



B.F. MODARABA

Managed By

E.A. MANAGEMENT (PVT) LTD.

Registered under

The Companies Ordinance 1984 & Modaraba
Companies & Modaraba Ordinance 1980

Annual Accounts
2026



B. F. MODARABA
38TH ANNUAL REPORT 2026
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CORPORATE INFORMATION

MODARABA MANAGEMENT COMPANY

E. A. Management (Pvt.) Ltd.

BOARD OF DIRECTORS

DIRECTORS OF MODARABA MANAGEMENT COMPANY

<i>Mr. Ahmed Ali Mohammad Amin Bawany</i>	<i>Chairman</i>
<i>Mr. Bilal Omar Bawany</i>	<i>Chief Executive</i>
<i>Mr. Muhammad Omar Amin Bawany</i>	<i>Director</i>
<i>Mr. Mohammed Altamash Bawany</i>	<i>Director</i>
<i>Mr. Sheryar Bawany</i>	<i>Director</i>
<i>Mr. Muhammad Samiullah</i>	<i>Independent Director</i>
<i>Ms. Tasneem Yusuf</i>	<i>Independent Director</i>

AUDIT COMMITTEE

<i>Mr. Muhammad Samiullah</i>	<i>Chairman</i>
<i>Mr. Ahmed Ali Mohammad Amin Bawany</i>	<i>Member</i>
<i>Mr. Muhammad Omar Amin Bawany</i>	<i>Member</i>
<i>Ms. Tasneem Yusuf</i>	<i>Member</i>

HUMAN RESOURCE & REMUNERATION COMMITTEE

<i>Mr. Muhammad Samiullah</i>	<i>Chairman</i>
<i>Mr. Ahmed Ali Mohammad Amin Bawany</i>	<i>Member</i>
<i>Mr. Muhammad Omar Amin Bawany</i>	<i>Member</i>
<i>Mr. Bilal Omar Bawany</i>	<i>Member</i>

CFO & COMPANY SECRETARY

Mr. Muhammad Ayub

LEGAL ADVISOR

Mr. Ghulam Rasool Korai

SHARIAH ADVISOR

Mr. Mufti Zubair Usmani

SHARIAH AUDITOR

M/s. ASAS Shariah Advisory Services (Private) Limited
Certified Shariah Auditor

MODARABA AUDITORS

M/s. RSM Avasi 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-I-E (B), Block No. 06
Off Razi Road, P.E.C.H.S.,
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
M-13, Progressive Plaza, Plot No. 5 - CL - 10,
Civil Lines Quarter, Beaumont Road, Karachi -75530
Phone: 35687839-35685930



CHAIRMAN'S REVIEW REPORT

I am pleased to present this report to the valued Certificate Holders of B.F. Modaraba (BFMOD) for the year ended June 30, 2026, covering the overall performance of Modaraba.

During FY2025-26, Pakistan's economic environment remained challenging, marked by heightened geopolitical tensions, including the US-Iran conflict and continued instability in the Middle East. These developments contributed to volatility in energy and commodity prices, increased uncertainty across global and regional markets, and heightened volatility in financial markets.

The Modaraba's performance during the year was particularly impacted by adverse developments in its two principal revenue-generating areas. The sugar-related business continued to face significant challenges arising from depressed domestic sugar prices, uncertainty surrounding government policies, and constraints affecting the sector's profitability. At the same time, the financial services/investment portfolio was affected by volatility and changing conditions in the financial markets, which adversely impacted income generation from this core area of the Modaraba's operations.

These external challenges placed pressure on the Modaraba's overall revenue and profitability during the year. Despite the difficult operating environment, the Board and management remained focused on prudent financial management, effective deployment of available resources, risk management, and protecting the interests of the Certificate Holders.

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 : October 05, 2026



چیمبر مین کی جائزہ رپورٹ

مجھے خوشی ہے کہ میں 30 جون 2026 کو اختتام پذیر ہونے والے سال کے لیے بی ایف مضاربہ (BFMOD) کے معزز سرٹیفکیٹ ہولڈرز کے سامنے یہ رپورٹ پیش کر رہا ہوں، جس میں مضاربہ کی مجموعی کارکردگی کا احاطہ کیا گیا ہے۔

مالی سال **2025-26** کے دوران پاکستان کا معاشی ماحول بدستور مشکل رہا۔ اس عرصے میں جغرافیائی و سیاسی کشیدگی میں اضافہ ہوا، جس میں **امریکہ اور ایران کے درمیان تنازعہ** اور مشرق وسطیٰ میں جاری عدم استحکام بھی شامل ہے۔ ان حالات کے باعث توانائی اور اجناس کی قیمتوں میں اتار چڑھاؤ، عالمی اور علاقائی منڈیوں میں غیر یقینی صورتحال میں اضافہ اور مالیاتی منڈیوں میں نمایاں اتار چڑھاؤ دیکھنے میں آیا۔ سال کے دوران مضاربہ کی کارکردگی اس کے آمدنی پیدا کرنے والے دو اہم شعبوں میں پیدا ہونے والی ناموافق صورتحال سے خصوصی طور پر متاثر ہوئی۔ **چینی سے متعلق کاروبار** کو ملکی سطح پر چینی کی کم قیمتوں، حکومتی پالیسیوں کے حوالے سے غیر یقینی صورتحال اور شعبے کی منافع بخش کارکردگی کو متاثر کرنے والی مختلف رکاوٹوں کے باعث مسلسل نمایاں مشکلات کا سامنا رہا۔ اسی طرح **مالیاتی خدمات/سرمایہ کاری کے بورڈ فولیو** کو بھی مالیاتی منڈیوں میں اتار چڑھاؤ اور بدلنے والے حالات کا سامنا کرنا پڑا، جس کے نتیجے میں مضاربہ کی بنیادی کاروباری سرگرمی کے اس اہم شعبے سے حاصل ہونے والی آمدنی بھی متاثر ہوئی۔

ان بیرونی چیلنجز کے باعث سال کے دوران مضاربہ کی مجموعی آمدنی اور منافع پر دباؤ رہا۔ مشکل کاروباری ماحول کے باوجود، بورڈ آف ڈائریکٹرز اور انتظامیہ نے محتاط مالی انتظام، دستیاب وسائل کے مؤثر استعمال، خطرات کے مناسب انتظام اور سرٹیفکیٹ ہولڈرز کے مفادات کے تحفظ پر اپنی بھرپور توجہ برقرار رکھی۔ بورڈ آف ڈائریکٹرز کی تشکیل مختلف شعبہ ہائے زندگی سے تعلق رکھنے والے افراد کے متنوع پس منظر اور کاروبار، مالیات، بینکاری اور قوانین و ضوابط کے شعبوں میں وسیع تجربے کی عکاسی کرتی ہے۔ بورڈ نے اپنی مؤثریت اور کارکردگی کا سالانہ جائزہ **خود تشخیصی بنیاد** پر مکمل کیا۔ بورڈ تمام متعلقہ قانونی اور ضابطہ جاتی تقاضوں کی تعمیل کو بھی یقینی بناتا ہے۔

بورڈ کو اس کی قائم کردہ کمیٹیوں کی جانب سے مؤثر معاونت حاصل ہے۔ **آڈٹ کمیٹی** مالیاتی گوشواروں کا جائزہ لیتی ہے اور اس امر کو یقینی بناتی ہے کہ اکاؤنٹس مضاربہ کی مالی حیثیت کی منصفانہ اور درست عکاسی کرتے ہیں۔ آڈٹ کمیٹی اندرونی کنٹرولز کی مؤثریت کو بھی یقینی بناتی ہے۔ **ہیومن ریسورسز (HR) کمیٹی** انسانی وسائل سے متعلق پالیسی کے فریم ورک کا جائزہ لیتی ہے اور اعلیٰ انتظامی ٹیم کے انتخاب اور معاوضے سے متعلق سفارشات پیش کرتی ہے۔ بورڈ کی جانب سے، میں سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) اور رجسٹرار مضاربہ کا ان کی مسلسل رہنمائی اور تعاون پر تہ دل سے شکریہ اور قدر دانی کا اظہار کرتا ہوں۔

احمد علی باوانی

چیمبر مین

Karachi.

Date : October 05, 2026



DIRECTORS' REPORT

Dear Certificate Holders,

Assalam-o-Aalikum,

In the name of ALLAH the most gracious and most merciful, your directors are pleased to present 38th Annual Report of your Modaraba together with the Audited Financial Statements for the year ended June 30, 2026.

FINANCIAL RESULTS

Financial results are summarized as follows:

	2026 Rupees	2025 Rupees
Revenue	17,090,576	33,145,122
Operating Expenses	(11,951,267)	(10,692,038)
Other Income	-	-
Profit / (Loss) before charging management fee	5,139,309	22,453,084
Management fee	(513,931)	(2,245,308)
Profit / (Loss) before WWF	4,625,378	20,207,776
WWF	(92,508)	(404,156)
Profit / (Loss) before taxation	4,532,870	19,803,620
Final Tax	(923,761)	(819,774)
Income tax- Current tax for the year	(87,644)	(4,286,650)
Profit / (Loss) after taxation	3,521,465	14,697,196
Earnings / (loss) per certificate	0.47	1.96

REVIEW OF OPERATIONS

Gross revenue during the year ended June 30, 2026 amounted to Rs. 17.090 million as compared with Rs. 33.145 million for the corresponding period of 2024-25. The decrease was primarily attributable to lower trading income during the year. The major components of revenue comprised Trading Income of Rs. 4.772 million, Dividend Income of Rs. 2.525 million, Profit on Bank Deposits of Rs. 5.092 million, Diminishing Musharakah Income of Rs. 2.239 million and Realized Gain on Mutual Funds of Rs. 3.116 million.

Profit before tax stood at Rs. 4.533 million as compared with Rs. 19.804 million for the corresponding period of 2024-25, while earnings per certificate stood at Rs. 0.47.

