</u>	1,074,645
		<u>3,991,726</u>	3,917,615
Total equity and liabilities		<u>160,677,849</u>	<u>157,758,779</u>
Contingencies & Commitments		-	-
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Own use		<u>41,743</u>	47,743
Long term deposits		<u>40,019</u>	40,019
		<u>81,762</u>	87,762
<b>Current Assets</b>			
Stock in trade		<u>30,087,034</u>	-
Trade Debts - considered good and unsecured		-	36,580,000
Advances, deposit, prepayments & other receivables		<u>3,996,248</u>	2,185,788
Available-for-sale Financial assets	1	<u>124,949,089</u>	89,749,276
Cash and bank balances		<u>1,563,717</u>	29,155,953
		<u>160,596,087</u>	157,671,017
Total Assets		<u>160,677,849</u>	<u>157,758,779</u>

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

**Chairman**  
E. A. Management (Pvt) Ltd

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

**Director**  
E. A. Management (Pvt) Ltd

**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT /  
STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**  
FOR THE QUARTER ENDED MARCH 31, 2017

	Nine months ended		Quarter ended	
	July-16 to Mar-17	July-15 to Mar-16	Jan-17 to Mar-17	Jan-16 to Mar-16
	Rupees			
Operating Incomes	14,723,132	10,790,788	2,796,087	2,544,393
Less:				
Operating expenses	(4,599,288)	(4,207,469)	(1,185,496)	(1,143,287)
Profit/(Loss) before charging management fee	10,123,843	6,583,319	1,610,590	1,401,106
Management fee	(1,012,384)	(658,332)	(161,059)	(140,111)
Profit/(Loss) before workers welfare fund	9,111,459	5,924,987	1,449,531	1,260,995
Workers Welfare Fund	-	(118,500)	-	(25,220)
Profit/(Loss) before taxation	9,111,459	5,806,487	1,449,531	1,235,774
Taxation - current	(990,310)	(808,643)	(193,645)	(16,043)
Profit/(Loss) after taxation	<u>8,121,149</u>	<u>4,997,845</u>	<u>1,255,886</u>	<u>1,219,733</u>
Earning per certificate - Basic & Diluted	<u>1.08</u>	<u>0.67</u>	<u>0.17</u>	<u>0.16</u>

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**Chairman**  
E. A. Management (Pvt) Ltd

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

**Director**  
E. A. Management (Pvt) Ltd

**CONDENSED INTERM STATEMENT OF OTHER  
COMPREHENSIVE INCOME (UN-AUDITED)**  
FOR THE QUARTER ENDED MARCH 31, 2017

	Nine months ended March 31		Quarter ended March 31	
	2017	2016	2017	2016
	Rupees			
<b>Profit/ (loss) for the period</b>	<b>8,121,149</b>	4,997,845	<b>1,255,886</b>	1,219,733
Unrealized gain/(loss) on revaluation of available for sale - financial assets	<b>6,630,560</b>	(2,643,387)	<b>(1,046,295)</b>	1,109,404
Gain on financial assets transferred to profit and loss account	<b>(7,021,898)</b>	(712,338)	<b>(2,148,128)</b>	(447,303)
	<b>(391,337)</b>	(3,355,724)	<b>(3,194,423)</b>	662,102
<b>Total comprehensive income for the period</b>	<b><u>7,729,812</u></b>	<u>1,642,121</u>	<b><u>(1,938,537)</u></b>	<u>1,881,834</u>

