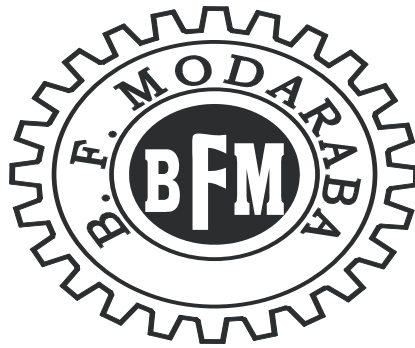


Financial Statements
(Reviewed) for the
Half Year Ended
December 31, 2022



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

CORPORATE INFORMATION

MODARABA MANAGEMENT COMPANY

E. A. Management (Pvt.) Ltd.

BOARD OF DIRECTORS

DIRECTORS OF MODARABA MANAGEMENT COMPANY

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

AUDIT COMMITTEE

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

HUMAN RESOURCE & REMUNERATION COMMITTEE

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

COMPANY SECRETARY

Mr. Muhammad Ayub

SHARIAH ADVISOR

Mr. Mufti Zubair Usmani

LEGAL ADVISOR

Mr. Ghullam Rasool Korai

MODARABA AUDITORS

M/s. Rahman Sarfaraz Rahim Iqbal Rafiq
Chartered Accountants

BANKERS

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

REGISTERED OFFICE

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

EMAIL & WEBSITE

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

SHARES REGISTRAR

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

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE CERTIFICATE HOLDERS OF M/S. B.F. MODARABA .**

Report on Review of Condensed Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of M/s. B.F. Modaraba ("the Modaraba") as at December 31, 2022 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed statement of changes in equity, and condensed interim statement of cash flows and notes thereto for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review.

Scope of review

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

As part of our engagement, we were only required to review the cumulative figures for the six-month period ended December 31, 2022. Accordingly, we have not reviewed the figures in the condensed interim statement of profit or loss and the condensed interim statement of comprehensive income for the three-month period ended December 31, 2022.

Conclusion

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

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


RAHMAN SARFARAZ RAHIM IQBAL RAFIQ
Chartered Accountants

Karachi

Date: February 23, 2023

UDIN: RR202210210yFKDPbnT8

**DIRECTOR'S REPORTS
FOR THE PERIOD ENDED DECEMBER 31, 2022**

Dear Certificate Holders,

Assalamo Alaikum,

By the grace of Almighty Allah, I take pleasure in presenting a brief review of the performance of your Modaraba for the half year ended December 31, 2022, which has been reviewed by the External auditors.

Our gross revenue during the period was Rs. 6.681 million vis-à-vis Rs. 3.861 million for the corresponding period of 2021-22, mainly from Dividend Income Rs. 4.155 million, from Diminishing Musharakah Income Rs. 1.350 million & from Realized Profit on sale of mutual funds Rs. 1.076 million. The unrealized loss in the value of investment in marketable securities increased by Rs. 1.794 million and stands at Rs. 6.507 million on December 31, 2022. Equity market showed downward trend, KSE-100 index posted a negative impact of 2.77% during 1HY22, closing at 40,420 points. Pre-tax Profit stood at Rs. 2.250 million against a Pre-tax Profit of Rs. 0.352 million for the corresponding period of 2021-22.

The country is passing through the toughest time of its life. The economy is facing multiple challenges including trade and current account deficit. The political uncertainty, constant depletion of foreign exchange reserves, devaluation of Pak Rupee, higher KIBOR, rising inflation rate and high fuel prices have halted the business activities in the country.

In a view of current economic condition, we are applying conservative approach while trading in equity market and commodity trading.

We bow to Allah and pray for His blessing and guidance

AMEEN

Karachi:
February 22, 2023

Hamza Omar Bawany
Director

Muhammad Omar Amin Bawany
Chief Executive

چیف ایگزیکٹو کا جائزہ

برائے اختتامی مدت 31 دسمبر 2022

محترم سٹیفکیٹ ہولڈرز
اسلام علیکم!

