

# TWENTY FIFTH ANNUAL REPORT 2019



FIRST IMROOZ MODARABA

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## **VISION / MISSION STATEMENT**

IMROOZ is committed to:

- operate its business activities in accordance with Islamic Sharia'a in its true spirit and zeal.
- employ its funds in the best possible way and to promote and use human talents, to maximize the profit for its certificate holders.
- provide products and services that meet or preferably exceed the need and expectations of its customers in a cost effective manner and to provide satisfactory returns to its certificate holders, principals and stakeholders.
- its policies and performance that it hopes will positively contribute to society and help build a stronger and progressive Pakistan.

## **CODE OF CONDUCT**

1. The objective of Imrooz is to engage efficiently, responsibly and profitably in its businesses. Imrooz seeks a high standard of performance and aims to maintain a long term position in its respective competitive environment.
2. Imrooz recognizes the responsibility:
  - to protect its certificate holder's investment and strive hard to provide them with better return;
  - to maintain and enhance its customer base by providing products and services which offer value in terms of price and quality.
  - to encourage growth of its employees, provide them with good working conditions and competitive terms and conditions of service and treat them without any discriminative policies on the basis of race, religion, gender or any other factor.
  - to conduct business as responsible corporate members of the society, and to comply with obligations enforced by regulatory agencies for improving corporate performance.
3. Imrooz insists on honesty, integrity and fairness in all aspects of their business.
4. Imrooz believes in free and fair business practices in open competitive markets.

## 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
<b>Chief Financial Officer</b>	: Mr. Ateed Riaz
<b>Audit Committee</b>	: Mr. Omar Mohammad Khan (Chairman) Mrs. Saadat Ikram (Member) Mr. Ameer Riaz (Member)
<b>Human Resource Committee</b>	: Mr. Omar Mohammad Khan (Chairman) 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. Deloitte Yousuf Adil Chartered Accountants
<b>Bankers</b>	: Soneri Bank Limited Bank Alfalah Limited
<b>Legal Advisors</b>	: Aatif Awan, Advocate
<b>Shariah Advisor</b>	: Mufti Abdul Qadir
<b>Principal place of business</b>	: Room No. 405, 4th 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, 17th 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, have pleasure in submitting Annual Report of First Imrooz Modaraba along with audited financial statements for the year ended June 30, 2019.

### 1. Operating Results

The financial results of the Modaraba are summarized below:

	<b>(Rupees in million)</b>	
	<b>2019</b>	<b>2018</b>
Profit before taxation	58.570	73.105
Taxation	<u>33.258</u>	<u>42.554</u>
Profit after taxation	25.312	30.551
Appropriations		
Transfer to Statutory Reserve @ 35% (2018:40%)	8.859	12.220
Profit after appropriation	<u>16.453</u>	<u>18.331</u>
Earnings per certificate - basic & diluted	Rs. <u>8.44</u>	<u>10.18</u>

### 2. Review of Financial Performance

The turnover of the Modaraba for the year ended 30 June 2019 decreased to Rs.705.65 million as compared to Rs.897.59 million last year. Such decrease was due to prevalent slowdown of the economy and severe devaluation of Pak rupee against foreign currencies which inhibited the Modaraba to negotiate deals that are volume based.

The Gross profit also decreased to Rs.132.78 million as against Rs.143.94 million.

As a result of increasing inflation, the operating expenses increased to Rs. 66.45 million as compared to Rs. 62.52 million of the corresponding year.

In addition to above, there has been increase in Morabaha / Musharaka charges, which is due to the fact that during this period, the Modaraba had obtained Running Musharaka facility from bank.

The other income for the year is Rs. 1.54 million as compared to Rs. 0.51 million of last.

Resultantly, the Modaraba's annual profit decreased to Rs.25.31 million as compared to Rs. 30.55 million of last year.

After considering these results, the Board of Directors have decided to transfer 35% of the profit to the statutory reserve and to pay a final profit distribution @ 50% i.e. Rs.5.00 per certificate to the certificate holders.

### 3. Auditors

The present auditors M/s Deloitte Yousuf Adil, Chartered Accountants being due for retirement have offered themselves for re-appointment for the year ending June 30, 2020. The Directors have approved their appointment subject to approval of the Registrar, Modaraba Companies and Modaraba.

### 4. Corporate Governance

Your Directors are pleased to report that:

- a) The financial statements, prepared by the management company of the Modaraba, present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
- b) Proper books of account have been maintained.
- c) Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- d) Approved International Accounting Standards, as applicable in Pakistan to Modarabas, have been followed in preparation of financial statements and any departure therefrom has been adequately disclosed.
- e) The system of internal control is sound in design and has been effectively implemented and monitored.
- f) There are no significant doubts upon the Modaraba's ability to continue as a going concern.
- g) There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations.
- h) Statement summarizing key operating and financial data for the current year as well as for the last six years is given as under:

(Rupees in Million)

Particulars	2019	2018	2017	2016	2015	2014	2013
							Restated
Fixed Assets	10.118	12.968	13.346	14.459	6.979	7.412	4.57
Working Capital	159.261	146.929	145.007	145.027	139.025	125.424	141.89
Certificate Holders Equity	138.183	134.860	137.472	140.173	129.628	117.475	130.97
Paid-up Certificate Capital	30.00	30.00	30.00	30.00	30.00	30.00	30.00
Sales	705.649	897.590	734.216	827.864	730.551	624.105	641.673
Gross Profit	132.777	143.937	118.611	128.668	106.032	80.363	90.91
Profit before Taxation	58.588	73.104	65.031	80.885	27.153	16.516	32.75
Profit Distribution – Cash	50%	56.67%	100%	120%	90%	50%	100%
Earnings per Certificate-Rs.	8.44	10.18	11.10	14.01	9.05	5.51	10.92
Break-up value per Certificate-Rs.	46.39	44.95	45.82	46.72	43.21	39.16	43.66

- i) Pattern of certificate holding of the Modaraba and certificate holders' information as required under the Modaraba Rules and the Listing Regulations of Pakistan Stock Exchange are included in this report.

## 5. Transfer Pricing

The Directors are pleased to report that the Modaraba has fully complied with the best practices on transfer pricing as contained in the Listing Regulations of Pakistan Stock Exchange.

## 6. Composition of board

The composition of board is as follows:

Category	Names
A) Non-Executive Directors	Mr. Ameer Riaz Mrs. Saadat Ikram Mr. Omar Muhammad Khan
B) Executive Directors	Mr. Naveed Riaz

## 7. Board Meetings

During the year, four (4) meetings of the Board of Directors were held. Attendance by each director is as follows.

	Attended
Mr. Naveed Riaz	4
Mr. Ameer Riaz	4
Mr. Omar Mohammad Khan	4
Mrs. Saadat Ikram	4

## 8. 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 associates for their continued support and co-operation and above all appreciates the dedication and hard work of each staff member of the Modaraba.

on behalf of the Board

**Naveed Riaz**  
Chief Executive

27 September, 2019



FIRST IMROOZ MODARABA

9) پاکستان اسٹاک ایکسچینج کی فہرست سازی کے قواعد و ضوابط کے تحت خاکہ برائے مضاربہ سرٹیفکیٹ مالکان کی تفصیلی معلومات اس رپورٹ میں شامل ہیں۔

## منتقلی کی قیمتوں کا تعین

آپ کے ڈائریکٹرز رپورٹ کرتے ہیں کہ پاکستان اسٹاک ایکسچینج لمیٹڈ کی لسٹنگ ریگولیشن کے مطابق مضاربہ مکمل طور پر منتقلی کی قیمتوں کے تعین کے اصولوں پر بہترین طریقوں کے ساتھ عمل پیرا ہیں۔

## بورڈ کے مرکب

قسم	نام
نان ایگزیکٹو ڈائریکٹرز	جناب عمید ریاض محترمہ سعادت اکرام جناب عمر محمد خان
ایگزیکٹو ڈائریکٹرز	جناب نوید ریاض

## بورڈ کے اجلاس

سال کے دوران، بورڈ آف ڈائریکٹرز کے چار (4) اجلاس منعقد کیے گئے تھے۔ ہر ایک ڈائریکٹر کی طرف سے حاضری مندرجہ ذیل ہے:

### شرکت کی تعداد

4	جناب نوید ریاض
4	جناب عمید ریاض
4	جناب عمر محمد خان
4	محترمہ سعادت اکرام

## اعتراف نامہ

بورڈ اس موقع پر جسٹرار 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 شبانہ روز محنت اور لگن کے لئے ان سب کا شکر گزار ہے۔

منجانب بورڈ

نوید ریاض

چیف ایگزیکٹو

27 ستمبر، 2019



## آڈیٹ

موجودہ آڈیٹرز ڈیلوٹس یوسف عادل چارٹرڈ اکاؤنٹنٹس ریٹائرمنٹ کے قریب ہونے کی وجہ سے جون 30، 2020 کو ختم ہونے والے سال کے لئے دوبارہ تقرری کے لئے خود کو پیش کر رہے ہیں۔ ڈائریکٹرز نے ان کی تقرری کے لئے منظوری دے دی ہے جو کہ رجسٹرار مضاربہ کی منظوری سے مشروط ہے۔

## کارپوریٹ گورننس

ہمارے ڈائریکٹرز رپورٹ کرتے ہیں:

- (1) فرسٹ امروزمضاربہ کی انتظامی کمپنی اے آر مینجمنٹ سروسز (پرائیویٹ) لمیٹڈ کی انتظامیہ کے تیار کردہ مالی گوشواروں میں اسکے واضح امور، عملدرآمد کے نتائج، کیش فلو اور ایکویٹی میں تبدیلیاں پیش کی گئی ہیں۔
- (2) مضاربہ کے اکاؤنٹ کی کتابوں کو باقاعدگی سے تیار کیا ہے۔
- (3) مالی گوشواروں اور اکاؤنٹنگ تخمینوں کی تیاری میں متعلقہ موزوں اکاؤنٹنگ پالیسیاں بروئے کار لائی گئی ہیں اور یہ مناسب فیصلوں پر مبنی ہیں۔
- (4) بین الاقوامی اکاؤنٹنگ سٹینڈرڈز جو کہ پاکستان میں قابل عمل ہیں اور مالی گوشواروں کی تیاری میں باقاعدگی سے اس پہ عمل کیا جاتا ہے
- (5) انٹرنل کنٹرول کا نظام موجود ہے اور اسے مؤثر طریقے سے لاگو کیا گیا ہے۔
- (6) جاری ادارہ کی حیثیت سے مضاربہ کے لئے کوئی اہم شکوک و شبہات نہیں ہیں۔
- (7) لسٹنگ کے ضابطے میں موجود کارپوریٹ گورننس کے بہترین طریقوں میں سے کوئی بے ضابطگی نہیں ہوئی ہے۔
- (8) گزشتہ چھ سال اور موجودہ سال کے اہم آپرٹنگ اور مالیاتی ڈیٹا کا خلاصہ حسب ذیل ہے:

(ملین روپیوں میں)

