

QUARTERLY ACCOUNTS (UN-AUDITED)

For the period ended March 31, 2022



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. Muhammad Ali Baig
Audit Committee	Mr. Aliuddin Ahmed (Chairman) Mr. Omar Mohammad Khan (Member) 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, 2022.

1. Key Financial Highlights

	(Rupees in million)	
	Nine months ended	
	31-Mar-22	31-Mar-21
Sales	1,175.99	677.19
Gross profit	196.30	152.92
Operating expenses	73.96	50.35
Profit for the period	67.39	59.52
Earnings per certificate - basic & diluted (Rupees)	22.46	19.84

2. Review of Operations

Alhamdulillah, the turnover for the period has increased significantly to Rs. 1,176 million as compared to Rs. 677 million of the corresponding period last year, this has maintained the profitability growth despite increases in material price & freight and Pak Rupee depreciation.

Earning of the Modaraba is Rs. 22.46 per certificate versus Rs. 19.84 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 26, 2022

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، 2022ء کے غیر آڈٹ شدہ مالی نتائج کے حوالے سے رپورٹ پیش کرتے ہوئے مسرت محسوس کرتے ہیں۔

نمایاں مالیاتی نکات

(ملین روپوں میں)		
نومہ کے نتائج		
31-Mar-21	31-Mar-22	
677.19	1,175.99	فروخت
152.92	196.30	مجموعی منافع
50.35	73.96	انتظامی اخراجات
59.52	67.39	نومہ کا منافع
19.84	22.46	فی کس سرٹیفکیٹ آمدنی (بنیادی اور تحلیل شدہ) روپے

کارکردگی کا جائزہ

الحمد للہ، نوماہ کی اختتامی مدت 31 مارچ 2022ء کے دوران مضاربہ کی اشیاء کی فروخت نمایاں اضافے کے ساتھ 1,176 ملین روپے رہی جبکہ اسکے مقابلے میں پچھلے سال کے اسی دورانیے میں یہ فروخت 677 ملین روپے تھی، اس بناء پر مال کی قیمت اور مال برداری میں اضافہ اور پاک روپے کی قدر میں کمی کے باوجود منافع کی ترقی کارجان برقرار رہا۔

مضاربہ کی فی کس سرٹیفکیٹ آمدنی 22.46 روپے رہی جو کہ پچھلی مقابلے مدت میں 19.84 روپے تھی۔

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 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

26 اپریل، 2022ء

**CONDENSED INTERIM BALANCE SHEET
AS AT MARCH 31, 2022**

	(Un-audited) March 31, 2022	(Audited) June 30, 2021
Note	Rupees	Rupees
ASSETS		
NON CURRENT ASSETS		
Property and equipment	5,665,674	4,687,975
Intangible assets	1,099,224	551,588
Long term deposits	598,202	110,702
	7,363,100	5,350,265
CURRENT ASSETS		
Stock in trade	287,415,647	304,552,995
Trade debtors	201,373,558	269,762,090
Advances, deposits, prepayments and other receivables	2,559,251	2,900,808
Taxation	6,131,119	4,576,541
Cash and bank balances	23,468,000	11,718,112
	520,947,575	593,510,546
TOTAL ASSETS	528,310,675	598,860,811
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	117,514,820	117,514,820
Revenue reserve	75,761,034	54,867,344
	223,275,854	202,382,164
NON CURRENT LIABILITY		
Defined benefit plan - Staff gratuity	16,701,092	36,442,617
Obligation under financing facilities - Secured	-	1,929,314
Deferred capital grant	-	27,953
Deferred taxation	-	-
	16,701,092	38,399,884
CURRENT LIABILITIES		
Obligation under financing facilities - Secured	2,008,797	63,517,555
Current portion of Deferred capital grant	56,228	234,207
Creditors, accrued and other liabilities	286,268,704	294,327,001
	288,333,729	358,078,763
TOTAL EQUITY AND LIABILITIES	528,310,675	598,860,811
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

