



## **QUARTERLY REPORT**

For the Quarter Ended

September 30, 2018  
(Un-audited)

**B.F. MODARABA**

Managed By

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

Registered under

The Companies Ordinance 1984 & Modaraba  
Companies & Modaraba Ordinance 1980

## CORPORATE INFORMATION

**MODARABA MANAGEMENT COMPANY**

E.A. Management (Pvt.) Ltd.

**BOARD OF DIRECTORS****DIRECTORS OF MODARABA MANAGEMENT COMPANY**

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

**AUDIT COMMITTEE**

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

**HUMAN RESOURCE & REMUNERATION COMMITTEE**

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

**CFO & COMPANY SECRETARY**

Mr. Muhammad Ayub

**SHARIAH ADVISOR**

Mr. Mufti Zubair Usmani

**LEGAL ADVISOR**

Mr. Ghulam Rasool Korai

**MODARABA AUDITORS**

M/s. Rehman Sarfaraz Rahim Iqbal

Rafiq Chartered Accountants

**BANKERS**

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

**REGISTERED OFFICE**

Bungalow No. 14-H, Block 6,  
P.E.C.H.S, Main Shahrah-e-Faisal,  
Karachi, Pakistan.

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**EMAIL & WEBSITE**

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URL : [www.bfmodaraba.com.pk](http://www.bfmodaraba.com.pk)

**SHARES REGISTRAR**

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

**CHIEF EXECUTIVE REVIEW  
FOR THE PERIOD ENDED SEPTEMBER 30, 2018**

Dear Certificate Holders,  
Assalamo Alikum,

By grace of Almighty Allah I take pleasure in presenting a brief review of the performance of your Modaraba for the first quarter ended September 30, 2018.

Gross revenue during the period was Rs.2.930 million vis-à-vis Rs.2.401 million for the corresponding period of 2017-18. Major component of revenue was capital gain of Rs.1.405. Thus, Pre-tax Profit stood at Rs. 0.744 million against a Pre-tax Profit of Rs. 0.357 million for the corresponding period of 2017-18. The unrealized loss in the value of investment in marketable securities was Rs.1.806 million.

Due to unstable economy, expectation of further depreciation of Pak rupees and increase in discount rate, the Stock market will remain volatile in the near future. So we will cautiously invest in marketable securities. However, we anticipate trading in commodity as new season is being expected to begin in Nov/Dec 2018.

We bow to Allah and pray for His blessing and guidance

**AMEEN**

Karachi:  
October 29, 2018

Muhammad Omar Amin Bawany  
Chief Executive

چیف ایگزیکٹو کا جائزہ

برائے اختتامی مدت 30 ستمبر 2018

محترم سرٹیفکیٹ ہولڈرز

اسلام علیکم!

اللہ کے فضل و کرم میں 30 ستمبر 2018 کو ختم ہونے والی پہلی سہ ماہی کے لئے آپ کی مضاربہ کی کارکردگی کا مختصر جائزہ پیش کرتے ہوئے مسرت محسوس کرتا ہوں۔

مدت کے دوران مجموعی آمدنی 2.930 ملین روپے تھی جب کہ 2017-18 کی اسی مدت کے لئے 2.401 ملین روپے تھی۔ آمدنی کا اہم عنصر 1.405 ملین روپے کا کپٹل گین تھا۔ اس طرح ٹیکس سے پہلے نفع 0.744 ملین روپے رہا جب کہ 2017-18 کی اسی مدت کے دوران ٹیکس سے پہلے نفع 0.357 ملین روپے تھا۔ قابل فروخت سیکورٹیز میں سرمایہ کاری کی قیمت میں غیر شعوری نقصان 1.806 ملین روپے تھا۔

غیر مستحکم معیشت، پاکستانی روپے کی مزید کمی کی توقع اور ڈسکاؤنٹ ریٹ میں اضافہ کی وجہ سے اسٹاک مارکیٹ مستقبل قریب میں غیر مستحکم رہے گی۔ اس طرح ہم مارکیٹ ایبل سیکورٹیز میں احتیاط سے سرمایہ کاری کریں گے۔ مگر ہم کو موڈیٹی میں ٹریڈنگ کرنا چاہتے ہیں جیسا کہ نومبر/دسمبر 2018 میں نئے موسم (سیزن) شروع ہونے کی توقع ہے۔