During FY2025-26, the Pakistan equity market maintained an overall positive trend, although significant fluctuations and periodic volatility were witnessed during the year. The ups and downs in market conditions affected investor sentiment and confidence and resulted in periods of cautious investment activity. Despite such volatility, the KSE-100 Index increased from 125,627 points as at June 30, 2025 to approximately 180,302 points as at June 30, 2026. The overall market performance supported the valuation of the Modaraba's investment portfolio, resulting in an unrealized gain on marketable securities of Rs. 22.058 million as at June 30, 2026.

The Modaraba also continued its sugar trading activities during the year. Sugar prices remained relatively subdued, which limited the potential for higher trading margins. The business continued to be conducted on a prudent basis in view of prevailing market prices and demand and supply conditions.

PROFIT DISTRIBUTION

The Board in its meeting held on October 05, 2026 has approved final profit distribution @ 5% i.e. Rs.0.50 per certificate.



FUTURE OUTLOOK

Pakistan's economy continued to show signs of stabilization during FY2025-26, supported by improving macroeconomic conditions and progress under the economic reform program. Going forward, the Modaraba intends to build upon these developments through prudent deployment of resources and continued focus on Shariah-compliant investment, financing and trading activities.

The equity market is expected to remain sensitive to domestic economic developments, interest rates, corporate earnings, foreign investment flows and Middle East conflicts. Given the volatility experienced during the year, the Modaraba will continue to follow a prudent investment approach, with emphasis on quality investments, sustainable dividend income and potential capital appreciation.

The sugar trading business will remain an area of focus due to huge availability of inventory in the country and uncertainty regarding appropriate quantum of export. Although sugar prices have not shown significant upward movement, the Modaraba will continue to pursue suitable trading opportunities based on prevailing market conditions

The external environment remains subject to geopolitical risks, particularly the ongoing conflict involving the United States and Iran and the broader instability in the Middle East. Such developments may affect international oil prices, inflation, exchange rates, supply chains and investor sentiment and may have an indirect impact on Pakistan's economic environment.

The Modaraba will continue to focus on:

- **Prudent risk management and preservation of capital;**
- **Diversification of income and financing activities;**
- **Strengthening its Shariah-compliant investment portfolio;**
- **Efficient deployment of available resources;**
- **Development of profitable trading and financing opportunities; and**
- **Exploration of new opportunities to enhance long-term stakeholder value.**

Management remains committed to sustainable growth, operational efficiency and prudent resource management and remains hopeful that improving economic conditions, favorable market opportunities and effective execution of its business strategy will contribute positively to the Modaraba's performance in the coming periods.

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. 518,604.

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, 2026 is annexed to the Annual report.

KEY OPERATING & FINANCIAL DATA

A statement summarizing key operating and financial data for the last six years is annexed to the Annual Report.

ASSURANCE REPORT ON COMPLIANCE WITH SHARIAH REGULATIONS, 2023

In terms of Shariah Governance Regulations, 2023, external Shariah Audit of B.F. Modaraba's financial arrangements, contracts and transactions with Shariah principles was conducted by a qualified team of ASAS Shariah Advisory Services (Private) Limited. The report confirms that the Modaraba's financial arrangements, contracts and transactions for the year ended June, 2026 are in compliance with the Shariah principles, in all material respects.

SHARIAH ADVISOR REPORT

Well known Shariah scholar, Mr. Mufti Zubair Usmani serves as a Shariah advisor of B.F. Modaraba. His guidance is sought on operational and compliance matters as and when required to ensure adherence to the Shariah guidelines on operational matters. The Internal Audit function also verifies Shariah compliance of the business transactions undertaken by the Modaraba according to the prescribed standards. Report issued by the Shariah Advisor is placed in the financial statements of the Modaraba.

AUDITORS

The present Auditors **M/s. Avais Hyder Liaquat Nauman, Chartered Accountants** is retiring on the date of Annual Review Meeting, being eligible, have offered themselves for re-appointment for the year ending June 30, 2027 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 hardworking 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

Karachi
Date October 05, 2026

Chief Executive



38 ویں سالانہ ڈائریکٹرز کی رپورٹ

مضاربہ کمپنی برائے اختتامی سال 30 جون 2026

محترم سرٹیفکیٹ یافتگان

اسلام و علیکم!

اللہ تعالیٰ کے نام سے جو بہت مہربان اور نہایت رحم کرنے والا ہے۔ آپ کے ڈائریکٹرز آپ کے مضاربہ کی 38 ویں سالانہ رپورٹ کے ساتھ 30 جون 2026 کو ختم ہونے والے سال کے لئے آڈٹ شدہ مالیاتی گوشوارہ پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

مالیاتی نتائج کا خلاصہ درج ذیل ہے:

تفصیل	2026 (روپے)	2025 (روپے)
آمدنی	17,090,576	33,145,122
آپریٹنگ اخراجات	(11,951,267)	(10,692,038)
دیگر آمدنی	-	-
منیجمنٹ فیس سے قبل منافع / (نقصان)	5,139,309	22,453,084
منیجمنٹ فیس	(513,931)	(2,245,308)
WWF سے قبل منافع / (نقصان)	4,625,378	20,207,776
WWF	(92,508)	(404,156)
ٹیکسیشن سے قبل منافع / (نقصان)	4,532,870	19,803,620
فائنل ٹیکس	(923,761)	(819,774)
انکم ٹیکس - سال کا موجودہ ٹیکس	(87,644)	(4,286,650)
ٹیکس کے بعد منافع / (نقصان)	3,521,465	14,697,196
فی سرٹیفکیٹ آمدنی / (نقصان)	0.47	1.96

کارکرد کا جائزہ

30 جون 2026 کو ختم ہونے والے سال کے دوران مجموعی آمدنی 17.090 ملین روپے رہی، جبکہ 2024-25 کی اسی مدت میں یہ 33.145 ملین روپے تھی۔ اس کمی کی بنیادی وجہ سال کے دوران تجارتی آمدنی میں کمی تھی۔ آمدنی کے اہم اجزاء میں 4.772 ملین روپے تجارتی آمدنی، 2.525 ملین روپے ڈیویڈنڈ آمدنی، 5.092 ملین روپے بینک ڈپازٹس پر منافع، 2.239 ملین روپے ڈمنشنگ مشارکہ آمدنی اور 3.116 ملین روپے میوچل فنڈز پر حاصل شدہ منافع شامل ہیں۔ ٹیکس سے قبل منافع 4.533 ملین روپے رہا، جبکہ 2024-25 کی اسی مدت میں یہ 19.804 ملین روپے تھا۔ فی سرٹیفکیٹ آمدنی 0.47 روپے رہی۔

مالی سال 2025-26 کے دوران پاکستان کی ایکویٹی مارکیٹ نے مجموعی طور پر مثبت رجحان برقرار رکھا، تاہم سال کے دوران نمایاں اتار چڑھاؤ اور وقفے وقفے سے مارکیٹ میں غیر یقینی صورتحال بھی دیکھی گئی۔ مارکیٹ کے حالات میں اتار چڑھاؤ نے سرمایہ کاروں کے جذبات اور اعتماد کو متاثر کیا، جس کے باعث بعض اوقات سرمایہ کاری کی سرگرمیاں محتاط رہیں۔ اس اتار چڑھاؤ کے باوجود KSE-100 انڈیکس 30 جون 2025 کے 125,627 پوائنٹس سے بڑھ کر 30 جون 2026 کو تقریباً 180,302 پوائنٹس تک پہنچ گیا۔ مجموعی مارکیٹ کارکردگی کے نتیجے میں موڈاربا کے سرمایہ کاری پورٹ فولیو کی مالیت کو معاونت ملی، جس کے باعث 30 جون 2026 کو مارکیٹ ایبل سیکیورٹیز پر غیر حقیقی منافع 22.058 ملین روپے رہا۔

موڈاربا نے سال کے دوران چینی کی تجارت کی سرگرمیاں بھی جاری رکھیں۔ چینی کی قیمتیں نسبتاً مستحکم اور محدود رہیں، جس کے باعث زیادہ تجارتی منافع حاصل کرنے کے امکانات محدود رہے۔ موجودہ مارکیٹ قیمتوں اور طلب و رسد کی صورتحال کو مدنظر رکھتے ہوئے کاروباری سرگرمیاں محتاط انداز میں جاری رکھی گئیں۔

منافع کی تقسیم

بورڈ آف ڈائریکٹرز نے اپنے 05 اکتوبر 2026 کو منعقدہ اجلاس میں حتمی منافع کی تقسیم کی منظوری دی، جو 5 فیصد یعنی فی سرٹیفکیٹ 0.50 روپے کے حساب سے ہے

مستقبل کا منظرنامہ

پاکستان کی معیشت نے مالی سال 2025-26 کے دوران معاشی استحکام کے آثار ظاہر کیے، جس میں بہتر ہوتی ہوئی معاشی صورتحال اور اقتصادی اصلاحاتی پروگرام کے تحت ہونے والی پیش رفت نے اہم کردار ادا کیا۔ مستقبل میں موڈاربا کا ارادہ ہے کہ ان مثبت پیش رفت سے فائدہ اٹھاتے ہوئے وسائل کو محتاط انداز میں بروئے کار لایا جائے اور شرعہ کے مطابق سرمایہ کاری، فنانسنگ اور تجارتی سرگرمیوں پر مسلسل توجہ مرکوز رکھی جائے۔

ایکویٹی مارکیٹ میں ملکی معاشی صورتحال، شرح سود، کمپنوں کی مالی کارکردگی، غیر ملکی سرمایہ کاری کے بہاؤ اور مشرق وسطیٰ کے تنازع کے باعث حساسیت برقرار رہنے کی توقع ہے۔ سال کے دوران مارکیٹ میں رہنے والے اتار چڑھاؤ کے پیش نظر، موڈاربا سرمایہ کاری کے لیے محتاط حکمت عملی اختیار کرنا جاری رکھے گا، جس میں معیاری سرمایہ کاری، مستقل اور پائیدار ڈیولپمنٹ آمدنی اور ممکنہ سرمایہ جاتی منافع پر خصوصی توجہ دی جائے گی۔



