

QUARTERLY ACCOUNTS  
(un-audited)

For the period ended March 31, 2012



FIRST IMROOZ MODARABA

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Managed by  
A R Management Services (Private) Limited



# FIRST IMROOZ MODARABA

## REPORT OF THE DIRECTORS

The Board of Directors of A R Management Services (Private) Limited, the management company of First Imrooz Modaraba are pleased to present their report alongwith un-audited financial statements for the third quarter and nine months ended March 31, 2012.

### 1. Financial Highlights

Financial results of the Modaraba are summarized as under:-

	(Rupees in million)	
	31-Mar-12	31-Mar-11
Sales	470.953	408.750
Gross profit	66.184	52.559
Operating expenses	26.932	21.897
Other income	1.590	1.187
Unrealised (diminution)/appreciation on re-measurement of investments	(0.044)	0.012
Profit before taxation	33.926	25.852
Profit after taxation	13.229	11.841
Earnings per certificate - basic & diluted	(Rupees) 4.41	3.95

### 2. Review of Operations

By the Grace of Allah SWT, the performance of the Modaraba during the nine months period ended on March 31, 2012 was better than the corresponding period.

The turnover during the period increased to Rs.470.953 million as against Rs.408.750 million of the last corresponding period.

As a result, the Modaraba's profit for the nine months period ended March 31, 2012 stood at Rs.13.229 million as compared to Rs.11.841 million for the corresponding period. The earnings per certificate worked out to Rs.4.41 against Rs.3.95 of the corresponding period.

### 3. Acknowledgement

The Board wishes to express its thanks for continued guidance and support extended by the Registrar Modaraba and other officials of Securities and Exchange Commission of Pakistan. The Board also wishes to thank its certificate holders, colleagues, investors, bankers and business accounts for their continued support and co-operation.

on behalf of the Board

**Naveed Riaz**  
Chief Executive

April 23, 2012



# FIRST IMROOZ MODARABA

## CONDENSED INTERIM BALANCE SHEET AS AT MARCH 31, 2012

	Note	(Un-audited) March 31, 2012 Rupees	(Audited) June 30, 2011 Rupees
<b>NON CURRENT ASSETS</b>			
Property and equipment		6,691,459	6,034,299
Intangible assets		217,563	333,852
		<u>6,909,022</u>	<u>6,368,151</u>
<b>CURRENT ASSETS</b>			
Stock in trade		159,338,109	202,756,589
Trade debtors - unsecured, considered good		82,827,189	82,968,883
Advances, deposits, prepayments and other receivables		6,567,927	1,982,374
Investments		1,108,830	1,213,177
Taxation		4,838,802	3,543,353
Cash and bank balances		27,663,691	17,555,322
		<u>282,344,548</u>	<u>310,019,698</u>
		<u>289,253,570</u>	<u>316,387,849</u>
<b>CAPITAL AND RESERVES</b>			
Authorised certificate capital			
10,000,000 Modaraba certificates of Rs.10/- each		<u>100,000,000</u>	<u>100,000,000</u>
Issued certificate capital		30,000,000	30,000,000
Statutory reserve		60,557,907	60,557,907
Revenue reserve		17,571,373	26,392,845
		<u>108,129,280</u>	<u>116,950,752</u>
<b>NON CURRENT LIABILITY</b>			
Staff gratuity		10,470,857	8,895,857
<b>CURRENT LIABILITIES</b>			
Obligation under murabaha finances		45,258,896	33,367,420
Qard-e-Hasana from modaraba management company		69,500,000	15,000,000
Creditors, accrued and other liabilities		55,894,537	142,173,820
		<u>170,653,433</u>	<u>190,541,240</u>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	5	<u>289,253,570</u>	<u>316,387,849</u>

The annexed notes from 1 to 7 form an integral part of this condensed interim financial information.