Particulars	2019	2018	2017	2016	2015	2014	2013
							Restated
Fixed Assets	10.118	12.968	13.346	14.459	6.979	7.412	4.57
Working Capital	159.261	146.929	145.007	145.027	139.025	125.424	141.89
Certificate Holders Equity	138.183	134.860	137.472	140.173	129.628	117.475	130.97
Paid-up Certificate Capital	30.00	30.00	30.00	30.00	30.00	30.00	30.00
Sales	705.649	897.590	734.216	827.864	730.551	624.105	641.673
Gross Profit	132.777	143.937	118.611	128.668	106.032	80.363	90.91
Profit before Taxation	58.588	73.104	65.031	80.885	27.153	16.516	32.75
Profit Distribution – Cash	50%	56.67%	100%	120%	90%	50%	100%
Earnings per Certificate-Rs.	8.44	10.18	11.10	14.01	9.05	5.51	10.92
Break-up value per Certificate-Rs.	46.39	44.95	45.82	46.72	43.21	39.16	43.66

## ڈائریکٹرز کی رپورٹ

فرسٹ امروز مضاربہ کی انتظامی کمپنی اے آر مینجمنٹ سروسز (پرائیویٹ) لمیٹڈ کے بورڈ آف ڈائریکٹرز مضاربہ کے سالانہ نتائج برائے 30 جون 2019 بمعہ آڈٹ رپورٹ پیش کرتے ہیں۔

## نمایاں مالیاتی نکات

مضاربہ کے مالیاتی نتائج مندرجہ ذیل ہیں:

(ملین روپیوں میں)		
30-Jun-18	30-Jun-19	
73.105	58.570	قبل از ٹیکس منافع
42.554	33.258	ٹیکس
30.551	25.312	بعد از ٹیکس منافع
12.220	8.859	قانون کے مطابق ذخائر میں منافع کا 35 فیصد منتقل (2018: 40 فیصد)
18.331	16.453	بعد از منتقلی منافع
10.18	8.44	نی کس شیر آمدنی (بنیادی اور تحلیل شدہ) روپے

## کارکردگی کا جائزہ

زیر غور حالیہ سال کے دوران مضاربہ کی فروخت 705.65 ملین روپے تک رہی جبکہ اسکے مقابلے میں گذشتہ سال میں 897.59 ملین روپے تھی۔ اس کمی کا بنیادی سبب ناموافق معاشی حالات اور پاکستانی روپے کی قدر میں شدید کمی ہے، جس کی وجہ سے مضاربہ کو مقدار کی بنیاد پر خرید و فرخت کی سودا بازی میں دشواری پیش آئی۔

اس کی مناسبت سے کل منافع 132.78 ملین روپے تک رہا، جب کہ اسی کے مقابلے پچھلے سال کے دوران کل منافع 143.94 ملین روپے تھا۔ مہنگائی بڑھنے کی وجہ سے آپریٹنگ اخراجات 66.45 ملین روپے رہے جبکہ اسکے مقابلے میں گذشتہ سال 62.52 ملین روپے تھے۔ اس کے علاوہ، مضاربہ نے اپنے ورکنگ کپیٹل کی ضروریات کے لیے بینک سے جاری مشارکہ کی سہولت بھی لی جسکی وجہ سے مالیاتی اخراجات بھی بڑھے۔

اس حالیہ سال میں دیگر آمدنی 1.54 ملین روپے رہی جب کہ گذشتہ سال میں یہ 0.51 ملین روپے تھی۔ نتیجتاً سال کے اختتام پر مضاربہ کا منافع 25.31 ملین روپے رہا، جبکہ گذشتہ مقابل سال یہ 30.55 ملین روپے تھا۔

حالیہ نتائج کو مد نظر رکھتے ہوئے بورڈ آف ڈائریکٹرز نے فیصلہ کیا ہے کہ منافع کے 35 فیصد منتقلی کے بعد منافع 5.00 روپے فی سٹیفیکٹ یعنی 50 فیصد کے حساب سے سٹیفیکٹ مالکان میں تقسیم کیا جائے۔

## TEN YEARS AT A GLANCE

(Rupees in million)

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
	-----Restated-----										
<b>Balance Sheet Information</b>											
Authorized capital	100.000	100.000	100.000	100.000	100.000	100.000	100.000	100.000	100.000	100.000	100.000
Certificate capital	30.000	30.000	30.000	30.000	30.000	30.000	30.000	30.000	30.000	30.000	30.000
Statutory reserve & surplus	109.163	104.861	107.472	110.173	99.628	87.475	100.971	87.565	86.950	82.178	72.508
Certificate holders' equity	139.163	134.861	137.472	140.173	129.628	117.475	130.971	117.565	116.950	112.178	102.508
Deferred liability - staff gratuity	30.196	25.037	21.263	19.429	16.376	15.362	15.493	13.125	8.900	8.140	6.820
Qard-e-Hasna from Modaraba management company	-	120.000	34.300	-	-	-	-	31.000	15.000	13.500	-
Short term borrowing - Morabaha finances	74.637	35.230	34.371	35.013	26.886	29.308	33.623	43.018	33.367	7.627	-
Current liabilities	171.869	255.192	212.043	180.340	146.238	140.708	162.152	217.317	190.541	104.671	76.989
Fixed Assets	10.119	12.969	13.347	14.459	6.979	7.413	4.575	6.274	6.368	8.023	5.439
Stock-in-trade	212.679	265.574	258.027	129.910	162.806	164.743	187.303	182.523	202.757	83.534	65.925
Trade debtors	98.603	113.779	83.997	129.336	107.237	75.593	81.998	122.180	82.969	122.261	59.763
Investments	-	-	-	-	-	-	-	1.104	1.213	1.275	0.796
Current assets	331.110	402.120	357.050	325.367	285.263	266.132	304.042	341.734	310.020	216.966	180.878
<b>Operational Results</b>											
Sales	705.649	897.589	734.216	827.864	730.551	624.104	641.673	711.425	681.364	628.533	474.517
Cost of sales	572.872	753.652	615.605	699.196	624.519	543.741	550.759	612.621	588.809	550.465	415.738
Gross profit	132.777	143.937	118.611	128.668	106.032	80.363	90.914	98.804	92.555	78.068	58.779
Other income	1.541	0.508	2.138	1.102	0.702	2.969	2.329	2.108	1.805	2.429	1.760
Murabaha & Musharaka Charges	8.101	2.564	2.346	2.063	3.777	2.595	3.761	5.076	5.321	1.838	-
Workers welfare fund	1.195	6.254	(1.072)	-	-	-	-	-	-	1.072	-
Operating expenses	66.453	62.522	54.444	46.822	43.088	37.674	31.497	35.348	29.425	25.521	22.507
(Diminution) / unrealised appreciation on remeasurement of investment - net	-	-	-	-	-	-	-	(0.030)	(0.062)	0.479	(1.727)
Operating profit	66.324	81.415	64.167	81.846	62.944	42.689	59.417	63.456	63.130	52.547	36.272
Profit payable to the modaraba company as their remuneration	-	-	-	-	-	-	-	5.441	5.36	4.204	2.607
Profit before tax	58.568	73.105	65.031	80.885	59.869	43.063	57.985	55.017	54.192	48.341	29.982
Taxation	33.259	42.554	31.732	38.868	32.716	26.547	25.235	30.418	26.618	19.771	7.917
Profit after tax	25.310	30.551	33.299	42.017	27.153	16.516	32.750	24.599	27.574	28.570	22.065
Transfer to statutory reserve	8.858	12.220	1.665	2.101	1.357	0.826	1.637	4.920	5.515	5.714	2.206
	35%	40%	5%	5%	5%	5%	5%	20%	20%	20%	10%
<b>Profit Distribution</b>											
Profit distribution	15.000	17.000	30.000	36.000	27.000	15.000	30.000	19.500	22.050	22.800	18.900
Rate per certificate	50.0%	56.7%	100.0%	120.0%	90.0%	50.0%	100.0%	65.0%	73.5%	76.0%	63.0%
<b>Financial Ratios</b>											
Gross profit - % of sales	18.82%	16.04%	16.15%	15.54%	14.51%	12.88%	14.17%	13.89%	13.58%	12.42%	12.39%
Operating expenses - % of sales	9.42%	6.97%	7.42%	5.66%	5.90%	6.04%	4.91%	4.97%	4.32%	4.06%	4.74%
Operating profit - % of sales	9.40%	9.07%	8.74%	9.89%	8.62%	6.84%	9.26%	8.92%	9.27%	8.36%	7.64%
Profit before tax - % of sales & other income	8.28%	8.14%	8.83%	9.76%	8.19%	6.87%	9.00%	7.71%	7.93%	7.66%	6.30%
Profit after tax - % of sales & other income	3.58%	3.40%	4.52%	5.07%	3.71%	2.63%	5.09%	3.45%	4.04%	4.53%	4.63%
<b>Return to Certificate holders</b>											
Return on equity - before tax	42.09%	54.21%	47.30%	57.70%	46.19%	36.66%	44.27%	46.80%	46.34%	43.09%	29.25%
Return on equity - after tax	18.19%	22.65%	24.22%	29.98%	20.95%	14.06%	25.01%	20.92%	23.58%	25.47%	21.53%
Earning per certificate - Rs.	8.44	10.18	11.10	14.01	9.05	5.51	10.92	8.20	9.19	9.52	7.36
Profit distribution per certificate - Rs.	5.00	5.67	10.00	12.00	9.00	5.00	10.00	6.50	7.35	7.60	6.30
Market price per certificate - Rs.	155.59	219.57	230.50	115.00	53.00	53.72	60.76	52.61	62.65	47.51	32.00
Break-up value per certificate - Rs.	46.39	44.95	45.82	46.72	43.21	39.16	43.66	39.19	38.98	37.39	34.17



## AUDITORS' REPORT TO THE CERTIFICATE HOLDERS

We have audited the annexed balance sheet of **First Imrooz Modaraba** (the Modaraba) as at June 30, 2019 and the related profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof (hereinafter referred to as the financial statements), for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

These financial statements are the Modaraba Management Company's [A R Management Services (Private) Limited] responsibility who is also responsible to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards as applicable in Pakistan and the requirements of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 (XXXI of 1980), and the Modaraba Companies and Modaraba Rules, 1981. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting policies and significant estimates made by the Modaraba Management Company, as well as, evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

- (a) in our opinion, proper books of account have been kept by the Modaraba Management Company in respect of the Modaraba required by the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, and the Modaraba Companies and Modaraba Rules, 1981;
- (b) in our opinion:
  - (i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 (XXXI of 1980), and the Modaraba Companies and Modaraba Rules, 1981, and are in agreement with the books of accounts and are further in agreement with accounting policies consistently applied, except for the changes as mentioned in note 3.3 and 3.4, with which we concur;
  - (ii) the expenditure incurred during the year was for the purpose of the Modaraba's business; and
  - (iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects, terms and conditions of the Modaraba;
- (c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and give the information required by the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 (XXXI of 1980) and the Modaraba Companies and Modaraba Rules, 1981, in the manner so required and respectively give a true and fair view of the state of the Modaraba's affairs as at June 30, 2019 and of the profit, its cash flows and changes in equity for the year then ended; and

- (d) in our opinion, Zakat deductible at source under the Zakat and Ushr Ordinance, 1980, was deducted by the Modaraba and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

