

QUARTERLY ACCOUNTS

For the period ended September 30, 2020
(Un-Audited)



FIRST IMROOZ MODARABA

Managed By
A R Management Services (Private) Limited



MODARABA INFORMATION

Modaraba Management Company	A R Management Services (Private) Ltd.
Directors of Modaraba Company	Mr. Naveed Riaz – Chief Executive Mrs. Saadat Ikram Mr. Aameed Riaz Mr. Omar Mohammad Khan
Chief Financial Officer	Mr. Ateed Riaz
Audit Committee	Mr. Omar Mohammad Khan (Chairman) Mrs. Saadat Ikram (Member) Mr. Aameed Riaz (Member)
Human Resource Committee	Mr. Omar Mohammad Khan (Chairman) Mrs. Saadat Ikram (Member) Mr. Aameed Riaz (Member)
Company Secretary	Mr. Shabbir Ahmed Jamsa
Chief Internal Auditor	Mr. Abbas Kerani
Auditors	M/s. BDO Ebrahim & Co. Chartered Accountants
Bankers	Soneri Bank Limited Bank Alfalah Limited Bank AL Habib Limited
Legal Advisors	Mr. Masood Aziz Advocate Masood Aziz & Associates
Shariah Advisor	Mufti Abdul Qadir
Principal place of business	Room No. 405, 4 th Floor Beaumont Plaza, Beaumont Road Civil Lines Quarters, Karachi.
Registered Office of the Modaraba Company	125-S, Small Industrial Area Kot Lakhpat, Lahore.
Certificate Registration Office	F.D. Registrar Services (Pvt) Limited 17 th Floor, Saima Trade Tower-A I.I. Chundrigar Road, Karachi.



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 the condensed interim un-audited financial statements for the first quarter ended on September 30, 2020.

1. Economy

Pakistan's economy rebounded in the first quarter of FY 2020-21 after encountering the full surge of the COVID-19 pandemic during the first half of 2020. Timely action by the Government of Pakistan by way of fiscal stimulus packages and concrete steps to boost economic activities in the country, helped in this recovery. This is also reflected in the Modaraba's results for the first quarter.

2. Financial Highlights

Financial results of the Modaraba are summarized as under:

	(Rupees in million)	
	Three months ended	
	30-Sep-20	30-Sep-19
Sales	132.900	114.421
Gross profit	35.449	36.283
Operating expenses	13.299	17.513
Other income	0.040	0.647
Profit for the quarter	14.227	11.249
Earnings per certificate - basic & diluted	(Rupees) 4.74	3.75

3. Review of Operations

During the quarter under review, the Modaraba recorded increased sales as we emerge from the COVID-19 pandemic. The turnover for the period has increased to Rs. 132.900 million as against Rs. 114.421 million of the last year.

However, Gross Profit has decreased to Rs. 35.449 million as compared to Rs. 36.283 million of the corresponding quarter that is by 2.30%.

Operating expenses also decreased to Rs. 13.299 million as compared to Rs. 17.513 million of corresponding quarter.

Other income for this quarter is at Rs. 0.040 million as against Rs. 0.647 million of the corresponding quarter.

Resultantly, the Modaraba recorded a profit of Rs.14.227 million as against Rs. 11.249 million of the corresponding quarter.

4. 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.

For and on behalf of the Board

Naveed Riaz
Chief Executive

Ameed Riaz
Director

October 28, 2020

ڈائریکٹرز کی رپورٹ

فرسٹ امروز مضاربہ کی انتظامی کمپنی اے آر اینجمنٹ سروسز (پرائیویٹ) لمیٹڈ کے بورڈ آف ڈائریکٹرز مضاربہ کی پہلی سہ ماہی کی اختتامی مدت 30 ستمبر 2020ء کے غیر آڈیٹڈ مالی نتائج کے حوالے سے رپورٹ پیش کرتے ہوئے مسرت محسوس کرتے ہیں۔

معیشت

پاکستان کی معیشت سال 2020ء کی پہلی ششماہی میں وبائی مرض کوئیڈ-19 سے نبرد آزمائی کے بعد مالی سال 2020-21ء کی پہلی سہ ماہی میں دوبارہ بہتری کی طرف گامزن ہوئی۔ حکومت پاکستان کی بروقت مالی سہولیات اور ٹھوس اقدامات نے معاشی سرگرمیوں کو فروغ دیتے ہوئے اس بحالی میں اہم کردار ادا کیا۔ جس کے اثرات مضاربہ کی پہلی سہ ماہی کے نتائج پر بھی دیکھنے میں آئے۔