اللہ تعالیٰ کے فضل و کرم سے میں 31 دسمبر 2022 کو ختم ہونے والے سہ ماہی کے لئے آپ کے مضاربہ کی کارکردگی کا مختصر سا جائزہ پیش کرتے ہوئے مسرت محسوس کرتا ہوں۔

اس مدت کے دوران ہماری مجموعی آمدنی 2021-22 کی اسی مدت کے لیے 3.861 ملین کے مقابلے میں 6.681 ملین ہے، بنیادی طور پر ڈیویڈنڈ انکم 4.155 ملین، ڈنمیشننگ مشاعرہ انکم 1.350 ملین اور میوچل فنڈ کی فروخت پر حقیقی منافع سے 1.67 ملین مارکیٹ ایبل سیکیورٹیز میں سرمایہ کاری کی قدر میں غیر حقیقی نقصان میں 1.794 ملین کا اضافہ ہوا اور یہ 31 دسمبر 2022 کو 6.507 ملین ہے۔ ایکویٹی مارکیٹ نے نیچے کی طرف رجحان ظاہر کیا، KSE-100 انڈیکس نے HY221 کے دوران 2.77 فیصد کا منفی اثر ڈالا، بند ہونے پر 4042 پوائنٹس پر بند ہوا۔ 2021-22 کی اسی مدت کے لیے قبل از ٹیکس منافع 0.352 ملین کے مقابلے میں قبل از ٹیکس منافع 2.250 ملین رہا۔

ملک اپنی زندگی کے مشکل ترین دور سے گزر رہا ہے۔ معیشت کو تجارتی اور کرنٹ اکاؤنٹ خسارے سمیت متعدد چیلنجز کا سامنا ہے۔ سیاسی غیر یقینی صورتحال، زرمبادلہ کے ذخائر میں مسلسل کمی، پاکستانی روپے کی قدر میں کمی، KIBOR میں اضافہ، مہنگائی کی بڑھتی ہوئی شرح اور ایندھن کی اونچی قیمتوں نے ملک میں کاروباری سرگرمیاں روک دی ہیں۔

موجودہ معاشی حالت کے پیش نظر، ہم ایکویٹی مارکیٹ اور کموڈٹی ٹریڈنگ میں ٹریڈنگ کے دوران قدامت پسندانہ انداز اپنا رہے ہیں۔

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

ڈائریکٹر

محمد عمر امین باوانی
چیف ایگزیکٹو

کراچی: 22 فروری 2023

Condensed Interim Statement of Financial Position*As at December 31, 2022*

		(Un-audited) December 31, 2022	(Audited) June 30, 2022
		-----Rupees-----	
ASSETS	<i>Note</i>		
Non-current assets			
Furniture and equipment		18,575	19,879
Long term deposits		40,019	40,019
Long term investments	3	38,492,758	95,249,082
Diminishing Musharaka	4	10,265,954	12,062,975
Long term Musharaka	5	7,415,919	7,415,919
		<u>56,233,225</u>	<u>114,787,874</u>
Current assets			
Stock in trade	6	45,277,700	-
Prepayments and other receivables	7	8,520,479	832,402
Current portion of Diminishing Musharaka	4	2,998,972	2,524,275
Advance tax - net		3,725,643	3,500,628
Cash and bank balances	8	4,729,849	2,485,415
		<u>65,252,643</u>	<u>9,342,720</u>
Total assets		<u><u>121,485,868</u></u>	<u><u>124,130,594</u></u>
LIABILITIES AND EQUITY			
Trade and other payables		2,000,786	3,004,935
Due to Management Company		255,097	-
Unclaimed dividend		1,690,888	1,690,889
		<u>3,946,771</u>	<u>4,695,824</u>
Certificate holders' equity			
Certificate capital		75,151,587	75,151,587
Reserves		48,894,410	48,996,651
		<u>124,045,997</u>	<u>124,148,238</u>
Unrealized loss on re-measurement of investments classified at fair value through other comprehensive income	9	(6,506,900)	(4,713,468)
Total liabilities and equity		<u><u>121,485,868</u></u>	<u><u>124,130,594</u></u>

The annexed notes from 1 to 15 form an integral part of these financial statements.