*Nadeem Yousuf Adil*  
**Chartered Accountants**

**Engagement Partner:**  
Nadeem Yousuf Adil

**Dated:** October 04, 2019  
**Place:** Karachi





FIRST IMROOZ MODARABA

## BALANCE SHEET AS AT JUNE 30, 2019

	Note	2019 Rupees	2018 Rupees
<b>NON CURRENT ASSETS</b>			
Property and equipment	5	9,294,441	11,644,710
Intangible assets	6	333,323	833,327
Long term deposits	7	490,752	490,752
		<u>10,118,516</u>	<u>12,968,789</u>
<b>CURRENT ASSETS</b>			
Stock in trade	8	212,679,008	265,573,803
Trade debtors	9	98,602,686	113,779,339
Deposits, prepayments and other receivables	10	1,031,467	1,019,034
Taxation	11	7,450,310	7,678,131
Cash at banks	12	11,346,950	14,070,366
		<u>331,110,421</u>	<u>402,120,673</u>
<b>TOTAL ASSETS</b>		<u>341,228,937</u>	<u>415,089,462</u>
<b>CAPITAL AND RESERVES</b>			
Authorized 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	13	30,000,000	30,000,000
Statutory reserve	14	94,143,390	85,284,849
Revenue reserve	15	15,020,145	19,575,963
		<u>139,163,535</u>	<u>134,860,812</u>
<b>NON-CURRENT LIABILITY</b>			
Defined benefit plan - Staff gratuity	16	30,196,633	25,036,785
<b>CURRENT LIABILITIES</b>			
Obligation under finances	17	74,637,490	35,230,606
Qard-e-Hasana from Modaraba Management Company		-	120,000,000
Creditors, accrued and other liabilities	18	97,231,279	99,961,259
		<u>171,868,769</u>	<u>255,191,865</u>
<b>CONTINGENCIES AND COMMITMENTS</b>	19		
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>341,228,937</u>	<u>415,089,462</u>

The annexed notes from 1 to 31 form an integral part of these financial statements.

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

**Naveed Riaz**  
Chief Executive

**Ameed Riaz**  
Director

**Mrs. Saadat Ikram**  
Director

**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED JUNE 30, 2019**

	Notes	2019 Rupees	2018 Rupees
Sales	20	<b>705,649,411</b>	897,589,842
Cost of sales	21	<b>(572,871,795)</b>	(753,652,187)
Gross profit		<b>132,777,616</b>	143,937,655
Operating expenses	22	<b>(66,453,436)</b>	(62,522,445)
Operating profit		<b>66,324,180</b>	81,415,210
Sindh Workers' Welfare Fund	18.1	<b>(1,195,277)</b>	(6,254,592)
Murabaha charges		<b>(3,626,626)</b>	(2,564,394)
Musharaka charges		<b>(4,474,365)</b>	-
Other income	23	<b>1,540,650</b>	508,463
Profit before taxation		<b>58,568,562</b>	73,104,687
Taxation	24	<b>(33,258,445)</b>	(42,553,921)
Profit for the year		<b>25,310,117</b>	30,550,766
<b>Other comprehensive income</b>			
<i>Items that will not be subsequently reclassified to profit or loss:</i>			
Remeasurement of defined benefit liability		<b>(3,997,394)</b>	(3,161,985)
Total comprehensive income		<b>21,312,723</b>	27,388,781
Earnings per certificate - basic and diluted	25	<b>8.44</b>	10.18

\*For more than 90% distribution of profit after transfer to statutory reserve see notes 15 and 32

The annexed notes from 1 to 34 form an integral part of these financial statements.

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

**Naveed Riaz**  
Chief Executive

**Ameed Riaz**  
Director

**Mrs. Saadat Ikram**  
Director

**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	2019 Rupees	2018 Rupees
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	58,568,562	73,104,687
Adjustments for:		
Depreciation	3,930,381	3,882,191
Amortisation	500,004	504,666
Provision for doubtful debts	1,626,916	-
Gain on disposal of property and equipment	(1,337,563)	(421,215)
Murabaha charges	3,626,626	2,564,394
Musharaka charges	4,474,365	-
Provision for staff gratuity	3,650,954	3,246,313
	<u>16,471,683</u>	<u>9,776,349</u>
Changes in operating assets and liabilities	75,040,245	82,881,036
(Increase) / decrease in current assets		
Stock in trade	52,894,795	(7,546,044)
Trade debtors	13,549,737	(29,782,539)
Deposits, prepayments and other receivables	(12,433)	1,404,937
	<u>66,432,099</u>	<u>(35,923,646)</u>
(Decrease) / increase in current liabilities		
Creditors, accrued and other liabilities	(4,964,662)	(45,327,796)
Cash generated from operations	<u>136,507,682</u>	<u>1,629,594</u>
Murabaha charges paid	(3,495,101)	(2,228,370)
Musharaka charges	(2,924,444)	-
Income tax paid	(33,030,624)	(45,057,245)
Staff gratuity paid	(2,488,500)	(2,634,627)
Security deposit for Ijarah paid	-	(109,400)
Net cash generated from / (used in) operating activities	<u>94,569,013</u>	<u>(48,400,048)</u>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property and equipment	(1,883,549)	(3,751,835)
Proceeds from disposal of property and equipment	1,641,000	655,000
Net cash used in investing activities	<u>(242,549)</u>	<u>(3,096,835)</u>



	<b>2019</b>	2018
	<b>Rupees</b>	Rupees
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividend paid	<b>(16,456,764)</b>	(28,419,195)
Receipts of Qard-e-Hasana from Modaraba Management Company	<b>104,700,000</b>	271,700,000
Repayment of Qard-e-Hasana to Modaraba Management Company	<b>(224,700,000)</b>	(186,000,000)
Receipts from murabaha finances	<b>134,399,366</b>	117,526,911
Repayment of murabaha finances	<b>(138,045,180)</b>	(116,667,535)
Receipts from musharaka finances	<b>43,052,698</b>	-
Net cash (used in) / generated from financing activities	<b><u>(97,049,880)</u></b>	<u>58,140,181</u>
Net (decrease) / increase in cash and cash equivalents (A+B+C)	<b>(2,723,416)</b>	6,643,298
Cash and cash equivalents at beginning of the year	<b>14,070,366</b>	7,427,068
Cash and cash equivalents at end of the year	<b><u>11,346,950</u></b>	<u>14,070,366</u>

The annexed notes from 1 to 34 form an integral part of these financial statements.

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

**Naveed Riaz**  
Chief Executive

**Ameed Riaz**  
Director

**Mrs. Saadat Ikram**  
Director

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED JUNE 30, 2019**

	Issued, subscribed and paid-up certificate capital	Statutory reserve	Revenue reserve (Un- appropriated profit)	Total
	----- Rupees -----			
Balance at July 01, 2017	30,000,000	73,064,543	34,407,488	137,472,031
<b>Transaction with owners</b>				
Profit distribution for the year ended June 30, 2017 at Rs. 10 per certificate	-	-	(30,000,000)	(30,000,000)
<b>Total comprehensive income for the year</b>				
Profit for the year	-	-	30,550,766	30,550,766
Other comprehensive income	-	-	(3,161,985)	(3,161,985)
			27,388,781	27,388,781
Transfer to statutory reserve @ 40% (Note 14)	-	12,220,306	(12,220,306)	-
Balance at July 01, 2018	<b>30,000,000</b>	<b>85,284,849</b>	<b>19,575,963</b>	<b>134,860,812</b>
<b>Transaction with owners</b>				
Profit distribution for the year ended June 30, 2018 at Rs. 5.67 per certificate	-	-	(17,010,000)	(17,010,000)
<b>Total comprehensive income for the year</b>				
Profit for the year	-	-	25,310,117	25,310,117
Other comprehensive income	-	-	(3,997,394)	(3,997,394)
			21,312,727	21,312,727
Transfer to statutory reserve @ 35% (Note 14)	-	8,858,541	(8,858,541)	-
<b>Balance at June 30, 2019</b>	<b>30,000,000</b>	<b>94,143,390</b>	<b>15,020,145</b>	<b>139,163,535</b>

The annexed notes from 1 to 34 form an integral part of these financial statements.

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

**Naveed Riaz**  
Chief Executive

**Ameed Riaz**  
Director

**Mrs. Saadat Ikram**  
Director

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

### 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 thereunder and is managed by A R Management Services (Private) Limited (the Modaraba Management Company). 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

These financial statements have been prepared in accordance with the requirements of the 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) together with approved accounting standards as applicable in Pakistan to Modarabas. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP), as are notified under the provisions of the Companies Act, 2017 and made applicable to Modarabas. Wherever the requirements of the Modaraba Regulations differ from the requirements of these standards, the requirements of the Modaraba Regulations take precedence.

#### 2.2 Basis of Measurement

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 information.

#### 2.3 Critical Accounting Estimates And Judgments

The preparation of financial statements in conformity with approved accounting standards requires use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Modaraba's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The areas involving critical accounting estimates and significant assumptions concerning the future are mentioned below:

- a) Depreciation / amortization rates and useful life of assets (Note 4.1 and 4.2)
- b) Provision for doubtful debts (Note 4.4)
- c) Defined benefit plan (Note 4.9)

### 3. NEW STANDARDS AND AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING STANDARDS

#### 3.1 New accounting standards / amendments and IFRS interpretations that are effective for the year ended June 30, 2019

The following standards, amendments and interpretations are effective for the year ended June 30, 2019. These standards, interpretations and the amendments are either not relevant to the Modaraba's operations or are not expected to have significant impact on the Modaraba's financial statements other than certain additional disclosures.

	<b>Effective from accounting period beginning on or after:</b>
IFRS 9 'Financial Instruments' - This standard will supersede IAS 39 Financial Instruments: Recognition and Measurement upon its effective date.	July 01, 2018
IFRS 15 'Revenue from Contracts with Customers' - This standard will supersede IAS 18, IAS 11, IFRIC 13, 15 and 18 and SIC 31 upon its effective date.	July 01, 2018
IFRIC 22 'Foreign Currency Transactions and Advance Consideration': Provides guidance on transactions where consideration against non-monetary prepaid asset / deferred income is denominated in foreign currency.	January 01, 2018

#### 3.2 New accounting standards and amendments that are not yet effective

There are certain standards, interpretations and the amendments that are considered either not relevant to the Modaraba's operations or are not expected to have significant impact on the Modaraba's financial statements other than certain additional disclosures.

	<b>Effective from accounting period beginning on or after:</b>
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding prepayment features with negative compensation and modifications of financial liabilities	January 01, 2019
IFRS 16 'Leases': This standard will supersede IAS 17 'Leases', IFRIC 4, SIC 15 and SIC 27 upon its effective date.	January 01, 2019
Amendments to References to the Conceptual Framework in IFRS Standards	January 01, 2020
Amendments to IAS 1 'Presentation of Financial Statements' and IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Amendments regarding the definition of material	January 01, 2020

**Effective from accounting period beginning on or after:**

Amendments to IAS 19 'Employee Benefits' - Amendments regarding plan amendments, curtailments or settlements.

