

## **QUARTERLY ACCOUNTS**

For the period ended September 30, 2022  
(Un-Audited)



**FIRST IMROOZ MODARABA**

Managed By  
A R Management Services (Private) Limited



## MODARABA INFORMATION

---

<b>Modaraba Management Company</b>	A R Management Services (Private) Ltd.
<b>Directors of Modaraba Company</b>	Mr. Naveed Riaz – Chief Executive Mrs. Saadat Ikram Mr. Ameer Riaz Mr. Omar Mohammad Khan Mr. Aliuddin Ahmed
<b>Chief Financial Officer</b>	Mr. Muhammad Ali Baig
<b>Audit Committee</b>	Mr. Aliuddin Ahmed (Chairman) Mr. Omar Mohammad Khan (Member) Mrs. Saadat Ikram (Member)
<b>Human Resource Committee</b>	Mr. Aliuddin Ahmed (Chairman) Mr. Omar Mohammad Khan (Member) Mrs. Saadat Ikram (Member) Mr. Ameer Riaz (Member)
<b>Company Secretary</b>	Mr. Shabbir Ahmed Jamsa
<b>Chief Internal Auditor</b>	Mr. Abbas Kerani
<b>Auditors</b>	M/s. BDO Ebrahim & Co. Chartered Accountants
<b>Bankers</b>	Soneri Bank Limited Bank Alfalah Limited Bank AL Habib Limited
<b>Legal Advisors</b>	Mr. Masood Aziz Advocate Masood Aziz & Associates
<b>Shariah Advisor</b>	Mufti Abdul Qadir
<b>Principal place of business</b>	Room No. 405, 4 <sup>th</sup> Floor Beaumont Plaza, Beaumont Road Civil Lines Quarters, Karachi.
<b>Registered Office of the Modaraba Company</b>	125-S, Small Industrial Area Kot Lakhpat, Lahore.
<b>Certificate Registration Office</b>	F.D. Registrar Services (Pvt) Limited 17 <sup>th</sup> 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 is pleased to present the condensed interim un-audited financial statements for the first quarter ended on September 30, 2022.

### 1. Financial Highlights

Financial results of the Modaraba are summarized as under:

	(Rupees in million)		
	Three months ended		
	30-Sep-22	30-Sep-21	
Sales	222.65	214.50	
Gross (loss) / profit	(3.87)	25.38	
Operating expenses	24.38	23.31	
Other income	1.28	0.15	
(Loss) / Profit for the quarter	(39.16)	0.29	
(Deficit) / Earnings per certificate - basic & diluted	(Rupees)	(13.05)	0.10

### 2. Review of Operations

During the quarter under review, the Modaraba's turnover increased to Rs. 222.65 million as against Rs. 214.50 million of the corresponding quarter.

Increase in economic uncertainty, currency depreciation and cost-push inflation have affected the gross profit margin and the loss appearing in these quarterly accounts is mainly due to foreign exchange conversion based on quarter end rate. The exchange loss is expected to be recovered as goods are sold on prevailing foreign exchange rates.

Operating expenses increased to Rs. 24.38 million as compared to Rs. 23.31 million of corresponding quarter.

We presage certain headwinds in Pak Rupee depreciation and higher inflation which might have an impact on the future results. However, the Management continues to have a positive outlook on the long-term growth potential of the Modaraba business.

### 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.

For and on behalf of the Board

**Naveed Riaz**  
Chief Executive

**Omar Mohammad Khan**  
Director

October 26, 2022

## ڈائریکٹرز کی رپورٹ

فرسٹ امروز مضاربہ کی انتظامی کمپنی اے آر مینجمنٹ سروسز (پرائیویٹ) لمیٹڈ کے بورڈ آف ڈائریکٹرز مضاربہ کی پہلی سہ ماہی کی اختتامی مدت 30 ستمبر 2022ء کے غیر آڈیٹڈ مالی نتائج کے حوالے سے رپورٹ پیش کرتے ہوئے مسرت محسوس کرتے ہیں۔

## نمایاں مالیاتی نکات

مضاربہ کے مالیاتی نتائج مندرجہ ذیل ہیں:

