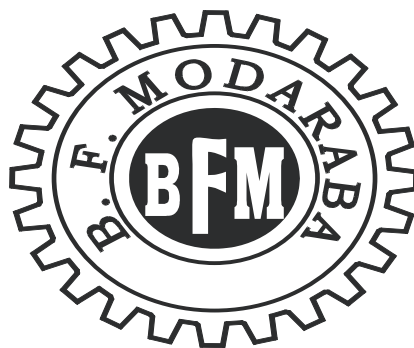


Financial Statements  
(Reviewed) for the  
Half Year Ended  
December 31, 2020



**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. Abdul Ghaffar Umer	Independent Director

### **AUDIT COMMITTEE**

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

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

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

### **COMPANY SECRETARY**

Mr. Muhammad Ayub

### **SHARIAH ADVISOR**

Mr. Mufti Zubair Usmani

### **LEGAL ADVISOR**

Mr. Ghullam Rasool Korai

### **MODARABA AUDITORS**

M/s. 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](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.) 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 M/S. B.F. MODARABA**

**Report on Review of Condensed Interim Financial Statements**

**Introduction**

We have reviewed the accompanying condensed interim statement of financial position of **M/s. B.F. Modaraba** ("the Modaraba") as at **December 31, 2020** and the related condensed statement of profit or loss, condensed interim statement of comprehensive income, condensed statement of changes in equity, and condensed interim statement of cash flows and notes thereto for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review.

**Scope of review**

We conducted our review in accordance with the International Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial statements 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 the 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.

As part of our engagement, we were only required to review the cumulative figures for the six-month period ended December 31, 2020. Accordingly, we have not reviewed the figures in the condensed interim statement of profit or loss and the condensed interim statement of comprehensive income for the three-month period ended December 31, 2020.

**Conclusion**

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

The engagement partner on the review resulting in this independent auditor's review report is **Mr. Muhammad Rafiq Dosani**.

**RAHMAN SARFARAZ RAHIM IQBAL RAFIQ**  
Chartered Accountants

**Karachi**

**Date: February 23, 2021**

**DIRECTOR'S REPORTS  
FOR THE PERIOD ENDED DECEMBER 31, 2020**

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, 2020, which has been reviewed by the External auditors.

Our gross revenue during the period was Rs. 6.480 million vis-à-vis Rs. 8.104 million for the corresponding period of 2019-20 declined by 20%. The unrealized loss in the value of investment in marketable securities reduced by Rs. 8.064 million and stood at Rs. 2.917 million as at December 31, 2020. Equity market showed its upward trend, KSE-100 index posted a positive return of 21.33% during 1HY20, closing at 43,755 points. Our Pre-tax Profit stood at Rs. 2.559 million against a Pre-tax Profit of Rs. 4.289 million for the corresponding period of 2019-20.

We are applying conservative approach while trading in equity market and invest on long term basis in blue chips scripts. Further, we have resumed trading activities in commodities and, Insha Allah, we shall earn profit in commodity trading as we did in the past.

We bow to Allah and pray for His blessing and guidance

**AMEEN**

Karachi:  
February 23, 2021

Hamza Omar Bawany  
Director

Muhammad Omar Amin Bawany  
Chief Executive

## چیف ایگزیکٹو کا جائزہ

برائے اختتامی مدت 31 دسمبر 2020

محترم سرٹیفیکیٹ ہولڈرز

اسلام علیکم!

اللہ تعالیٰ کے فضل و کرم سے میں 31 دسمبر 2020 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 عرصے کے دوران ہماری مجموعی آمدنی Rs. 6.480 ملین روپے کے مقابلے میں 2019-20 کے اسی عرصے میں 8.104 ملین روپے تھی جس میں 20 فیصد کمی واقع ہوئی۔ سیکیورٹیز میں سرمایہ کاری کی قدر پر غیر حقیقی نقصان 8.064 ملین تک کم ہوا اور 31 دسمبر 2020 کو خسارہ 2.917 ملین روپے رہا۔ ایکویٹی مارکیٹ میں اضافہ دیکھا گیا، کے ایس ای 100 انڈیکس نے 1HY20 کے دوران 21.33 فیصد کی مثبت واپسی کی اور 43755 پوائنٹس پر بند ہوا۔ ہمارا پری ٹیکس منافع Rs. 2.559 ملین روپے کے مقابلے میں 4.209 ملین روپے سال 2019-20 کے اسی عرصے پر تھا۔