January 01, 2019

IFRS 16 'Leases' would be applicable from next year and the Modaraba is in process to assess the possible impact.

Certain annual improvements have also been made to a number of IFRSs.

### **3.3 Impact of initial application of IFRS 9 'Financial Instruments'**

#### **(a) Classification and measurement of financial assets**

The management reviewed and assessed the Modaraba's existing financial assets as at June 30, 2019 and based on the facts and circumstances concluded that the initial application of IFRS 9 'Financial Instruments' had no impact on the Modaraba's financial assets as regards their classification and measurement because financial assets classified as loans and receivables under superceded IAS 39 'Financial Instruments: Recognition and Measurement' that were measured at amortised cost continue to be measured at amortised cost under IFRS 9 as these are held according to a business model to collect contractual cash flows at specified dates.

#### **(b) Impairment of financial assets**

In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model as previously IAS 39 used an incurred credit loss model. The expected credit loss model requires the Modaraba to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

The Modaraba is required to recognise a loss allowance for expected credit losses in accordance with IFRS 9 on:

- Trade debtors
- Other receivables
- Cash at banks

In particular, IFRS 9 requires to measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses (ECL) if the credit risk on that financial instrument has increased significantly since initial recognition, or if the financial instrument is a purchased or originated credit-impaired financial asset. However, if the credit risk on a financial instrument has not increased significantly since initial recognition (except for a purchased or originated credit-impaired financial asset), it is required to measure the loss allowance for that financial instrument at an amount equal to 12-months ECL.

#### **(c) Classification and measurement of financial liabilities**

The application of IFRS 9 has had no impact on the classification and measurement of the Modaraba's financial liabilities.

**(d) Disclosures in relation to the initial application of IFRS 9**

The table below illustrates the classification and measurement of financial assets under IFRS 9 and IAS 39 at the date of initial application, July 1, 2018.

Head of account	Original measurement category under IAS 39	New measurement category under IFRS 9	July 01, 2018		
			Original carrying amount under IAS 39	Additional loss allowance recognised under IFRS 9	New carrying amount under IFRS 9
-----Rupees-----					
Trade debtors	Loans and receivable	Financial assets at amortised cost	-	117,800,040	117,800,040
Other receivables	Loans and receivable	Financial assets at amortised cost	-	11,140	11,140
Cash at banks	Loans and receivable	Financial assets at amortised cost	-	14,070,366	14,070,366

**3.4 Impact of initial application of IFRS 15 'Revenue from Contracts with Customers'**

In the current year, the Modaraba has applied IFRS 15 Revenue from Contracts with Customers. IFRS 15 introduced a 5-step approach to revenue recognition. Details of the new requirements as well as their impact on the Modaraba's financial statements are described below.

IFRS 15 uses the terms 'contract asset' and 'contract liability' to describe what might more commonly be known as 'accrued revenue' and 'deferred revenue', however the Standard does not prohibit an entity from using alternative descriptions in the statement of financial position. The Modaraba used its existing terminology to describe such balances.

The Modaraba's accounting policies for its revenue streams are disclosed in note 4.20. Apart from providing more extensive disclosures for the Modaraba's revenue transactions, the application of IFRS 15 has not had a significant impact on the financial position and/or financial performance of the Modaraba. Hence the impact of application of IFRS 15 on balance sheet and profit and loss account as at July 1, 2018 and June 30, 2019 is not disclosed.

**4. SIGNIFICANT ACCOUNTING POLICIES**

**4.1 Property and equipment**

Property and equipment is stated at cost less accumulated depreciation. Depreciation is charged to income at the rates specified in note 5 by using straight line method. The residual values, useful lives and depreciation methods are reviewed and adjusted, if appropriate, at each reporting date.

Depreciation on additions is charged for full month in which an asset is available for use while no depreciation is charged from the month in which an asset is disposed of.

Gains / (losses) on disposal of property and equipment are accounted for in the year in which they arise.

Subsequent costs are recognized as an asset, only when it is probable that future economic benefits associated with the item will flow to the Modaraba and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to income during the year in which they are incurred.

#### **4.2 Intangible assets**

Intangible assets are stated at cost less accumulated amortization. Cost of such assets are amortized on a straight line basis over a period of four years.

Amortization on additions is charged for full month in which an asset is acquired or capitalized, while no amortization is charged from the month in which an asset is disposed off.

#### **4.3 Stock in trade**

Stock-in-trade is stated at the lower of cost determined by first in first out method and net realizable value. The cost includes costs of purchase and other costs incurred in bringing the inventories to their present location and condition. Net realizable value represents the estimated selling price in the ordinary course of business less cost to be incurred to make sale. Goods in transit are stated at invoice value plus other charges paid thereon till reporting date.

#### **4.4 Trade debtors and other receivables**

Trade debtors and other receivables are carried at original invoice amount less an estimate made for doubtful receivables based on review of outstanding amounts as per Prudential Regulations for Modarabas and using expected credit losses model (ECL) as required by IFRS 9 as at year end date. Balances considered bad and irrecoverable are written off when identified.

#### **4.5 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 Final Tax Regime, provision is made according to the presumptive tax rates provided in the Income Tax Ordinance, 2001. The Modaraba has followed the recommendations of the Institute of Chartered Accountants of Pakistan, whereby the tax paid at import stage under Final Tax Regime is recognized as an expense in the period 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.

#### **4.6 Cash at banks**

Cash at banks is carried at nominal value.

#### **4.7 Cash and cash equivalent**

Cash and cash equivalents are carried in the balance sheet at nominal value. For the purpose of cash flow statement, cash and cash equivalents consist of balances with banks.

#### **4.8 Statutory reserve**

As per Regulation 2, Part III of the Prudential Regulations for Modarabas issued by SECP, vide Circular No. 4 of 2004 dated January 28, 2004 and subsequent amendments made therein requires a Modaraba to transfer not less than 20% and not more than 50% of its after tax profits till such time the reserve equals 100% of the paid up certificate capital. Thereafter, a sum not less than 5% of the after tax profits is to be transferred.

#### **4.9 Defined benefit plan - Staff gratuity**

The Modaraba operates an unfunded gratuity scheme for all its employees who have completed the minimum qualifying period of service as defined under the scheme. Modaraba's obligations under the scheme is determined on the basis of actuarial valuation. Most recent valuation was carried out by a qualified actuary in accordance with IAS 19 Employees Benefits on June 30, 2019 using the Projected Unit Credit Method.

The amount recognised in the balance sheet represents the present value of defined benefit obligations as adjusted for actuarial gains and losses. Actuarial gains and losses arising from the actuarial valuation are recognised immediately and presented in other comprehensive income.

#### **4.10 Murabaha finances**

Murabaha transactions are reflected as payable at the invoiced amount by the facility provider. Actual sales and purchases are not reflected as the goods are purchased by the Modaraba as agent of the facility provider and all documents relating to purchase are in name of the Modaraba. However the profit on that sale revenue not due for payment is deferred by recording a debit to “Deferred Murabaha Profit” account.

#### **4.11 Musharaka finances**

Modaraba enters into financing with facility providers based on Shirkat-ul-aqd (contractual partnership) in its' operating business. Under this mechanism, the Modaraba can withdraw and return funds to the facility provider subject to running musharaka financing limit during the musharaka period. The Modaraba pays the provisional profit which is subject to final settlement based on the actual results of the business / transaction.

#### **4.12 Ijarah**

Ijarah rentals are recognised as expense on an accrual basis, as and when rentals become due to pay.

#### **4.13 Qard-e-Hasna**

A loan not carrying any markup and contracted between the Modaraba and other party for short-term period is recognised in current liability as qard-e-hasna.

#### **4.14 Trade creditors and other payables**

Liabilities for trade creditors and other payables are carried at fair value of the consideration to be paid in future for goods received and services obtained whether billed to the Modaraba or not.

#### **4.15 Provisions**

Provisions are recognised when the Modaraba has a present, legal or constructive obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. However, provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

#### **4.16 Financial instruments**

Financial assets and financial liabilities are recognized when the Modaraba becomes a party to the contractual provisions of the instrument and de-recognized when the Modaraba loses control of the contractual rights that comprise the financial asset and in case of financial liability when the obligation specified in the contract is discharged, cancelled or expired.

#### **4.17 Offsetting of financial assets and liabilities**

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet, if the Modaraba has a legal enforceable right to set off the transaction and also intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.



#### **4.18 Foreign currency transactions**

Transactions in foreign currencies are translated into Pak Rupees at the rate of exchange prevailing on the date of transaction. Monetary assets and liabilities in foreign currencies are translated into Rupees at the rate of exchange prevailing at the reporting date, while those covered under forward exchange contracts are valued at the contractual rates. Exchange gains and losses are included in profit and loss account currently.

#### **4.19 Impairment**

##### **Non-financial assets**

The Modaraba assesses at each reporting date whether there is any indication that assets may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amounts. Where carrying values exceed the respective recoverable amounts, assets are written down to their recoverable amounts and the resulting impairment loss is recognised in profit and loss account. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Where impairment loss for other assets subsequently reverses, the carrying amount of the asset is increased to the revised recoverable amount but limited to the extent of the carrying amount that would have been determined (net of amortization or depreciation) had no impairment loss been recognised for the asset in prior years. Reversal of impairment loss is recognised as income.

#### **4.20 Revenue recognition**

Revenue from sale of goods is measured at the fair value of the consideration received or receivable and represents amount receivable for goods provided in the normal course of business following the below steps.

Step 1: Identify the contract with a customer

Step 2: Identify the performance obligations in the contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognize revenue when (or as) the Modaraba satisfies a performance obligation

For each sale transaction, purchase order forms a contract between the Modaraba and a customer and the goods to be delivered under that contract are the Modaraba's identified performance obligation, the contract contains determined and allocated transaction price. The Modaraba satisfies a performance obligation on delivery of goods to the customer and recognises the revenue.

Profit on Munafa account is recognized on accrual basis.

IFRS 15 requires disaggregation of recognised revenue in such categories which depict that how the nature, amount, timing and uncertainty of the revenue and cash flows are affected by the economic factors. As complete revenue of the Modaraba come from local trading of imported chemicals, therefore disclosure of this single category can be used to assess the effects of economic factors.

#### **4.21 Segment Reporting**

An operating segment is a component of the Modaraba that engages in business activities from which it may earn revenues and incur expenses including revenues and expenses that relate to transactions with any of the Modaraba's other components. The Modaraba has only one segment at the reporting date.