ALIUDDIN AHMED
DIRECTOR

AMEED RIAZ
DIRECTOR

MUHAMMAD ALI BAIG
CHIEF FINANCIAL OFFICER

**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR NINE MONTHS AND THIRD QUARTER ENDED MARCH 31, 2022**

	Nine months ended		Third Quarter ended	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
	Rupees			
Sales	1,175,990,017	677,184,945	434,210,483	238,424,635
Cost of sales	(979,690,075)	(524,264,353)	(372,945,952)	(173,626,120)
Gross profit	196,299,942	152,920,592	61,264,531	64,798,515
Operating expenses	(73,955,662)	(50,351,613)	(21,589,102)	(19,736,139)
Operating profit	122,344,280	102,568,979	39,675,429	45,062,376
Financial charges	(3,363,710)	(4,086,178)	(58,156)	(569,951)
Other income	1,822,233	1,188,005	1,510,472	385,250
Reversal of provision for doubtful debts	10,471,621	-	-	-
	131,274,424	99,670,806	41,127,745	44,877,675
Provision for Modaraba Management Company's fee	(6,563,721)	(5,631,401)	(2,056,387)	(2,535,589)
Provision for Sindh Workers' Welfare Fund	(2,494,214)	(1,880,788)	(781,427)	(846,842)
Profit before taxation	122,216,489	92,158,617	38,289,931	41,495,244
Taxation	(54,822,799)	(32,640,318)	(21,242,017)	(11,480,322)
Profit for the period	67,393,690	59,518,299	17,047,914	30,014,922
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	67,393,690	59,518,299	17,047,914	30,014,922
Earnings per certificate - basic and diluted	22.46	19.84	5.68	10.00

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

ALIUDDIN AHMED
DIRECTOR

AMEED RIAZ
DIRECTOR

MUHAMMAD ALI BAIG
CHIEF FINANCIAL OFFICER



FIRST IMROOZ MODARABA

**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR NINE MONTHS AND THIRD QUARTER ENDED MARCH 31, 2022**

	Nine months ended		Third Quarter ended	
	Mar 31, 2022	Mar 31, 2021	Mar 31, 2022	Mar 31, 2021
	Rupees			
A. CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before taxation	122,216,489	92,158,617	38,289,931	41,495,244
Adjustments for non-cash and other items:				
Depreciation	1,784,625	2,808,909	572,387	885,890
Amortization on intangible assets	132,364	39,399	53,566	39,399
Amortization on Deferred Capital Grant	(205,932)	(386,658)	(36,895)	(158,888)
Gain on disposal of property and equipment	(12,361)	(499,999)	(12,361)	-
Financial charges	3,363,710	4,086,178	58,156	569,951
Provision for staff gratuity	-	3,282,678	-	1,094,226
Reversal of provision for doubtful debts	(10,471,621)	-	-	-
	(5,409,215)	9,330,507	634,853	2,430,578
Operating profit before working capital changes	116,807,274	101,489,124	38,924,784	43,925,822
Changes in operating assets and liabilities				
Decrease / (Increase) in current assets				
Stock in trade	17,137,348	(148,570,677)	96,729,677	(166,349,881)
Trade debtors	78,860,153	(99,329,533)	(12,549,235)	(75,021,509)
Advances, deposits, prepayments & other receivables	(145,943)	(25,987,175)	16,183,415	(25,516,132)
	95,851,558	(273,887,385)	100,363,857	(266,887,522)
(Decrease) / Increase in current liabilities				
Creditors, accrued and other liabilities	(9,360,645)	254,760,199	(159,202,958)	108,223,637
Cash generated from / (used in) operating activities	203,298,186	82,361,938	(19,914,318)	(114,738,063)
Financial charges paid	(3,653,029)	(5,051,035)	(71,657)	(225,837)
Income tax paid	(56,377,377)	(38,526,923)	(17,743,868)	(17,935,872)
Gratuity paid	(19,741,525)	-	(19,741,525)	-
Net cash generated from / (used in) operating activities	123,526,256	38,783,980	(57,471,367)	(132,899,772)
B. CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of property and equipment	(2,809,963)	(884,271)	(730,000)	(388,850)
Purchase of intangible assets	(680,000)	(630,386)	(680,000)	(630,386)
Proceeds from disposal of property and equipment	60,000	500,000	60,000	-
Net cash used in investing activities	(3,429,963)	(1,014,657)	(1,350,000)	(1,019,236)
C. CASH FLOWS FROM FINANCING ACTIVITIES				
Dividend paid	(44,702,401)	(21,548,025)	-	(5,000)
Receipts of Qard-e-Hasana from Modaraba Management Company	92,800,000	-	-	-
Repayment of Qard-e-Hasana to Modaraba Management Company	(92,800,000)	(15,800,000)	-	-
Receipts of Murabaha finances	-	42,337,716	-	-
Repayment of Murabaha finances	-	(58,225,063)	-	-
Receipts of Musharaka finances	-	188,801,876	-	52,840,609
Repayment of Musharaka finances	(8,244,169)	(258,803,390)	-	(52,840,609)
Receipts of Musawamah finances	175,000,000	101,996,824	-	77,000,000
Repayment of Musawamah finances	(225,000,000)	(24,996,824)	-	(24,996,824)
Receipts of Salam finances	-	5,506,517	-	-
Repayment of Salam finances	(5,399,835)	(2,021,902)	(688,298)	(2,021,902)
Net cash (used in) / generated from financing activities	(108,346,405)	(42,752,271)	(688,298)	49,976,274
Net increase / (decrease) in cash and cash equivalent (A+B+C)	11,749,888	(4,982,948)	(59,509,665)	(83,942,734)
Cash and cash equivalent at the beginning of the period	11,718,112	18,970,744	82,977,665	97,930,530
Cash and cash equivalent at the end of the period	23,468,000	13,987,796	23,468,000	13,987,796