ملک میں جینی کے وافر ذخیرے اور اس کی برآمد کی مناسب مقدار کے حوالے سے غیر یقینی صورتحال کے باعث جینی کی تجارت کا کاروبار بھی موڈاربا کی ترجیحات میں شامل رہے گا۔ اگرچہ جینی کی قیمتوں میں نمایاں اضافہ دیکھنے میں نہیں آیا، تاہم موڈاربا موجودہ مارکیٹ کے حالات کو مدنظر رکھتے ہوئے موروث تجارتی مواقع سے فائدہ اٹھانے کی کوشش جاری رکھے گا۔

بیرونی ماحول بدستور جغرافیائی سیاسی خطرات سے متاثر ہونے کا امکان ہے، خصوصاً امریکہ اور ایران کے درمیان جاری تنازع اور مشرق وسطیٰ میں وسیع تر عدم استحکام کے باعث۔ ان حالات کے نتیجے میں بین الاقوامی تیل کی قیمتوں، افراط زر، شرح مبادلہ، سیلابی چین اور سرمایہ کاروں کے جذبات پر اثر پڑ سکتا ہے، جس کے بالواسطہ اثرات پاکستان کے معاشی ماحول پر بھی مرتب ہو سکتے ہیں۔

موڈاربا کی آئندہ ترجیحات

موڈاربا درج ذیل امور پر مسلسل توجہ مرکوز رکھے گا:

- محتاط رسک مینجمنٹ اور سرمایے کا تحفظ؛
 - آمدنی اور فنانسنگ کی سرگرمیوں میں تنوع پیدا کرنا؛
 - شریعہ کے مطابق سرمایہ کاری کے پورٹ فولیو کو مزید مضبوط بنانا؛
 - دستیاب وسائل کا مؤثر اور مناسب استعمال؛
 - منافع بخش تجارتی اور فنانسنگ کے مواقع کو فروغ دینا؛
 - طویل مدتی اسٹیک ہولڈر ویلیو میں اضافے کے لیے نئے مواقع تلاش کرنا۔
- انتظامیہ پائیدار ترقی، آپریشنل کارکردگی اور وسائل کے محتاط انتظام کے لیے پُر عزم ہے اور اسے امید ہے کہ بہتر یونی معاشی صورتحال، سازگار کاروباری مواقع اور کاروباری حکمت عملی پر مؤثر عملدرآمد آنے والے ادوار میں موڈاربا کی کارکردگی میں مثبت کردار ادا کرے گا۔

کارپوریٹ گورننس۔

جیسا کہ کوڈ آف کارپوریٹ گورننس کی ضرورت ہے، آپ کے ڈائریکٹرز یہ اطلاع دیتے ہوئے خوش ہیں:

1. موڈاربا کی انتظامیہ کی طرف سے تیار کردہ مالیاتی بیانات اس کے معاملات کی منصفانہ حالت، اس کے آپریشن کا نتیجہ، نقد بہاؤ اور ایکوئٹی میں تبدیلیوں کو پیش کرتے ہیں۔
2. موڈاربا کے اکاؤنٹس کی مناسب کتابیں برقرار رکھی گئی ہیں۔
3. مناسب حساب کتاب کی پالیسیوں کو مالی بیانات کی تیاری میں مستقل طور پر لاگو کیا گیا ہے اور اکاؤنٹنگ کا تخمینہ معقول اور سمجھدار فیصلوں پر مبنی ہے۔
4. بین الاقوامی مالیاتی رپورٹنگ کے معیارات، جیسا کہ پاکستان میں لاگو ہوتا ہے، مالی بیانات کی تیاری میں عمل کیا گیا ہے۔
5. اندرونی کنٹرول کا نظام درست ہے اور اسے مؤثر طریقے سے نافذ اور مانیتئر کیا گیا ہے۔
6. موڈاربا کی جاری تشویش کے طور پر جاری رکھنے کی صلاحیت پر کوئی خاص شبہات نہیں ہیں۔
7. کارپوریٹ گورننس کے بہترین طریقوں سے کوئی مادی روانگی نہیں ہے جیسا کہ پاکستان اسٹاک ایکسچینج کے رول بک کے ریگولیشنز میں تفصیل کے علاوہ سوائے کارپوریٹ گورننس کے بہترین طریقوں کے ساتھ منسلک تعمیل میں ذکر کیا گیا ہے۔
8. پچھلے چھ سالوں کے اہم اعداد و شمار کے کلیدی آپریٹنگ اور مالیاتی اعداد و شمار کا خلاصہ۔
9. بقایا ڈیویڈنڈ، لیویز اور چارجز کے خلاف معلومات اکاؤنٹس کو نوٹوں میں دی گئی ہیں۔
10. کمپنی غیر منافع بخش پروویڈنٹ فنڈ اسکیم چلاتی ہے۔ اثاثوں کی بنیاد پر مناسب قیمت روپے ہے۔/518,604

کارپوریٹ گورننس کے کوڈ کے ساتھ تعمیل

سالانہ رپورٹ کے ساتھ کارپوریٹ گورننس کے بہترین طریقوں کی تعمیل کی حیثیت بیان کرنے والا بیان۔ بورڈ میٹنگز

زیر جائزہ سال کے دوران بورڈ آف ڈائریکٹرز کی 4 میٹنگز منعقد ہوئیں۔ ایک بیان جس میں ہر ڈائریکٹر نے شرکت کی میٹنگوں کی تعداد ظاہر کی ہے سالانہ رپورٹ سے منسلک ہے۔

سرٹیفکیٹ ہولڈرز کا پیٹرن۔

30 جون 2026 کے طور پر سرٹیفیکیشن کے انعقاد کا نمونہ ظاہر کرنے والا بیان سالانہ رپورٹ سے منسلک ہے۔



کلیدی آپریٹنگ اور فنانشل ڈیٹا۔

گزشتہ چھ سالوں کے کلیدی آپریٹنگ اور مالیاتی اعداد و شمار کا خلاصہ بیان سالانہ رپورٹ سے منسلک ہے۔ شرعی گورننس ریگولیشنز، 2023 کے تحت، بی ایف مضاربہ کے مالی انتظامات، معاہدوں اور شرعی ضوابط، 2023 کی تعمیل سے متعلق اطمینان دہانی کی رپورٹ

لین دین کا شرعی اصولوں کے مطابق بیرونی شرعی آڈٹ ASAS Shariah Advisory Services (Private) Limited کی مستند اور ماہر ٹیم کی جانب سے کیا گیا۔ رپورٹ میں اس امر کی تصدیق کی گئی ہے کہ 30 جون 2026 کو اختتام پذیر ہونے والے سال کے دوران مضاربہ کے مالی انتظامات، معاہدے اور لین دین تمام اہم اور قابل ذکر امور میں شرعی اصولوں کے مطابق رہے ہیں۔

شرعی مشیر کی رپورٹ معروف عالم دین اور ممتاز شرعی اسکالر مفتی زبیر عثمانی بی ایف مضاربہ کے شرعی مشیر کی حیثیت سے خدمات انجام دے رہے ہیں۔ آپریشنل اور شرعی تعمیل سے متعلق امور میں، ضرورت کے مطابق، ان کی رہنمائی حاصل کی جاتی ہے تاکہ مضاربہ کے عملی معاملات میں شرعی اصول و ضوابط کی پابندی کو یقینی بنایا جا سکے۔

مضاربہ کا اندرونی آڈٹ کا شعبہ بھی مضاربہ کی جانب سے انجام دیے جانے والے کاروباری لین دین کی مقررہ شرعی معیارات کے مطابق تعمیل کا جائزہ لیتا ہے۔ شرعی مشیر کی جانب سے جاری کردہ رپورٹ مضاربہ کے مالی گوشواروں میں شامل ہے۔

آڈیٹر

موجودہ آڈیٹرز M/s اویس حیدر لیاقت نومان، چارٹرڈ اکاؤنٹنٹس، سالانہ ریویو میٹنگ کی تاریخ پر ریٹائر ہو رہے ہیں۔ وہ دوبارہ تقرری کے لیے اہل ہیں اور انہوں نے مالی سال ختم شدہ 30 جون 2026 کے لیے اپنی رضامندی ظاہر کی ہے، جس کی منظوری رجسٹرارِ مڈاربہ کمپنیز و آرہ جات سے مشروط ہے۔ بورڈ نے ان کی تقرری کی توثیق کر دی ہے۔

آڈٹ آیزرویشن (اگر کوئی ہو) متعلقہ نوٹس/بیانات میں وضاحت کے ساتھ بیان کی گئی ہے۔

اعتراف

بورڈ آف ڈائریکٹرز ریگولیٹری اتھارٹیز کی رہنمائی اور مدد کے لیے اور سرٹیفکیٹ ہولڈرز کی مسلسل سرپرستی اور ملازمین کی محنت اور موڈاربا کمپنی کے انتظام پر اعتماد کے لیے شکر گزار ہیں۔ اللہ رب العزت موڈاربا کی ترقی کی ہماری کوششوں میں رہنمائی فرمائے اور نعمت سے نوازے آمین۔ بورڈ کی جانب سے۔

چیف ایگزیکٹو

کراچی

تاریخ 05 اکتوبر 2026



DISCLOSURES

STRATEGIC OBJECTIVES ON ESG

The Securities and Exchange Commission of Pakistan (SECP) has introduced ESG disclosure guidelines for listed companies which revolve around factors like protecting the environment. Reduction of waste, environmental sustainability. The scope of ESG initiatives is very diverse and comprehensive too. On its part, B.F. Modaraba has played its role in promoting staff welfare activities and through humble donations to the health welfare organizations. Governance standards have always remained at the forefront of the organization. B.F. Modaraba has put in place an effective framework of ethical business practices. ESG initiatives shall be further strengthened and a long-term plan in this regard shall be worked out in due course.

GENDER PAY GAP STATEMENT

Gender Pay Gap statement under Securities and Exchange Commission of Pakistan (SECP) Circular 10 of 2024 following is gender pay gap calculated for the year ended June 30, 2026:

- a) Mean Gender Pay Gap: 100%
- b) Median Gender Pay Gap: 100%
- c) Any other data / details as deemed relevant: Nil

During the year under review, the Modaraba had no female employees.

The requirements introduced by the SECP through a recent notification dated 12th June, 2024, regarding Environmental, Social and Governance (ESG) matters shall be implemented in due course.