	Notes	2019 Rupees	2018 Rupees
<b>5. PROPERTY AND EQUIPMENT</b>			
Tangible assets - owned	5.1	9,294,441	11,644,710

### 5.1 Tangible assets - owned

Particulars	2 0 1 9							
	COST			ACCUMULATED DEPRECIATION			Carrying value as at June 30, 2019	Rate of depreciation per annum
	As at July 01, 2018	Additions/ (disposals) during the year	As at June 30, 2019	As at July 01, 2018	Charge for the year / (adjustment)	As at June 30, 2019		
	----- Rupees -----							%
Leasehold improvements	2,400,125	-	2,400,125	1,200,061	240,012	1,440,073	960,052	10
Furniture and fittings	915,622	-	915,622	734,776	23,047	757,823	157,799	10
Vehicles	19,187,501	867,500 (2,292,500)	17,762,501	11,078,667	2,836,610 (2,013,480)	11,901,797	5,860,704	20
Office equipments	4,416,485	362,226 (26,000)	4,752,711	3,603,810	322,887 (3,030)	3,923,667	829,044	20
Electrical appliances	170,250	280,000 (21,200)	429,050	56,589	39,912 (21,198)	75,303	353,747	10
Computer equipments	5,189,269	373,823 (14,000)	5,549,092	3,960,639	467,913 (12,555)	4,415,997	1,133,095	25
<b>Total</b>	<b>32,279,252</b>	<b>1,883,549 (2,353,700)</b>	<b>31,809,101</b>	<b>20,634,542</b>	<b>3,930,381 (2,050,263)</b>	<b>22,514,660</b>	<b>9,294,441</b>	

Particulars	2 0 1 8							
	COST			ACCUMULATED DEPRECIATION			Carrying value as at June 30, 2018	Rate of depreciation per annum
	As at July 01, 2017	Additions/ (disposals) during the year	As at June 30, 2018	As at July 01, 2017	Charge for the year / (adjustment)	As at June 30, 2018		
	----- Rupees -----							%
Leasehold improvements	2,400,125	-	2,400,125	960,049	240,012	1,200,061	1,200,064	10
Furniture and fittings	742,747	172,875	915,622	719,315	15,461	734,776	180,846	10
Vehicles	18,240,301	2,023,200 (1,076,000)	19,187,501	8,981,604	2,955,952 (858,889)	11,078,667	8,108,834	20
Office equipments	4,101,886	434,599 (120,000)	4,416,485	3,397,469	309,670 (103,329)	3,603,810	812,675	20
Electrical appliances	170,250	-	170,250	41,685	14,904	56,589	113,661	10
Computer equipments	4,068,108	1,121,161	5,189,269	3,614,447	346,192	3,960,639	1,228,630	25
<b>Total</b>	<b>29,723,417</b>	<b>3,751,835 (1,196,000)</b>	<b>32,279,252</b>	<b>17,714,569</b>	<b>3,882,191 (962,218)</b>	<b>20,634,542</b>	<b>11,644,710</b>	

**5.2** Cost of fully depreciated assets still in use is Rs: 11,222,105 (2017: Rs. 10,717,503)

**5.3** The following tangible assets were disposed off during the year:

Particulars	Cost	Accumulated depreciation	Carrying value	Sale proceeds	Gain / (loss) on disposal	Mode of disposal
----- Rupees -----						
Vehicle	704,000	703,999	1	520,000	519,999	Negotiation
Vehicle	1,522,000	1,242,982	279,018	1,100,000	820,982	Negotiation
Vehicle	66,500	66,499	1	10,000	9,999	Negotiation
Office Equipment	26,000	3,030	22,970	-	(22,970)	Lost
Computer equipment	14,000	12,555	1,445	4,000	2,555	Negotiation
Electrical appliances	21,200	21,198	2	7,000	6,998	Negotiation
<b>2019</b>	<b>2,353,700</b>	<b>2,050,263</b>	<b>303,437</b>	<b>1,641,000</b>	<b>1,337,563</b>	
<b>2018</b>	<b>1,196,000</b>	<b>962,215</b>	<b>233,785</b>	<b>655,000</b>	<b>421,215</b>	

**6. INTANGIBLE ASSETS**

Particulars	2 0 1 9							
	C O S T			A c c u m u l a t e d a m o r t i s a t i o n			Carrying value as at June 30, 2019	Rate of amortisation per annum
	As at July 01, 2018	Additions/ (disposals) during the year	As at June 30, 2019	As at July 01, 2018	Charge for the year	As at June 30, 2019		
----- Rupees -----							%	
Licensed computer software	2,118,880	-	2,118,880	2,118,878	-	2,118,878	2	25
Website Development Cost	2,000,000	-	2,000,000	1,166,675	500,004	1,666,679	333,321	25
Total	4,118,880	-	4,118,880	3,285,553	500,004	3,785,557	333,323	
Particulars	2 0 1 8							
	C O S T			A c c u m u l a t e d a m o r t i s a t i o n			Carrying value as at June 30, 2018	Rate of amortisation per annum
	As at July 01, 2017	Additions/ (disposals) during the year	As at June 30, 2018	As at July 01, 2019	Charge for the year	As at June 30, 2018		
----- Rupees -----							%	
Licensed computer software	2,118,880	-	2,118,880	2,114,216	4,662	2,118,878	2	25
Website Development Cost	2,000,000	-	2,000,000	666,671	500,004	1,166,675	833,325	25
Total	4,118,880	-	4,118,880	2,780,887	504,666	3,285,553	833,327	

**6.1** Cost of fully amortized intangible assets still in use is Rs. 2,118,880 (2018: Rs. 2,118,880).

	Notes	2019 Rupees	2018 Rupees
<b>7. LONG TERM DEPOSITS</b>			
Deposits		1,195,752	1,200,752
Less: short term deposits shown under current assets		(705,000)	(710,000)
		<u>490,752</u>	<u>490,752</u>
<b>8. STOCK IN TRADE</b>			
In hand		143,231,062	137,284,759
In bonded warehouse		51,154,121	75,620,341
In transit		18,293,829	52,668,703
		<u>212,679,012</u>	<u>265,573,803</u>
<b>9. TRADE DEBTORS</b>			
Unsecured - considered good		98,602,686	113,779,339
Unsecured - considered doubtful		5,647,617	4,020,701
		104,250,303	117,800,040
Less: Provision for doubtful debts	9.1	(5,647,617)	(4,020,701)
		<u>98,602,686</u>	<u>113,779,339</u>
<b>9.1 Provision for doubtful debts</b>			
Opening provision		4,020,701	4,020,701
Provision made during the year		1,626,916	-
		<u>5,647,617</u>	<u>4,020,701</u>
<b>10. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES</b>			
Deposits		705,000	710,000
Prepayments		249,907	297,894
Other receivables		76,560	11,140
		<u>1,031,467</u>	<u>1,019,034</u>
<b>11. TAXATION</b>			
Opening balance		7,678,131	5,174,807
Paid during the year		33,030,624	45,057,245
Provision for taxation		(33,258,445)	(42,553,921)
		<u>7,450,310</u>	<u>7,678,131</u>
<b>12. CASH AT BANKS</b>			
Munafa account	12.1	9,195,112	11,955,780
Current accounts		2,151,838	2,114,586
		<u>11,346,950</u>	<u>14,070,366</u>

12.1 This carry profit at rate ranging from 3.5% to 5.75% (2018: 2.0% to 3.5%) per annum.

**13. AUTHORIZED, ISSUED, SUBSCRIBED AND PAID-UP CERTIFICATE CAPITAL**

2019	2018		2019 Rupees	2018 Rupees
<b>Issued, subscribed and paid-up certificate capital</b>				
<b>Number of certificates</b>				
<u>3,000,000</u>	<u>3,000,000</u>	Modaraba certificates of Rs. 10 each fully paid in cash	<u>3,000,000</u>	<u>3,000,000</u>

The Modaraba Management Company holds 600,000 certificates (2018: 600,000)

**14. STATUTORY RESERVE**

Balance as on July 01		<b>85,284,849</b>	73,064,543
Transferred during the year		<b>8,858,541</b>	12,220,306
		<u><b>94,143,390</b></u>	<u>85,284,849</u>

During the year, the Modaraba has transferred 35% (2018 : 40%) of its after tax profits to statutory reserve.

**15. REVENUE RESERVE**

Balance as on July 01		<b>19,575,963</b>	34,407,488
Profit distribution		<b>(17,010,000)</b>	(30,000,000)
Total comprehensive income		<b>21,312,723</b>	27,388,781
Transferred to statutory reserve		<b>(8,858,541)</b>	(12,220,306)
		<u><b>15,020,145</b></u>	<u>19,575,963</u>

As per Rule 10, Part IV of the Prudential Regulations for Modarabas issued by the SECP vide Circular No. 4 of 2004 dated January 28, 2004, a Modaraba is required to distribute 90% of its net annual profits, after appropriation to reserves, amongst its certificate holders.

The Modaraba intends to distribute 90% of its net annual profits, after appropriation to reserves, amongst its certificate holders.

**16. DEFINED BENEFIT PLAN - STAFF GRATUITY**

Net liability in the balance sheet

Present value of defined benefit obligation		<u><b>30,196,633</b></u>	<u>25,036,785</u>
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Modaraba's obligation under the scheme is calculated by estimating the amount of future benefits that employees have earned in return for their services in the current and prior years. Modaraba's obligation under the scheme is determined by a qualified actuary using the projected unit credit method.

	<b>2019</b>	2018
	<b>Rupees</b>	Rupees
<b>16.1 Expense recognised in profit and loss account</b>		
Current service cost	<b>1,569,107</b>	1,700,513
Finance cost	<b>2,081,847</b>	1,545,800
	<b><u>3,650,954</u></b>	<u>3,246,313</u>
<b>16.2 Remeasurement loss recognised in other comprehensive income</b>		
Experience adjustments	<b><u>3,997,394</u></b>	<u>3,161,985</u>
<b>16.3 Movement in defined benefit obligation</b>		
Opening defined benefit obligation	<b>25,036,785</b>	21,263,114
Current service cost	<b>1,569,107</b>	1,700,513
Finance cost	<b>2,081,847</b>	1,545,800
Actuarial loss	<b>3,997,394</b>	3,161,985
Benefits paid	<b><u>(2,488,500)</u></b>	<u>(2,634,627)</u>
	<b><u>30,196,633</u></b>	<u>25,036,785</u>
<b>16.4 Movement in net liability in the balance sheet</b>		
Balance as at July 01	<b>25,036,785</b>	21,263,114
Add:		
-Charge for the year	<b>3,650,954</b>	3,246,313
- Remeasurement loss recognised in other comprehensive income	<b>3,997,394</b>	3,161,985
Less: Payments made during the year	<b><u>(2,488,500)</u></b>	<u>(2,634,627)</u>
Balance as at June 30	<b><u>30,196,633</u></b>	<u>25,036,785</u>
<b>16.5 The principal assumptions used in the valuation of gratuity</b>		
	<b>2019</b>	2018
Discount rate	<b>14.25%</b> per annum	8.75% per annum
Expected increment rate	<b>8.75%</b> per annum	7.75% per annum
Mortality rate	<b>SLIC 2001 - 2005</b>	SLIC 2001 - 2005
Average expected remaining working life time of employees	<b>5.24 years</b>	7.25 years

## 16.6 Sensitivity analysis

Particulars	Percentage change	Present value of defined benefit obligation
Current liability		30,196,633
+1% Discount rate	-5.41%	28,561,590
-1% Discount rate	5.95%	31,994,536
+1% Salary increase rate	6.45%	32,143,791
-1% Salary increase rate	-5.95%	28,399,343
+10% Withdrawal rate	-5.69%	28,478,090
-10% Withdrawal rate	0.01%	30,199,193
1 year mortality age set back	-0.01%	30,192,442
1 year mortality age set forward	0.02%	30,201,382

## 16.7 The scheme exposes the Modaraba to the actuarial risks such as:

**Salary risk** - The risk that the final salary at the time of cessation of service is greater than what the Modaraba has assumed. Since the benefit is calculated on the final salary, the benefit amount would also increase proportionately.

