

QUARTERLY ACCOUNTS (UN-AUDITED)
For the period ended March 31, 2021



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. Ameer Riaz Mr. Omar Mohammad Khan Mr. Aliuddin Ahmed
Chief Financial Officer	Mr. Ateed Riaz
Audit Committee	Mr. Omar Mohammad Khan (Chairman) Mrs. Saadat Ikram (Member) Mr. Ameer Riaz (Member)
Human Resource Committee	Mr. Omar Mohammad Khan (Chairman) Mrs. Saadat Ikram (Member) Mr. Ameer 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 their report alongwith un-audited financial statements for third quarter and nine months period ended March 31, 2021.

1. Key Financial Highlights

	(Rupees in million)	
	Nine months ended	
	31-Mar-21	31-Mar-20
Sales	677.185	418.672
Gross profit	152.921	93.710
Operating expenses	50.352	48.621
Other income	1.188	1.055
Profit before taxation	92.159	39.870
Taxation	32.640	19.085
Profit for the period	59.518	20.785
Earnings per certificate - basic & diluted (Rupees)	19.84	6.93

2. Review of Operations

Alhamdulillah, the turnover for nine months' period ended March 31, 2021 increased to Rs. 677.185 million as compared to Rs. 418.672 million of the corresponding period last year. This increase is due to overall gradual resumption of economic activities in the country.

Gross profit also increased significantly. We closed the nine months at Rs. 152.921 million compared to Rs. 93.710 of the same period last year. This is mainly due to increased Sales and focused management of cost of goods and aided by a stronger Pak Rupee.

Operating expenses increased to Rs. 50.352 million as compared to Rs. 48.621 million of the corresponding period last year.

Likewise, the Modaraba increased profit to Rs. 59.518 million as against profit of Rs. 20.785 million of the corresponding period.

Earning of the Modaraba is Rs. 19.84 per certificate versus Rs. 6.93 of the same period last year.

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, colleagues, investors, bankers and business partners for their continued support and co-operation.

For and on behalf of the Board

Naveed Riaz
Chief Executive

Ameed Riaz
Director

April 23, 2021

ڈائریکٹرز کی رپورٹ

فرسٹ امروز مضاربہ کی انتظامی کمپنی اے آر مینجمنٹ سروسز (پرائیویٹ) لمیٹڈ کے بورڈ آف ڈائریکٹرز مضاربہ کی تیسری سہ ماہی اور نو ماہ کی اختتامی مدت 31 مارچ، 2021ء کے غیر آڈٹ شدہ مالی نتائج کے حوالے سے رپورٹ پیش کرتے ہوئے مسرت محسوس کرتے ہیں۔

نمایاں مالیاتی نکات

(ملین روپوں میں)		
نوماہ کے نتائج		
31-Mar-20	31-Mar-21	
418.672	677.185	فروخت
93.710	152.921	مجموعی منافع
48.621	50.352	انتظامی اخراجات
1.055	1.188	دیگر آمدن
39.870	92.159	قبل از ٹیکس منافع
19.085	32.640	ٹیکس
20.785	59.518	بعد از ٹیکس منافع
6.93	19.84	نی کس سرٹیفکیٹ آمدنی (بنیادی اور تحلیل شدہ) روپے

کارکردگی کا جائزہ

الحمد للہ، نو ماہ کی اختتامی مدت 31 مارچ 2021ء کے دوران مضاربہ کی اشیاء کی فروخت 677.185 ملین روپے تک بڑھ گئی جبکہ اسکے مقابلے میں پچھلے سال کے اسی دورانیے میں یہ فروخت 418.672 ملین روپے تھی۔ یہ اضافہ ملک میں معاشی سرگرمیوں کے بتدریج بحالی ہونے کی وجہ سے ہوا۔ مجموعی منافع میں بھی نمایاں اضافہ ہوا۔ نو مہینے کے اختتام پر خام منافع 152.921 ملین روپے تک رہا، جب کہ اس کے مقابلے پچھلے سال اسی مدت کے دوران مجموعی منافع 93.710 ملین روپے تھا۔ اس کی بنیادی وجہ اشیاء کی فروخت میں اضافہ، اشیاء کی لاگت پر کڑی نظر کار کھنا اور پاک روپیہ کی مضبوط قدر کا ہونا ہے۔ انتظامی اخراجات بڑھ کر 50.352 ملین روپے رہے جو کہ گزشتہ مقابل مدت میں 48.621 ملین روپے تھے۔ اسی طرح مضاربہ کا منافع بڑھ کر 59.518 ملین روپے رہا، جو کہ گزشتہ مقابل مدت پر 20.785 ملین روپے تھا۔ مضاربہ کی نی کس سرٹیفکیٹ آمدنی 19.84 روپے رہی جو کہ پچھلی مقابل مدت میں 6.93 روپے تھی۔