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

ALIUDDIN AHMED
DIRECTOR

AMEED RIAZ
DIRECTOR

MUHAMMAD ALI BAIG
CHIEF FINANCIAL OFFICER

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR NINE MONTHS AND THIRD QUARTER ENDED MARCH 31, 2022**

	Paid-up certificate	Statutory reserve*	Revenue reserve Unappropriated profit	Total
	----- (Rupees) -----			
Balance as at July 01, 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. 7.5 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>
Total comprehensive income				
Profit for the period - Apr 2021 to Jun 2021	-	-	4,667,018	4,667,018
Other comprehensive income	-	-	(561,875)	(561,875)
Transfer to statutory reserve	-	12,837,063	(12,837,063)	-
Balance as at June 30, 2021	30,000,000	117,514,820	54,867,344	202,382,164
Transaction with owners				
Profit distribution for the year ended June 30, 2021 @ Rs. 15.50 per certificate	-	-	(46,500,000)	(46,500,000)
Total comprehensive income				
Profit for the period - Jul 2021 to Mar 2022	-	-	67,393,690	67,393,690
Other comprehensive income	-	-	-	-
	-	-	67,393,690	67,393,690
Balance as at March 31, 2022	<u>30,000,000</u>	<u>117,514,820</u>	<u>75,761,034</u>	<u>223,275,854</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
(Modaraba Management Company)**

NAVEED RIAZ
CHIEF EXECUTIVE

ALIUDDIN AHMED
DIRECTOR

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CHIEF FINANCIAL OFFICER

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
FOR NINE MONTHS AND THIRD QUARTER ENDED MARCH 31, 2022**

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 which comprised 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 ['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, 2021.
- 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, 2021, 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, 2021.
- 2.1.4 These financial statements have been prepared under the historical cost convention except for recognition of defined benefit plan - staff gratuity at present value. These financial statements have been prepared following accrual basis of accounting except for cash flow statement.
- 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, 2021.

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
FOR NINE MONTHS AND THIRD QUARTER ENDED MARCH 31, 2022**

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, 2021.

3.2 Commitments

3.2.1 The Modaraba has issued post dated cheques to the Collector of Customs amounting to Rs. 81.11 million (June 30, 2021 : Rs. 58.56 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. 9.36 million (June 30, 2021 : Rs. NIL).

4. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on 26 April 2022 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

ALIUDDIN AHMED
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