ہم ایکویٹی مارکیٹ میں تجارت کرتے ہوئے محتاط رویہ اختیار کیا ہوا ہے اور بلوچیپ اسکرپٹ میں طویل مدتی بنیاد پر سرمایہ کاری کرتے ہیں۔ مزید یہ کہ ہم نے کموڈیتی کی ٹریڈنگ میں تجارتی سرگرمیاں دوبارہ شروع کیں ہیں اور انشاء اللہ ہم ماضی کی طرح کموڈیتی کی ٹریڈنگ میں منافع کمائیں گے۔

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

ڈائریکٹر

محمد عمر امین باوانی

کراچی: 23 فروری 2021

چیف ایگزیکٹو

## Condensed Interim Statement of Financial Position

As at December 31, 2020

		(Un-audited) December 31, 2020	(Audited) June 30, 2020
ASSETS	Note	-----Rupees-----	
<b>Non-current assets</b>			
Furniture and equipment		25,043	27,023
Long term deposits		40,019	40,019
Long term investments	3	120,550,156	103,046,631
		<u>120,615,218</u>	<u>103,113,673</u>
<b>Current assets</b>			
Stock in Trade		12,184,205	-
Prepayments and other receivables	4	2,571,802	378,099
Advance tax - net		3,246,198	3,174,271
Cash and bank balances	5	2,673,862	24,738,062
		<u>20,676,067</u>	<u>28,290,432</u>
<b>Total assets</b>		<u><u>141,291,285</u></u>	<u><u>131,404,105</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables		2,189,863	3,168,302
Due to Management Company		402,114	159,581
Unclaimed dividend		1,545,582	1,545,582
		<u>4,137,559</u>	<u>4,873,465</u>
<b>Certificate holders' equity</b>			
Certificate capital		75,151,587	75,151,587
Reserves		64,918,692	62,359,515
		<u>140,070,279</u>	<u>137,511,102</u>
Unrealized loss on re-measurement of investments classified as fair value through other comprehensive income	6	(2,916,553)	(10,980,462)
Contingencies and commitments	7	-	-
<b>Total equity and liabilities</b>		<u><u>141,291,285</u></u>	<u><u>131,404,105</u></u>

The annexed notes from 1 to 12 form an integral part of these financial statements.

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

Chairman

Chief Executive

Director

Chief Financial Officer

**Condensed Interim Statement of Profit or Loss***For the six months and quarter ended December 31, 2020 (unaudited)*

	Six months ended		Quarter ended	
	December 31,	December 31,	December 31,	December 31,
	2020	2019	2020	2019
	-----Rupees-----			
<b>Revenue - net</b>				
Unrealised gain on remeasurement of investments in units of mutual funds	4,882,874	5,614,050	1,876,778	5,614,050
Dividend - net of zakat	1,116,439	1,194,966	746,340	685,966
Profit on bank deposits accounts	480,513	1,294,996	219,293	698,813
	<u>6,479,826</u>	<u>8,104,012</u>	<u>2,842,411</u>	<u>6,998,829</u>
<b>Administrative expenditure</b>				
Operating expenses	(3,343,262)	(3,045,774)	(1,352,546)	(1,227,565)
Profit before charging Management Company's remuneration	<u>3,136,564</u>	<u>5,058,238</u>	<u>1,489,865</u>	<u>5,771,264</u>
Management Company's remuneration	(354,431)	(505,824)	(189,761)	(505,824)
<b>Profit before Worker's Welfare Fund</b>	<u>2,782,133</u>	<u>4,552,414</u>	<u>1,300,104</u>	<u>5,265,440</u>
Provision for Worker's Welfare Fund	(55,643)	(91,048)	(26,002)	(91,048)
<b>Profit before taxation</b>	<u>2,726,490</u>	<u>4,461,366</u>	<u>1,274,102</u>	<u>5,174,392</u>
Taxation	(167,313)	(171,896)	(111,798)	(95,546)
<b>Profit after taxation</b>	<u><u>2,559,177</u></u>	<u><u>4,289,470</u></u>	<u><u>1,162,304</u></u>	<u><u>5,078,846</u></u>
<b>Earnings per certificate - basic and diluted</b>				
	<u><u>0.34</u></u>	<u><u>0.57</u></u>	<u><u>0.15</u></u>	<u><u>0.68</u></u>

The annexed notes from 1 to 12 form an integral part of these financial statements.