اعتراف نامہ

بورڈ اس موقع پر رجسٹرڈ 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 ہولڈرز، رفقاء کار، سرمایہ کاروں، بینکاروں اور کاروباری پارٹیوں کی رہنمائی اور مدد کے لئے ان سب کا بھی شکر گزار ہے۔

منجانب بورڈ

عمید ریاض

ڈائریکٹر

نوید ریاض

چیف ایگزیکٹو

23 اپریل، 2021ء



FIRST IMROOZ MODARABA

CONDENSED INTERIM BALANCE SHEET
AS AT MARCH 31, 2021

	Note	(Un-audited) March 31, 2021 Rupees	(Audited) June 30, 2020 Rupees
ASSETS			
NON CURRENT ASSETS			
Property and equipment		4,753,437	6,413,376
Intangible assets		590,987	-
Long term deposits		209,400	484,802
		5,553,824	6,898,178
CURRENT ASSETS			
Stock in trade		363,674,113	215,103,436
Trade debtors		216,042,729	116,713,196
Advances, deposits, prepayments and other receivables		26,882,796	884,919
Taxation		12,321,509	6,434,904
Cash and bank balances		13,987,796	18,970,744
		632,908,943	358,107,199
TOTAL ASSETS		638,462,767	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		63,599,264	26,580,965
		198,277,021	161,258,722
NON CURRENT LIABILITY			
Defined benefit plan - Staff gratuity		38,122,763	34,840,085
Obligation under financing facilities - Secured		2,058,286	2,602,678
Deferred capital grant		50,236	130,570
Deferred taxation		-	-
		40,231,285	37,573,333
CURRENT LIABILITIES			
Obligation under financing facilities - Secured		83,550,403	88,664,280
Current portion of Deferred capital grant		334,357	-
Qard-e-Hasana from Modaraba Management Company		-	15,800,000
Creditors, accrued and other liabilities		316,069,701	61,709,042
		399,954,461	166,173,322
TOTAL EQUITY AND LIABILITIES		638,462,767	365,005,377
CONTINGENCIES AND COMMITMENTS	3		

The annexed notes from 1 to 4 form an integral part of these condensed interim financial information.

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

NAVEED RIAZ
CHIEF EXECUTIVE

MRS. SADAAT IKRAM
DIRECTOR

AMEED RIAZ
DIRECTOR

ATEED RIAZ
CHIEF FINANCIAL OFFICER



FIRST IMROOZ MODARABA

**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR NINE MONTHS AND THIRD QUARTER ENDED MARCH 31, 2021**

	Nine months ended		Third Quarter ended	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	Rupees			
Sales	677,184,945	418,672,487	238,424,635	158,100,074
Cost of sales	(524,264,353)	(324,962,564)	(173,626,120)	(136,364,220)
Gross profit	152,920,592	93,709,923	64,798,515	21,735,854
Operating expenses	(50,351,613)	(48,620,591)	(19,736,139)	(14,554,199)
Operating profit	102,568,979	45,089,332	45,062,376	7,181,655
Murabaha charges	(1,411,142)	(1,321,328)	-	(260,212)
Musharaka charges	(1,731,870)	(4,139,062)	(30,795)	(1,215,869)
Salam Finance charges	(602,193)	-	(240,369)	-
Musawamah charges	(340,973)	-	(298,787)	-
	(4,086,178)	(5,460,390)	(569,951)	(1,476,081)
	98,482,801	39,628,942	44,492,425	5,705,574
Other income	1,188,005	1,054,628	385,250	372,200
	99,670,806	40,683,570	44,877,675	6,077,774
Modaraba Management Company's fee	(4,983,541)	-	(2,243,884)	-
Provision for Sindh Sales Tax on Modaraba Management fees	(647,860)	-	(291,705)	-
Provision for Sindh Workers' Welfare Fund	(1,880,788)	(813,671)	(846,842)	(121,555)
Profit before taxation	92,158,617	39,869,900	41,495,244	5,956,219
Taxation	(32,640,318)	(19,085,125)	(11,480,322)	(8,766,007)
Profit / (Loss) for the period	59,518,299	20,784,775	30,014,922	(2,809,788)
Other comprehensive income	-	-	-	-
Total comprehensive income / (loss) for the period	59,518,299	20,784,775	30,014,922	(2,809,788)
Earnings per certificate - basic and diluted	19.84	6.93	10.00	(0.94)

The annexed notes from 1 to 4 form an integral part of these condensed interim financial information.

