

## **QUARTERLY ACCOUNTS**

For the period ended September 30, 2019  
(Un-Audited)



FIRST IMROOZ MODARABA

Managed By  
A R Management Services (Private) Limited

# MODARABA INFORMATION

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## **Modaraba Management Company**

A R Management Services (Private) Ltd.

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## **Directors of Modaraba Company**

Mr. Naveed Riaz—Chief Executive

Mrs. Saadat Ikram

Mr. Ameer Riaz

Mr. Omar Mohammad Khan

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## **Chief Financial Officer**

Mr. Ateed Riaz

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## **Audit Committee**

Mr. Omar Mohammad Khan (Chairman)

Mrs. Saadat Ikram (Member)

Mr. Ameer Riaz (Member)

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## **Human Resource Committee**

Mr. Omar Mohammad Khan (Chairman)

Mrs. Saadat Ikram (Member)

Mr. Ameer Riaz (Member)

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## **Company Secretary**

Mr. Shabbir Ahmed Jamsa

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## **Chief Internal Auditor**

Mr. Abbas Kerani

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## **Auditors**

M/s. Deloitte Yousuf Adil

Chartered Accountants

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## **Bankers**

Soneri Bank Limited

Bank Al falah Limited

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## **Legal Advisors**

Aatif Awan, Advocate

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## **Shariah Advisor**

Mufti Abdul Qadir

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## **Principal place of business**

Room No. 405, 4<sup>th</sup> Floor

Beaumont Plaza, Beaumont Road

Civil Lines Quarters, Karachi.

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## **Registered Office of the Modaraba Company**

125-S, Small Industrial Area

Kot Lakhpat, Lahore.

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## **Certificate Registration Office**

F.D. Registrar Services (SMC-Pvt.)

Limited 17<sup>th</sup> Floor, Saima Trade Tower-A,

I.I. Chundrigar Road Karachi



## FIRST IMROOZ MODARABA

### REPORT OF THE DIRECTORS

The Board of Directors of A R Management Services (Private) Limited, the management company of First Imrooz Modaraba are pleased to present their quarterly report alongwith unaudited financial statements for the first quarter ended on September 30, 2019.

#### 1. Financial Highlights

Financial results of the Modaraba are summarized as under:-

	(Rupees in million)	
	Three months ended	
	30-Sep-19	30-Sep-18
Sales	114.421	181.805
Gross profit	36.283	26.943
Operating expenses	17.513	16.688
Other income	0.647	0.049
Profit / (Loss) for the quarter	11.249	(0.269)
Earnings per certificate - basic & diluted (Rupees)	3.75	(0.09)

#### 2. Review of Operations

As slowdown of the economy continues, the turnover for the period has decreased to Rs. 114.421 million as against Rs. 181.805 million of the corresponding period of last year.

However, Gross Profit has increased to Rs. 36.283 million as compared to Rs. 26.943 million of the corresponding quarter that is by 34.67%. In last corresponding period, the gross profit was severely affected due to devaluation of Pakistani currency and volatility in the global market.

Other income for this quarter is Rs. 0.647 million as against Rs. 0.049 million of the corresponding quarter.

As a result, the Modaraba recorded a profit of Rs.11.249 million as against loss of Rs. (0.269) million of the corresponding quarter.

#### 3. Acknowledgement

The Board wishes to express its thanks for continued guidance and support extended by the Registrar Modaraba and other officials of Securities and Exchange Commission of Pakistan. The Board also wishes to thank its certificate holders, bankers, business partners and the employees of the Modaraba for their continued support and co-operation.

on behalf of the Board

Naveed Riaz  
Chief Executive  
October 28, 2019



FIRST IMROOZ MODARABA

## ڈائریکٹرز کی رپورٹ

فرسٹ امروز مضاربہ کی انتظامی کمپنی اے آر اینجمنٹ سروسز (پرائیویٹ) لمیٹڈ کے بورڈ آف ڈائریکٹرز مضاربہ کی سہ ماہی رپورٹ بمعہ پہلے سہ ماہ اختتام 30 ستمبر 2019 کے غیر آڈیٹڈ مالی حسابات کے ساتھ پیش کرتے ہیں۔

## نمایاں مالیاتی نکات

مضاربہ کے مالیاتی نتائج مندرجہ ذیل ہیں:

30-Sep-18	30-Sep-19	
(ملین روپوں میں)		
181.805	114.421	فروخت اشیاء
26.943	36.283	مجموعی منافع
16.688	17.513	آپریٹنگ اخراجات
0.049	0.647	دیگر آمدنی
(0.269)	11.249	خالص (نقصان)/منافع
(0.09)	3.75	فی کس سرٹیفکیٹ آمدنی (بنیادی اور تحلیل شدہ) روپے

## کارکردگی کا جائزہ

اس سہ ماہی میں مضاربہ کی اشیاء کی فروخت 114.421 ملین روپے تک رہی جبکہ اسکے مقابلے میں پچھلے دورانیے میں یہ فروخت 181.805 ملین روپے تھی۔ حالانکہ خام منافع 36.283 ملین روپے تک رہا، جب کہ اس کے مقابلے پچھلی مدت کے دوران خام منافع 26.943 ملین روپے تھا۔ پچھلی مدت کے دوران خام منافع کم ہونے کی وجہ عالمی منڈی میں خام مال کی قیمتوں کے اتار چڑھاؤ اور امریکی ڈالر کے مقابلے پاکستانی روپے کی قدر میں شدید کمی تھی۔ دیگر آمدنی اس مدت میں 0.647 ملین روپے رہی جب کہ گزشتہ مدت میں یہ 0.049 ملین روپے تھی۔ نتیجتاً مضاربہ کا خالص منافع سہ ماہی اختتام پہ 11.249 ملین روپے رہا، جبکہ گزشتہ مقابل مدت پہ خالص نقصان 0.269 ملین روپے تھا۔

## اعتراف نامہ

بورڈ اس موقع پر رجسٹرار مضاربہ اور سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے دیگر حکام کی مسلسل رہنمائی اور مدد کے لئے اپنے تشکر کا اظہار کرتا ہے۔ بورڈ اس کے علاوہ اپنے سرٹیفکیٹ مالکان، رفقاء کار، سرمایہ کاروں، بینکاروں اور کاروباری پارٹیوں کی رہنمائی اور خصوصاً مضاربہ کے تمام ملازمین کی انتھک محنت اور لگن کے لئے ان سب کا شکر گزار ہے۔

منجانب بورڈ

نوید ریاض

چیف ایگزیکٹو

28 اکتوبر، 2019



FIRST IMROOZ MODARABA

**CONDENSED INTERIM BALANCE SHEET  
AS AT SEPTEMBER 30, 2019**

	<b>September 30, 2019</b>	<b>June 30, 2019</b>
	<b>Rupees</b>	<b>Rupees</b>
<b>Note</b>	<b>(Un-audited)</b>	<b>(Audited)</b>
<b>NON CURRENT ASSETS</b>		
Property and equipment	8,434,523	9,294,441
Intangible assets	208,322	333,323
Long term deposits	590,752	490,752
	<u>9,233,597</u>	<u>10,118,516</u>
<b>CURRENT ASSETS</b>		
Stock in trade	208,927,210	212,679,008
Trade debtors	130,499,578	98,602,686
Advances, deposits, prepayments and other receivable	487,706	1,031,467
Advance Income tax	8,281,307	7,450,310
Cash & bank balances	3,855,244	11,346,950
	<u>352,051,045</u>	<u>331,110,421</u>
	<u>361,284,642</u>	<u>341,228,937</u>
<b>CAPITAL AND RESERVES</b>		
Authorised Capital		
10,000,000 Modaraba Certificates of Rs. 10 each	<u>100,000,000</u>	<u>100,000,000</u>
Issued, subscribed and paid-up certificate capital	30,000,000	30,000,000
Statutory reserve	94,143,390	94,143,390
Revenue reserve	11,270,064	15,020,145
	<u>135,413,454</u>	<u>139,163,535</u>
<b>NON-CURRENT LIABILITY</b>		
Defined Benefit Plan - Staff gratuity	32,346,524	30,196,633
<b>CURRENT LIABILITIES</b>		
Obligation under finances	50,086,597	74,637,490
Qard-e-Hasana from Modaraba Management Company	69,000,000	-
Creditors, accrued and other liabilities	59,438,067	97,231,279
Profit distribution	15,000,000	-
	193,524,664	171,868,769
<b>CONTINGENCIES AND COMMITMENTS</b>		
	4	
	<u>361,284,642</u>	<u>341,228,937</u>

The annexed notes from 1 to 5 form an integral part of this condensed interim financial information.