Karachi

Date October 05, 2026

Chief Executive



Shari'ah Advisor Report For the financial year ended June 30, 2026

This to please report that for the financial year ended June 30, 2026, 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

The business activities of B.F. Modaraba during the financial year ended June 30, 2026 have been found to be Sharia'h compliant

Regards

Dr. Mufti Zubair Usmani
Shariah Advisor Of B.F.Modaraba

MUHAMMAD ZUBAIR USMANI

Dated: October 05, 2026



INDEPENDENT AUDITOR'S REPORT

To the Certificate Holders of BF Modaraba

Report on the audit of the financial statements

Opinion

We have audited the annexed financial statements of **BF Modaraba** (the Modaraba), which comprise the statement of financial position as at June 30, 2026, and the statement of profit or loss, statement of other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policies and other explanatory information, 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 the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss and statement of other comprehensive income, the statement of change in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Modaraba Companies and Modaraba (Flotation and Control) Ordinance, 1980 (XXXI of 1980), in the manner so required and respectively give a true and fair view of the state of the Modaraba's affairs as at June 30, 2026 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Modaraba and E.A Management (Private) Limited in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the key audit matters:

Sr. No.	Key Audit Matters	How the matter was addressed in our audit
1	Stock in trade (Refer note 10 to the financial statements)	Our audit procedures included the following:



	Due to the significance of inventory balances and related estimations involved, this is considered as a key audit matter.	-Obtained an understanding of internal controls over purchases and valuation of stock in trade and tested, on a sample basis, their design, implementation and operating effectiveness. -Obtained confirmations from third party where the inventory is held by third party, for confirming the quantity and condition of the stock. -Performed NRV test to ensure that the inventory is valued at lower of cost and NRV.
2	Long Term Investments <i>(Refer note 6 to the financial statements)</i> The Company have invested in the quoted companies and modarabas, and has classified it as fair value through other comprehensive income. Due to the significance of investment balances and related estimations involved, this is considered as a key audit matter.	Our audit procedures included the following: -Obtained an understanding of the process relating to classification of investment in the fair value through other comprehensive income. -Performed test of details on a valuation of the investment at fair value including verification of investment rates which are available at PSX website. -Insured that the unrealized gains of these investments have been appropriately classified in the other comprehensive income. -Ensured the adequacy of disclosures in accordance with applicable financial reporting standards.

Responsibilities of management and board of directors for the financial statements

Management of the Modaraba Company is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of the Modaraba Companies and Modaraba (Flotation and Control) Ordinance, 1980 (XXXI of 1980) and for such internal control as management of the Modaraba Company determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management of the Modaraba is responsible for assessing the Modaraba's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management of the Modaraba either intends to liquidate the Modaraba or to cease operations, or has no realistic alternative but to do so.

Board of directors of the Modaraba Management Company are responsible for overseeing the Modaraba's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.



Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Modaraba's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management of the Modaraba Company.
- Conclude on the appropriateness of management of the Modaraba Management Company's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Modaraba's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Modaraba to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors of the Modaraba Management Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors of the Modaraba Management Company with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on other legal and regulatory requirements

Based on our audit, we further report that in our opinion:



- a) Proper books of account have been kept by the Modaraba Management Company in respect of the Modaraba as required by Modaraba Companies and Modaraba (Flotation and Control) Ordinance, 1980 (XXXI of 1980);
- b) the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Modaraba Companies and Modaraba (Flotation and Control) Ordinance, 1980 (XXXI of 1980) and are in agreement with the books of account;
- c) business conducted, investments made, and expenditure incurred during the year by the Modaraba were in accordance with the objects, terms and conditions of the Modaraba; and
- d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980);

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

Chartered Accountants
Karachi

Dated: October 06, 2026
UDIN: AR2026102428nQUYZg0m



B.F. Modaraba

Statement of Financial Position

As at June 30, 2026

		2026	2025
ASSETS	Note	-----Rupees-----	
Non-current assets			
Furniture and equipment	4	345,595	13,305
Long term deposits	5	40,019	40,019
Long term investments	6	105,032,050	52,543,309
Diminishing Musharaka	7	1,682,016	3,682,029
		<u>107,099,680</u>	<u>56,278,662</u>
Current assets			
Prepayments and other receivables	9	10,668,530	10,807,273
Current portion of Diminishing Musharaka	7	4,873,557	13,798,999
Advance tax - net		672,473	57,186
Stock in trade	10	48,246,610	54,025,400
Cash and bank balances	11	14,104,713	41,877,006
		<u>78,565,883</u>	<u>120,565,864</u>
Total assets		<u><u>185,665,563</u></u>	<u><u>176,844,526</u></u>
LIABILITIES AND EQUITY			
Current liabilities			
Trade and other payables	12	1,051,112	1,925,149
Due to Management Company	19	513,931	2,245,308
Unclaimed dividend		1,690,888	1,690,889
		<u>3,255,931</u>	<u>5,861,346</u>
Certificate holders' equity			
Certificate capital	13	75,151,587	75,151,587
Reserves	14	85,199,617	74,359,894
		<u>160,351,204</u>	<u>149,511,481</u>
Unrealized gain on re-measurement of investments classified as fair value through other comprehensive income	15	22,058,428	21,471,699
Total liabilities and equity		<u><u>185,665,563</u></u>	<u><u>176,844,526</u></u>
Contingencies and commitments	16	-	-

The annexed notes from 1 to 28 form an integral part of these financial statements.

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

Chairman

Chief Executive

Director

Chief Financial Officer



B.F. Modaraba

Statement of Profit or Loss

For the year ended June 30, 2026

		2026	2025
		-----Rupees-----	
Revenue - net			
Trading Income		4,772,900	17,458,808
Dividend - net of Zakat	17	2,524,726	5,023,879
Profit on bank deposits		5,092,387	5,339,785
Diminishing Musharakah income		2,238,658	5,298,829
Realized Gain of Mutual Fund		3,115,929	-
Unrealised (loss)/gain on remeasurement of investments in units of mutual funds		(654,024)	23,821
		<u>17,090,576</u>	<u>33,145,122</u>
Administrative expenditure			
Operating expenses	18	(11,951,267)	(10,692,038)
Profit before charging Management Company's remuneration		<u>5,139,309</u>	<u>22,453,084</u>
Management Company's remuneration	19	(513,931)	(2,245,308)
Provision for Worker's Welfare Fund		(92,508)	(404,156)
Profit before taxation		<u>4,532,870</u>	<u>19,803,620</u>
Final Taxes	20	(923,761)	(819,774)
Income tax			
Current Tax- For the year		(87,644)	(4,286,650)
-Prior year		-	-
Deferred tax		-	-
Profit after taxation		<u>3,521,465</u>	<u>14,697,196</u>
Earning per certificate - basic and dilu	21	<u>0.47</u>	<u>1.96</u>

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The annexed notes from 1 to 28 form an integral part of these financial statements.

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

Chairman	Chief Executive	Director	Chief Financial Officer
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B.F. Modaraba

Statement of Comprehensive Income

For the year ended June 30, 2026

	2026	2025
	-----Rupees-----	
Profit after taxation	3,521,465	14,697,196
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	586,729	3,866,897
Total comprehensive income for the year	<u><u>4,108,194</u></u>	<u><u>18,564,093</u></u>

The annexed notes from 1 to 28 form an integral part of these financial statements.

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

Chairman

Chief Executive

Director

Chief Financial Officer



B.F. Modaraba

Statement of Changes in Equity

For the year ended June 30, 2026

	Certificate capital	Reserves		Total Reserves	Total
		Statutory reserves	Unappropriated profits		
		-----Rupees-----			
Balance as at June 30, 2024	75,151,587	50,255,171	(1,639,820)	48,615,351	123,766,938
- Profit after taxation	-	-	14,697,196	14,697,196	14,697,196
- Other comprehensive income	-	-	-	-	-
- Profit realized on disposal of investments in ordinary shares of listed companies	-	-	-	-	-
	-	-	11,047,347	11,047,347	11,047,347
Balance as at June 30, 2025	75,151,587	50,255,171	24,104,723	74,359,894	149,511,481
Total comprehensive income for the year ended June 30, 2026					
- Profit after taxation	-	-	3,521,465	3,521,465	3,521,465
- Other comprehensive income	-	-	-	-	-
	-	-	3,521,465	3,521,465	3,521,465
- Profit realized on disposal of investments in ordinary shares of listed companies	-	-	7,318,258	7,318,258	7,318,258
Balance as at June 30, 2026	75,151,587	50,255,171	34,944,446	85,199,617	160,351,204

* As per Circular No. SC/M/PRDD/PRs/2017-259 dated December 11, 2017 issued by the SECP, the surplus on revaluation of investments has not been included in the equity. final

The annexed notes from 1 to 28 form an integral part of these financial statements.

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

Chairman

Chief Executive

Director

Chief Financial Officer



B.F. Modaraba

Statement of Cash Flows

For the year ended June 30, 2026

	Note	2026 Rupees	2025
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		4,532,870	19,803,620
Adjustments for non-cash charges and other items:			
- Depreciation on furniture and equipment	4	144,610	1,812
- Profit on bank deposits		(5,092,387)	(5,339,785)
- Provision for Provident Fund		825,936	708,504
- Provision for Worker's Welfare Fund		92,508	404,156
- Unrealised gain/loss on remeasurement of investments		654,024	(23,821)
- Dividend income - net of zakat	17	(2,524,726)	(5,023,879)
		<u>(5,900,035)</u>	<u>(9,273,013)</u>
Operating loss before working capital changes		(1,367,165)	10,530,607
Working capital changes			
<i>Decrease / (increase) in current assets</i>			
- Stock in trade		5,778,790	(12,335,851)
- Prepayments and other receivables		54,597	(2,115,677)
<i>Increase in current liabilities</i>			
- Trade and other payables		(874,037)	250,283
- Due to Management Company		(1,731,377)	1,391,087
		<u>3,227,973</u>	<u>(12,810,158)</u>
Income tax refund/paid - net		(1,608,674)	(1,641,497)
Provident fund paid to employees		(1,428,325)	(707,624)
Sale of investments - net		28,980,919	24,511,558
Purchase of Mutual Fund Units		(67,681,032)	(10,796,573)
Dividend received		<u>2,524,726</u>	<u>5,023,879</u>
		<u>(39,212,386)</u>	<u>16,389,743</u>
Net cash inflow / (outflow) from operating activities		<u>(37,351,578)</u>	<u>14,110,192</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Profit received on bank deposits		5,176,533	5,066,282
Diminishing Musharaka		<u>4,402,752</u>	<u>11,141,255</u>
Net cash (outflow) / inflow from investing activities		<u>9,579,285</u>	<u>16,212,869</u>
Net increase / (decrease) in cash and cash equivalents		(27,772,293)	30,323,061
Cash and cash equivalents as at beginning of the year		41,877,006	11,553,945
Cash and cash equivalents as at end of the year	11	<u><u>14,104,713</u></u>	<u><u>41,877,006</u></u>

The annexed notes from 1 to 28 form an integral part of these financial statements.