ہم اللہ تعالیٰ کے آگے سربسجود ہیں اور اسکی فضل و کرم اور رہنمائی کے لئے دعا گو ہیں۔ آمین

محمد عمر امین باوانی  
چیف ایگزیکٹو

کراچی  
29 اکتوبر 2018

**B.F.MODARABA  
BALANCE SHEET  
AS AT SEPTEMBER 30, 2018  
(UNAUDITED)**

	(Un-audited) Sep-18 Rupees	(Audited) June-18 Rupees		(Un-audited) Sep-18 Rupees	(Audited) June-18 Rupees
<b>CAPITAL AND RESERVES</b>			<b>NON-CURRENT ASSETS</b>		
Authorized Capital			Property, Plant and Equipment	36,856	38,417
10,000,000 Modaraba			Long Term Deposits	40,019	40,019
Certificates of Rs. 10/- each	100,000,000	100,000,000		76,875	78,436
Issued, subscribed and paid-up capital	75,151,587	75,151,587			
Reserve	56,429,700	55,788,081	<b>CURRENT ASSETS</b>		
	131,581,287	130,939,668	Stock in Trade	-	10,107,090
Unrealized gain in value of investment	(1,806,500)	2,285,064	Trade Debts	12,211,650	1,863,406
<b>TOTAL EQUITY</b>	<b>129,774,788</b>	<b>133,224,732</b>	Advances, deposit, prepayments & other Receivables	3,314,646	6,140,547
			Available-for-sale Financial assets	104,613,896	97,645,100
<b>NON-CURRENT LIABILITIES</b>	-	-	Cash and bank balances	14,184,592	24,943,033
<b>CURRENT LIABILITIES</b>				134,324,783	140,699,176
Accrued expenses and other liabilities	2,397,272	4,839,548			
Due to Management Company	581,793	497,457			
Unclaimed Dividend	1,545,582	1,545,582			
Provision for Taxation	102,225	670,293			
	4,626,873	7,552,880			
	134,401,660	140,777,612		134,401,660	140,777,612

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

For E.A.Management (Pvt) Ltd.,  
(Management Company)

**B.F.MODARABA**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2018**

	September 2018 <u>Rupees</u>	September 2017 <u>Rupees</u>
Operating Incomes	2,930,514	2,401,340
Operating expenses	<u>(2,087,154)</u>	<u>(1,996,421)</u>
Profit/(Loss) before charging management fee	843,360	404,919
Provision for management fee	<u>(84,336)</u>	<u>(40,492)</u>
Profit/(Loss) before wokers' welfare fund	759,024	364,427
Provision for workers' welfare fund	<u>(15,180)</u>	<u>(7,289)</u>
Profit/(Loss) before taxation	743,844	357,138
Taxation - current	<u>(102,225)</u>	<u>(25,425)</u>
Profit/(Loss) after taxation	<u><u>641,619</u></u>	<u><u>331,713</u></u>
Earning per certificate - Basic and Diluted	<u><u>0.09</u></u>	<u><u>0.04</u></u>

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

For E.A.Management (Pvt) Ltd.,  
(Management Company)

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Chairman

Chief Executive

Director

Chief Financial Officer

**B.F.MODARABA**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2018**

	For the quarter ended September 30,	
	2018	2017
	-----Rupees-----	
<b>Profit/ (loss) for the period</b>	<b>641,619</b>	<b>331,713</b>
Unrealized gain/(loss) on revaluation of available for sale - financial assets	(2,655,433)	(3,654,924)
Gain realized on disposal of financial assets	(1,436,131)	(2,194,500)
	(4,091,564)	(5,849,424)
<b>Total comprehensive income / (loss) for the period</b>	<b>(3,449,945)</b>	<b>(5,517,711)</b>

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

For E.A.Management (Pvt) Ltd.,  
(Management Company)

