



# B. F. Modaraba

Managed By  
E.A. Management (Pvt.) Ltd.

Ref: 596-PSX/CBS/2023

October 20, 2023

The General Manager,  
Pakistan Stock Exchange Limited  
Stock Exchange Building,  
Stock Exchange Road,  
Karachi.

Subject: **CORPORATE BRIEFING SESSION**

Dear Sir,

In compliance with the PSX notices no. PSX/N-92 dated January 28, 2019 and PSX/N-249 dated March 04, 2019, We would like to inform you that B.F.Modaraba has planned to conduct the Corporate Briefing Session for the financial year 2022-23 on Friday, October 27, 2023 at 04:30 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.

We would like to further inform you that we have also established video link facility for the above CBS, therefore, interested participants can also join the briefing session via below provided ZOOM video link and password.

Zoom Video Link:

<https://us06web.zoom.us/j/86194168244?pwd=7mII7NEd5xSunSNwa0aMOdlUJKBbOE.1>

Meeting ID: 861 9416 8244  
Passcode: 634289

We have also attached the pdf version of CBS presentation with the letter and have also uploaded the same in the investor relation section of Company website i.e. [www.bfmodaraba.com.pk](http://www.bfmodaraba.com.pk)

You may please inform the TRE Certificate Holders of the Exchange accordingly.

Thanking you,

Yours truly,

**Muhammad Ayub**  
CFO & Company Secretary

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## B.F.MODARABA

Plot No. 43-1-E, P.E.C.H.S, Block-6, Off Razi Road, Shahrah-e-Faisal, Karachi. Pakistan.

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**B.F.MODARABA**  
**CORPORATE BRIEFING FOR THE FINANCIAL YEAR 2022-23**

**1. B.F.MODARABA**

**PREFACE: B.F.Modaraba** is a unit of **Amin Bawany Group**, which is a leading business group having interest in diversified businesses such as insurance, leasing, particle board, sugar, ethanol, food, Digital Marketing and other important business sectors of Pakistan.

B.F.Modaraba managed by E.A.Management (Pvt) Ltd., was established in 1989 as a perpetual multi -purpose and multi- dimensional Modaraba and is listed on Pakistan Stock Exchange. Share capital and certificate holder equity of the Modaraba are Rs. 75,151,587 and Rs. 113,710,002 respectively, whereas breakup value of shares Rs. 14.65

The Modaraba activities are Leasing, which is covering the corporate enterprise to individuals entrepreneurs, long term and short term Murabaha and Musharika, equity market and investment operation, trading and other mode which are not against the injunction of Islam.

**2. REVIEW OF OPERATIONS 2022-23**

Gross revenues during the year were Rs.10.459 million vis-à-vis Rs. 7.940 million for the corresponding period of 2021-22; major components of revenue were dividend income, Diminishing Musharakah Income and gain on sale of Mutual Funds of Rs.6.221 million, 2.832 million and 1.075 million respectively. However, Sustainable Environment Developers (SED) again reported loss due to its limited operation that caused by dull economy activities in the country. Thus, Pre-tax loss stood at Rs. 5.999 million including share of loss from SED amounting Rs. 7.416 against a Pre-tax loss of Rs. 15.111 million million including share of loss from SED amounting Rs. 15.384 for the corresponding period of 2021-22 and loss per certificate stood at Rs. 0.80. Equity Market index showed minor upward trend of 0.23% closed at 41,452 points as on June 30, 2023 from last year closing of 41,360 points as on June 30, 2022. But, due to unstable economic condition reflected in our portfolio investment valuation and unrealized loss of marketable securities stood at Rs. 6.263 million shown in the equity as on balance sheet date.

**3. FUTURE OUTLOOK**

The year under review faced unprecedented challenges and issues this year. The business activities remain dull due to uncertainty on economic and political fronts, weakening of Pak Rupee, rising inflation and volatile capital market. Modaraba Sector has gone through serious turmoil due to unfair and unjustified withdrawal of tax exemptions and limit of claiming tax exemptions in the hands of Lessees, for vehicles up to Rs 2.5 million only. Our joint venture business under Musharakah arrangement to run a workshop has almost halted. Slow economy activities in the country due to rising costs of all input material, escalating electricity cost, Pak rupee depreciation, high indigenous inflation and rising costs of finance that have a significant impact on a company's ability to secure work orders from industrial sectors and operate profitably. Fragile economy condition of the country is hammering the momentum of all industrial sector of the country, but expecting the economy condition of the country will improve in near future and SED will receive orders from industrial sectors. Meanwhile, in such a challenging environment, SED has adapted and implemented strategies to remain competitive and financially sustainable. This may include fixed cost-cutting measures and to secure small orders to meet its routine expenses, exploring new markets, and closely monitoring economic trends and government policies that can impact their industry.

**4. KEY OPERATING AND FINANCIAL DATA**

KEY OPERATING AND FINANCIAL DATA						Rs. 000's
Year	2023	2022	2021	2020	2019 (Restated)	2018
Paid-up Capital	75,151	75,151	75,151	75,151	75,151	75,151
Equity	116,386	124,148	143,017	137,511	134,855	130,939
Operating Revenue	10,460	7,940	12,772	10,867	5,089	12,434
Net Profit / (Loss) After Tax	(5,999)	(15,511)	5,506	2,657	(2,929)	3,717
Bonus	-	-	-	-	-	-
Cash Dividend	-	-	5%	-	-	-
Earning / (Loss) Per Certificate (Rs.)	(0.80)	(2.011)	0.73	0.35	(0.39)	0.49

## 5. KEY BUSSINESS AREA

### (a) TRADING IN MARKETALE SECURITES

Stock market will remain volatile in the near future due to current economy condition and we will remain cautious while taking further exposure in marketable securities. Three years KSE-100 index Trend are as below

KSE 100 INDEX END OF **2020-21** AT **47,356 POINTS** (HIGH = **48,726**, LOW = **34,889** POINTS)

KSE 100 INDEX END OF **2021-22** AT **41,540 POINTS** (HIGH = **48,112**, LOW = **39,541** POINTS)

KSE 100 INDEX END OF **2022-23** AT **41,452 POINTS** (HIGH = **43,676**, LOW = **38,443** POINTS)

## 6. BUSINESS STRATEGY

<b>BUSINESS STRATEGY</b>				Fund Allocation	Target Revenues	Return
1- <u>Investment in Marketable Securities (Equity):</u>				(Average)		
	Total current Investment	38,739,059				
	Further	-				
	Total placement of fund	<u>38,739,059</u>	-	-	-	
2- <u>Dividend Income:</u>						
	Allocated average fund	<u>38,739,059</u>	38,739,059	3,873,906	10%	
3- <u>Musharakah</u>						
	Allocated average fund	<u>-</u>	-	-	-	
4- <u>Diminishing Musharakah</u>						
	Allocated average fund	<u>11,895,171</u>	21,895,171	5,035,889	23%	
5- <u>Trading Income from Commodities:</u>						
	Average fund - Effective month 6	<u>50,000,000</u>	50,000,000	25,000,000	50%	
6- <u>Cash and Cash Equivalents:</u>						
	Allocated average fund	<u>15,000,000</u>	1,000,000	200,000	20%	
			<b>111,634,230</b>	<b>34,109,795</b>	<b>30.55%</b>	