

QUARTERLY ACCOUNTS  
(un-audited)

For the period ended September 30, 2005



FIRST IMROOZ MODARABA

Managed by:  
A R Management Services (Private) Limited



## FIRST IMROOZ MODARABA

### REPORT OF THE DIRECTORS OF THE MODARABA MANAGEMENT COMPANY

The Directors of A R Management Services (Private) Limited, the management company of First Imrooz Modaraba are pleased to present their report alongwith unaudited financial statements for the first quarter ended September 30, 2005.

#### 1. Financial Highlights

Financial results are summarized as under:

(Rupees in '000)

	Three months ended	
	30-Sept-05	30-Sept-04
Sales	88,169	85,900
Gross profit	13,943	13,722
Other income	1,655	618
Profit after taxation	4,948	4,366

#### 2. Performance Review

The Board is pleased to report that for the current quarter the sales as well as gross profit have increased by Rs. 2.269 m and Rs. 0.221 m respectively as compared to last corresponding period. This tendency reflects that the policies adopted by the Modaraba to widen its product range and explore new lines are yielding positive results.

The other income of the Modaraba has risen from Rs. 0.618 m to Rs. 1.655 m due to appreciation in the value of investments, gain on disposal of fixed assets, etc.

In view of better results for the quarter earnings per certificate has increased from Rs. 1.46 to Rs. 1.65.

#### 3. Acknowledgment

We express our thanks for continued guidance extended by the Registrar Modaraba and the Securities and Exchange Commission of Pakistan. We are also thankful to our colleagues, our investors and our business associates for their continued support and co-operation.

On behalf of the Board

**Naveed Riaz**  
Chief Executive

October 18, 2005



## FIRST IMROOZ MODARABA

### BALANCE SHEET AS AT SEPTEMBER 30, 2005

	September 30, 2005 Rupees (Un-audited)	June 30, 2005 Rupees (Audited)
<b>ASSETS</b>		
NON CURRENT ASSETS		
Tangible fixed assets - Cost less depreciation	6,697,590	5,570,734
Intangible assets - Cost less amortization	166,312	221,749
CURRENT ASSETS		
Stock in trade	98,160,100	121,429,921
Trade debts	25,084,419	24,922,153
Investments	10,544,062	10,007,500
Advances, deposits, prepayments and other receivables	2,578,585	711,616
Taxation	1,016,046	933,828
Cash and bank balances	4,805,065	2,123,639
	<u>142,188,277</u>	<u>160,128,657</u>
	<u>149,052,179</u>	<u>165,921,140</u>
<b>EQUITY AND LIABILITIES</b>		
CAPITAL AND RESERVES		
<b>Authorized capital</b>		
10,000,000 modaraba certificates of Rs. 10 each	<u>100,000,000</u>	<u>100,000,000</u>
<b>Issued, subscribed and paid up capital</b>		
3,000,000 modaraba certificates of Rs. 10 each	30,000,000	30,000,000
Statutory reserve	34,968,521	34,968,521
Unappropriated profit	<u>6,039,488</u>	<u>1,091,343</u>
	71,008,009	66,059,864
Deferred liability - Staff gratuity	2,683,687	2,561,806
CURRENT LIABILITIES		
Qard-e-Hasan from modaraba company	17,200,000	-
Obligation under murabaha finances	23,500,000	61,063,075
Creditors, accrued and other liabilities	20,560,483	22,136,395
Profit distribution	14,100,000	14,100,000
	75,360,483	97,299,470
CONTINGENCIES AND COMMITMENTS		
	-	-
	<u>149,052,179</u>	<u>165,921,140</u>

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

**Naveed Riaz**  
Chief Executive

**Ameed Riaz**  
Director

**Mrs. Saadat Ikram**  
Director



## FIRST IMROOZ MODARABA

### PROFIT AND LOSS ACCOUNT FOR THE PERIOD JULY 01, 2005 TO SEPTEMBER 30, 2005

	Jul. to Sep. 2005 Rupees	Jul. to Sep. 2004 Rupees
Sales	88,169,568	85,899,924
Cost of goods sold	74,226,008	72,177,555
Gross profit	13,943,560	13,722,369
Operating expenses	5,216,476	3,332,921
Operating profit	8,727,084	10,389,448
Other income	1,654,900	617,927
	10,381,984	11,007,375
Financial charges - bank charges	18,387	11,050
Profit for the period	10,363,597	10,996,325
Modaraba Company's management fee	725,452	769,743
Profit before taxation	9,638,145	10,226,582
Provision for taxation	4,690,000	5,860,000
Profit after taxation	4,948,145	4,366,582
Unappropriated profit brought forward	1,091,343	2,940,793
Unappropriated profit carried forward	6,039,488	7,307,375
Earnings per certificate - Basic	1.65	1.46