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(Modaraba Management Company)**

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DIRECTOR

ATEED RIAZ
CHIEF FINANCIAL OFFICER

**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR NINE MONTHS AND THIRD QUARTER ENDED MARCH 31, 2021**

	Nine months ended		Third Quarter ended	
	Mar 31, 2021	Mar 31, 2020	Mar 31, 2021	Mar 31, 2020
Rupees				
A. CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before taxation	92,158,617	39,869,900	41,495,244	5,956,219
Adjustments for non-cash and other items:				
Depreciation	2,808,909	2,878,379	885,890	981,084
Amortization on intangible assets	39,399	333,321	39,399	83,319
Amortization on Deferred Capital Grant	(386,658)	-	(158,888)	-
Gain on disposal of property and equipment	(499,999)	(922,377)	-	(322,379)
Murabaha charges	1,411,142	1,321,328	-	260,212
Musharaka charges	1,731,870	4,139,062	30,795	1,215,869
Salam Finance charges	602,193	-	240,369	-
Musawamah charges	340,973	-	298,787	-
Provision for staff gratuity	3,282,678	6,449,671	1,094,226	2,149,890
Provision for doubtful debt	-	(592,979)	-	(700,000)
	9,330,507	13,606,405	2,430,578	3,667,995
Operating profit before working capital changes	101,489,124	53,476,305	43,925,822	9,624,214
Changes in operating assets and liabilities				
(Increase) / Decrease in current assets				
Stock in trade	(148,570,677)	(28,781,412)	(166,349,881)	(57,781,904)
Trade debtors	(99,329,533)	(39,969,277)	(75,021,509)	(6,854,877)
Advances, deposits, prepayments & other receivables	(25,987,175)	(3,076,838)	(25,516,132)	(1,062,983)
	(273,887,385)	(71,827,527)	(266,887,522)	(65,699,764)
Increase / (decrease) in current liabilities				
Creditors, accrued and other liabilities	254,760,199	61,078,881	108,223,637	75,380,713
Cash generated from / (used in) operating activities	82,361,938	42,727,659	(114,738,063)	19,305,163
Murabaha charges paid	(1,653,379)	(1,674,547)	-	(359,817)
Musharaka charges paid	(3,171,819)	(4,470,990)	-	(1,312,819)
Salam Finance charges paid	(93,251)	-	(93,251)	-
Musawamah charges paid	(132,586)	-	(132,586)	-
Income tax paid	(38,526,923)	(20,548,889)	(17,935,872)	(8,216,816)
Gratuity paid	-	(1,869,780)	-	(1,513,320)
Net cash generated from / (used in) operating activities	38,783,980	14,163,453	(132,899,772)	7,902,391
B. CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of property and equipment	(884,271)	(977,480)	(388,850)	-
Purchase of intangible assets	(630,386)	-	(630,386)	-
Proceeds from disposal of property and equipment	500,000	940,000	-	340,000
Net cash (used in) / generated from investing activities	(1,014,657)	(37,480)	(1,019,236)	340,000
C. CASH FLOWS FROM FINANCING ACTIVITIES				
Dividend paid	(21,548,025)	(14,379,278)	(5,000)	(21,476)
Receipts of Qard-e-Hasana from Modaraba Management Company	-	97,000,000	-	18,000,000
Repayment of Qard-e-Hasana to Modaraba Management Company	(15,800,000)	(65,200,000)	-	(21,200,000)
Receipts of Murabaha finances	42,337,716	20,019,129	-	4,441,753
Repayment of Murabaha finances	(58,225,063)	(47,162,167)	-	(33,428,278)
Receipts of Musharaka finances	188,801,876	-	52,840,609	24,304,261
Repayment of Musharaka finances	(258,803,390)	(13,162,940)	(52,840,609)	-
Receipts of Musawamah finances	101,996,824	-	77,000,000	-
Repayment of Musawamah finances	(24,996,824)	-	(24,996,824)	-
Receipts of Salam finances	5,506,517	-	-	-
Repayment of Salam finances	(2,021,902)	-	(2,021,902)	-
Net cash (used in) / generated from financing activities	(42,752,271)	(22,885,256)	49,976,274	(7,903,740)
Net (decrease) / increase in cash and cash equivalent (A+B+C)	(4,982,948)	(8,759,283)	(83,942,734)	338,651
Cash and cash equivalent at the beginning of the period	18,970,744	11,346,950	97,930,530	2,249,016
Cash and cash equivalent at the end of the period	13,987,796	2,587,667	13,987,796	2,587,667

The annexed notes from 1 to 4 form an integral part of these condensed interim financial information.