30-Sep-21	30-Sep-22	
(ملین روپوں میں)		
214.50	222.65	فروخت
25.38	(3.87)	مجموعی (خسارہ)/ منافع
23.31	24.38	انتظامی اخراجات
0.15	1.28	دیگر آمدن
0.29	(39.16)	بقیہ (خسارہ)/ منافع
0.10	(13.05)	فی کس سرٹیفکیٹ (خسارہ)/ آمدنی (بنیادی اور تحلیل شدہ) روپے

## کارکردگی کا جائزہ

زیر غور سہ ماہی میں مضاربہ کی فروخت 222.65 ملین روپے تک رہی جبکہ پچھلے دورانیے میں یہ فروخت 214.50 ملین روپے تھی۔

غیر یقینی معاشی صورتحال میں اضافہ، روپے کی قدر میں کمی اور افراط زر نے مجموعی منافع کو متاثر کیا ہے اور اس سہ ماہی کے خسارے کی بنیادی وجہ روپے کی گرتی شرح ہے۔ روپے کی گراؤ کے نتیجے میں ہونے والے اس خسارے کی وصولی کی توقع ہے جب اشیاء مروجہ زرمبادلہ کی شرح پر فروخت ہوگی۔

انتظامی اخراجات بڑھ کر 24.38 ملین روپے تک رہے، جبکہ پچھلی مدت کے دوران 23.31 ملین روپے تھے۔

روپے کی قدر میں کمی اور افراط زر کے اثرات مستقبل کے نتائج پر پڑ سکتے ہیں۔ تاہم، مضاربہ انتظامیہ کاروبار کی طویل مدتی ترقی کے لیے پر امید ہیں۔

## 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۔

مخائبہ بورڈ

عمر محمد خان

نوید ریاض

ڈائریکٹر

چیف ایگزیکٹو آفیسر

26 اکتوبر، 2022ء

**CONDENSED INTERIM BALANCE SHEET  
AS AT SEPTEMBER 30, 2022**

	September 30, 2022	June 30, 2022
	Rupees (Un-audited)	Rupees (Audited)
ASSETS	Note	
<b>NON CURRENT ASSETS</b>		
Property and equipment	4	7,585,697
Intangible assets		935,426
Long term deposits		598,202
		9,119,325
<b>CURRENT ASSETS</b>		
Stock in trade		1,196,372,447
Trade debtors		180,005,204
Advances, deposits, prepayments and other receivables		1,685,158
Taxation		4,964,881
Cash & bank balances		9,482,535
		1,392,510,224
<b>TOTAL ASSETS</b>		<b>1,401,629,549</b>
<b>EQUITY AND LIABILITIES</b>		
<b>CAPITAL AND RESERVES</b>		
Authorised Capital		100,000,000
10,000,000 Modaraba Certificates of Rs. 10 each		100,000,000
Issued, subscribed and paid-up certificate capital		30,000,000
Statutory reserve		118,733,257
Revenue reserve		(4,161,007)
		144,572,250
<b>NON-CURRENT LIABILITIES</b>		
Defined benefit plan - Staff gratuity		11,587,203
Obligation under financing facilities - Secured	5	1,879,936
Deferred taxation		-
		13,467,139
<b>CURRENT LIABILITIES</b>		
Current portion of obligation under financing facilities - Secured	5	68,432,328
Current portion of deferred capital grant		8,686
Qard-e-Hasana from Modaraba Management Company		38,500,000
Creditors, accrued and other liabilities		1,136,649,146
		1,243,590,160
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,401,629,549</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	6	888,908,444

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

**OMAR MOHAMMAD KHAN**  
DIRECTOR

**MRS. SAADAT IKRAM**  
DIRECTOR

**MUHAMMAD ALI BAIG**  
CHIEF FINANCIAL OFFICER

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)  
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2022**

	Quarter ended	
	Jul - Sep 2022 Rupees	Jul - Sep 2021 Rupees
Sales	222,649,509	214,496,938
Cost of sales	(226,521,163)	(189,112,232)
Gross (loss) / profit	(3,871,655)	25,384,706
Operating expenses	(24,383,738)	(23,314,121)
Operating (loss) / profit	(28,255,392)	2,070,585
Financial charges	(2,597,216)	(1,887,870)
Other income	1,280,768	154,652
Reversal of doubtful debts	-	10,471,621
	(29,571,841)	10,808,988
Provision for Modaraba Management Company's fee	-	(1,080,899)
Provision for Sindh Workers' Welfare Fund	-	(194,562)
(Loss) / Profit before taxation	(29,571,841)	9,533,527
Taxation	(9,592,979)	(9,242,083)
Net (Loss) / Profit for the period	(39,164,820)	291,444
Other Comprehensive Income	-	-
Total Comprehensive (Loss) / Income	(39,164,820)	291,444
Earnings per certificate - basic & diluted	(13.05)	0.10