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

Chairman

Chief Executive

Director

Chief Financial Officer



B.F. Modaraba

Notes to the Financial Statements

For the year ended June 30, 2026

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 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 (i) Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, (ii) Modaraba Companies and Modaraba Rules, 1981, (iii) The Modaraba Regulations, 2021 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, except for :

- Investments in quoted companies and modarabas carried at fair value through other comprehensive income
- Investments in open-ended mutual funds carried at fair value through profit or loss

2.3 Functional and presentation currency

These financial statements are presented in Pakistan 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 approved accounting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, 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 result of which form the basis of making 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:

- Provision for taxation

Note

3.11



2.5 New accounting pronouncements

2.5.1 Standards, interpretations and amendments to the published accounting and reporting standards:

New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2026

The following standards, amendments and interpretations are effective for the year ended June 30, 2026. These standards, amendments and interpretations are either not relevant to the Modaraba's operations or did not have significant impact on the financial statements other than certain additional disclosures.

	Effective date (accounting periods beginning on or after)
Amendments to IFRS 9 'Financial Instrument'	January 1, 2026
Amendments to IFRS 7 'Insurance Contracts'	January 1, 2026

The Modaraba adopted the narrow-scope amendments to the International Accounting Standard (IAS) 1, Presentation of Financial Statements which have been effective for annual reporting periods beginning on or after 1 January 2025. Although the amendments did not result in any changes to accounting policy themselves, they impacted the accounting policy information disclosed in the financial statements.

2.5.2 Standards, interpretations and amendments to the published accounting and reporting standards that are not yet effective:

The following amendments with respect to the accounting and reporting standards would be effective from the dates mentioned below against the respective amendments:

Amendments	Effective date (accounting periods beginning on or after)
- IFRS 18 - 'Presentation and Disclosure in financial statements'	January 1, 2027

3. MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous financial years.

3.1 Furniture and equipment

Fixed assets held for own use are stated at cost less accumulated depreciation and impairment, if any. Depreciation is charged to income applying the reducing balance method at the rates specified in note 4 to these financial statements.

Depreciation is charged from the date of acquisition of the respective assets upto the date of disposal.

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.

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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 instruments

3.6.1 Initial recognition, classification and measurement

The Modaraba recognizes a financial asset 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 settlement date accounting i.e. on the date on which settlement of the purchase transaction takes place.

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 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.

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. However, for an investment in equity instrument which is not held for trading, the Modaraba may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value of the investment.

Such financial assets are initially measured at fair value.

3.6.2 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 the statement of 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 to equity as a reclassification adjustment. 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 the statement of profit or loss. However, for an investment in equity instrument which is not held for trading and for which the Modaraba has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of the investment, such gains or losses are recognized in other comprehensive income. Further, when such investment is disposed off, the cumulative gain or loss previously recognised in other comprehensive income is not reclassified from equity to profit or loss.

3.6.3 Impairment

The Modaraba recognises a loss allowance for expected credit losses in respect of financial assets measured at amortised cost.

For trade debts, the Modaraba applies the IFRS 9 'Simplified Approach' to measuring expected credit losses which uses a lifetime expected loss allowance.

For other financial assets, the Modaraba applies the IFRS 9 'General Approach' to measuring expected credit losses whereby the Modaraba measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. However, if, at the reporting date, the credit risk on a financial instrument has not increased significantly since initial recognition, the Modaraba measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

The Modaraba measures expected credit losses on financial assets 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.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

3.6.4 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.

The Modaraba directly reduces the gross carrying amount of a financial asset when the Modaraba has no reasonable expectations of recovering the financial asset in its entirety or a portion thereof. A write-off constitutes a derecognition event.

3.7 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 or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in the statement of profit or loss. Any gain or loss on de-recognition is also recognized in the statement of profit or loss.

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.

3.8 Provisions and contingent liabilities

Provisions

A provision is recognised in the statement of financial position when the Modaraba has a legal or constructive obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

As the actual outflows can differ from estimates made for provisions due to changes in laws, regulations, public expectations, technology, prices and conditions, and can take place many years in the future, the carrying amounts of provisions are reviewed at each reporting date and adjusted to take account of such changes. Any adjustments to the amount of previously recognised provision is recognised in the statement of profit or loss unless the provision was originally recognised as part of cost of an asset.

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Contingent liabilities

A contingent liability is disclosed when the Modaraba has a possible obligation as a result of past events, whose existence will be confirmed only by the occurrence or non-occurrence, of one or more uncertain future events not wholly within the control of the Modaraba; or the Modaraba has a present legal or constructive obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

3.9 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.

3.10 Revenue

Revenue from trading activities

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

Diminishing Musharaka

Income on diminishing musharaka financing is recognized on accrual basis.

Gain or loss on Investment

Gain or loss on sale of investment are included in statement of profit and loss and other comprehensive income in the period in which they arise.

Short-term paid absences

Provision for accumulating compensated absences, whether vesting or non-vesting, is recognized as the employees render services that increase their entitlement to future paid absences. Such provision is measured as the additional amount that the Modaraba expects to pay as a result of the unused entitlement that has accumulated at the end of the reporting period.

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

Post-employment benefits - Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate fund and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. As a consequence, actuarial risk (that benefits will be less than expected) and investment risk (that assets will be insufficient to meet expected benefits) fall, in substance, on the employee.

The Modaraba operates an unfunded provident scheme for its employees which is classified as a defined contribution plan. Equal monthly contributions are made by the Modaraba and the employees to the plan at the rate equal to 9% of their basic salary.

When an employee has rendered service to the Modaraba during a period, the Modaraba recognises the contribution payable to a defined contribution plan in exchange for that service as an expense in profit or loss and as a liability in the statement of financial position (accrued expense), after deducting any contribution already paid. If the contribution already paid exceeds the contribution due for service before the end of the reporting period, the Modaraba recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund.

When contributions to a defined contribution plan are not expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service, they are discounted using the discount rate determined by reference to market yields at the end of the reporting period on high quality corporate bonds (or when there is no deep market in such bonds, the government bonds) having term consistent with the estimated term of the post-employment benefit obligations.



3.11 Taxation

b) Income Tax

Current

Provision of current tax is based on the taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates that have been enacted or substantively enacted at the balance sheet date.

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

	Office equipment	Furniture & fixture	Computer & allied equipment	Motor Bike	Total
(Rupees)					
As at June 30, 2024					
Cost	147,225	146,603	351,720	-	645,548
Accumulated depreciation	(141,173)	(139,211)	(350,491)	-	(630,875)
	6,052	7,392	1,229	-	14,673
Movement during the year ended June 30, 2025					
Opening net book value	6,122	7,472	1,423	-	15,017
Depreciation for the year	(605)	(739)	(368)	-	(1,712)
Closing net book value	5,517	6,733	1,055	-	13,305
As at June 30, 2025					
Cost	147,225	146,603	351,720	-	645,548
Accumulated depreciation	(141,708)	(139,870)	(350,665)	-	(632,243)
	5,517	6,733	1,055	-	13,305
Movement during the year ended June 30, 2026					
Opening net book value	5,517	6,733	1,055	-	13,305
Additions during the year	-	-	-	846,800	846,800
Disposals during the year	-	-	-	(369,900)	(369,900)
Depreciation for the year	(551)	(673)	(316)	(143,070)	(144,610)
Closing net book value	4,966	6,060	739	333,830	345,595
As at June 30, 2026					
Cost	147,225	146,603	351,720	476,900	1,122,448
Accumulated depreciation	(142,189)	(140,463)	(350,787)	(143,070)	(776,509)
	5,036	6,140	933	333,830	345,939
Rate of depreciation per annum	10%	10%	30%	30%	

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5.	LONG TERM DEPOSITS	Note	2026	2025
			Rupees	
	<i>Basic deposits placed with:</i>			
	- Central Depository Company of Pakistan Limited		25,000	25,000
	- State Bank of Pakistan		10,019	10,019
	- Pakistan Telephone Communications Limited		5,000	5,000
			<u>40,019</u>	<u>40,019</u>
6.	LONG TERM INVESTMENTS			
	<i>At fair value through other comprehensive income</i>			
	Investments in quoted companies and modarabas	6.1	53,250,554	41,722,914
	<i>At fair value through profit or loss</i>			
	Investment in open-ended mutual funds	6.2	51,781,496	10,820,395
			<u>105,032,050</u>	<u>52,543,309</u>
6.1	Investments in quoted companies and modarabas			