Condensed Interim Statement of Profit or Loss*For the six months and quarter ended December 31, 2022 (unaudited)*

	Six months ended		Quarter ended	
	December 31,	December 31,	December 31,	December 31,
	2022	2021	2022	2021
	----- Rupees -----			
Revenue - net				
Unrealised gain / (loss) on remeasurement of investment in units of mutual funds	-	1,854,524	-	(108,484)
Realized gain on sale of mutual funds	1,075,702	69,440	1,075,702	423,067
Diminishing Musharakah income	1,349,548	-	675,843	-
Dividend - net of zakat	4,154,669	1,878,874	1,594,631	1,190,094
Profit on bank deposits	100,822	57,742	86,392	35,207
	6,680,741	3,860,580	3,432,568	1,539,884
Administrative expenditure				
Operating expenses	(4,129,774)	(3,461,235)	(1,709,810)	(1,377,289)
Profit before charging Management Company's remuneration	2,550,967	399,345	1,722,758	162,595
Management Company's remuneration	(255,097)	(39,935)	(130,955)	(16,259)
Profit before Worker's Welfare Fund	2,295,870	359,410	1,591,803	146,336
Provision for Workers' Welfare Fund	(45,917)	(7,188)	(23,571)	(2,927)
Profit before taxation	2,249,953	352,222	1,568,232	143,409
Taxation	(591,627)	(231,778)	(213,134)	(147,755)
Profit / (loss) after taxation	1,658,326	120,444	1,355,098	(4,346)
Earnings per certificate - basic and diluted	0.22	0.02	0.18	0.00

The annexed notes from 1 to 15 form an integral part of these financial statements.

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

Chairman

Chief Executive

Director

Chief Financial Officer

Condensed Interim Statement of Comprehensive Income*For the six months and quarter ended December 31, 2022 (unaudited)*

	Six months ended		Quarter ended	
	December 31,		December 31,	
	2022	2021	2022	2021
	----- Rupees -----			
Profit / (loss) after taxation	1,658,326	120,444	1,355,098	(4,346)
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	(1,793,432)	(2,532,564)	1,021,117	281,986
Total comprehensive (loss) / income for the period	<u><u>(135,106)</u></u>	<u><u>(2,412,120)</u></u>	<u><u>2,376,215</u></u>	<u><u>277,640</u></u>

The annexed notes from 1 to 15 form an integral part of these financial statements.

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

Chairman

Chief Executive

Director

Chief Financial Officer

Condensed Interim Statement of Changes in Equity*For the six months ended December 31, 2022 (unaudited)*

	Certificate capital	Reserves		Total Reserve	Total
		Statutory reserves	Unappropriated profits		
-----Rupees-----					
Balance as at July 01, 2021	75,151,587	50,255,171	17,610,436	67,865,607	143,017,194
<i>Total comprehensive income for the six months ended</i>					
- Profit after taxation	-	-	120,444	120,444	120,444
- Other comprehensive income	-	-	-	-	-
	-	-	120,444	120,444	120,444
- Issuance of Cash Dividend @ 5%	-	-	(3,757,579)	(3,757,579)	(3,757,579)
Balance as at December 31, 2021	75,151,587	50,255,171	13,973,301	64,228,472	139,380,059
Balance as at January 01, 2022	75,151,587	50,255,171	13,973,301	64,228,472	139,380,059
<i>Total comprehensive income for the six months ended</i>					
- Profit / (Loss) after taxation	-	-	(15,231,821)	(15,231,821)	(15,231,821)
- Other comprehensive income	-	-	-	-	-
	-	-	(15,231,821)	(15,231,821)	(15,231,821)
Balance as at June 30, 2022	75,151,587	50,255,171	(1,258,520)	48,996,651	124,148,238
Balance as at July 01, 2022	75,151,587	50,255,171	(1,258,520)	48,996,651	124,148,238
<i>Total comprehensive income for the six months ended</i>					
- Profit after taxation	-	-	1,658,326	1,658,326	1,658,326
- Other comprehensive income	-	-	-	-	-
	-	-	1,658,326	1,658,326	1,658,326
- Loss realized on disposal of investments in ordinary shares of listed companies	-	-	(1,760,567)	(1,760,567)	(1,760,567)
Balance as at December 31, 2022	75,151,587	50,255,171	(1,360,761)	48,894,410	124,045,997

The annexed notes from 1 to 15 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**Condensed Interim Statement of Cash Flows***For the six months ended December 31, 2022 (unaudited)*