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

### STATEMENT OF CHANGES IN EQUITY FOR THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2005 (UN-AUDITED)

	Issued, Subscribed and paid up capital	Statutory Reserve	Unappro- riated Profit	Total
	Rupees			
Balance as at July 01, 2004	30,000,000	31,905,883	2,940,793	64,846,676
Profit after taxation for the year	-	-	15,313,188	15,313,188
Transfer to statutory reserve	-	3,062,638	(3,062,638)	-
Profit distribution - final	-	-	(14,100,000)	(14,100,000)
Balance as at June 30, 2005	30,000,000	34,968,521	1,091,343	66,059,864
Profit after taxation for the period	-	-	4,948,145	4,948,145
Balance as at September 30, 2005	30,000,000	34,968,521	6,039,488	71,008,009

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

**Naveed Riaz**  
Chief Executive

**Ameed Riaz**  
Director

**Mrs. Saadat Ikram**  
Director



## FIRST IMROOZ MODARABA

### CASH FLOW STATEMENT FOR THE PERIOD ENDED SEPTEMBER 30, 2005 (UN-AUDITED)

	Jul. to Sep. 2005 Rupees	Jul. to Sep. 2004 Rupees
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	9,638,145	10,226,582
Add/(less): Adjustments for non-cash and other items:		
Depreciation on tangible fixed assets	549,305	484,221
Amortization of intangible asset	55,437	55,437
Gain on disposal of fixed assets	(641,034)	(549,897)
Gain on sale of shares	-	(38,000)
Provision for (appreciation)/diminution in value of investments	(536,562)	485,213
Provision for staff gratuity	121,881	121,881
Cash generated from operating activities before working capital changes	9,187,172	10,785,437
Working capital changes:		
Decrease/(Increase) in current assets		
Stock-in-trade	23,269,821	(15,377,542)
Trade debts	(162,266)	(11,352,353)
Advances, deposits, prepayments & other receivables	(1,866,969)	(1,822,392)
	21,240,586	(28,552,287)
(Decrease)/Increase in current liabilities creditors, accrued and other liabilities	(1,575,912)	38,502,105
	28,851,846	20,735,255
Income taxes paid	(4,772,218)	(6,109,479)
<i>Net cash generated from/(used in) operating activities</i>	24,079,628	14,625,776
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(1,678,427)	(12,800)
Proceeds from disposal of fixed assets	643,300	560,300
Dividend received	346,500	420,250
Investments in shares - Net	(346,500)	(183,750)
<i>Net cash (used in)/generated from investing activities</i>	(1,035,127)	784,000
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Qard-e-Hasan from Modaraba Company	17,200,000	(500,000)
Obligation under murabaha finances	(37,563,075)	(12,164,850)
<i>Net cash (used in)/generated from financing activities</i>	(20,363,075)	(12,664,850)
Net increase/(decrease) in cash and cash equivalents	2,681,426	2,744,926
Cash and cash equivalents at the beginning of the period	2,123,639	4,913,250
Cash and cash equivalents at the end of the period	4,805,065	7,658,176

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

**Naveed Riaz**  
Chief Executive

**Ameed Riaz**  
Director

**Mrs. Saadat Ikram**  
Director



## FIRST IMROOZ MODARABA

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED SEPTEMBER 30, 2005 (UN-AUDITED)

#### 1. LEGAL STATUS AND NATURE OF BUSINESS

First Imrooz Modaraba (the Modaraba) was formed under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 (XXXI of 1980) and the Rules framed thereunder and is managed by A R Management Services (Private) Limited. The Modaraba commenced its commercial operations from March 01, 1994. The Modaraba is listed on the Karachi Stock Exchange.

The Modaraba is a perpetual modaraba, initially floated for the specific purpose of trading in approved commodities and other products. The Modaraba was converted into multi purpose modaraba on August 08, 1998. The Modaraba is engaged in domestic and international trading and investing activities.

#### 2. STATEMENT OF COMPLIANCE

These financial statements are submitted to the Certificate holders as required by Rule 10 of the Modaraba Companies and Modaraba Rules, 1981 and in compliance to clause (xxi) of the Code of Corporate Governance contained in the Listing Regulation No. 37 of the Karachi Stock Exchange.

#### 3. BASIS OF PREPARATION

These financial statements have been prepared in accordance with the requirements of International Accounting Standard 34 "Interim Financial Report" as applicable in Pakistan.

To comply with the requirements of IAS 34, Balance sheet has been compared with the balances of annual audited financial statements for the year ended June 30 2005, whereas Profit & Loss Account and Cash Flow Statement have been compared with the quarter ended balances of the corresponding period of last year.

#### 4. ACCOUNTING POLICIES

The accounting policies adopted for the preparation of these financial statements are consistent with those applied for the preparation of published financial statements for the year ended June 30, 2005.

#### 5. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were approved by the Board of Directors of the Modaraba Company and authorized for issue in their meeting held on October 18, 2005.

#### 6. CORRESPONDING FIGURES

Corresponding figures have been rearranged/reclassified, wherever necessary, for the purpose of comparison. However, no significant reclassification has been made.

#### 7. GENERAL

Amounts have been presented and rounded off to the nearest rupee.

**Naveed Riaz**  
Chief Executive

**Ameed Riaz**  
Director

**Mrs. Saadat Ikram**  
Director

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