Number of shares/certificates		Name of Company / Institution	Cost		Market value	
2026	2025		2026	2025	2026	2025
Rupees						
		MODARABAS				
21,136	21,136	Orix Modaraba	191,281	191,281	527766	396,723
		First Punjab Modaraba				
		BANK				
1,000	-	Meezan Bank Limited	448,717	-	516460	-
		CEMENT				
149,125	149,125	Fauji Cement Limited	4,055,188	4,055,188	8582144	6,661,414
10,000	10,000	D.G.Khan Cement Limited	975,797	975,797	2232700	1,655,600
-	-	Maple Leaf Cement	1,357,786	-	1389830	-
15,000	15,000	Lucky Cement Limited	2,122,053	1,733,454	7512320	5,328,600
		TEXTILE				
7,000	7,000	Nishat Mills Limited	590,544	590,544	1105020	881,160
		INVESTMENT				
2,000	-	Engro Holding Ltd	509,878	-	575,440	-
		REFINERY				
12,500	12,500	Attock Refinery Limited	415,622	2,078,108	2,126,675	8,492,750
		FUEL AND ENERGY				
2,000	-	Hub Power Company Limited	413,472	-	466,900	-
49,000	49,000	Kohinoor Energy Limited	2,126,091	2,126,091	807,030	814,870
10,099	10,099	Pakistan Petroleum Limited	886,443	886,443	2,450,219	1,718,547
100,000	-	Engro Power Qadirpur	2,613,800	-	2,517,000	-
		ENGINEERING				
20,000	20,000	International Steels Limited	2,923,892	2,923,892	1,814,800	1854000
50,000	-	Crescent Steel & Allied Products	6,871,145	-	5,705,000	
		CHEMICALS & PHARMACEUTICALS				
75,000	75,000	Engro Fertilizer Limited	4,692,425	4,692,425	14,921,250	13,919,250
			31,194,134	20,253,223	53,250,554	41,722,914

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6.2 Investments in open-ended mutual funds

Number of units		Name of Mutual Fund	Cost		Fair Value	
2026	2025		2026	2025	2026	2025
Rupees						
-	103,753	MCB AlHamra Islamic Income Fund	-	10,796,573	-	10,820,395
182,442	-	Lucky Islamic Stock Fund	25,987,920	-	25,333,896	-
264,476	-	MCB AL Hamra Islamic Investment Saving Fund	26,447,600	-	26,447,600	-
			52,435,520	10,796,573	51,781,496	10,820,395

7.	DIMINISHING MUSHARAKA	2026	2025
		-----Rupees-----	
	Considered good	6,555,573	17,481,028
	Less: Current portion of Diminishing Musharaka	<u>(4,873,557)</u>	<u>(13,798,999)</u>
		<u>1,682,016</u>	<u>3,682,029</u>

7.1 These financings carry profit rate of KIBOR plus 3.1% & 4.1% per annum and are repayable on monthly basis . The arrangement is secured against promissory note.

8. LONG TERM MUSIIARAKA

This represents 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 consent. Carrying amount of the Musharaka investment is as follows:

	2026	2025
	-----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 profit / (loss):		
Opening balance	(22,800,000)	(15,384,081)
Share of loss for the year	-	-
	<u>(22,800,000)</u>	<u>(22,800,000)</u>
Carrying value as at reporting date	-	-
	<u>2026</u>	<u>2025</u>

9. PREPAYMENTS AND OTHER RECEIVABLES

Prepayments	182,304	133,536
<i>Other receivables</i>		
Profit on bank deposits	153,217	237,363
Loan to Employees	780,000	-
Receivable against Faran Sugar Mill	106,148	67,996
Receivable against Takaful (Diminishing Musharakah)	25,517	274,597
Advance Sales tax	9,421,344	10,093,781
	<u>10,486,226</u>	<u>10,673,737</u>
	<u>10,668,530</u>	<u>10,807,273</u>

10. STOCK IN TRADE

This represents purchase of sugar from related party for the purpose of trading. (Note 22).



11.	CASH AND BANK BALANCES	Note	2026 -----Rupees-----	2025
	Cash in hand		103,967	90,109
	Balance with banks:			
	- Current accounts		1,092,042	1,092,042
	- Saving accounts	11.1	12,908,704	40,694,855
			14,000,746	41,786,897
			14,104,713	41,877,006

11.1 Saving accounts represent Islamic bank accounts. The rate of profit on these accounts ranges from 8.5% to 10.5% (2025: 10% to 17 %) per annum.

12.	TRADE AND OTHER PAYABLES	Note	2026 -----Rupees-----	2025
	Payable against purchase of securities		-	-
	Accrued liabilities:			
	- Auditor's remuneration		440,000	400,000
	- Provident fund payable		518,604	1,120,993
	- Sindh Workers' Welfare Fund		92,508	404,156
	- Other liabilities		-	-
			1,051,112	1,925,149

13.	CERTIFICATE CAPITAL	2026 ----- No. of Certificates -----	2025	2026 ----- Rupees -----	2025
		10,000,000	10,000,000	100,000,000	100,000,000
	Authorized certificate capital				
	Modaraba certificates of Rs. 10 each				
	Issued, subscribed and paid-up capital				
	Modaraba certificates of Rs.10/- each issued for cash	3,000,000	3,000,000	30,000,000	30,000,000
	Modaraba certificates of Rs.10/- each issued as bonus certificates	4,515,158	4,515,158	45,151,587	45,151,587
		7,515,158	7,515,158	75,151,587	75,151,587

14.	REVENUE RESERVES	Note	2026 -----Rupees-----	2025
	Statutory reserve	14.1	50,255,171	50,255,171
	Unappropriated profits		34,944,446	24,104,723
			85,199,617	74,359,894

15.	UNREALIZED PROFIT / (LOSS) ON REMEASUREMENT OF INVESTMENTS CLASSIFIED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	Note	2026 -----Rupees-----	2025
	Market value of investments	6.1	53,250,554	41,722,914
	Less: cost of investments	6.1	(31,192,126)	(20,251,215)
			22,058,428	21,471,699

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15.1 Movement in unrealized gain / (loss)

Unrealized gain at the beginning of the year - net
Gain realized on disposal transferred to unappropriated profits
Surplus on remeasurement of investments recognised during the year
in other comprehensive income

Unrealized gain at the end of the year - net

Surplus on revaluation of investments in accordance with the requirements of
Circular No. SC/M/PRDD/PRs/2017-259 dated December 11, 2017.

2026	2025
-----Rupees-----	
21,471,699	17,602,794
-	-
586,729	3,868,905
22,058,428	21,471,699
22,058,428	21,471,699

16. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at June 30, 2026 (June 30, 2025: None).

17. DIVIDEND INCOME - NET OF ZAKAT

Dividend income - gross
Less: Zakat deducted at source

	2026	2025
	-----Rupees-----	
17.1	2,524,976	5,023,879
	(250)	-
	2,524,726	5,023,879

17.1 Dividend income - gross

*Dividend income from investments classified as at
fair value through profit or loss*

Lucky Islamic Stock Fund
MCB Al Hamra Islamic Income fund

581,388	-
-	1,062,097
581,388	1,062,097

*Dividend income from investments classified as at
fair value through other comprehensive income*

D.G.Khan Cement
Lucky Cement
Fauji Cement
Hub Power Company Limited
Nishat Mills Limited
Kohinoor Energy Limited
Pakistan Oilfields Limited
Pakistan Petroleum Limited
International Steel Limited
Crescent Steel & Allied
Engro Fertilizer Limited
Meezan Bank Limited
Attock Refinery
OLP Modaraba

20,000	-
60,000	90,000
186,406	199,124
20,000	190,562
14,000	30,000
125,000	343,000
-	1,400,000
85,842	75,453
90,000	75,000
100,000	-
1,106,250	1,291,250
14,500	6,370
68,750	218,751
52,840	42,272
1,943,588	3,961,782
2,524,976	5,023,879

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18.	OPERATING EXPENSES	Note	2026	2025
			-----Rupees-----	
	Salaries and other benefits		9,105,118	8,343,141
	Fees and subscription		1,698,691	1,487,552
	Auditors' remuneration	18.1	550,000	500,000
	Miscellaneous		216,238	144,365
	Training Expense		61,500	-
	Advertisement		22,680	25,200
	Printing and stationery		101,620	9,500
	Postage and telephone		6,040	5,840
	Travelling and conveyance		44,583	174,200
	Depreciation	4	144,610	1,812
	Bank charges		187	428
			<u>11,951,267</u>	<u>10,692,038</u>
18.1	Auditors' remuneration			
	Audit fee		385,000	350,000
	Half yearly review		110,000	100,000
	Review of code of corporate governance		55,000	50,000
			<u>550,000</u>	<u>500,000</u>
19.	MANAGEMENT COMPANY'S REMUNERATION			
	Management Company's remuneration	19.1	513,931	2,245,308
	Add: Sales tax		-	-
			<u>513,931</u>	<u>2,245,308</u>
19.1	The Modaraba Management Company is entitled to a remuneration for services rendered to the Modaraba under the provisions of the Modaraba Companies and Modarabas (Floatation and Control) Ordinance, 1980 upto a maximum of 10% per annum of the net annual profits of the Modaraba. Remuneration charged for the year is 513,931 (2025:2,245,308)			
20.	LEVIES AND INCOME TAXATION	Note	2026	2025
			-----Rupees-----	
	Levy	20.1	923,761	819,774
	Taxation	20.2	87,644	4,286,650
	Net Levy and Taxation charged		<u>1,011,405</u>	<u>5,106,424</u>
20.1	This represents final taxes paid under sections 150 of Income Tax Ordinance, 2001, representing levy in terms of requirements of IFRIC 21 and IAS 37.			
20.2	Current			
	- for the year		87,644	4,286,650
	- for prior year		-	-
	Deferred	20.3	-	-
			<u>87,644</u>	<u>4,286,650</u>
20.3	As of the reporting date there were no material temporary differences, therefore, no deferred tax has been recognized in these financial statements.			
20.4	The income tax assessments of the Modaraba have been finalized up to, and including, the tax year 2025. Tax returns filed by the Modaraba are deemed to be assessed under section 120 of the Income Tax Ordinance, 2001 unless selected for re-assessment or audit by the taxation authorities. However, at any time during a period of five years from the date of filing of a return, the taxation authorities may select an income tax return filed by the Modaraba for the purpose of re-assessment.			

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	2026	2025
	-----Rupees-----	
21. EARNINGS PER CERTIFICATE - Basic and diluted		
21.1 Basic earning per certificate		
Profit after taxation	3,521,465	14,697,196
	-----Number-----	
Weighted average number of certificates outstanding	7,515,158	7,515,158
	-----Rupees-----	
Earning per certificate - basic	0.47	1.96

21.2 Diluted earnings / (loss) per certificate

There is no dilutive effect on the basic earnings per certificate of the Modaraba, since there were no potential certificates in issue as at June 30, 2026 and June 30, 2025.