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

**Chairman**  
E. A. Management (Pvt) Ltd

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

**Director**  
E. A. Management (Pvt) Ltd

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

FOR THE QUARTER ENDED MARCH 31, 2017

	March 31, 2017	March 31, 2016
	----- Rupees -----	
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	9,111,459	5,806,487
Adjustments for :		
Depreciation on own assets	6,000	18,579
Gain on sale of financial assets	(10,786,703)	(1,014,163)
Provision for Management fee	1,012,384	658,332
Provision for Provident fund	275,398	249,695
Accrued income on Musharika Certificates	-	(182,814)
Provision for WWF	-	118,500
Dividend income	(2,075,984)	(3,523,115)
	<u>(11,568,905)</u>	<u>(3,674,986)</u>
	(2,457,446)	2,131,502
<b>Changes in working capital</b>		
<b>Decrease / (increase) in current assets :</b>		
Stock in trade	(30,087,034)	2,508,000
Trade Debts	36,580,000	-
Advances, deposits, prepayments and other receivables	(2,192,194)	66,135
<b>(Decrease) / increase in current liabilities:</b>		
Accrued expenses	(62,341)	(215,482)
Net increase in working capital	<u>4,238,431</u>	<u>2,358,653</u>
	1,780,985	4,490,153
Taxes paid	(859,702)	(264,266)
Dividend paid	(4,723,173)	(5,017,274)
P.F. paid	(95,000)	(30,110)
Management fee paid	(1,218,009)	(1,056,250)
Net cash inflow / (outflow) from operating activities	<u>(5,114,898)</u>	<u>(1,877,746)</u>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Additions in fixed assets		
Own use	-	-
Purchase of Investments	(83,735,818)	(15,641,663)
Proceed from sale of investment	58,931,371	8,752,432
Dividend received	2,327,109	2,759,712
Net cash inflow from investing activities	<u>(22,477,338)</u>	<u>(4,129,519)</u>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Net cash inflow / (outflow) in financing activities	-	-
Net increase/ (decrease) in cash and bank balances	(27,592,236)	(6,007,265)
Cash and bank balances at the beginning of the period	29,155,953	24,152,746
Cash and bank balances at the end of the period	<u>1,563,717</u>	<u>18,145,480</u>

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

<b>Chairman</b>	<b>Chief Executive</b>	<b>Director</b>
E. A. Management (Pvt) Ltd	E. A. Management (Pvt) Ltd	E. A. Management (Pvt) Ltd



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

FOR THE QUARTER ENDED MARCH 31, 2017

Description	Issued subscribed and paid up capital	Reserves		Unrealized gain / (loss) on available for sale financial assets	Total
		Statutory reserves	Unappropriated Profit		
		----- Rupees -----			
<b>Balance as at July 01, 2015</b>	75,151,587	32,474,152	11,152,477	29,754,335	148,532,551
Comprehensive income for nine months	-	-	4,997,845	(3,355,725)	1,642,120
Cash Dividend @ 7%	-	-	(5,260,612)	-	(5,260,612)
<b>Balance as at March 31, 2016</b>	<u>75,151,587</u>	<u>32,474,152</u>	<u>10,889,710</u>	<u>26,398,610</u>	<u>144,914,059</u>
Balance as at April 1, 2016	75,151,587	32,474,152	10,889,710	26,398,610	144,914,059
Comprehensive income	-	5,112,383	114,539	3,700,183	8,927,105
<b>Balance as at June 30, 2016</b>	<u>75,151,587</u>	<u>37,586,535</u>	<u>11,004,249</u>	<u>30,098,793</u>	<u>153,841,164</u>
Balance as at July 1, 2016	75,151,587	37,586,535	11,004,249	30,098,793	153,841,164
Comprehensive income for nine months	-	-	8,121,149	(391,337)	7,729,812
Cash Dividend @ 6.5%	-	-	(4,884,853)	-	(4,884,853)
<b>Balance as at March 31, 2017</b>	<u>75,151,587</u>	<u>37,586,535</u>	<u>14,240,545</u>	<u>29,707,456</u>	<u>156,686,123</u>

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

Chairman  
E.A. Management (Pvt) Ltd.

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

Director  
E.A. Management (Pvt) Ltd.