	December 31, 2022	December 31, 2021
	-----Rupees-----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	2,249,953	352,222
Adjustments for non-cash charges and other items:		
- Depreciation on owned assets	1,304	1,592
- Profit on bank deposits	(100,822)	(57,741)
- Provision for Management Company's remuneration	255,097	39,934
- Provision for Provident Fund	269,878	207,688
- Provision for Worker's Welfare Fund	45,917	7,188
- Unrealised loss on remeasurement of investments	-	(1,854,524)
- Realized gain on sale of mutual funds	(1,075,702)	(69,440)
- Dividend income- net	(4,154,669)	(1,878,874)
	<u>(4,758,997)</u>	<u>(3,604,177)</u>
Operating loss before working capital changes	(2,509,044)	(3,251,955)
Working capital changes		
<i>Decrease / (increase) in current assets</i>		
- Stock in trade	(45,277,700)	-
- Prepayments and other receivables	(7,690,236)	(151,889)
<i>Decrease in current liabilities</i>		
- Trade and other payables	(275,446)	13,000
	<u>(53,243,382)</u>	<u>(138,889)</u>
Taxes paid	(816,750)	(240,438)
Provident Fund paid to employees	(1,042,406)	-
Dividend paid	-	(3,609,192)
Purchase of investments	(4,823,635)	(8,753,496)
Dividend received	4,154,669	2,201,874
	<u>(2,528,122)</u>	<u>(10,401,252)</u>
Net cash used in operating activities	<u>(58,280,548)</u>	<u>(13,792,096)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Profit received on bank deposits	103,077	58,285
Proceeds from sale of investment	59,099,581	23,889,736
Diminishing Musharaka	1,322,324	-
Musharaka financing	-	(8,800,000)
Net cash generated from investing activities	<u>60,524,982</u>	<u>15,148,021</u>
Net increase in cash and cash equivalents	2,244,434	1,355,925
Cash and cash equivalents as at beginning of the period	2,485,415	2,551,491
Cash and cash equivalents as at the end of period	<u><u>4,729,849</u></u>	<u><u>3,907,416</u></u>

The annexed notes from 1 to 15 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 Condensed Interim Financial Statements

For the six months ended December 31, 2022 (unaudited)

1. STATUS AND NATURE OF BUSINESS

B.F. Modaraba ('the Modaraba') was formed under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 and the rules framed thereunder. The Modaraba is managed by E.A. Management (Private) Limited ('Modaraba Management Company'). The registered office of the Modaraba is situated at Plot No. 43-1-E(B), P.E.C.H.S., Block-6, Off Razi Road, Shahrah-e-Faisal, Karachi. The Modaraba is listed on Pakistan Stock Exchange. The Modaraba is a perpetual multi-purpose modaraba and is primarily engaged in investments in quoted securities, trading of sugar, leasing, musharika and murabaha transactions.

2. BASIS OF PREPARATION OF CONDENSED INTERIM FINANCIAL STATEMENTS

2.1 Statement of compliance with the applicable accounting and reporting standards

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards as applicable in Pakistan comprise of the following:

- (a) International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and such other reporting standards [including Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP)] as notified by the Securities and Exchange Commission of Pakistan (SECP) under section 225(1) of the Companies Act, 2017 (here-in-after collectively referred to as the 'applicable financial reporting standards'); and
- (b) The legal provisions of the (i) Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, (ii) Modaraba Companies and Modaraba Rules, 1981, (iii) Prudential Regulations for Modarabas as well as the notifications, circulars or directives issued thereunder by the SECP from time to time (here-in-after collectively referred to as the 'applicable laws and regulations').

Wherever the requirements of the applicable financial reporting standards differ from the requirements of the applicable laws and regulations, the latter shall prevail.

These condensed interim financial statements do not include all the information and disclosures as required in the annual financial statements and should be read in conjunction with the Modaraba's annual financial statements for the year ended June 30, 2022.

2.2 Basis of measurement of items in these interim financial statements

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

2.3 Functional and presentation currency

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

2.4 Judgements and sources of estimation uncertainty

In preparing these condensed interim financial statements, the significant judgments made by management in applying the Modaraba's accounting policies and the key sources of estimation uncertainty were the same as those applied in the annual financial statements of the Modaraba as at and for the year ended June 30, 2022.

