

**QUARTERLY ACCOUNTS**  
(un-audited)

For the period ended March 31, 2015



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 quarter and nine months period ended March 31, 2015

### 1. Financial Highlights

Financial results of the Modaraba are summarized as under:-

	(Rupees in million)	
	31-Mar-15	31-Mar-14
Sales	468.939	460.307
Gross profit	70.498	59.279
Operating expenses	32.501	30.336
Other income	0.467	1.993
Profit before taxation	35.506	29.051
Profit after tax for the nine months	14.962	9.085
Earnings per certificate - basic & diluted (Rupees)	4.99	3.03

### 2. Review of Operations

The sale for the period under consideration is increased to Rs.468.939 million as against Rs.460.307 million of the corresponding period. Gross profit also increased to Rs.70.498 million as against Rs.59.279 million mainly due to lower exchange loss in this period.

Modaraba's operating expenses are slightly increased in this period. The other income for the period is Rs. 0.467 million as against Rs. 1.993 million of the corresponding period.

As a result, the Modaraba's profit for the third quarter ended March 31, 2015 stood at Rs. 14.962 million as compared to Rs. 9.085 million of the corresponding period.

The earnings per certificate of the Modaraba have worked out to Rs. 4.99 as against Rs. 3.03 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 20, 2015



## FIRST IMROOZ MODARABA

### CONDENSED INTERIM BALANCE SHEET AS AT MARCH 31, 2015

	(Un-audited) March 31, 2015 Rupees	(Audited) June 30, 2014 Rupees
<b>NON CURRENT ASSETS</b>		
Property and equipment	7,237,327	6,989,826
Intangible assets	312,578	423,098
	<u>7,549,905</u>	<u>7,412,924</u>
<b>CURRENT ASSETS</b>		
Stock in trade	191,443,192	164,742,951
Trade debtors - unsecured, considered good	72,794,483	75,593,355
Advances, deposits, prepayments and other receivables	1,423,414	2,715,414
Taxation	6,572,985	3,311,831
Cash and bank balances	19,470,045	19,768,400
	<u>291,704,119</u>	<u>266,131,951</u>
	<u>299,254,024</u>	<u>273,544,875</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	67,941,076	67,941,076
Revenue reserve	19,496,017	19,534,227
	<u>117,437,093</u>	<u>117,475,303</u>
<b>NON CURRENT LIABILITY</b>		
Staff gratuity	15,611,092	15,361,748
<b>CURRENT LIABILITIES</b>		
Obligation under murabaha finances	36,829,886	29,308,807
Qard-e-Hasana from modaraba management company	73,500,000	-
Creditors, accrued and other liabilities	55,875,953	111,399,017
	<u>166,205,839</u>	<u>140,707,824</u>
<b>CONTINGENCIES AND COMMITMENTS</b> 5		
	<u>299,254,024</u>	<u>273,544,875</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, 2015

	Nine months ended		Quarter ended	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
	<b>Rupees</b>			
Sales	468,938,823	460,306,700	159,660,971	141,115,375
Cost of sales	<u>398,440,388</u>	<u>401,027,200</u>	<u>134,104,528</u>	<u>119,394,745</u>
Gross profit	70,498,435	59,279,500	25,556,443	21,720,630
Operating expenses	<u>32,500,961</u>	<u>30,335,894</u>	<u>9,398,576</u>	<u>8,381,145</u>
Operating profit	37,997,474	28,943,606	16,157,867	13,339,485
Murabaha charges	( 2,957,688)	(1,885,430)	(1,052,834)	(607,797)
Other income	466,737	1,992,749	143,964	541,714
Profit before taxation	<u>35,506,523</u>	<u>29,050,925</u>	<u>15,248,997</u>	<u>13,273,402</u>
Taxation	<u>20,544,733</u>	<u>19,964,956</u>	<u>7,043,505</u>	<u>6,005,827</u>
Profit for the period	14,961,790	9,085,969	8,205,492	7,267,575
Other comprehensive income	-	-	-	-
Total comprehensive income	<u>14,961,790</u>	<u>9,085,969</u>	<u>8,205,492</u>	<u>7,267,575</u>
Earnings per certificate - basic and diluted	<u>4.99</u>	<u>3.03</u>	<u>2.74</u>	<u>2.42</u>