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

FOR THE QUARTER ENDED MARCH 31, 2017

<b>1. INVESTMENTS</b>		March 31, 2017	June 30, 2016
- Available for sale		Rupees	Rupees
Investments in listed shares and close ended units	1.1	<b>57,265,797</b>	59,554,762
Investments in open ended units	1.2	<b>67,683,292</b>	30,194,514
		<b>124,949,089</b>	<b>89,749,276</b>

**1.1 Investments in listed shares and close-ended units**

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

March 2017 Shares / Certificates	June 2016		March 2017 Rupees	June 2016 Rupees
<b>MODARABAS</b>				
117,636	117,636	Orix Modaraba	2,693,865	2,940,901
72,900	72,900	First Punjab Modaraba	488,430	344,088
<u>190,536</u>	<u>190,536</u>		<u>3,182,295</u>	<u>3,284,989</u>
<b>COMMERCIAL BANKS</b>				
50,000	100,000	Meezan Bank Limited	3,575,000	4,249,999
<u>50,000</u>	<u>100,000</u>		<u>3,575,000</u>	<u>4,249,999</u>
<b>TEXTILE COMPOSITE</b>				
35,000	-	Nishat Mills Limited	5,782,000	-
<u>35,000</u>	<u>-</u>		<u>5,782,000</u>	<u>-</u>
<b>CEMENT</b>				
-	35,000	Cherat Cement Company Limited	-	4,184,950
162,000	100,000	Fauji Cement Company Limited	6,914,160	3,580,000
30,000	-	D.G.Khan Cement Company Limited	6,972,000	-
<u>192,000</u>	<u>135,000</u>		<u>13,886,160</u>	<u>7,764,950</u>
<b>FUEL AND ENERGY</b>				
110,000	110,000	Hub Power Company Limited	14,416,600	13,206,600
-	60,000	Kot Addu Power Company Limited	-	5,355,293
49,000	49,000	Kohinoor Energy Limited	1,935,491	2,018,791
600,500	525,000	K-Electric Limited	4,912,333	4,231,744
-	15,840	Pakistan State Oil Company Limited	-	5,947,286
30,873	30,873	Pakistan Petroleum Limited	4,782,569	4,786,892
<u>790,373</u>	<u>790,713</u>		<u>26,046,993</u>	<u>35,546,606</u>
<b>AUTOMOBILE ASSEMBLER</b>				
2,000	-	Pak Suzuki Motor Company Limited	1,239,940	-
<u>2,000</u>	<u>-</u>		<u>1,239,940</u>	<u>-</u>
<b>COMMUNICATION</b>				
57,000	57,000	Pakistan Telecommunication Co. Ltd	921,690	856,710
<u>57,000</u>	<u>57,000</u>		<u>921,690</u>	<u>856,710</u>
<b>CHEMICALS &amp; PHARMACEUTICALS</b>				
-	62,820	Fauji Fertilizer Limited	-	7,206,709
42,000	10,000	Engro Fertilizer Limited	2,631,719	644,799
<u>42,000</u>	<u>72,820</u>		<u>2,631,719</u>	<u>7,851,508</u>
<u>1,358,909</u>	<u>1,346,069</u>		<u>57,265,797</u>	<u>59,554,762</u>

**1.2 Investment in mutual funds open-ended units**

March 2017 No. of Units	June 2016 No. of Units	DESCRIPTION	March 2017 Rupees	June 2016 Rupees
<b>MUTUAL FUNDS-OPEN ENDED</b>				
<b>105,286</b>	105,286	Meezan Islamic Fund	<b>8,946,164</b>	6,970,988
<b>126,971</b>	126,971	Meezan Balanced Fund	<b>2,360,378</b>	2,011,208
<b>1,070,987</b>	423,062	Meezan Cash Fund	<b>56,376,750</b>	21,212,318
<b>1,303,244</b>	655,320		<b>67,683,292</b>	30,194,514

2. These financial statements are unaudited and were authorized for issued on April 28, 2017 by the Board of Directors of the Management Company.
3. The accounting policies adopted for the preparation of these financial statements are consistent with those applied for the preparation of the preceding published financial statements.
4. Figures have been rounded off to the nearest rupee and have been re-arranged where necessary for the purpose of comparison.

**Chairman**  
E. A. Management (Pvt) Ltd

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

**Director**  
E. A. Management (Pvt) Ltd