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, 2022**

	Paid-up certificate	Statutory reserve	Revenue reserve, Unappropriated profit	Total
	Rupees			
Balance at June 30, 2021	30,000,000	117,514,820	54,867,344	202,382,164
Comprehensive income for the period: July 2021 to Sept 2021				
Profit for the period	-	-	291,444	291,444
Other comprehensive income	-	-	-	-
Balance as at September 30, 2021	30,000,000	117,514,820	55,158,788	202,673,608
Profit distribution for the year ended June 30, 2021 @ Rs. 15.50 per certificate	-	-	(46,500,000)	(46,500,000)
Comprehensive income for the period: Oct 2021 to Jun 2022				
Profit for the period	-	-	24,077,292	24,077,292
Other comprehensive income	-	-	3,486,170	3,486,170
	30,000,000	117,514,820	36,222,250	183,737,070
Transfer to statutory reserve @ 5%	-	1,218,437	(1,218,437)	-
Balance at June 30, 2022	30,000,000	118,733,257	35,003,813	183,737,070
Comprehensive loss for the period: July 2022 to Sept 2022				
Loss for the period	-	-	(39,164,820)	(39,164,820)
Other comprehensive income	-	-	-	-
Balance as at September 30, 2022	30,000,000	118,733,257	(4,161,007)	144,572,250

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

**OMAR MOHAMMAD KHAN**  
DIRECTOR

**MRS. SAADAT IKRAM**  
DIRECTOR

**MUHAMMAD ALI BAIG**  
CHIEF FINANCIAL OFFICER



**CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)  
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2022**

	Quarter ended	
	Sept. 30, 2022 Rupees	Sept. 30, 2021 Rupees
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(Loss) / Profit before taxation	(29,571,841)	9,533,527
Adjustments for non-cash and other items:		
Depreciation	710,746	622,795
Amortization of intangible assets	81,899	39,399
Financial Charges	2,597,216	1,887,870
Amortization of deferred capital grant	(19,267)	(99,822)
Provision for doubtful debts	-	(10,471,621)
Provision for staff retirement gratuity	150,370	-
(Gain) on disposal of property and equipment	(1,200,000)	-
	<u>2,320,964</u>	<u>(8,021,379)</u>
Operating (loss) / profit before working capital changes	(27,250,877)	1,512,148
<b>Changes in operating assets and liabilities</b>		
<b>(Increase) / Decrease in current assets</b>		
Stock in trade	(547,897,390)	(51,040,716)
Trade debtors	20,162,240	98,474,690
Advances, deposits, prepayments and other receivables	14,530,680	(19,132,411)
	<u>(513,204,470)</u>	<u>28,301,563</u>
<b>Increase / (Decrease) in current liabilities</b>		
Creditors, accrued and other liabilities	573,485,604	(59,031,114)
Cash generated from / (used in) operations	<u>33,030,257</u>	<u>(29,217,403)</u>
Financial charges paid	(2,728,772)	(1,516,908)
Income Taxes paid	(5,204,510)	(14,853,785)
Staff Gratuity paid	(1,300,616)	-
Net cash generated from / (used in) operating activities	<u>23,796,360</u>	<u>(45,588,096)</u>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property and equipment	(235,435)	(92,500)
Proceeds from disposal of property and equipment	1,200,000	-
Net cash generated from / (used in) investing activities	<u>964,565</u>	<u>(92,500)</u>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipts of Qard-e-Hasana from Modaraba Management Company	58,500,000	92,800,000
Repayment of Qard-e-Hasana to Modaraba Management Company	(75,000,000)	(92,800,000)
Receipts from Musawamah finances	55,000,000	155,000,000
Repayment of Musawamah finances	(55,000,000)	(90,000,000)
Repayment of Salam finances	(688,298)	(1,953,506)
Repayment of Musharaka finances	(2,957,884)	(7,830,292)
Repayment of Diminishing Musharaka	(152,427)	-
Net cash (used in) / generated from financing activities	<u>(20,298,609)</u>	<u>55,216,202</u>
Net increase in cash and bank balances A+B+C	4,462,315	9,535,606
Cash and bank balances at the beginning of the period	5,020,220	11,718,112
Cash and bank balances at the end of the period	<u>9,482,535</u>	<u>21,253,718</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