Chairman

Chief Executive

Director

Chief Financial Officer

**Condensed Interim Statement of Comprehensive Income***For the six months and quarter ended December 31, 2020 (unaudited)*

	Six months ended		Quarter ended	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
	-----Rupees-----			
<b>Profit after taxation</b>	<b>2,559,177</b>	<b>4,289,470</b>	<b>1,162,304</b>	<b>5,078,846</b>
<b>Other comprehensive income</b>				
<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	<b>8,063,909</b>	<b>3,228,154</b>	<b>3,070,456</b>	<b>3,323,056</b>
<b>Total comprehensive income for the year</b>	<b><u>10,623,086</u></b>	<b><u>7,517,624</u></b>	<b><u>4,232,760</u></b>	<b><u>8,401,902</u></b>

The annexed notes from 1 to 12 form an integral part of these financial statements.

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

Chairman

Chief Executive

Director

Chief Financial Officer



## Condensed Interim Statement of Changes in Equity

For the six months ended December 31, 2020 (unaudited)

	Certificate capital	Reserves Statutory reserves	Unappropriated profits	Total
	-----Rupees-----			
Balance as at June 30, 2019 (restated)	75,151,587	47,385,189	12,317,774	134,854,550
<i>Total comprehensive income for the six months ended December 31, 2019</i>				
- Profit after taxation	-	-	4,289,470	4,289,470
- Other comprehensive income	-	-	-	-
	-	-	4,289,470	4,289,470
<b>Balance as at December 31, 2019</b>	<b>75,151,587</b>	<b>47,385,189</b>	<b>16,607,244</b>	<b>139,144,020</b>
Balance as at June 30, 2020	75,151,587	48,713,465	13,646,050	137,511,102
<i>Total comprehensive income for the six months ended December 31, 2020</i>				
- Profit after taxation	-	-	2,559,177	2,559,177
- Other comprehensive income	-	-	-	-
	-	-	2,559,177	2,559,177
<b>Balance as at December 31, 2020</b>	<b>75,151,587</b>	<b>48,713,465</b>	<b>16,205,227</b>	<b>140,070,279</b>

The annexed notes from 1 to 12 form an integral part of these financial statements.

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

Chairman

Chief Executive

Director

Chief Financial Officer

**Condensed Interim Statement of Cash Flows***For the six months ended December 31, 2020 (unaudited)*

	December 31, 2020	December 31, 2019
	-----Rupees-----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	2,726,490	4,461,366
<b>Adjustments for non-cash charges and other items:</b>		
- Depreciation on owned assets	1,980	2,498
- Profit on bank deposits	(480,513)	(1,294,996)
- Provision for Management Company's remuneration	354,431	505,824
- Provision for provident fund	189,626	155,660
- Provision for Worker's Welfare Fund	55,643	91,048
- Unrealised loss on remeasurement of investments	(4,882,874)	(5,614,050)
- Dividend income- net	(1,116,439)	(1,194,966)
	(5,878,146)	(7,348,982)
Operating loss before working capital changes	(3,151,656)	(2,887,616)
<b>Working capital changes</b>		
<i>Decrease / (increase) in current assets</i>		
- Stock in trade	(12,184,205)	-
- Prepayments and other receivables	(2,197,644)	(36,113)
- Trade debts	-	14,960,000
<i>Decrease in current liabilities</i>		
- Trade and other payables	(1,132,836)	(343,685)
	(15,514,685)	14,580,202
Taxes paid	(239,240)	(899,542)
Provident fund paid to employees	(90,994)	(23,000)
Management Company's remuneration paid	(111,898)	(346,593)
	(442,132)	(1,269,135)
<b>Net cash (used in) / generated from operating activities</b>	(19,108,473)	10,423,451
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Profit received on bank deposits	484,576	1,153,543
Purchase of investments	(4,556,742)	-
Dividend received	1,116,439	1,194,966
<b>Net cash (used in) / generated from investing activities</b>	(2,955,727)	2,348,509
Net (decrease) / increase in cash and cash equivalents	(22,064,200)	12,771,960
Cash and cash equivalents as at beginning of the year	24,738,062	12,875,793
<b>Cash and cash equivalents as at the end of year</b>	<b>2,673,862</b>	<b>25,647,753</b>

The annexed notes from 1 to 12 form an integral part of these financial statements.