نمایاں مالیاتی نکات

مضاربہ کے مالیاتی نتائج مندرجہ ذیل ہیں:

30-Sep-19	30-Sep-20	
(ملین روپوں میں)		
114.421	132.900	فروخت
36.283	35.449	مجموعی منافع
17.513	13.299	انتظامی اخراجات
0.647	0.040	دیگر آمدن
11.249	14.227	خالص منافع
3.75	4.74	نی کس سرٹیفکیٹ آمدنی (بنیادی اور تھیلی شدہ) روپے

کارکردگی کا جائزہ

زیر غور سہ ماہی میں عالمی وباء کوئیڈ-19 میں کمی کے بعد مضاربہ کی اشیاء کی فروخت میں اضافہ ہوا۔ اس مدت میں فروخت 132.900 ملین روپے تک رہی جبکہ اسکے مقابلے میں پچھلے دورانیے میں یہ فروخت 114.421 ملین روپے تھی۔

تاہم، خام منافع 2.30 فیصد کم ہو کر 35.449 ملین روپے تک رہا، جبکہ اس کے مقابلے پچھلی مدت کے دوران خام منافع 36.283 ملین روپے تھا۔

اسی طرح انتظامی اخراجات بھی کم ہو کر 13.299 ملین روپے تک رہے، جبکہ اس کے مقابلے پچھلی مدت کے دوران 17.513 ملین روپے تھے۔

دیگر آمدنی اس مدت میں 0.040 ملین روپے رہی جب کہ گزشتہ مدت میں یہ 0.647 ملین روپے تھی۔

نتیجتاً مضاربہ کا خالص منافع سہ ماہی کے اختتام پر 14.227 ملین روپے رہا، جبکہ گزشتہ مقابل مدت پہ خالص منافع 11.249 ملین روپے تھا۔

اعتراف

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، کاروباری پارٹیوں کی رہنمائی اور مضاربہ کے تمام ملازمین کی انتھک محنت اور لگن کے لئے ان سب کا شکر گزار ہے۔

منجانب بورڈ

عمید ریاض

ڈائریکٹر

نوید ریاض

چیف ایگزیکٹو

28 اکتوبر، 2020ء

**CONDENSED INTERIM BALANCE SHEET
AS AT SEPTEMBER 30, 2020**

	Note	September 30, 2020 Rupees (Un-audited)	June 30, 2020 Rupees (Audited)
ASSETS			
NON CURRENT ASSETS			
Property and equipment	4	5,664,793	6,413,376
Intangible assets		-	-
Long term deposits		474,100	484,802
		6,138,893	6,898,178
CURRENT ASSETS			
Stock in trade		199,843,353	215,103,436
Trade debtors		92,824,687	116,713,196
Advances, deposits, prepayments and other receivable		7,532,817	884,919
Taxation		9,916,695	6,434,904
Cash & bank balances		6,525,061	18,970,744
		316,642,613	358,107,199
TOTAL ASSETS		322,781,506	365,005,377
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Authorised Capital			
10,000,000 Modaraba Certificates of Rs. 10 each		100,000,000	100,000,000
Issued, subscribed and paid-up certificate capital		30,000,000	30,000,000
Statutory reserve		104,677,757	104,677,757
Revenue reserve		40,807,720	26,580,965
		175,485,477	161,258,722
NON-CURRENT LIABILITIES			
Defined benefit plan - Staff gratuity		35,934,311	34,840,085
Deferred capital grant		431,879	130,570
Obligation under Salam financing facilities - Secured	5	6,389,993	2,602,678
Deferred taxation		-	-
		42,756,183	37,573,333
CURRENT LIABILITIES			
Obligation under financing facilities - Secured	5	46,336,976	88,664,280
Qard-e-Hasana from Modaraba Management Company		7,800,000	15,800,000
Creditors, accrued and other liabilities		50,402,870	61,709,042
		104,539,846	166,173,322
TOTAL EQUITY AND LIABILITIES		322,781,506	365,005,377
CONTINGENCIES AND COMMITMENTS	6		

The annexed notes from 1 to 11 form an integral part of this condensed interim financial information.