2.5 Significant accounting policies

The significant accounting policies applied in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Modaraba for the year ended June 30, 2022.

		(Un-audited)	(Audited)
		December 31,	June 30,
		2022	2022
		-----Rupees-----	
3.	LONG TERM INVESTMENTS		
	<i>At fair value through other comprehensive income</i>		
	Ordinary shares of listed companies	38,458,608	41,689,568
	<i>At fair value through profit or loss</i>		
	Units of open-ended mutual funds	34,150	53,559,514
		<u>38,492,758</u>	<u>95,249,082</u>

3.1 Investments in ordinary shares of listed companies

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

Number of shares		Name of Company / Institution	Cost		Market value	
December 2022	June 30, 2022		December 2022	June 30, 2022	December 2022	June 30, 2022
-----Rupees-----						
MODARABAS						
21,136	21,136	OLP Modaraba	191,281	191,281	268,427	338,176
-	72,900	First Punjab Modaraba	-	127,575	-	118,827
BANK						
58,455	39,505	Meezan Bank Limited	3,161,658	1,478,826	5,818,611	4,463,275
CEMENT						
199,125	177,000	Fauji Cement Limited	5,414,849	5,414,849	2,393,483	2,508,090
13,000	13,000	Kohat Cement Limited	2,122,412	2,122,412	1,920,100	1,691,690
10,000	10,000	D.G.Khan Cement Limited	975,797	975,797	516,400	625,000
10,000	10,000	Maple Leaf Cement	312,200	312,200	225,700	273,500
6,000	3,000	Lucky Cement	3,466,908	1,990,205	2,679,480	1,377,120
REFINERY						
12,500	12,500	Attock Refinery Limited	2,078,108	2,078,108	1,794,500	2,197,250
FUEL AND ENERGY						
22,419	22,419	Hub Power Company Limited	1,037,619	1,037,619	1,414,191	1,528,303
49,000	49,000	Kohinoor Energy Limited	2,126,091	2,126,091	1,616,020	1,876,700
10,099	10,099	Pakistan Petroleum Limited	886,443	886,443	688,146	681,783
600,500	600,500	K-Electric Limited	5,255,514	5,255,514	1,621,350	1,825,520
OIL & GAS EXPLORATION COMPANIES						
20,000	20,000	Pakistan Oil Fields	6,763,291	6,763,291	7,857,000	8,116,200
ENGINEERING						
-	33,350	Mughal Iron & Steel Industries Lim	-	2,028,825	-	1,922,294
25,000	25,000	International Steels Limited	3,654,865	3,654,865	1,133,750	1,484,000
AUTOMOBILE ASSEMBLER						
-	2,000	Pak Suzuki Motors Limited	-	1,434,613	-	422,420
COMMUNICATION						
-	57,000	Pakistan Telecommunication Comp	-	1,006,050	-	396,720
CHEMICALS & PHARMACEUTICALS						
95,000	95,000	Engro Fertilizer Limited	5,943,738	5,943,738	7,304,550	8,420,800
FOOD & PERSONAL CARE PRODUCTS						
10,000	10,000	Frieslandcampina Engro Pakistan	731,100	731,100	657,000	682,800
TEXTILE COMPOSITE						
10,000	10,000	Nishat Mills Ltd	843,634	843,634	549,900	739,100
			<u>44,965,508</u>	<u>46,403,036</u>	<u>38,458,608</u>	<u>41,689,568</u>

3.2 Investment in units of open-ended mutual funds

Number of units		Name of Mutual Fund	Cost		Fair Value	
December 2022	June 30, 2022		December 2022	June 30, 2022	December 2022	June 30, 2022
-	69,549	AKD Islamic Stock Fund	-	3,000,000	-	2,814,648
-	5,073	Meezan Islamic Fund	-	277,770	-	285,255
-	334,321	Meezan Islamic Income Fund	-	17,182,702	-	17,227,561
683	664,641	Meezan Rozana Amdani Fund	34,162	33,232,062	34,150	33,232,050
			34,162	53,692,534	34,150	53,559,514

	(Un-audited) December 31, 2022	(Audited) June 30, 2022
4. DIMINISHING MUSHARAKA	-----Rupees-----	
Considered good	13,264,926	14,587,250
Less: Current portion of Diminishing Musharaka	(2,998,972)	(2,524,275)
	10,265,954	12,062,975