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

NAVEED RIAZ
CHIEF EXECUTIVE

MRS. SADAAT IKRAM
DIRECTOR

AMEED RIAZ
DIRECTOR

ATEED RIAZ
CHIEF FINANCIAL OFFICER

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR NINE MONTHS AND THIRD QUARTER ENDED MARCH 31, 2021**

	Paid-up certificate	Statutory reserve*	Revenue reserve Unappropriated profit	Total
	----- (Rupees) -----			
Balance as at July 01, 2019	30,000,000	94,143,390	15,020,145	139,163,535
Transaction with owners				
Profit distribution for the year ended June 30, 2019 @ Rs. 5 per certificate	-	-	(15,000,000)	(15,000,000)
Total comprehensive income				
Profit for the period - Jul 2019 to Mar 2020	-	-	20,784,775	20,784,775
Other comprehensive income	-	-	-	-
	-	-	20,784,775	20,784,775
Balance as at March 31, 2020	<u>30,000,000</u>	<u>94,143,390</u>	<u>20,804,920</u>	<u>144,948,310</u>
Total comprehensive income				
Profit for the period - Apr 2020 to Jun 2020	-	-	14,329,780	14,329,780
Other comprehensive income	-	-	1,980,632	1,980,632
Transfer to statutory reserve	-	10,534,367	(10,534,367)	-
Balance as at June 30, 2020	30,000,000	104,677,757	26,580,965	161,258,722
Transaction with owners				
Profit distribution for the year ended June 30, 2020 @ Rs. 7.50 per certificate	-	-	(22,500,000)	(22,500,000)
Total comprehensive income				
Profit for the period - Jul 2020 to Mar 2021	-	-	59,518,299	59,518,299
Other comprehensive income	-	-	-	-
	-	-	59,518,299	59,518,299
Balance as at March 31, 2021	<u>30,000,000</u>	<u>104,677,757</u>	<u>63,599,264</u>	<u>198,277,021</u>

* The statutory reserve represents profit set aside under Prudential Regulations for Modarabas issued by the Securities and Exchange Commission of Pakistan.

The annexed notes from 1 to 4 form an integral part of these condensed interim financial information.

**For A R Management Services (Private) Limited
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**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
FOR NINE MONTHS AND THIRD QUARTER ENDED MARCH 31, 2021**

1. LEGAL STATUS AND NATURE 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 Lines 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

2. BASIS OF PREPARATION

- 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, 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), the requirements of 'the Modaraba Regulations' have been followed.
- 2.1.2 The disclosures made in this condensed interim financial information have been limited based on the requirements of IAS 34. This condensed interim financial information does not include all 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, 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 nine months ended March 31, 2020.
- 2.1.4 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.
- 2.1.5 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.

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

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.

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
FOR NINE MONTHS AND THIRD QUARTER ENDED MARCH 31, 2021**

3. CONTINGENCIES AND COMMITMENTS

3.1 Contingencies

There is no change in the status of matter of show cause notice issued to the Modaraba by the Collectorate of Customs, Karachi for recovery of Customs Duty, Additional Customs Duty, Sales Tax and Income Tax as disclosed in note 22.1.1 of the annual audited financial statements of the Modaraba for the year ended June 30, 2020.

3.2 Commitments

3.2.1 The Modaraba has issued post dated cheques to the Collector of Customs amounting to Rs. 20.130 million (June 30, 2020 : Rs. 51.232 million) on account of custom dues and taxes on goods at bonded warehouse.

3.2.2 Commitments in respect of outstanding letters of credit (LC) for trading stock amounting to Rs. 3.440 million (June 30, 2020 : Rs. 14.591 million).

4. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on 23 April 2021 by the Board of Directors of the Modaraba Management Company M/s. A R Management Services (Private) Limited.

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

NAVEED RIAZ
CHIEF EXECUTIVE

MRS. SADAAT IKRAM
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