**Naveed Riaz**  
Chief Executive

**Ameed Riaz**  
Director

**Mrs. Saadat Ikram**  
Director



## FIRST IMROOZ MODARABA

### CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2012

	Nine months ended		Quarter ended	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
	Rupees			
Sales	470,952,751	408,749,914	125,402,786	176,693,184
Cost of sales	404,768,507	356,190,804	106,131,023	156,836,697
Gross profit	66,184,244	52,559,110	19,271,763	19,856,487
Operating expenses	26,931,818	21,897,413	8,121,058	6,365,420
Operating profit	39,252,426	30,661,697	11,150,705	13,491,067
Murabaha charges	(3,517,587)	(2,871,884)	(1,075,245)	(1,717,393)
Other income	1,590,328	1,187,092	634,794	221,494
Workers' Welfare Fund	-	(579,776)	-	(238,781)
Unrealised (diminution) / appreciation on re-measurement of investments	(44,347)	11,918	365,264	(56,080)
	37,280,820	28,409,047	11,075,518	11,700,307
Modaraba company's management fee	3,355,274	2,556,814	996,797	1,053,027
Profit before taxation	33,925,546	25,852,233	10,078,721	10,647,280
Taxation	20,697,018	14,011,203	5,411,000	4,814,149
Profit for the period	13,228,528	11,841,030	4,667,721	5,833,131
Other comprehensive income	-	-	-	-
Total comprehensive income	13,228,528	11,841,030	4,667,721	5,833,131
Earnings per certificate - basic and diluted	4.41	3.95	1.56	1.94

The annexed notes from 1 to 7 form an integral part of this condensed interim financial information.

### CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2012

	Issued, subscribed and paid up certificate capital	Statutory reserve	Revenue reserve (Unappropriated profit)	Total
	Rupees			
Balance at July 01, 2010	30,000,000	55,043,305	27,134,437	112,177,742
Profit distribution for the year ended June 30, 2010 @ Rs. 7.60 per certificate	-	-	(22,800,000)	(22,800,000)
Total comprehensive income - Jul 10 to Mar 11	-	-	11,841,030	11,841,030
Balance at March 31, 2011	30,000,000	55,043,305	16,175,467	101,218,772
Total comprehensive income - Apr 11 to Jun 11	-	-	15,731,980	15,731,980
Transfer to statutory reserve	-	5,514,602	(5,514,602)	-
Balance as at June 30, 2011	30,000,000	60,557,907	26,392,845	116,950,752
Profit distribution for the year ended June 30, 2011 @ Rs. 7.35 per certificate	-	-	(22,050,000)	(22,050,000)
Total comprehensive income - Jul 11 to Mar 12	-	-	13,228,528	13,228,528
Balance as at March 31, 2012	30,000,000	60,557,907	17,571,373	108,129,280

The annexed notes from 1 to 7 form an integral part of this condensed interim financial information.

**Naveed Riaz**  
Chief Executive

**Ameed Riaz**  
Director

**Mrs. Saadat Ikram**  
Director



# FIRST IMROOZ MODARABA

## CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2012

	Nine months ended		Quarter ended	
	Mar 31, 2012	Mar 31, 2011	Mar 31, 2012	Mar 31, 2011
Rupees				
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Profit before taxation	33,925,546	25,852,233	10,078,721	10,647,280
Adjustments for:				
Depreciation on property and equipment	2,131,525	1,952,679	738,164	650,133
Amortization of intangible assets	116,289	116,289	38,763	38,763
Gain on disposal of property and equipment	(474,776)	(645,432)	(490,415)	(133,507)
Gain on sale of investments	(15,501)	-	(15,501)	-
Dividend income	(101,140)	(35,079)	-	-
Unrealised diminution / (appreciation) on re-measurement of investments	44,347	(11,918)	(365,264)	56,080
Murabaha charges	3,517,587	2,871,884	1,075,245	1,717,393
Provision for staff gratuity	1,575,000	1,574,620	525,000	525,000
	<u>6,793,331</u>	<u>5,823,043</u>	<u>1,505,992</u>	<u>2,853,862</u>
Changes in operating assets and liabilities	40,718,877	31,675,276	11,584,713	13,501,142
Decrease / (Increase) in current assets				
Stock in trade	43,418,480	(110,110,293)	(289,754)	(37,156,123)
Trade debtors	141,694	69,941,912	(8,811,020)	(9,605,548)
Advances, deposits, prepayments & other receivables	(4,585,553)	(6,122,926)	(5,711,209)	(1,995,479)
	<u>38,974,621</u>	<u>(46,291,307)</u>	<u>(14,811,983)</u>	<u>(48,757,150)</u>
(Decrease) / Increase in current liabilities				
Creditors, accrued and other liabilities	(86,473,386)	(7,297,208)	11,143,788	35,502,373
Cash (used in) / generated from operations	<u>(6,779,888)</u>	<u>(21,913,239)</u>	<u>7,916,518</u>	<u>246,365</u>
Murabaha charges paid	(3,902,244)	(1,907,643)	(1,074,191)	(1,099,224)
Taxes paid	(21,992,468)	(15,886,457)	(8,371,960)	(5,506,999)
Gratuity paid	-	(1,343,849)	-	-
Net cash used in operating activities	<u>(32,674,600)</u>	<u>(41,051,188)</u>	<u>(1,529,633)</u>	<u>(6,359,858)</u>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Purchase of property and equipment	(3,332,836)	(964,527)	(34,741)	(737,762)
Proceeds from disposal of property and equipment	1,018,928	757,600	1,010,928	200,000
Investment in shares - net	75,501	-	75,501	-
Dividend received	101,140	35,079	-	-
Net cash (used in) / generated from investing activities	<u>(2,137,267)</u>	<u>(171,848)</u>	<u>1,051,688</u>	<u>(537,762)</u>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Profit distribution	(21,471,240)	(21,995,957)	(579,016)	(27,684)
Qard-e-Hasana from modaraba management company - net	54,500,000	23,500,000	(5,000,000)	7,000,000
Obligation under murabaha finances - net	11,891,476	42,782,220	17,744,609	3,493,494
Net cash generated from financing activities	<u>44,920,236</u>	<u>44,286,263</u>	<u>12,165,593</u>	<u>10,465,810</u>
Net increase in cash and cash equivalent (A+B+C)	10,108,369	3,063,227	11,687,648	3,568,190
Cash and cash equivalent at the beginning of the period	<u>17,555,322</u>	<u>6,887,662</u>	<u>15,976,043</u>	<u>6,382,699</u>
Cash and cash equivalent at the end of the period	<u><u>27,663,691</u></u>	<u><u>9,950,889</u></u>	<u><u>27,663,691</u></u>	<u><u>9,950,889</u></u>