5. LONG TERM MUSHARAKA FINANCING

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

	(Un-audited) December 31, 2022	(Audited) June 30, 2022
	-----Rupees-----	
Cost of investment		
Carrying value as at	22,800,000	14,000,000
Investment made during the year	-	8,800,000
	22,800,000	22,800,000
Accumulated share of profit:		
Opening balance	(15,384,081)	-
Share of loss for the year	-	(15,384,081)
	(15,384,081)	(15,384,081)
Carrying value as at reporting date	7,415,919	7,415,919

6. STOCK IN TRADE

This represents 650 tonnes of sugar purchased for the purpose of trading from Faran Sugar Mills Limited (a related party).

	(Un-audited) December 31, 2022	(Audited) June 30, 2022
7. PREPAYMENTS AND OTHER RECEIVABLES	-----Rupees-----	
Prepayments	214,273	75,734
Profit on bank deposits	824	1,432
Receivable against Takaful (Diminishing Musharakah)	120,047	299,441
Sales tax	8,185,335	455,795
	8,520,479	832,402

		(Un-audited) December 31, 2022	(Audited) June 30, 2022
		-----Rupees-----	
8.	CASH AND BANK BALANCES		
	Cash in hand	26,244	34,033
	Balance with banks:		
	- Current accounts	1,092,042	1,092,042
	- Saving accounts	3,611,563	1,359,340
		4,703,605	2,451,382
		4,729,849	2,485,415

8.1 Saving accounts represent Islamic bank accounts. The rate of profit on these accounts ranges from 6% to 14% (June 30, 2022: 4.5% to 10.5%) per annum.

		(Un-audited) December 31, 2022	(Audited) June 30, 2022
		-----Rupees-----	
9.	UNREALIZED LOSS ON RE-MEASUREMENT OF INVESTMENTS CLASSIFIED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME		
	Market value of investments	38,458,608	41,689,568
	Less: Cost of investments	44,965,508	46,403,036
		(6,506,900)	(4,713,468)

Surplus on revaluation of investments is presented under a separate head below equity as 'surplus on revaluation of investments' in accordance with the requirements of Circular No. SC/M/PRDD/PRs/2017-259 dated December 11, 2017 issued by the SECP.

10. CONTINGENCIES AND COMMITMENTS

10.1 There has been no change in the status of the contingencies and commitments as reported in note 15 to the annual financial statements of the Modaraba for the year ended June 30, 2022.

11. TRANSACTIONS ENTERED INTO AND BALANCES HELD WITH RELATED PARTIES

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

		(Un-audited) December 31, 2022	(Un-audited) December 31, 2022
Transactions during the six months ended			
	Purchase of sugar from Faran Sugar Mills Limited	45,277,700	-
	Management fee	255,097	-
Balances outstanding at period end			
	Management fee payable	255,097	-

12. FAIR VALUE HIERARCHY

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Modaraba measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

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

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

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

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

	December 31, 2022			
	Level 1	Level 2	Level 3	Total
	----- Rupees -----			
<i>r3m ma3 6t bb8ob</i>				
Investment in ordinary shares of listed companies	38,458,608	-	-	38,458,608
Investments in units of open-end mutual funds	34,150	-	-	34,150
	38,492,758	-	-	38,492,758
	June 30, 2022			
	Level 1	Level 2	Level 3	Total
	----- Rupees -----			
<i>r3m ma3 6t bb8ob</i>				
Investment in ordinary shares of listed companies	41,689,568	-	-	41,689,568
Investments in units of open-end mutual funds	53,559,514	-	-	53,559,514
	95,249,082	-	-	95,249,082

13. FINANCIAL RISK MANAGEMENT

The Modaraba's financial risk management objectives and policies are consistent with those disclosed in the preceding annual published financial statements of the Modaraba for the year ended June 30, 2022.

14. OPERATING SEGMENT

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

All non current assets of the Modaraba as at December 31, 2022 were located in Pakistan.

15. GENERAL**15.1 Date of authorization for issue of financial statements**

These condensed interim financial statements were authorized for issue by the Board of Directors of the Modaraba Management Company in their meeting held on Feb 22, 2023 .

15.2 Level of rounding

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

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