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

Chairman

Chief Executive

Director

Chief Financial Officer

**Notes to the Condensed Interim Financial Statements***For the six months ended December 31, 2020 (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. 43-1-E(B), P.E.C.H.S., Block-6, Off Razi Road, Shahrah-e-Faisal, Karachi. The Modaraba is listed on Pakistan Stock Exchange. The Modaraba is a perpetual multi-purpose modaraba and is primarily engaged in investments in quoted securities, trading of sugar, leasing, musharika and murabaha transactions.

**2 BASIS OF PREPARATION OF THESE 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, 2020.

**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, 2020.

**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, 2020.

**B.F. MODARABA**
**Half Yearly Accounts**

		(Un-audited) December 31,	(Audited) June 30,
3	LONG TERM INVESTMENTS	2020	2020
	<i>Note</i>	-----Rupees-----	
	<i>At fair value through other comprehensive income</i>		
	Ordinary shares of listed companies	3.1 34,460,987	21,840,336
	<i>At fair value through profit or loss</i>		
	Units of open-ended mutual funds	3.2 86,089,169	81,206,295
		<u>120,550,156</u>	<u>103,046,631</u>

**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, 2020	June 30, 2020		December 31, 2020	June 30, 2020	December 31, 2020	June 30, 2020
-----Rupees-----						
MODARABAS						
21,136	21,136	Orix Modaraba	191,281	191,281	370,935	380,446
72,900	72,900	First Punjab Modaraba	127,575	127,575	166,212	145,800
BANK						
34,353	21,230	Meezan Bank Limited	1,478,826	742,751	3,587,827	1,461,685
CEMENT						
177,000	162,000	Fauji Cement Limited	5,414,849	5,091,404	3,835,590	2,734,560
13,000	13,000	Kohat Cement Limited	2,122,412	2,122,412	2,850,120	1,786,850
10,000	10,000	D.G.Khan Cement Limited	975,797	975,797	1,145,800	853,300
10,000	-	Maple Leaf Cement	312,200	-	450,100	-
REFINERY						
12,500	12,500	Attock Refinery Limited	2,078,108	2,078,108	2,275,625	1,116,500
FUEL AND ENERGY						
22,419	22,419	Hub Power Company Limited	1,037,619	1,037,619	1,778,499	1,625,377
49,000	49,000	Kohinoor Energy Limited	2,126,091	2,126,091	1,665,991	1,714,011
10,099	10,099	Pakistan Petroleum Limited	886,443	886,443	912,239	876,391
600,500	600,500	K-Electric Limited	5,255,514	5,255,514	2,348,198	1,807,747
ENGINEERING						
25,000	25,000	Mughal Iron & Steel Industries Lim	1,756,825	1,756,825	1,893,250	997,000
25,000	25,000	International Steels Limited	3,654,865	3,654,865	2,330,751	1,291,250
AUTOMOBILE ASSEMBLER						
2,000	2,000	Pak Suzuki Motors Limited	1,434,613	1,434,613	483,900	323,660
COMMUNICATION						
57,000	57,000	Pakistan Telecommunication Comp	1,006,050	1,006,050	518,701	506,161
CHEMICALS & PHARMACEUTICALS						
95,000	70,000	Engro Fertilizer Limited	5,943,738	4,333,450	6,006,849	4,219,598
FOOD & PERSONAL CARE PRODUCTS						
10,000	-	Frieslandcampina Engro Pakistan	731,100	-	822,700	-
TEXTILE COMPOSITE						
10,000	-	Nishat Mills Ltd	843,634	-	1,017,700	-
			37,377,540	32,820,798	34,460,987	21,840,336

**3.2 Investment in units of open-ended mutual funds**

Number of units		Name of Mutual Fund	Cost		Fair Value	
December 31, 2020	June 30, 2020		December 31, 2020	June 30, 2020	December 31, 2020	June 30, 2020
-----Rupees-----						
51,229	51,229	Alfalah GHP Islamic Value Fund	5,014,914	5,014,914	4,709,445	4,549,833
69,549	69,549	AKD Islamic Stock Fund	3,000,000	3,000,000	2,904,636	2,080,320
116,508	116,508	Meezan Islamic Fund	6,379,345	6,379,345	6,891,312	5,439,299
1,343,360	1,343,360	Meezan Islamic Income Fund	69,029,940	69,029,940	71,583,776	69,136,843
			83,424,199	83,424,199	86,089,169	81,206,295