**B.F.MODARABA**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2018**

Description	Issued, subscribed and paid up capital	Reserves			Total
		Statutory Reserves	Unappropriat ed Profit	Total Reserves	

-----Rupees-----

<b>Balance as at July 01, 2017</b>	<b>75,151,587</b>	<b>45,526,548</b>	<b>14,059,409</b>	<b>59,585,957</b>	<b>134,737,543</b>
Comprehensive income for the quarter	-	-	331,713	331,713	331,713
<b>Balance as at September 30, 2017</b>	<b>75,151,587</b>	<b>45,526,548</b>	<b>14,391,122</b>	<b>59,917,670</b>	<b>135,069,256</b>
Balance as at October 01, 2017	75,151,587	45,526,548	14,391,122	59,917,670	135,069,258
Transfer to the statutory reserves @ 50%	-	1,858,641	(1,858,641)	-	-
Dividend paid during the year	-	-	(7,515,158)	(7,515,158)	(7,515,158)
Comprehensive income for nine months	-	-	3,385,569	3,385,569	3,385,569
<b>Balance as at June 30, 2018</b>	<b>75,151,587</b>	<b>47,385,189</b>	<b>8,402,892</b>	<b>55,788,081</b>	<b>130,939,668</b>
Balance as at July 1, 2018	75,151,587	47,385,189	8,402,892	55,788,081	130,939,668
Comprehensive income for the quarter	-	-	641,619	641,619	641,619
<b>Balance as at September 30, 2018</b>	<b>75,151,587</b>	<b>47,385,189</b>	<b>9,044,511</b>	<b>56,429,700</b>	<b>131,581,287</b>

The annexed notes form an integral part of these financial

For E.A.Management (Pvt) Ltd.,  
(Management Company)



**B. F. MODARABA**  
**STATEMENT OF CASH FLOWS**  
**FOR THE PERIOD ENDED (1ST QUARTER) SEPTEMBER 30, 2018**

	Sep-18 Rupees	Sep-17 Rupees
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	743,844	357,138
Adjustments for :		
Depreciation- own assets	1,561	1,557
Gain on sale of investments	(1,404,938)	(2,189,500)
Provision for Provident fund	104,079	104,526
Bank Profit	(152,416)	(54,840)
Provision for Mangement fee	84,336	40,492
Provision for WWF	15,180	7,289
Dividend Income	(709,500)	(157,000)
	(2,061,698)	(2,247,477)
	(1,317,854)	(1,890,338)
<b>Changes in working capital</b>		
<b>Decrease / (increase) in current assets :</b>		
Stock in Trade	10,107,090	-
Trade Debts	(10,348,244)	-
Advance, Deposits, prepayments and other receivable	899,256	(114,090)
<b>Increase / (decrease) in current liabilities:</b>		
Accrued expenses	(2,456,537)	36,065
Net increase in working capital	(1,798,435)	(78,025)
Taxes Paid	(197,134)	(27,159)
P.F Paid	(105,000)	-
Net cash Inflow(outflow) from operating activities	(3,418,423)	(1,995,522)
<b>B CASH FROM INVESTING ACTIVITIES</b>		
Additions in fixed assets		
Own use	-	-
Available for sale Investments acquired	(13,120,144)	(2,272,412)
Proceeds from sale of Investments	3,464,722	2,822,250
Dividend received	2,123,239	132,000
Bank Profit received	192,164	64,380
Net cash inflow(outflow) from investing activities	(7,340,019)	746,218
<b>C. CASH FROM FINANCING ACTIVITIES</b>		
Net cash used in financing activities	-	-
Net increase/ (decrease) in cash and bank balances	(10,758,442)	(1,249,305)
Cash and bank balances at the beginning of the period	24,943,033	6,900,266
Cash and bank balances at the period ended September 30, 2018	14,184,592	5,650,961

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

For E.A.Management (Pvt) Ltd.,  
(Management Company)

**B.F.MODARABA**  
**INVESTMENT AVAILABLE FOR SALE**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2018**

INVESTMENTS	Sep 2018 Rupees	June 2018 Rupees
1.1 Investment in Shares/Certificates	29,750,224	29,193,695
1.2 Invesment in Mutual Funds	74,863,672	68,451,405
	<b>104,613,896</b>	<b>97,645,100</b>