**Discount rate fluctuation** - The plan liabilities are calculated using a discount rate set with reference to market yields at the reporting date on high quality Government Bonds. A decrease in yields will increase plan liabilities.

**Withdrawal risk** - The risk of actual withdrawals varying with the actuarial assumptions can impose a risk to the benefit obligation. The movement of the liability can go either way.

## 16.8 The weighted average duration of the defined benefit obligation is 5.24 years.

	Notes	2019 Rupees	2018 Rupees
<b>17. OBLIGATION UNDER FINANCES</b>			
Obligation under murabaha finances - secured	17.1	31,584,792	35,230,606
Obligation under musharaka finances - secured	17.2	43,052,698	-
		<u>74,637,490</u>	<u>35,230,606</u>

**17.1** Sanctioned limit is Rs. 40 million (2018: Rs.40 million). The facility is secured against hypothecation of stock in trade and trade debts of the Modaraba.

**17.2** Sanctioned limit is Rs. 90 million (2018: nil) for one year. The facility is secured against hypothecation of stock in trade and debts of the Modaraba.

	Notes	2019 Rupees	2018 Rupees
<b>18. CREDITORS, ACCRUED AND OTHER LIABILITIES</b>			
Import bills payable		<b>68,061,915</b>	77,374,908
Creditors		<b>240,618</b>	894,868
Accrued liabilities		<b>9,890,746</b>	6,445,544
Sales tax payable		<b>5,514,688</b>	3,471,140
Unclaimed profit distribution		<b>6,073,443</b>	5,520,207
Sindh Workers' Welfare Fund	18.1	<b>7,449,869</b>	6,254,592
		<b>97,231,279</b>	99,961,259

**18.1** This represents the provision for Sindh Workers' Welfare Fund for the periods from June 30, 2014 till year end date.

The Sindh Assembly passed The Sindh Workers Welfare Fund Act, 2014 (Sindh WWF Act) on June 04, 2015 and as per Section 5(1) of the Sindh WWF Act, contributions are payable with effect from the date of closing of account on or after December 31, 2013, that corresponds to Modaraba's account year ended on June 30, 2014. As per definitions Section 2(g) of the Sindh WWF Act, the Modarabas were considered to be an industrial establishment, despite the fact that even remotely they could not be considered as industrial establishment due to their nature of business. Further the issue of apportionment of income relevant to the province of Sindh also needs to be clarified. The NBF & Modaraba Association of Pakistan is contemplating to file petition against such levy, as Sindh High Court has granted stay to various Banks and Financial Institutions in Suit No.610 of 2017. However, the management of the Modaraba in consultation with the legal advisor has decided to record a provision on prudent basis.

## **19. CONTINGENCIES AND COMMITMENTS**

**19.1** The Collectorate of Customs (Adjudication-II), Karachi issued a show cause notice No. Adj-II/CoII/SCN-370/DIT-KHI/ Cont.Rep/ 188-Appg-I/ First Imrooz Modaraba/2018 dated September 03, 2018 to the Modaraba for recovery of Customs Duty, Additional Customs Duty, Sales Tax and Income Tax in aggregate to Rs. 4,266,611 on the grounds that declared value of specified imported goods were lower than the assessable value.

The Modaraba has filed its response to said show cause notice stating that the Collectorate has no legal jurisdiction to deal with the cases at post clearance stage and valuation ruling is not applicable where the goods were assessed and released

However, The Collectorate of Customs (Adjudication-II), Karachi passed the Order-in-Original on March 28, 2019 and created aggregate demand of Rs. 5,266,611, which includes Customs Duty, Additional Customs Duty, Sales Tax, Income Tax and Penalty.

The Modaraba has filed an appeal before the Honorable Custom Excise and Sales Tax Appellate Tribunal, Karachi Branch. The Appellate Tribunal has been requested to stay the disputed demand.

Since the matter is pending before the Appellate Tribunal and the management is confident of favorable outcome, therefore the management has not recorded any provision for the said amount in these financial statement.



**19.2** Post dated cheques to Collector of Customs amounting to Rs. 54,584,769 (2018: Rs. 142,893,271).

**19.3 Commitments**

Commitments in respect of outstanding letters of credit as at year end date for trading stock are amounting to Rs. 29,504,000 (2018: nil).

		<b>2019 Rupees</b>	<b>2018 Rupees</b>
<b>20. SALES</b>			
Sales		<u><b>705,649,411</b></u>	<u><b>897,589,842</b></u>
Sales tax of Rs. 123,618,141 (2018: Rs. 157,989,723) has been charged and deposited on these sales.			
<b>21. COST OF SALES</b>			
Opening stock at July 01		<b>137,284,759</b>	94,039,922
Purchases		<b>578,818,098</b>	796,897,024
Closing stock at June 30		<b>(143,231,062)</b>	(137,284,759)
		<u><b>572,871,795</b></u>	<u><b>753,652,187</b></u>
<b>22. OPERATING EXPENSES</b>			
Salaries and other staff benefits	22.1	<b>35,090,858</b>	28,332,554
Staff gratuity	16.1	<b>3,650,954</b>	3,246,313
Rent, rates and taxes		<b>3,717,260</b>	3,681,000
Travelling and conveyance		<b>4,226,828</b>	4,802,347
Depreciation	5.1	<b>3,930,381</b>	3,882,191
Amortization	6	<b>500,004</b>	504,666
Cartage		<b>1,713,502</b>	2,924,436
Provision for doubtful debts Written off	9.1	<b>1,626,916</b>	-
Vehicles running and maintenance		<b>1,812,771</b>	12,316
Insurance		<b>1,909,105</b>	1,575,948
Legal and professional		<b>1,666,425</b>	1,540,629
Security charges		<b>935,252</b>	1,864,731
Fees and subscriptions		<b>1,083,661</b>	1,139,866
Repairs and maintenance		<b>485,717</b>	1,014,175
Postage and telephone		<b>593,476</b>	529,320
Lease / Ijarah		<b>1,440,548</b>	820,407
Bank charges		<b>448,406</b>	1,029,337
Auditors' remuneration	22.2	<b>526,590</b>	445,562
Electricity		<b>61,852</b>	497,785
Sample clearance		<b>484,581</b>	104,288
Entertainment		<b>268,658</b>	1,106,282
Printing and stationery		<b>118,685</b>	338,190
Packing material		<b>68,051</b>	156,782
Cleaning and washing		<b>49,755</b>	93,132
Newspaper Adds		<b>43,200</b>	184,754
Event participation		-	37,020
Staff training		-	2,400,000
		<u><b>66,453,436</b></u>	<u><b>62,522,445</b></u>

## 22.1 Remuneration of officers and employees

	2019			2018		
	Officers	Other employees	Total	Officers	Other employees	Total
	----- Rupees -----					
Remuneration	15,628,224	13,167,439	28,795,663	11,947,137	11,708,821	23,655,958
Allowances	2,396,942	1,748,882	4,145,824	1,193,492	1,716,487	2,909,979
Medical expenses	202,724	644,760	847,484	153,284	550,235	703,519
Provident fund	585,349	484,644	1,069,993	364,169	469,102	833,271
EOBI	46,800	121,550	168,350	47,450	132,490	179,940
SESSI	-	63,544	63,544	-	49,887	49,887
	<b>18,860,039</b>	<b>16,230,819</b>	<b>35,090,858</b>	<b>13,705,532</b>	<b>14,627,022</b>	<b>28,332,554</b>
Number of employees	7	15	22	8	22	30

In addition to above, some of the officers and other employees have been provided with vehicles maintained by the Modaraba.

	Notes	2019 Rupees	2018 Rupees
<b>22.2 Auditors' remuneration</b>			
Annual audit		330,000	300,000
Half yearly review		82,500	75,000
Review of code of corporate governance		16,500	15,000
CDC certification		16,500	15,000
Certificate for appointment of share registrar		-	15,000
Out of pocket expenses		42,083	40,912
		<b>487,583</b>	<b>460,912</b>
		<b>39,007</b>	<b>36,873</b>
		<b>526,590</b>	<b>497,785</b>
<b>23. OTHER INCOME</b>			
Gain on disposal of property and equipment	5.3	1,337,563	421,215
Return on Munafa account		203,087	87,248
		<b>1,540,650</b>	<b>508,463</b>
<b>24. TAXATION</b>			
Tax for the year		<b>33,258,445</b>	<b>42,553,921</b>

### Current tax

In view of recommendations of the Institute of Chartered Accountants of Pakistan, the proportionate tax paid at import stage attributable to closing stock is shown as advance tax at reporting date and shall be charged off as tax expense on sale of such stock.

As per Clause (18), Part II, Second Schedule to the Income Tax Ordinance, 2001, the income of the Modaraba is liable to be taxed at 25%. However, tax charge due to presumptive tax regime is significantly higher than normal.

As per Clause 100 of Part I of Second Schedule of the Income Tax Ordinance, 2001, any income not being income from trading activity of a Modaraba is exempt from tax, provided that not less than ninety per cent of the total profit for the year as reduced by the amount transferred to statutory reserve is distributed amongst the certificate holders. The Management intends to distribute not less ninety per cent of its total profit for the year as reduced by transferred to statutory reserve, therefore no provision for taxation on non trading income of the Modaraba has been made for the year.

Reconciliation between tax expense and accounting profit has not been presented due to the fact that Modaraba's substantial income falls under final tax regime.

### Deferred tax

No temporary differences arisen as Modaraba's income is taxed under the final tax regime and as per TR - 27 issued by the Institute of Chartered Accountants of Pakistan deferred tax asset / liability is not recorded.

	2019 Rupees	2018 Rupees
<b>25. EARNINGS PER CERTIFICATE - BASIC AND DILUTED</b>		
Profit for the year (Rupees)	25,310,117	30,550,766
Number of Modaraba certificates	3,000,000	3,000,000
Earnings per certificate (Rupees)	<u>8.44</u>	<u>10.18</u>

Diluted EPC is determined by adjusting the profit or loss attributable to certificate holders and the weighted average number of certificates outstanding for the effects of all dilutive potential certificate.

### 26. CHANGES ARISING FROM FINANCING ACTIVITIES

The table below states changes in the Modaraba's liabilities arising from financing activities, including cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cashflows will be, classified in the Modaraba's cash flows as cash flow statement from financing activities.