The annexed notes from 1 to 7 form an integral part of this condensed interim financial information.

**Naveed Riaz**  
Chief Executive

**Ameed Riaz**  
Director

**Mrs. Saadat Ikram**  
Director



## FIRST IMROOZ MODARABA

### NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2012

#### 1. LEGAL STATUS AND NATURE OF BUSINESS

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 commenced its commercial operations from March 01, 1994. The Modaraba is listed on the Karachi Stock Exchange.

It is a multi purpose, perpetual Modaraba and is mainly engaged in domestic and international trading activities.

#### 2. STATEMENT OF COMPLIANCE

This condensed interim financial information of the Modaraba for the nine months period ended March 31, 2012 has been prepared in accordance with the requirements of the International Accounting Standard 34 - "Interim Financial Reporting" and provisions of and directives issued under the Modaraba Companies and Modarabas (Floatation and Control) Ordinance, 1980, the Modaraba Companies and Modaraba Rules, 1981 and Prudential Regulations for Modarabas. In case where requirements differ, the provisions of or directives issued under the Modaraba Companies and Modarabas (Floatation and Control) Ordinance, 1980, the Modaraba Companies and Modaraba Rules, 1981 and Prudential Regulations for Modarabas have been followed.

The disclosures made in this condensed interim financial information have been limited, based on the requirements of International Accounting Standard 34 - "Interim Financial Reporting".

#### 3. BASIS OF PREPARATION

This condensed interim financial information has been prepared under the "historical cost convention" except for the revaluation of certain financial assets which are stated at fair value.

#### 4. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted for the preparation of this condensed interim financial information are the same which were applied for the preparation of financial statements for the year ended June 30, 2011.

#### 5. CONTINGENCIES AND COMMITMENTS

##### 5.1 Contingencies

- The Modaraba has issued post dated cheques to Collector of Customs amounting to Rs. 58.760 million (June 30, 2011 : Rs. 62.075 million).
- The Lahore High court has struck down the amendments in section 2(f) of the Workers Welfare Fund Ordinance, 1971, inserted through Finance Act 2008. The Modaraba is of the opinion that since amendment having being struck down, therefore no provision has been made in respect of workers welfare fund amounting to Rs. 0.679 million (June 30, 2011 : Rs.1.084 million)

##### 5.2 Commitments

Commitments in respect of outstanding letters of credit for trading stock amounting to Rs. 34.302 million (June 30, 2011 : Rs. 3.356 million).

#### 6. APPROVAL OF CONDENSED INTERIM FINANCIAL INFORMATION

This condensed interim financial information was approved by the Board of Directors of the Modaraba Management Company and authorized for issue on April 23, 2012.

#### 7. GENERAL

- This condensed interim financial information is presented in Pak Rupees, which is the Modaraba's functional and presentation currency.
- Amounts have been presented and rounded off to the nearest Rupees.

**Naveed Riaz**  
Chief Executive

**Ameed Riaz**  
Director

**Mrs. Saadat Ikram**  
Director

*If undelivered, please return to:*

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