**1.1 Investment in Shares/Certificates**

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

June 2018 Shares/Certificate	Sep 2018	NAME OF COMPANY/ INSTITUTION	Sep 2018 Rupees	June 2018 Rupees
		<b>MODARABAS</b>		
92,636	21,136	Orix Modaraba	402,216	1,538,683
72,900	72,900	First Punjab Modaraba	386,370	400,950
165,536	94,036	<b>Total</b>	<b>788,586</b>	<b>1,939,633</b>
		<b>BANK</b>		
53,000	53,000	Meezan Bank Limited	4,726,540	4,331,160
53,000	53,000	<b>Total</b>	<b>4,726,540</b>	<b>4,331,160</b>
		<b>CEMENT</b>		
162000	162000	Fauji Cement	3,622,320	3,701,700
10000	10000	Kohat Cement	1,251,400	1,230,700
0	10,000	D.G.Khan Cement	1,024,100	0
172,000	182,000	<b>Total</b>	<b>5,897,821</b>	<b>4,932,400</b>
		<b>FUEL AND ENERGY</b>		
73	73	Pakistan Petroleum Ltd	15,579	15,688
20000	20000	Hub Power Company Ltd	1,749,400	1,843,200
0	10000	Attock Refinery Ltd	1,513,700	0
49000	49000	Kohinoor Energy Ltd	1,874,241	1,959,991
600500	600500	K-Electric Ltd	3,212,918	3,411,083
669,573	679,573	<b>Total</b>	<b>8,365,838</b>	<b>7,229,962</b>
		<b>ENGINEERING</b>		
25000	25000	Mughal Iron & Steel Ind.	1,223,250	1,535,500
25000	25000	International Steel	2,274,250	2,542,500
50,000	50,000	<b>Total</b>	<b>3,497,500</b>	<b>4,078,000</b>
		<b>AUTOMOBILE ASSEMBLER</b>		
2000	2000	Pak Suzuki Motors Ltd.,	619,640	786,760
2,000	2,000	<b>Total</b>	<b>619,640</b>	<b>786,760</b>
		<b>COMMUNICATION</b>		
57,000	57,000	Pakisatan Telecommunication Company Ltd.	570,000	652,080
57,000	57,000	<b>Total</b>	<b>570,000</b>	<b>652,080</b>
		<b>CHEMICALS &amp; PHARMACEUTICALS</b>		
70,000	70,000	Engro Fertilizer Company Ltd.	5,284,299	5,243,699
70,000	70,000	<b>Total</b>	<b>5,284,299</b>	<b>5,243,699</b>
1,239,109	1,187,609	<b>Grand Total</b>	<b>29,750,224</b>	<b>29,193,695</b>

## 1.2 Investment in Mutual Funds

June 2018 Number of Units	Sep 2018 Number of Units		Sep 2018 Rupees	June 2018 Rupees
<i>MUTUAL FUNDS</i>				
133,957	0	Meezan Balanced Fund	0	2,067,782
111,436	111,436	Meezan Islamic Fund	6,855,491	7,057,724
1,107,256	1,147,462	Meezan Islamic Income Fund	59,748,350	59,325,899
0	51,061	Alfalalah GHP Islamic Value Fund	5,112,739	0
0	69,549	AKD Islamic Stock Fund	3,147,092	0
1,352,649	1,379,508	<b>Grand Total</b>	<b>74,863,672</b>	68,451,405

2. These financial statements are unaudited and were authorized for issued on Oct 29, 2018 by the Board of Directors of the Management Company.
3. The accounting policies adopted for the preparation of these financial statements are consistent with those applied for the preparation of the preceding published financial statements.
4. Amount of Taxation is Provisional and final Tax liability will be determined on the basis of Annual Result.
5. Figures have been rounded off to the nearest rupee and have been re-arranged where necessary for the purpose of comparison

For E.A.Management (Pvt) Ltd.,  
(Management Company)