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

NAVEED RIAZ
CHIEF EXECUTIVE

AMEED RIAZ
DIRECTOR

MRS. SAADAT IKRAM
DIRECTOR

ATEED RIAZ
CHIEF FINANCIAL OFFICER

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2020**

	Quarter ended	
	Jul - Sep 2020 Rupees	Jul - Sep 2019 Rupees
Sales	132,899,826	114,421,119
Cost of sales	97,450,422	78,137,921
Gross profit	35,449,404	36,283,198
Operating expenses	13,299,279	17,513,269
Operating profit	22,150,125	18,769,929
Morabaha charges	(494,899)	(890,589)
Musharaka charges	(1,347,634)	(1,608,301)
Other income	39,896	647,477
Provision for Sindh Workers' Welfare Fund	(406,950)	(338,820)
Profit before taxation	19,940,538	16,579,696
Taxation	5,713,783	5,329,777
Net Profit for the period	14,226,755	11,249,919
Other Comprehensive Income	-	-
Total comprehensive income	14,226,755	11,249,919
Earnings per certificate - basic & diluted	4.74	3.75

The annexed notes from 1 to 11 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, 2020**

	Paid-up certificate	Statutory reserve	Revenue reserve Unappropriated profit	Total
	Rupees			
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
Comprehensive income for the period: Oct 19 to Jun 20				
Profit for the period	-	-	23,864,636	23,864,636
Other comprehensive income	-	-	1,980,632	1,980,632
	30,000,000	94,143,390	37,115,332	161,258,722
Transfer to statutory reserve @ 30%	-	10,534,367	(10,534,367)	-
Balance at June 30, 2020	30,000,000	104,677,757	26,580,965	161,258,722
Comprehensive income for the period: July 20 to Sept 20				
Profit for the period	-	-	14,226,755	14,226,755
Other comprehensive income	-	-	-	-
Balance as at September 30, 2020	30,000,000	104,677,757	40,807,720	175,485,477

The annexed notes from 1 to 11 form an integral part of this condensed interim financial information.

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

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DIRECTOR

ATEED RIAZ
CHIEF FINANCIAL OFFICER

**CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2020**

	Quarter ended	
	Sept. 30, 2020 Rupees	Sept. 30, 2019 Rupees
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	19,940,538	16,579,696
Adjustments for non-cash and other items:		
Depreciation	979,891	928,887
Amortization	-	125,000
Morabaha charges	494,899	890,589
Musharaka charges	1,347,634	1,608,301
Provision for staff retirement gratuity	1,094,226	2,149,891
(Gain) on disposal of property and equipment	-	(599,998)
	<u>3,916,650</u>	<u>5,102,670</u>
Operating profit before working capital changes	23,857,188	21,682,366
Changes in operating assets and liabilities		
(Increase) / Decrease in current assets		
Stock in trade	15,260,083	3,751,798
Trade debtors	23,888,509	(31,896,892)
Advances, deposits, prepayments and other receivables	(6,637,196)	443,761
	<u>32,511,396</u>	<u>(27,701,333)</u>
Increase / (Decrease) in current liabilities		
Creditors, accrued and other liabilities	(11,391,783)	(37,543,623)
Cash generated from / (used in) operations	44,976,801	(43,562,590)
Morabaha charges paid	(286,729)	(1,215,745)
Musharaka charges paid	(1,470,193)	(1,532,733)
Income Taxes paid	(9,195,574)	(6,160,774)
Net cash generated from / (used in) operating activities	<u>34,024,305</u>	<u>(52,471,842)</u>
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(231,308)	(68,970)
Proceeds from disposal of property and equipment	-	600,000
Net cash (used in) / generated from investing activities	<u>(231,308)</u>	<u>531,030</u>
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts of Qard-e-Hasana from Modaraba Management Company	-	69,000,000
Repayment of Qard-e-Hasana to Modaraba Management Company	(8,000,000)	-
Receipts from Morabaha finances	22,827,892	5,882,409
Repayment of Morabaha finances	(13,064,898)	(34,897,164)
Receipts from Salam finances	5,506,517	-
(Repayment of) / Receipts from Musharaka finances	(53,508,191)	4,463,861
Net cash (used in) / generated from financing activities	<u>(46,238,680)</u>	<u>44,449,106</u>
Net (decrease) in cash and bank balances A+B+C	(12,445,683)	(7,491,706)
Cash and bank balances at the beginning of the period	18,970,744	11,346,950
Cash and bank balances at the end of the period	<u><u>6,525,061</u></u>	<u><u>3,855,244</u></u>

The annexed notes from 1 to 11 form an integral part of this condensed interim financial information.