22. RELATED PARTY TRANSACTIONS AND BALANCES

The related parties comprise of associate company, Modaraba Management Company, directors and key management personnel of the Modaraba Management Company as well as their close family members. Remuneration and benefits to the executives of the Modaraba are in accordance with the terms of employment.

Details of transactions with related parties, other than those disclosed elsewhere in these financial statements, are as follows:

	2026	2025
	-----Rupees-----	
<u>Associated Company</u>		
Faran Sugar Mills Limited		
Transactions during the year		
Receivable Faran sugar mills LTD	106,148	75,332
Purchase of sugar	48,246,610	54,025,424
<u>Modaraba Management Company</u>		
E.A Management (Private) Limited		
Transactions during the year		
Management fee - payment during the year	2,267,879	-
Management fee - charge for the year	513,931	2,245,308
<u>Associate Company</u>		
Reliance Insurance Company Limited		
Transactions during the year		
Takaful Policy	686,460	838,661

23. FINANCIAL INSTRUMENTS

23.1 Financial risk analysis

The Board of Directors of the Modaraba Management Company has the overall responsibility for the establishment and oversight of the Modaraba's risk management framework. The Modaraba has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

23.1.1 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Modaraba is exposed to credit risk in respect of trade debts and bank balances.

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Concentration of credit risk arise when a number of counterparties are engaged in similar business activities, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of an entity's performance to developments affecting a particular industry.

The Modaraba's policy is to enter into financial contracts in accordance with the internal risk management policies and the requirements of the Prudential Regulations for Modarabas issued by the SECP. The Modaraba seeks to manage its credit risk exposure through diversification of its investments in equity instruments, mutual funds, trading from sale of sugar and bank deposit arrangements to avoid undue concentration of risks with individuals or groups of customers in specific locations or businesses

A financial asset is regarded as credit impaired as and when it falls under the definition of a 'defaulted' financial asset. For the Modaraba's internal credit management purposes, a financial asset is considered as defaulted when it is past due for 90 days or more.

The Modaraba writes off a defaulted financial asset when there remains no reasonable probability of recovering the carrying amount of the asset through available means.

The maximum exposure to credit risk at the reporting date is as follows:

2026		2025	
Carrying amount	Maximum exposure	Carrying amount	Maximum exposure
(Rupees)			
<u>14,000,746</u>	<u>14,000,746</u>	<u>41,786,897</u>	<u>41,786,897</u>

The credit quality of Modaraba's bank balances as at the reporting date can be assessed with reference to external credit ratings as follows:

	Rating short term	Rating Agency	2026	2025
----- Rupees -----				
Al-Baraka Islamic Bank	A1	PACRA	27,345	27,345
Bank Al-Habib Limited	A-1+	PACRA	11,297,926	11,297,926
Habib Bank Limited	A-1+	PACRA	4,271	4,271
Habib Metropolitan Bank Limited	A-1+	PACRA	99,729	99,729
UBL Islamic Bank	A-1+	VIS	530	530
			<u>11,429,801</u>	<u>11,429,801</u>

23.1.2 Liquidity risk

Liquidity risk is the risk that the Modaraba will encounter difficulty in meeting its financial obligations as they fall due. Liquidity risk arises because of the possibility that the Modaraba will be required to pay its liabilities earlier than expected or will face difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. The Modaraba's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stress conditions, without incurring unacceptable losses or risking damage to the Modaraba's reputation. The following are the contractual maturities of financial liabilities:

	Carrying value	Contractual cashflows			One to five years	More than five years
		Total	Six months or less	Six to twelve months		
		Rupees				
As on June 30, 2026						
Trade and other payables	1,051,112	1,051,112	1,051,112	-	-	-
Unclaimed dividend	1,690,888	1,690,888	1,690,888	-	-	-
	<u>2,742,000</u>	<u>2,742,000</u>	<u>2,742,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
As on June 30, 2025						
Trade and other payables	1,925,149	1,925,149	1,925,149	-	-	-
Unclaimed dividend	1,690,889	1,690,889	1,690,889	-	-	-
	<u>3,616,038</u>	<u>3,616,038</u>	<u>3,616,038</u>	<u>-</u>	<u>-</u>	<u>-</u>

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23.1.3 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 was not exposed to any profit 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. 105.03 million (2025: Rs. 52,543 million) and investments in mutual funds amounting to Rs.51.78 million (2025: Rs. 10.82 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 alternative investments and general market conditions. Furthermore, the 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.

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

	June 30, 2026		June 30, 2025	
	(Rupees)	%	(Rupees)	%
Modarabas	527,766	0.84	396,723	0.95
Bank	516,460	-	-	-
Cement	19,716,994	29.05	13,645,614	32.68
Textile	1,105,020	1.88	881,160	2.11
Food & personal care products	-	-	-	-
Refinery	2,126,675	18.08	8,492,750	20.34
Fuel and energy	6,241,149	5.39	2,533,417	6.07
Engineering	1,814,800	3.95	1,854,000	4.44
Automobile assembler	-	-	-	-
Communication	-	-	-	-
Chemicals & pharmaceuticals	14,921,250	29.63	13,919,250	33.33
Open-ended mutual funds	-	-	36,650	0.09
	46,970,114	100.00	41,759,564	100.00

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Sensitivity analysis

The table below summarizes Modaraba's equity price risk as of June 30, 2026 and 2025 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 FV after hypothetical change in prices	Hypothetical increase / (decrease) in profit / (loss) before tax	Hypothetical increase / (decrease) in OCI
June 30, 2026	Rupees	105,032,050	10% increase	115,535,255	5,178,150	5,325,055
			10% decrease	94,528,845	(5,178,150)	(5,325,055)
June 30, 2025	Rupees	52,543,314	10% increase	104,773,990	5,355,951	4,168,957
			10% decrease	85,724,174	(5,355,951)	(4,168,957)

23.2 Financial instruments by categories

	At fair value through profit or loss	At fair value through other comprehensive income	Amortized cost	Total
As at June 30, 2026				
Financial assets				
Long term deposits	-	-	40,019	40,019
Long term investments	51,781,496	53,250,554	-	105,032,050
Diminishing Musharaka	-	-	6,555,573	6,555,573
Long term Musharaka	-	-	-	-
Other receivables	-	-	178,734	178,734
Cash and bank balances	-	-	14,104,713	14,104,713
	<u>51,781,496</u>	<u>53,250,554</u>	<u>20,879,039</u>	<u>125,911,089</u>

				Financial liabilities at amortized cost
				- Rupees -
Financial liabilities				
Trade and other payables				1,051,112
Unclaimed dividend				1,690,888
				<u>2,742,000</u>

	At fair value through profit or loss	At fair value through other comprehensive income	Amortized cost	Total
As at June 30, 2025				
Financial assets				
Long term deposits	-	-	40,019	40,019
Long term investments	-	52,543,314	-	52,543,314
Diminishing Musharaka	-	-	17,481,028	17,481,028
Long term Musharaka	-	-	-	-
Other receivables	-	-	511,960	511,960
Cash and bank balances	-	-	41,877,006	41,877,006
	<u>-</u>	<u>52,543,314</u>	<u>59,910,013</u>	<u>112,453,327</u>

				Financial liabilities at amortized cost
				- Rupees -
Financial liabilities				
Trade and other payables				1,925,149
Unclaimed dividend				1,690,889
				<u>3,616,038</u>

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24. FAIR VALUE OF ASSETS AND LIABILITIES

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 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 or indirectly.

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 financial assets carried at fair value in the statement of financial position:

June 30, 2026				
	Level 1	Level 2	Level 3	Total
	----- Rupees -----			
<i>Financial assets</i>				
Investments in units of open-end mutual funds		-	-	-
Investment in ordinary shares of listed companies	53,250,554	-	-	53,250,554
	<u>53,250,554</u>	<u>-</u>	<u>-</u>	<u>53,250,554</u>
	June 30, 2025			
	Level 1	Level 2	Level 3	Total
	----- Rupees -----			
<i>Financial assets</i>				
Investments in units of open-end mutual funds	10,820,400	-	-	10,820,400
Investment in ordinary shares of listed companies	41,722,914	-	-	41,722,914
	<u>52,543,314</u>	<u>-</u>	<u>-</u>	<u>52,543,314</u>

25. CAPITAL MANAGEMENT

The Modaraba's prime objective when managing capital is to safeguard its ability to continue as a going concern in order to provide adequate returns for certificate-holders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Modaraba may adjust the amount of dividends paid to certificate-holders and issue new certificates.

The management closely monitors the return on capital along with the level of distributions to certificate holders. Following is the quantitative analysis of what the Modaraba manages as capital:

	2026	2025
	-----Rupees-----	
<i>Certificate holders' equity</i>		
- Issued, subscribed and paid up capital	75,151,587	75,151,587
- Reserves	85,199,617	74,359,894
Total capital managed by the Modaraba	<u>160,351,204</u>	<u>149,511,481</u>

26. NUMBER OF EMPLOYEES

	2026	2025
	-----Number-----	
Total number of employees at end of the year	5	5
Average number of employees for the year	<u>5</u>	<u>5</u>

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Pursuant to Clause 5.6.9A and Clause 5A.13(e) of the Pakistan Stock Exchange (PSX) Regulations, as amended through PSX Notice No. PSX/N-1283 dated November 27, 2025 and further notified via PSX Notice No. PSX/N-1419 dated December 24, 2025, listed companies meeting the criteria specified under Clause VII of Part I of Schedule IV to the Companies Act, 2017 are required to disseminate Shariah disclosures along with their half-yearly and annual financial statements.

The B.F.Modaraba has been classified as a Shariah-compliant company by the Pakistan Stock Exchange and is included in the list of companies required to comply with the above regulatory provisions.

In compliance with the aforesaid requirements, the Company confirms the following:

- The principal business activities of the B.F.Modaraba are Shariah-permissible.
- The B.F.Modaraba meets the Shariah screening criteria prescribed under the applicable regulatory framework, including financial ratio benchmarks.
- Investments and financing arrangements are structured and maintained in accordance with Shariah principles.