**For A R Management Services (Private) Limited**

**Naveed Riaz**  
Chief Executive

**Ameed Riaz**  
Director

**Mrs. Saadat Ikram**  
Director



FIRST IMROOZ MODARABA

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)  
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2019**

	<b>Jul - Sep 2019 Rupees</b>	<b>Jul - Sep 2018 Rupees</b>
Sales	114,421,119	181,804,996
Cost of sales	78,137,921	154,861,608
Gross profit	36,283,198	26,943,388
Operating expenses	17,513,269	16,687,663
Operating profit	18,769,929	10,255,725
Murabaha charges	(890,589)	(679,104)
Musharaka charges	(1,608,301)	-
Other income	647,477	49,427
Sindh Workers' welfare fund @ 2%	(338,820)	(192,521)
Profit before taxation	16,579,696	9,433,527
Taxation	5,329,777	9,702,036
Net Profit / (Loss) for the period	11,249,919	(268,509)
Other Comprehensive Income	-	-
Total comprehensive income / (loss)	11,249,919	(268,509)
Earnings per certificate - basic & diluted	3.75	(0.09)

The annexed notes from 1 to 5 form an integral part of this condensed interim financial information.

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)  
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2019**

	<b>Issued, subscribed and paid up certificate capital</b>	<b>Statutory reserve</b>	<b>Revenue reserve (un- appropriated profit)</b>	<b>Total</b>
	<b>Rupees</b>			
Balance at June 30, 2018	30,000,000	85,284,849	19,575,963	134,860,812
Profit distribution for the year ended June 30, 2018 @ Rs. 5.67 per certificate	-	-	(17,010,000)	(17,010,000)
Comprehensive income for the period: July 18 to Sept 18				
Loss for the period	-	-	(268,509)	(268,509)
Other comprehensive income	-	-	-	-
Balance as at September 30, 2018	30,000,000	85,284,849	2,297,454	117,582,303
Comprehensive income for the period: Oct 18 to Jun 19				
Profit for the period	-	-	25,578,626	25,578,626
Other comprehensive income	-	-	(3,997,394)	(3,997,394)
Balance at June 30, 2019	30,000,000	85,284,849	23,878,686	139,163,535
Transfer to statutory reserve @ 35%	-	8,858,541	(8,858,541)	-
Balance at June 30, 2019	30,000,000	94,143,390	15,020,145	139,163,535
Profit distribution for the year ended June 30, 2019 @ Rs. 5.00 per certificate	-	-	(15,000,000)	(15,000,000)
Comprehensive income for the period: July 19 to Sept 19				
Profit for the period	-	-	11,249,919	11,249,919
Other comprehensive income	-	-	-	-
Balance as at September 30, 2019	30,000,000	94,143,390	11,270,064	135,413,454

The annexed notes from 1 to 5 form an integral part of this condensed interim financial information.