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

NAVEED RIAZ
CHIEF EXECUTIVE

AMEED RIAZ
DIRECTOR

MRS. SAADAT IKRAM
DIRECTOR

ATEED RIAZ
CHIEF FINANCIAL OFFICER

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2020**

1 NATURE AND STATUS OF BUSINESS

- 1.1 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 there under 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.
- 1.2 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.
- 1.3 It is a multi purpose, perpetual Modaraba and is mainly engaged in domestic and international trading activities.

2 BASIS OF PREPARATION

2.1 Statement of compliance

- 2.1.1 This condensed interim financial information has been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of International Accounting Standard (IAS) 34 - Interim Financial Reporting, Islamic Financial Accounting Standards (IFAS) as notified under the provisions of the Companies Act, 2017 and made applicable to Modarabas, Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, the Modaraba Companies and Modaraba Rules, 1981 and directives issued by the Securities and Exchange Commission of Pakistan (SECP) ['the Modaraba Regulations'].

Wherever the requirements of 'the Modaraba Regulations' differ from the requirements of International Accounting Standard (IAS) 34 - Interim Financial Reporting and Islamic Financial Accounting Standards (IFAS) as notified under the provisions of the Companies Act, 2017 and made applicable to Modarabas, requirements of 'the Modaraba Regulations' have been followed.

- 2.1.2 The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of IAS 34. 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 annual published audited financial statements of the Modaraba for the period ended June 30, 2020.
- 2.1.3 The comparative statement of balance sheet presented in this condensed interim financial information has been extracted from the annual audited financial statements of the Modaraba for the year ended June 30, 2020, whereas the comparative condensed interim profit and loss account, condensed interim cash flow statement, condensed interim statement of changes in equity of the Modaraba are extracted from the unaudited condensed interim financial information for the quarter ended September 30, 2019.
- 2.1.4 This condensed interim financial information is un-audited.

2.2 Basis of measurement

This condensed interim financial information has been prepared under the historical cost convention except for defined benefit plan - staff gratuity which is carried as per actuarial valuation.

2.3 Functional and presentation currency

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 AND RISK MANAGEMENT POLICIES, ACCOUNTING ESTIMATES, JUDGEMENT AND CHANGES THEREIN

- 3.1 The accounting policies adopted for the preparation of the condensed interim financial information are the same as those applied in the preparation of the annual audited financial statements of the Modaraba for the year ended June 30, 2020 except adoption of IFRS16 "Leases" which does not have significant impact on condensed interim financial information due to short term lease contracts.
- 3.2 The preparation of this condensed interim financial information in conformity with approved accounting standards requires management to make estimates, assumptions and use of judgements that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2020**

- 3.3 The significant estimates, judgements and assumptions made by the management in applying the accounting policies and the key sources of estimation uncertainty are the same as those applied to the annual audited financial statements as at and for the year ended June 30, 2020.
- 3.4 There are certain standards, interpretations and amendments to approved accounting standards which have been published and are mandatory for the Modaraba's accounting period beginning on or after July 01, 2019. These standards, interpretations and amendments are either not relevant to the Modaraba's operations or are not expected to have a significant effect on this condensed interim financial information.
- 3.5 The Modaraba's financial risk management objectives and policies are consistent with that disclosed in annual audited financial statements of the Modaraba for the year ended June 30, 2020.

	Note	September 30, 2020 (Rupees) (Un-audited)	June 30, 2020 (Rupees) (Audited)
4	PROPERTY AND EQUIPMENT		
Following additions and disposals, at cost, were made during the period / year :			
Opening fixed assets (Net book value)		6,413,376	9,294,441
Additions		231,308	1,022,980
Disposals		-	(1,821,475)
Depreciation charge for the period / year		(979,891)	(3,863,922)
Depreciation on disposals during the period / year		-	1,781,352
Closing fixed assets (Net book value)		<u>5,664,793</u>	<u>6,413,376</u>
5	OBLIGATION UNDER FINANCING FACILITIES - SECURED		
Morabaha Financing Facility	5.1	25,650,341	15,887,347
Musharaka Financing Facility	5.2	16,493,322	70,001,514
Salam Financing Facility	5.3	10,583,305	5,378,097
Non-current portion under Salam Financing Facility	5.3	(6,389,993)	(2,602,678)
Current portion under Salam Financing Facility	5.3	4,193,312	2,775,419
		<u>46,336,976</u>	<u>88,664,280</u>