**OMAR MOHAMMAD KHAN**  
DIRECTOR

**MRS. SAADAT IKRAM**  
DIRECTOR

**MUHAMMAD ALI BAIG**  
CHIEF FINANCIAL OFFICER



**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)  
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2022**

**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, 4<sup>th</sup> 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 year ended June 30, 2022.
- 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, 2022, 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, 2021.
- 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.



**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)  
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2022**

**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, 2022.

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.

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, 2022.

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 January 01, 2021. 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, 2022.

	<b>September 30, 2022 (Rupees) Note (Un-audited)</b>	<b>June 30, 2022 (Rupees) (Audited)</b>
--	--	---

**4 PROPERTY AND EQUIPMENT**

Following additions and disposals, at cost, were made during the period / year :

Opening fixed assets (Net book value)	8,061,008	4,687,975
Additions	235,435	5,984,163
Disposals	(1,845,500)	(328,126)
Depreciation charge for the period / year	(710,746)	(2,559,954)
Depreciation on disposals during the period / year	1,845,500	276,950
Closing fixed assets (Net book value)	<u>7,585,697</u>	<u>8,061,008</u>

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)  
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2022**

**5 OBLIGATION UNDER FINANCING FACILITIES - SECURED**

Running Musharaka financing facility	5.1	12,142,909	15,100,793
Diminishing Musharaka financing facility - Vehicle Lease	5.2	2,489,613	2,642,040
Less: non-current portion under Diminishing Musharaka financing facility	5.2	(1,879,936)	(2,032,364)
Current portion under Musharaka financing facility		<b>12,752,586</b>	<b>15,710,469</b>
Salam Financing Facility	5.3	679,743	1,348,774
Non-current portion under Salam Financing Facility	5.3	-	-
Current portion under Salam Financing Facility	5.3	679,743	1,348,774
Musawamah Financing Facility	5.4	55,000,000	55,000,000
		<u>68,432,328</u>	<u>72,059,243</u>

- 5.1 The Modaraba has availed Running Musharaka Financing facility from Bank AL Habib Limited with sanctioned limit of Rs. 15 million (June 30, 2022 : Rs. 15 million) in order to meet working capital requirement.
- 5.2 The Modaraba has obtained Diminishing Musharaka financing facility with a sanctioned limit of Rs. 10 million from Bank Al Habib Limited for the purchase of locally manufactured brand new / used commercial and non-commercial vehicles for Modaraba's / staff use. The facility carries profit at the rate 2.25% over 1 year KIBOR and is repayable within 5 years from the date of delivery of vehicle(s).
- 5.3 The Modaraba obtained this facility from Soneri Bank Limited which was 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 The Modaraba has also availed Musawamah finance facility from Bank AL Habib Limited with a sanctioned limit of Rs. 130 million (June 30, 2022: Rs. 130 million) to finance its working capital requirements.
- 5.5 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, 2022.
- 6.1.2 The Modaraba has issued post dated cheques to the Collector of Customs amounting to Rs. 404.14 million (June 30, 2022 : Rs. 157.33 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. NIL (June 30, 2022 : Rs. 10.658 million).

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)  
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2022**

**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 tax 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, 2022, 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:

	<b>September 30, 2022 Rupees (Un-audited)</b>	<b>September 30, 2021 Rupees (Un-audited)</b>
Share of common expenses to Group Companies	938,021	301,858
Warehouse rent to Group Companies	1,455,000	1,117,250
Office rent to Group Company	300,000	309,000
Receipt of Qard-e-Hasana from Modaraba Management Company	58,500,000	92,800,000
Repayment of Qard-e-Hasana to Modaraba Management Company	75,000,000	92,800,000

**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 26 October 2022.

**11 GENERAL**

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

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

**NAVEED RIAZ**  
CHIEF EXECUTIVE

**OMAR MOHAMMAD KHAN**  
DIRECTOR

**MRS. SAADAT IKRAM**  
DIRECTOR

**MUHAMMAD ALI BAIG**  
CHIEF FINANCIAL OFFICER