**B.F. MODARABA****Half Yearly Accounts**

			(Un-audited) December 31, 2020	(Audited) June 30, 2020
<b>4</b>	<b>PREPAYMENTS AND OTHER RECEIVABLES</b>	<i>Note</i>	<b>-----Rupees-----</b>	
	Prepayments		190,167	123,960
	<i>Other receivables</i>			
	Profit on bank deposits		1,656	5,597
	Sales tax		2,379,979	248,542
			<u>2,571,802</u>	<u>378,099</u>
<b>5</b>	<b>CASH AND BANK BALANCES</b>			
	Cash in hand		136,250	70,774
	Balance with banks:			
	- Current accounts		943,655	943,655
	- Saving accounts	5.1	1,593,957	23,723,633
			<u>2,537,612</u>	<u>24,667,288</u>
			<u>2,673,862</u>	<u>24,738,062</u>
5.1	Saving accounts represent Islamic bank accounts. The rate of profit on these accounts ranges from 4.5% to 5.75% (June 30, 2020: 5% to 5.35%) per annum.			
<b>6</b>	<b>UNREALIZED LOSS ON RE-MEASUREMENT OF INVESTMENTS CLASSIFIED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME</b>			
	Surplus on revaluation of investments is presented under a separate head below equity as 'surplus on revaluation of investments' in accordance with the requirements of Circular No. SC/M/PRDD/PRs/2017-259 dated December 11, 2017 issued by the SECP.			
<b>7</b>	<b>CONTINGENCY AND COMMITMENTS</b>			
7.1	There has been no change in the status of the contingencies and commitments as reported in note 13 to the annual financial statements of the Modaraba for the year ended June 30, 2020.			
<b>8</b>	<b>TRANSACTIONS ENTERED INTO AND BALANCES HELD WITH RELATED PARTIES</b>			
	The related parties comprise of Faran Sugar Mills Limited, Modaraba Management Company, directors and key management personnel of the 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:			
			(Un-audited) December 31,2020	(Un-audited) December 31,2019
	<b>Transactions during the six months ended</b>			
	Purchase of sugar from Faran Sugar Mills Limited		12,184,205	-
	Management fee - payment during the six months ended		111,898	346,593
	Management fee - charge for the six months ended		354,431	505,824
			<u>12,184,205</u>	<u>346,593</u>
			<u>354,431</u>	<u>505,824</u>
			(Un-audited) December 31,2020	(Audited) June 30,2019
	<b>Balances outstanding as at the year end</b>			
	Management fee payable		402,114	159,581
			<u>402,114</u>	<u>159,581</u>

**9 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:

	Level 1	Level 2	Level 3	Total
<u>As on December 31, 2020</u>	-----	Amount in	Rupees	-----
<i>Financial assets measured at fair value- Long term investments</i>				
Investments in ordinary shares of listed companies	<b>34,460,987</b>	-	-	<b>34,460,987</b>
Investments in units of open-end mutual funds	<b>86,089,169</b>	-	-	<b>86,089,169</b>

**As on June 30, 2020**

<i>Financial assets measured at fair value- Long term investments</i>				
Investments in ordinary shares of listed companies	21,840,336	-	-	21,840,336
Investments in units of open-end mutual funds	81,206,295	-	-	81,206,295

**10 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, 2020.

**11 OPERATING SEGMENT**

These condensed interim financial statements have been prepared on the basis of a single reportable segment as the Modaraba's asset allocation decisions are based on a single and integrated business strategy.

All non current assets of the Modaraba as at December 31, 2020 were located in Pakistan.

**12. GENERAL****12.1. Impact of COVID-19 on these interim financial statements**

As in the rest of the world, Covid-19 adversely affected lifestyle and business operations in Pakistan. The Modaraba complies with SOPs prescribed by the Federal and Provincial Governments. The Modaraba management Company assessed the impact of COVID-19 related events on its financial statements particularly its impact on the appropriateness of the use of the going concern assumption.

The Modaraba management Company is of the view that there has not been any significant impact on the carrying amount of the assets and liabilities.

**12.2 Date of authorization for issue of these condensed interim 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 23, 2021**.

**12.3 Level of rounding**

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

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

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Chairman

Chief Executive

Director

Chief Financial Officer