**For A R Management Services (Private) Limited**

**Naveed Riaz**  
Chief Executive

**Ameed Riaz**  
Director

**Mrs. Saadat Ikram**  
Director



FIRST IMROOZ MODARABA

**CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)  
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2019**

	Sept. 30, 2019 Rupees	Sept. 30, 2018 Rupees
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	16,579,696	9,433,527
Adjustments:		
Depreciation	928,887	1,020,733
Amortization	125,000	125,001
Murabaha charges	890,589	679,104
Musharaka charges	1,608,301	-
Provision for staff gratuity	2,149,891	937,281
Gain on disposal of property and equipment	(599,998)	(6,999)
	<u>5,102,670</u>	<u>2,755,120</u>
	21,682,366	12,188,647
Changes in operating assets and liabilities		
Increase in current assets		
Stock in trade	3,751,798	(2,090,749)
Trade debtors	(31,896,892)	21,345,109
Advances, deposits, prepayments and other receivables	443,761	(1,048,716)
	<u>(27,701,333)</u>	<u>18,205,644</u>
Increase / (Decrease) in current liabilities		
Creditors, accrued and other liabilities	(37,543,623)	24,126,535
Cash (used in) / generated from operations	<u>(43,562,590)</u>	<u>54,520,726</u>
Murabaha charges paid	(1,215,745)	(968,396)
Musharaka charges paid	(1,532,733)	-
Income Taxes paid	(6,160,774)	(9,162,818)
Net cash (used in) / generated from operating activities	<u>(52,471,842)</u>	<u>44,389,512</u>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property and equipment	(68,970)	(474,460)
Proceeds from disposal of property and equipment	600,000	7,000
Net cash generated from / (used in) investing activities	<u>531,030</u>	<u>(467,460)</u>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Qard-e-Hasana obtained from modaraba management company	69,000,000	24,000,000
Qard-e-Hasana repaid to modaraba management company	-	(78,000,000)
Receipts from murabaha finances	5,882,409	38,492,360
Repayment of murabaha finances	(34,897,164)	(35,230,607)
Receipts from Running Musharaka	4,463,861	-
Net cash generated from / (used in) financing activities	<u>44,449,106</u>	<u>(50,738,247)</u>
Net (decrease) / increase in cash and bank balances A+B+C	<u>(7,491,706)</u>	<u>(6,816,195)</u>
Cash and bank balances at the beginning of the period	<u>11,346,950</u>	<u>14,070,366</u>
Cash and bank balances at the end of the period	<u><u>3,855,244</u></u>	<u><u>7,254,171</u></u>

The annexed notes from 1 to 5 form an integral part of this condensed interim financial information.

**For A R Management Services (Private) Limited**

**Naveed Riaz**  
Chief Executive

**Ameed Riaz**  
Director

**Mrs. Saadat Ikram**  
Director



## FIRST IMROOZ MODARABA

### NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2019

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

First Imrooz Modaraba (the Modaraba) was formed on September 27, 1993 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 Pakistan Stock Exchange Limited.

The principal place of the business of the Modaraba is situated at room No. 405, 4th floor, Beaumont Plaza, Beaumont Road, Civil Line Quarters, Karachi, in the province of Sindh, Pakistan.

It is a multi purpose, perpetual Modaraba and is mainly engaged in domestic and international trading activities.

#### 2. BASIS OF PREPARATION

2.1 This condensed interim financial information of the Modaraba has been prepared in accordance with:

- International Accounting Standard 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- The requirements of the Modaraba Companies and Modarabas (Floatation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981; and
- Directives issued by the Securities and Exchange Commission of Pakistan (SECP).

In case where requirements differ, the Modaraba Companies and Modarabas (Floatation and Control) Ordinance, 1980, the Modaraba Companies and Modaraba Rules, 1981 and directives issued by SECP shall prevail.

2.2 The disclosures made in this condensed interim financial information have been limited, based on the requirements of International Accounting Standard 34 - Interim Financial Reporting. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the published annual financial statements of the Modaraba for the year ended June 30, 2019.

2.3 This condensed interim financial information has been prepared under the historical cost convention except for recognition of defined benefit plan - staff gratuity at present value.

2.4 This condensed interim financial information is prepared in Pakistani Rupees which is the Modaraba's functional and presentation currency. The figures in this condensed interim financial information have been rounded off to the nearest rupee unless otherwise specified.

#### 3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted for the preparation of this condensed interim financial information are the same which were applied for the preparation of financial statements for the year ended June 30, 2019.

#### 4. CONTINGENCIES AND COMMITMENTS

##### 4.1 Contingencies

There is no change in the status of matter of show cause notice issued to the Modaraba by the Collectorate of Customs, for recovery of Customs Duty, Additional Customs Duty, Sales Tax and Income Tax as reported in note 19.1 to the published financial statements of the Modaraba for the year ended June 30, 2019.

##### 4.2 Commitments

4.2.1 The Modaraba has issued post dated cheques to the Collector of Customs amounting to Rs. 33.691 million (June 30, 2019 : Rs. 54.584 million) on account of custom dues and taxes on goods at bonded warehouse.

4.2.2 Commitments in respect of outstanding letters of credit as at year end date for trading stock are amounting to Rs. 56.826 million (June 30, 2019 : Rs. 29.504 million).

#### 5. APPROVAL OF FINANCIAL STATEMENTS

This condensed interim financial information was approved by the Board of Directors of the Modaraba Management Company and authorized for issue on October 28, 2019.

**For A R Management Services (Private) Limited**

**Naveed Riaz**  
Chief Executive

**Ameed Riaz**  
Director

**Mrs. Saadat Ikram**  
Director