	July 01, 2018	Financing cash inflows	Financing cash outflows	Non Cash changes - Transfer current provision	June 30, 2019
----- Rupees -----					
Obligation under finances Qard-e-Hasana from	<u>35,230,606</u>	<u>177,452,064</u>	<u>(138,045,180)</u>	<u>-</u>	<u>74,637,490</u>
Modaraba Management	<u>120,000,000</u>	<u>104,700,000</u>	<u>(224,700,000)</u>	<u>-</u>	<u>-</u>
Unclaimed profit distribution	<u>5,520,207</u>		<u>(16,456,764)</u>	<u>17,010,000</u>	<u>6,073,443</u>
----- Rupees -----					
	July 01, 2017	Financing cash inflows	Financing cash outflows	Non Cash changes - Transfer current provision	June 30, 2018
----- Rupees -----					
Obligation under finances Qard-e-Hasana from	<u>34,371,230</u>	<u>117,526,911</u>	<u>(116,667,535)</u>	<u>-</u>	<u>35,230,606</u>
Modaraba Management	<u>34,300,000</u>	<u>271,700,000</u>	<u>(186,000,000)</u>	<u>-</u>	<u>120,000,000</u>
Unclaimed profit distribution	<u>3,939,402</u>	<u>-</u>	<u>(28,419,195)</u>	<u>30,000,000</u>	<u>5,520,207</u>

## 27. CAPITAL RISK MANAGEMENT

The Modaraba's objectives when managing capital are to safeguard the Modaraba's ability to continue as a going concern in order to provide returns for certificate holders and beneficiaries for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Modaraba's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

## 28. FINANCIAL RISK MANAGEMENT

28.1 The Modaraba's activities expose it to a variety of financial risks; market risk (including profit rate risk, currency risk, fair value interest rate risk, cash flow risk and price risk), credit risk and liquidity risk.

### 28.1.1 Market risk management

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: interest rate risk, currency risk and other price risk, such as equity risk.

#### a) Profit rate risk management

Profit rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market profit rates.

The Modaraba has no significant profit-bearing assets apart from bank deposits in Munafa account. The Modaraba has availed murabaha finance on which repurchase price is fixed and does not vary, therefore profit rate sensitivity has not been computed.

**b) Foreign exchange risk management**

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Modaraba's exposure to the risk of changes in foreign exchange rates relates primarily to the Modaraba's operating activities. As at June 30, 2019, the total foreign currency risk exposure was Rs. 68,061,915 (2018: Rs. 77,374,908) in respect of import bills payable.

**i) Foreign currency sensitivity analysis**

At June 30, 2019, if the Rupee had weakened by 5% against the US dollar, Euro and UK pound with all other variables held constant, post-tax profit for the year would have decreased by Rs. 3,403,096 (2018: Rs. 3,868,745), mainly as a result of foreign exchange losses on translation of US dollars denominated import bills payables if it could not be passed through customers.

**c) Equity price risk management**

Since there is no equity investment, therefore, the Modaraba is not exposed to any equity price risk

**28.1.2 Credit risk and concentration of credit risk**

Credit risk represents the accounting loss that would be recognized at the reporting date if counter party to the financial instrument fails to perform as contracted. Total financial assets of Rs. 111,930,089 (2018: Rs. 128,950,457) are subject to credit risk.

The Modaraba is exposed to credit risk from its operating activities (primarily trade debtors) and from its financing activities i.e. bank accounts.

**a) Credit risk related to trade debtors**

The Modaraba has adopted a policy of only dealing with creditworthy counterparties. The Modaraba's exposure and the credit ratings of its counterparties are continuously monitored. The Modaraba does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics.

At June 30, 2018, Modaraba had approximately 4 major customers (2018: 5 customers) that owed the Modaraba more than Rs. 6 million each and accounted for approximately 56.5% (2018: 47%) of all trade debtors. The Modaraba does not hold collateral as security against any trade debtors.

Ageing of debtors past due but not impaired are as follows:	<b>2019 Rupees</b>	2018 Rupees
0-30 days	<b>18,504,592</b>	22,652,008
31-90 days	<b>33,225,493</b>	71,644,741
91-120 days	<b>29,060,488</b>	14,344,185
Over 120 days	<b>17,812,113</b>	5,138,405
	<b><u>98,602,686</u></b>	<u>113,779,339</u>

Trade debtors of Rs. 5,647,617 (2018: 4,020,701) are past due for over 180 days and full provision has been booked as required under Prudential Regulation for Modarabas

**b) Credit risk related bank balances**

Credit risk from balances with banks is managed by finance department in accordance with the Modaraba's policy. The analysis below summarizes the credit quality of the Modaraba's bank balances.

**Banks**

	Short term	Short term	2019 Rupees	2018 Rupees
Bank Alfalah Limited	A1+	AA+	519,577	389,698
Soneri Bank Limited	A1+	AA-	10,827,373	13,680,668
<b>28.1.3 Liquidity risk management</b>				

Liquidity risk reflects the Modaraba's inability in raising funds to meet commitments. Management closely monitors the Modaraba's liquidity and cash flow position. This includes maintenance of balance sheet liquidity ratios, debtors and creditors concentration both in terms of the overall funding mix and avoidance of undue reliance on large individual customers.

**28.2** The Modaraba's senior management oversees the management of these risks.

**28.3** The Modaraba's principal financial liabilities comprise import bills, creditors, accrued and other payables and facility under murabaha finance. The main purpose of these financial liabilities and facility is to raise finance for the Modaraba's operations. The Modaraba has trade debtors and balances with banks that derive directly from its operations.

**28.4 Determination of fair values**

**Fair value of financial instruments**

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arms length transaction other than in a forced or liquidation sale.

The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values.

## 28.5 Financial assets and liabilities

June 30, 2019						
Profit bearing			Non-Profit bearing			Total
Maturity upto one year	Maturity after one year upto five year	Subtotal	Maturity upto one year	Maturity after one year upto five year	Subtotal	
Rupees						
<b>Financial assets</b>						
<b>Loans and receivables at amortized cost</b>						
Trade debtors	-	-	98,602,686	-	98,602,686	98,602,686
Deposits	-	-	705,000	490,752	1,195,752	1,195,752
Cash at banks	9,195,112	-	9,195,112	2,151,838	-	11,346,950
	<b>9,195,112</b>	<b>-</b>	<b>9,195,112</b>	<b>101,459,524</b>	<b>490,752</b>	<b>101,950,276</b>
						<b>111,145,388</b>
<b>Financial liabilities</b>						
<b>Financial liabilities at amortized cost</b>						
Creditors, accrued and other liabilities	-	-	84,266,722	-	84,266,722	84,266,722
Obligation under murabaha finances	-	-	31,584,792	-	31,584,792	31,584,792
Obligation under musharaka finances	-	-	43,052,698	-	43,052,698	43,052,698
	-	-	158,904,212	-	158,904,212	158,904,212
On-balance sheet gap	9,195,112	-	9,195,112	(57,444,688)	-	(47,758,824)

June 30, 2018						
Profit bearing			Non-Profit bearing			Total
Maturity upto one year	Maturity after one year upto five year	Subtotal	Maturity upto one year	Maturity after one year upto five year	Subtotal	
Rupees						
<b>Financial assets</b>						
<b>Loans and receivables at amortized cost</b>						
Trade debtors	-	-	113,779,339	-	113,779,339	113,779,339
Deposits	-	-	710,000	490,752	1,200,752	1,200,752
Cash at banks	11,955,780	-	11,955,780	2,114,586	-	14,070,366
	<b>11,955,780</b>	<b>-</b>	<b>11,955,780</b>	<b>116,603,925</b>	<b>490,752</b>	<b>117,094,677</b>
						<b>129,050,457</b>
<b>Financial liabilities</b>						
<b>Financial liabilities at amortized cost</b>						
Creditors, accrued and other liabilities	-	-	99,961,259	-	99,961,259	99,961,259
Obligation under murabaha finances	-	-	35,230,606	-	35,230,606	35,230,606
Obligation under musharaka finances	-	-	-	-	-	-
	-	-	135,191,865	-	135,191,865	135,191,865
On-balance sheet gap	11,955,780	-	11,955,780	(18,587,940)	490,752	(6,141,408)

## 29. FAIR VALUE HIERARCHY

IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements and disclosures about fair value measurement where such measurements are required as permitted by other IFRSs. It defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. an exit price). Adoption of IFRS 13 has not affected these financial statements.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and financial liabilities is considered not significantly different from book value.

The following table shows financial instruments recognized at fair value, analyzed between those whose fair value is based on:

**Level 1:** quoted prices in active markets for identical assets or liabilities;

**Level 2:** those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and

**Level 3:** those with inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at year end, there are no financial instruments carried at fair value which require classification in the above mentioned levels.

### 30. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise holding company, subsidiaries and associated undertakings, other related group companies, directors of the Modaraba and key management personnel. The modaraba in the normal course of business carries out transactions with various related parties. Other significant transactions with related parties are as follows:

	2019 Rupees	2018 Rupees
Warehouse rent	3,681,000	3,681,000
Dividend paid to Modaraba Management Company	3,400,200	6,000,000
Dividend paid to key management personnel	4,268,943	7,529,000
Share of common expenses	624,279	1,854,672
Receipt of Qard-e-Hasana from Modaraba Management Company	104,700,000	271,700,000
Repayment of Qard-e-Hasana to Modaraba Management Company	224,700,000	186,000,000

### 31. MODARABA MANAGEMENT COMPANY'S FEE

The Modaraba Management Company is entitled to remuneration for services rendered to the Modaraba under the provisions of Modaraba Ordinance, 1980 up to a maximum of 10% per annum of the net annual profits of the Modaraba which has been waived by the management company.

### 32. NON-ADJUSTING EVENT AFTER THE REPORTING DATE

The Board of Directors of the Modaraba Management Company in its meeting held on 27 September 2019 approved a final profit distribution of Rs. 5.00 per certificate, amounting to Rs. 15,000,000 for the year ended June 30, 2019.

### 33. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved by the Board of Directors of the Modaraba Management Company and authorized for issue on 27 September 2019.

### 34. GENERAL

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

**34.2** These financial statements are presented in Pak Rupees, which is the Modaraba's functional and presentation currency.

## For A R Management Services (Private) Limited

**Naveed Riaz**  
Chief Executive

**Ameed Riaz**  
Director

**Mrs. Saadat Ikram**  
Director



**PATTERN OF HOLDINGS OF THE CERTIFICATES  
BY THE CERTIFICATE HOLDERS AS AT JUNE 30, 2019**

(on Form No. XII prescribed under Rule 14 of the Modaraba Companies & Modaraba Rules, 1981)

<b>Number of Certificate Holders</b>	<b>:</b>	<b>Certificate Holding From</b>	<b>:</b>	<b>To</b>	<b>:</b>	<b>Total Certificates Held</b>
111	:	1	:	100	:	8,304
186	:	101	:	500	:	90,021
13	:	501	:	1000	:	12,700
27	:	1001	:	5000	:	97,922
11	:	5001	:	10000	:	88,266
7	:	10001	:	100000	:	198,287
9	:	100001	:	above	:	2,504,500
<b>364</b>						<b>3,000,000</b>

<b>Categories of Certificate Holders</b>	<b>:</b>	<b>Number</b>	<b>:</b>	<b>Certificates Held</b>	<b>:</b>	<b>Percentage</b>
Individuals	:	361	:	2,396,500	:	79.88
Joint Stock Companies	:	1	:	500	:	0.02
Modaraba Company	:	2	:	603,000	:	20.10
	:	<b>364</b>	:	<b>3,000,000</b>	:	<b>100.00</b>

**CERTIFICATE HOLDERS INFORMATION  
AS PER REQUIREMENT OF LISTING REGULATIONS  
OF THE PAKISTAN STOCK EXCHANGE**

<b>ASSOCIATED COMPANIES</b>	<b>SHARES HELD</b>
A R Management Services (Pvt) Limited Modaraba Management Company	600,000

**DIRECTORS, CEO THEIR  
SPOUSE & MINOR CHILDREN**

Mr. Ateed Riaz	Chief Financial Officer	271,900
Mr. Naveed Riaz	Chief Executive	240,300
Mrs. Ismat Riaz w/o Mr. Naveed Riaz		259,000
Mr. Aameed Riaz	Director	240,200
Mrs. Roqaiya Riaz w/o Mr. Aameed Riaz		259,200
Mr. Ikramul Haque		53,400

**BANKS, DEVELOPMENT FINANCE INSTITUTIONS,  
NON-BANKING FINANCE INSTITUTIONS, INSURANCE  
COMPANIES, MODARABAS, MUTUAL FUNDS, ETC.**

First Al Noor Modaraba	3,000
N H Securities (Pvt) Limited	500

**EXECUTIVES OF THE MODARABA**

Mr. Mohammad Amjad Khalid	500
---------------------------	-----

**CERTIFICATE HOLDERS HOLDING 10% OR MORE**

A R Management Services (Pvt) Limited

**TRADES IN THE MODARABA CERTIFICATES**

None of the Directors, CEO, CFO, Company Secretary and their spouses and minor children has traded in the certificates of the Modaraba during the year.

## STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2017

**Name of Company:** First Imrooz Modaraba (the Modaraba) managed by AR Management Services (Private) Limited (the Management Company)

**Year ended:** June 30, 2019

- The Management Company has complied with the requirements of the Regulations in the following manner:

The total number of directors is 4 as per the following:

Male: 3

Female: 1

- The composition of board is as follows:

Category	Names
Executive Director	Mr. Naveed Riaz
Non-Executive Directors	Mr. Ameer Riaz Mrs. Saadat Ikram Mr. Omar Mohammad Khan

The Management is in process of having independent directors on the Board of the Management Company.

- The directors have confirmed that none of them is serving as a director on more than five listed companies, including this Management Company.
- The Management Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Management Company along with its supporting policies and procedures.
- The board has developed a vision/mission statement, overall corporate strategy and significant policies of the Management Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
- All the powers of the board have been duly exercised and decisions on relevant matters have been taken by board / shareholders as empowered by the relevant provisions of the Act and these Regulations.
- The meetings of the board were presided over by the Chairman and, in his absence, by a director elected by the board for this purpose. The board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of board.
- The board of directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
- All the directors of the Management Company have minimum of 14 years of education and 15 years of experience on the board of a listed Management Company and therefore may be exempt from director's training program subject to Commission's grant of exemption. The Management Company is in process to seek exemption from Commission from directors training certification.
- There was no appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit during the year.
- CFO and CEO duly endorsed the financial statements before approval of the board.

12. The board has formed committees comprising of members given below:

Committee	Name of members and Chairman
a) Audit Committee	Chairman : Mr. Omar Muhammad Khan Member : Mrs. Sadat Ikram Member : MR. Ameer Riaz
a) HR and Remuneration Committee	Chairman : Mr. Omar Muhammad Khan Member : Mrs. Sadat Ikram Member : Mr. Ameer Riaz

The management is in process of ensuring that the chairmen of both of the above committees be independent directors.

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committees for compliance.
14. The frequency of meetings of the committee were as per following.

Committee	Frequency of meetings
a) Audit Committee	Four quarterly meetings during the financial year ended June 30, 2019
a) HR and Remuneration Committee	One meeting held during the year

15. The board has set up an effective internal audit function and its members are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Management Company.
16. The statutory auditors of the Management Company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP and registered with Audit Oversight Board of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Management Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
18. We confirm that all other requirements of the Regulations have been complied with except following;
- a) Regulation 10(3) (va) require the Board that a formal mechanism shall be in place for selecting, compensating, monitoring and, when necessary, replacing senior executives and overseeing succession planning and the remuneration of key executive and board may be aligned with the long term interests of the company and its shareholders, however, the Management is in process to ensure the mechanism.
- b) Regulation 10(3) (vii) requires the Board to define the level of materiality, keeping in view the specific circumstances of the company and the recommendations of any technical or executive sub-committee of the board that may be set up for the purpose, however, the Management Company is in process to define the materiality level accordingly.
- c) Regulation 10(6) requires that All the Directors of a company shall attend its general meeting(s), (ordinary and extraordinary) unless precluded from doing so due to any reasonable cause, however only CEO attended last Annual Review Meeting of the Modaraba.

AMEED RIAZ  
Chairman  
Karachi: September 27, 2019

**Mufti Abdul Qadir**

**Shariah Advisor**

Shahadatu Tahfeez-ul-Quran  
Shahadat-ul-Aalamiyyah  
Shahadat-ul-Takhassus fil Fiqh wal Ifta

MA (Islamic Studies), MA (Arabic)  
PGD (Islamic Banking & Finance)  
MIBF (Masters in Islamic Banking & Finance)

Ref: ASRR - 6 - 19

Date: 23 - 09 - 19

**Annual Shari'ah Review Report of**  
**First Imrooz Modaraba**  
**For the year ended June 30, 2019**

*In the name of Allah, The Most Beneficent, The Most Merciful,  
All praise is due to Allah, and Allah's Peace and Blessings be upon His Final Messenger, his pure family, his noble  
Companions, and all those who follow them with righteousness until the Day of Judgment.*

I have conducted the Shari'ah review of First Imrooz Modaraba managed by A R Management Services (Pvt) Limited, the Modaraba Management Company for the year ended June 30, 2019 in accordance with the requirements of the Shari'ah Compliance and Shari'ah Audit Mechanism for Modarabas and report that except the observations as reported hereunder, in my opinion:

i. The Modaraba has introduced a mechanism which has strengthened the Shari'ah compliance, in letter and spirit and the systems, procedures and policies adopted by the Modaraba are in line with the Shari'ah principles;

ii. Following were the major developments took place during the year:

**Training and Development:** The key staff of the First Imrooz Modaraba is fully equipped with Shari'ah compliant business modes and all relevant industry tools through training. However no any training session has been attended by staff members of the Modaraba during the period.

iii. The agreement(s) entered into by the Modaraba are Shari'ah compliant and have been executed on the formats as approved by the Religious Board and all the related conditions have been met;

iv. To the best of my information and according to the explanations given to me, the business transactions undertaken by the Modaraba and all other matters incidental thereto are in conformity with the Shari'ah requirements as well as the requirements of the Prospectus, Islamic Financial Accounting Standards as applicable in Pakistan and the Shari'ah Compliance and Shari'ah Audit Regulations for Modarabas.

v. There have been no earnings that have been realized from the sources or by means prohibited by Shari'ah which could have been credited to charity accounts

*Abdul Qadir*

**Observations:**

I have pointed out some issues to be settled in view of SECP Circular No. 8 of 2012 dated 03-02-2012, whereby Shari'ah Compliance and Audit Mechanism (SCSAM) was introduced.

- 1) With reference to the insurance coverage, it was observed that the Modaraba was availing insurance coverage facility from EFU General Insurance Ltd. On my query the management showed their willingness to shift the insurance coverage to EFU Takaful Window as soon as it became functional for corporate sector. Initially, they have shifted their marine insurance coverage to EFU Takaful Window as it became functional and finally shifted all other insurance coverage to it on their last annual renewal as it was highly recommended in last Annual Shari'ah Review Report.
- 2) It has been noticed that all the surplus funds in the Modaraba are always and invariably placed with Islamic Banking Institutions.

**Recommendations:**

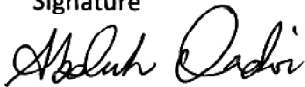
The management should continue its endeavor to comply with the rulings of Shari'ah in its business operation and future transactions.

**Conclusion:**

Based on the above mentioned facts I am of the view that the business operations of First Imrooz Modaraba are Shari'ah Compliant, to the best of my knowledge.

*May Allah make us successful in this world and hereafter and forgive our mistakes.*

Signature



Abdul Qadir  
Shari'ah Advisor

Dated: September 23, 2019



## **INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF FIRST IMROOZ MODARABA**

### **Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2017**

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2017 (the Regulations) prepared by the Board of Directors of **A. R. MANAGEMENT SERVICES (PRIVATE) LIMITED (the Management Company)** in respect of **FIRST IMROOZ MODARABA (the Modaraba)** for the year ended June 30, 2019 in accordance with the requirements of Regulation 40 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Management Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Management Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Management Company's personnel and review of various documents prepared by the Management Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Management Company's corporate governance procedures and risks.

The Regulations require the Management Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions and also ensure compliance with the requirements of section 208 of the Companies Act, 2017. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out procedures to assess and determine the Management Company's process for identification of related parties and that whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Management Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Management Company for the year ended June 30, 2019.

Further, we highlight below instances of non-compliance with the requirements of the Regulations as reflected in the paragraph references where these are stated in the Statement of Compliance

S.No	Reference	Description
a	2	The Management is in process of having independent directors on the Board of the Management Company.
b	9	The Management Company is in process to seek exemption from directors training program certification for eligible directors as required by Regulation 20(2).

- c 12 The management is in process of ensuring that the chairmen of both of the Audit Committee and Human Resource and Remuneration committee be independent directors.
- d 18(a) Regulation 10(3) (va) requires to have a formal mechanism in place for succession planning and the remuneration of key executive, however no such mechanism is in place.
- e 18(b) Regulation 10(3) (vii) requires the Board to define the level of materiality, however, the Management Company is in process to define the materiality level accordingly.
- f 18(c) Regulation 10(6) requires that all the Directors of a company shall attend its general meeting(s), however only CEO attended the annual review meeting.

*Yousuf Adil*

**Chartered Accountants**

**Date:** 10 4 OCT 2019  
**Place:** Karachi





## **NOTICE OF ANNUAL REVIEW MEETING**

Notice is hereby given that twentieth Annual Review Meeting of certificate holders of First Imrooz Modaraba will be held on Monday, 28 October, 2019 at 11:30 a.m. at Registered Office of the Modaraba Company situated at 125-S, Small Industrial Area, Kot Lakhpat, Lahore, to review the performance of the Modaraba for the year ended June 30, 2019.

The Certificate Holders whose names appear on the Register of Certificate Holders of First Imrooz Modaraba as on October 15, 2019 will be eligible to attend the Annual Review Meeting.

By order of the Board

September 27, 2019

Shabbir Ahmed Jamsa

COMPANY SECRETARY

### **Note:**

1. The Certificate Transfer Book will remain closed from October 15, 2019 to October 28, 2019 (both days inclusive) for the purpose of attending Annual Review Meeting. All transfer received in order up to close of business on October 14, 2019 at our Registrar's office M/s F.D. Registrar Services (Pvt) Limited, 17th floor, Saima Trade Tower-A, I.I. Chundrigar Road, Karachi, will be considered in time.

2. CDC Certificate Holders desiring to attend the meeting are requested to bring their original CNIC, Account and participant's ID number for identification purpose.

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







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