- 5.1 The Modaraba has availed this facility from Soneri Bank Limited. Sanctioned limit is Rs. 40 million (June 30, 2020 : Rs. 40 million).
- 5.2 The Modaraba has also availed Running Musharaka facility from the Soneri Bank Limited with a sanctioned limit of Rs. 90 million (June 30, 2020 : Rs. 90 million) in order to meet working capital requirement.
- 5.3 During the quarter, the Modaraba has availed Salam Financing Facility from Soneri Bank Limited under a sanctioned limit of Rs. 6.03 million (June 30, 2020 : 5.54 million) for a period of nineteen months. The Modaraba has taken this facility offered by State Bank of Pakistan under the name of "Islamic SBP Refinance" for payment of wages and salaries for six months from April 2020 to September 2020 to cater the economic turmoil due to COVID-19.
- 5.4 All facilities are secured against hypothecation charge on current assets (stock in trade and trade debts) of Modaraba.

6 CONTINGENCIES AND COMMITMENTS

6.1 Contingencies

- 6.1.1 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 22.1.1 to the published financial statements of the Modaraba for the year ended June 30, 2020.
- 6.1.2 The Modaraba has issued post dated cheques to the Collector of Customs amounting to Rs. 20.982 million (June 30, 2020 : Rs. 51.232 million) on account of custom dues and taxes on goods at bonded warehouse.

6.2 Commitments

Commitments in respect of outstanding letters of credit as at year end date for trading stock are amounting to Rs. 36.720 million (June 30, 2020 : Rs. 14.591 million).

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2020**

7 TAXATION

Provision for taxation is based on taxable income for the year at the current rates of taxation after taking into account tax credits and exemptions available, if any. For items covered under minimum tax regime (MTR), the management compared it with normal tax regime (NTR), alternate corporate tax (ACT) and turnover tax and record tax on the basis of which ever is higher. The Modaraba has followed a policy for tax recognition, whereby the tax paid at import stage is recognized as an expense in the year in which the related goods are sold and the portion of the tax paid pertaining to the unsold inventory is carried forward in the balance sheet as an advance tax.

Deferred tax asset is recognized for available credits to the extent that it is probable that sufficient taxable temporary differences and taxable profits will be available against which credits can be utilized. Significant judgement is exercised to determine the amount of deferred tax asset to be recognized.

8 FAIR VALUE OF FINANCIAL INSTRUMENTS

As at quarter ended September 30, 2020, the Modaraba does not hold any financial asset or liability measured at fair value. Therefore, fair value hierarchies have not been disclosed.

Further, carrying value of all financial assets and liabilities reflected in the condensed interim financial information approximate their fair value.

9 RELATED PARTY TRANSACTIONS

The related parties of the Modaraba include the management company, associated undertakings, directors of the management company and key management personnel. Significant transactions with related parties are as follows:

	September 30, 2020	September 30, 2019
	Rupees	Rupees
	(Un-audited)	(Un-audited)
Share of common expenses to group companies	82,396	642,045
Warehouse rent to group companies	920,250	920,250
Receipt of Qard-e-Hasana from Modaraba Management Company	-	69,000,000
Repayment of Qard-e-Hasana to Modaraba Management Company	8,000,000	-

10 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was approved by the Board of Directors of the Modaraba Management Company and authorised for issue on 28 October 2020.

11 GENERAL

11.1 Significant event during the quarter

During the quarter ended September 30, 2020, the global economic environment has been severely affected by the COVID-19 outbreak. Many countries including Pakistan have enacted protection measures against COVID-19, with a significant impact on economic activities in these countries. The evolution of COVID-19 as well as its impact on the global and the local economy is hard predicting at this stage. As of the release date of these financial statements, there has been no specifically material quantifiable impact of COVID-19 on the Modaraba's financial condition or results of operations except those disclosed in notes to the financial statements.

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

NAVEED RIAZ
CHIEF EXECUTIVE

AMEED RIAZ
DIRECTOR

MRS. SAADAT IKRAM
DIRECTOR

ATEED RIAZ
CHIEF FINANCIAL OFFICER