28. GENERAL

28.1 Events after the reporting date

There are no subsequent events that are required to be adjusted or disclosed in these financial statements.

27.2 No remuneration paid to the directors of the Modaraba Management Company during the year (2025: Nil).

28.3 These financial statements were authorized for issue by the Board of Directors of the Modaraba Management Company in their meeting held on October 05, 2026

28.4 Level of rounding

All figures in these financial statements have been rounded off to the nearest Rupee, unless otherwise stated.

add

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

Chairman

Chief Executive

Director

Chief Financial Officer



PATTERN OF CERTIFICATE HOLDING

AS AT JUNE 30, 2026

NO. OF CERTIFICATE HOLDERS	CERTIFICATE HOLDING			TOTAL CERTIFICATES HELD
772	1	-	100	18,434
344	101	-	500	90,639
135	501	-	1000	105,870
284	1001	-	5000	630,939
53	5001	-	10000	405,671
12	10001	-	15000	142,921
8	15001	-	20000	136,443
3	20001	-	25000	64,197
2	25001	-	30000	56,761
1	30001	-	35000	34,999
3	40001	-	45000	128,140
2	45001	-	50000	98,997
1	70001	-	75000	72,105
1	80001	-	85000	82,500
1	115001	-	120000	120,000
1	280001	-	285000	284,447
2	350001	-	355000	702,206
2	355001	-	360000	716,822
1	365001	-	370000	366,447
1	675001	-	680000	675,629
1	700001	-	705000	702,203
2	935001	-	940000	1,878,788
1632	TOTAL			7,515,158



CATEGORIES OF CERTIFICATE HOLDINGS

AS AT JUNE 30, 2026

	Number of Certificate Holders	Total Certificates Held	Percentage %
Director CEO and their Spouse and Minor Children Holding			
Mr. Bilal Omar Bawany - Chief Executive		8,770	0.1167
Mr. Omar Amin Bawany - Director		340,552	4.5315
Mrs. Rukhsana Omar Bawany		366,447	4.8761
Mr. Ahmed Ali Bawany - Chairman		730,258	9.7171
Mr. Hamza Omar Bawany		42,539	0.5660
	8	1,468,696	19.5431
Associated Companies, Undertaking and related Parties			
E.A Management (Pvt) Ltd.		939,394	12.5000
Faran Sugar Mills Ltd.		939,394	12.5000
	2	1,878,788	25
NIT and ICP			
Trustee National Bank of Pakistan, Pension Fund		16,908	0.2250
Trustee National Bank of Pakistan, Benevolent Fund		1,471	0.0196
M/S. ICP		7,399	0.0985
National Bank of Pakistan Ltd		756	0.0101
IDBP (ICP Unit)		142	0.0019
	7	26,676	0.3550
Certificate Holders Holding Five percent or more			
Sind Particle Board Mills		675,629	8.9902
Mrs. Shaheda Muhammad Amin		358,411	4.7692
Mrs. Gulshan Ara Muhammad Amin		358,411	4.7692
	4	1,392,451	18.5286
INDIVIDUALS	1596	2,644,518	35.19
VESTMENT COMPANIES	1	1	0
JOINT STOCK COMPANIES	9	6,141	0.08
FINANCIAL INSTITUTIONS	2	19,056	0.25
OTHERS	1	1,899	0.03
CHARITABLE TRUSTS	1	72,105	0.96
COOPERATIVE SOCIETIES	1	4,827	0.06
Total	1632	7,515,158	100



July 2025-June 2026

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	4	1
2. Mr. Ahmed Ali Mohammad Amin Bawany	4	4	1
3. Mr. Bilal Omar Bawany	4	N/A	1
4. Mr. Muhammad Samiullah	4	4	1
5. Ms. Tasneem Yusuf	4	N/A	N/A
6. Muhammad Altamash Bawany	2	N/A	N/A
7. Sheryar Bawany	3	N/A	N/A

KEY OPERATING AND FINANCIAL DATA					Rs. 000's	
Year	2026	2025	2024	2023	2022	2021
Paid-up Capital	75,151	75,151	75,151	75,151	75,151	75,151
Equity	160,351	149,511	123,767	116,386	124,148	143,017
Operating Revenue	17,091	33,145	18,445	10,460	7,940	12,772
Net Profit / (Loss) After Tax	3,521	14,697	6,269	(5,999)	(15,511)	5,506
Bonus	-	-	-	-	-	-
Cash Dividend	5%	-	-	-	-	5%
Earning / (Loss) Per Certificate (Rs.)	0.47	1.96	0.83	(0.80)	(2.01)	0.73



INDEPENDENT AUDITOR'S REVIEW REPORT TO THE CERTIFICATE HOLDERS OF BF MODARABA

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 Modaraba Management Company of **BF Modaraba** (the Modaraba) for the year ended **June 30, 2026** 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 Modaraba 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 modaraba's personnel and review of various documents prepared by the Modaraba Management Company to comply with these 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 Company's corporate governance procedures and risks.

The Regulations require the Modaraba 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, its related party transactions. 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 Management Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Modaraba for the year ended June 30, 2026.

Further, we highlight below the explanation for non-compliance with the requirements of the Code as stated in paragraph 19 of the Statement of Compliance:

S. No	Nature of Requirement	Paragraph No.	Description of the Non-Compliance
1	Explanatory	19(a)	As per provision to the Regulation 6(1) of the Listed Companies (Code of Corporate Governance) Regulations, 2019 which stipulates the mandatory requirement for each listed company to have at least two or one-third members of the Board, whichever is higher, as independent directors and shall explain the reason thereof any fraction contained in such $1/3^{\text{rd}}$ which is not rounded up as one. However, as stated in clause 19 of sub-clause(a) of the Statement of Compliance The current Board of Directors of the Company comprises seven members, which constitutes 2.33 as one-third of total number of directors. As the fractional value falls below 0.5, rounding up to one is not warranted. This is particularly so due to the fact that the present independent directors possess the requisite skills, knowledge, and diversified work experience essential for rendering independent decisions in the best interests of the Company.
2	Explanatory	19(b)	As per provision to the regulation 24 of the Listed Companies (Code of Corporate Governance) Regulations, 2019, the same person shall not simultaneously hold office of chief financial officer and the company secretary. However, as stated in clause 19 of sub-clause(b) of the Statement of Compliance the management is of the view, 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.

Chartered Accountants
Karachi.

Date: October 06, 2026

UDIN: CR202610242pb1035ISg



Statement of Compliance with Listed Companies
(Code of Corporate Governance) Regulations, 2019

Name of modaraba: **B.F.Modaraba**
Year ended: **June 30, 2026**

The Modaraba Management Company (hereinafter referred to as 'the Company') has complied with the requirements of the Regulations in the following manner:

1. The total number of directors are 7 as per the following:
 - a) Male: - 6
 - b) Female: - 1

2. The composition of Board of Directors ('the Board') is as follows:

Category	Name
Independent Director	Mr. Muhammad Samiullah
	Ms. Tasneem Yusuf
Executive Director	Mr. Bilal Omar Bawany
Non-Executive Director	Mr. Ahmed Ali Bawany
	Mr. Muhammad Omar Amin Bawany
	Mr. Muhammad Altamash Bawany
	Mr. Sheryar Bawany

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company;
4. The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures;
5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Company;
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by Board/ shareholders as empowered by the relevant provisions of the Companies Act, 2017 and the Regulations;
7. 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. Six directors of the Company have already attended Directors' training program from recognized institutes and one meet the criteria for exemption as stated in proviso to regulation 19(2) of the Regulations;
10. 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 Committee

1.	Mr. Muhammad Samiullah	Chairman
2.	Mr. Ahmed Ali Bawany	Member
3.	Ms. Tasneem Yusuf	Member
4.	Mr. Muhammad Omar Amin Bawany	Member

b) HR and Remuneration Committee

1.	Mr. Muhammad Samiullah	Chairman
2.	Mr. Ahmed Ali Bawany	Member
3.	Mr. Bilal Omar Bawany	Member
4.	Mr. Muhammad Omar Amin Bawany	Member

13. 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.
19. Explanation for non-compliance with requirements, other than regulations 3,7,8,27,32,33 and 36 are as below:
 - a) As per the proviso to Regulation 6(1) of the Regulations which stipulates the mandatory requirement for each listed company to have at least two or one-third members of the Board, whichever is higher, as independent directors. The current Board of Directors of the Company comprises seven members, which constitutes 2.33 as one-third of total number of directors. As the fractional value falls below 0.5, rounding up to one is not warranted. This is particularly so due to the fact that the present independent directors possess the requisite skills, knowledge, and diversified work experience essential for rendering independent decisions in the best interests of the Company.
 - b) 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)



B.F.MODARABA

NOTICE OF ANNUAL REVIEW MEETING

The 27TH Annual Review Meeting of the Certificate Holders of B.F. Modaraba will be held on Wednesday October 28, 2026 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, 2026. The Board of Directors, in their meeting held on October 05, 2026, have approved cash dividend @ 5% i.e. **Re. 0.5 per certificate** for the year ended June 30, 2026. The Certificate Transfer Books of the Modaraba will remain closed from October 22, 2026 to October 28, 2026 (both days inclusive). Transfers received at the Share Registrar Office, **M/s. C & K Management Associated (Pvt.) Ltd, M-13, Progressive Plaza, Plot No. 5 - CL - 10, Civil Lines Quarter, Beaumont Road, Karachi -75530**, before the close of business hours on October 21, 2026, will be treated in time. If any change Certificate Holders are requested to promptly notify to the Shares Registrar In order to receive your dividend directly into your Bank account, please complete the particulars as mentioned in Electronic Credit Mandate Form.

Ordinary Business

The financial statements June-2026 of the Modaraba can be accessed through the following weblink and QR enabled code:

<http://bfmodaraba.com.pk/wp-content/themes/bf-modaraba/docs/year2026/Annual-Accounts-June-2025-2026.pdf>



Muhammad Ayub
Company Secretary



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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- 📖 Knowledge center
- 📊 Risk profiler*
- 📊 Financial calculator
- 📧 Subscription to Alerts (event notifications, corporate and regulatory actions)
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