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### CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2015

	Issued, subscribed and paid up certificate capital	Statutory reserve	Revenue reserve (un-appropriated profit)	Total
	<b>Rupees</b>			
Balance at July 01, 2013 as reported	30,000,000	67,115,294	35,634,843	132,750,137
Effect of change in accounting policy	-	-	(1,779,222)	(1,779,222)
Balance at July 01, 2013 - (Restated)	<u>30,000,000</u>	<u>67,115,294</u>	<u>33,855,621</u>	<u>130,970,915</u>
Profit distribution for the year ended June 30, 2013 @ Rs. 10.00 per certificate	-	-	(30,000,000)	(30,000,000)
Total comprehensive income - Jul 13 to Mar 14	-	-	9,085,969	9,085,969
Balance at March 31, 2014	<u>30,000,000</u>	<u>67,115,294</u>	<u>12,941,590</u>	<u>110,056,884</u>
Total comprehensive income - Apr 14 to Jun 14	-	-	7,418,419	7,418,419
Transfer to statutory reserve	-	825,782	(825,782)	-
Balance as at June 30, 2014	<u>30,000,000</u>	<u>67,941,076</u>	<u>19,534,227</u>	<u>117,475,303</u>
Profit distribution for the year ended June 30, 2014 @ Rs. 5.00 per certificate	-	-	(15,000,000)	(15,000,000)
Total comprehensive income - Jul 14 to Mar 15	-	-	14,961,790	14,961,790
Balance as at March 31, 2015	<u>30,000,000</u>	<u>67,941,076</u>	<u>19,496,017</u>	<u>117,437,093</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 CASH FLOW STATEMENT (UN-AUDITED) FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2015

	Nine months ended		Quarter ended	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Rupees				
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Profit before taxation	35,506,523	29,378,030	15,248,997	13,600,508
Adjustments for:				
Depreciation on property and equipment	1,499,298	1,378,774	501,625	446,771
Amortization of intangible assets	110,520	177,450	36,840	59,154
Gain on disposal of property and equipment	-	(1,317,380)	-	(304,999)
Murabaha charges	2,957,688	1,885,430	1,052,834	607,797
Provision for staff gratuity	2,308,724	2,052,000	771,000	684,000
	<u>6,876,230</u>	<u>4,176,274</u>	<u>2,362,299</u>	<u>1,492,723</u>
	42,382,753	33,554,304	17,611,296	15,093,231
Changes in operating assets and liabilities				
(Increase) / Decrease in current assets				
Stock in trade	(26,700,241)	104,565,953	(23,142,900)	77,896,055
Trade debtors	2,798,872	16,982,288	(666,977)	(5,783,707)
Advances, deposits, prepayments and other receivables	1,292,000	(351,995)	(94,879)	489,530
	<u>(22,609,369)</u>	<u>121,196,246</u>	<u>(23,904,756)</u>	<u>72,601,878</u>
(Decrease) / Increase in current liabilities				
Creditors, accrued and other liabilities	<u>(55,645,283)</u>	<u>(107,584,779)</u>	<u>25,509,545</u>	<u>(22,076,098)</u>
Cash (used in) / generated from operations	<u>(35,871,899)</u>	<u>47,165,771</u>	<u>19,216,085</u>	<u>65,619,011</u>
Murabaha charges paid	(3,017,965)	(1,998,082)	(1,162,668)	(571,180)
Taxes paid	(23,805,887)	(19,672,170)	(8,504,019)	(4,899,711)
Gratuity paid	<u>(2,059,380)</u>	<u>(2,974,380)</u>	<u>-</u>	<u>(2,974,380)</u>
Net cash (used in) / generated from operating activities	<u>(64,755,131)</u>	<u>22,521,139</u>	<u>9,549,398</u>	<u>57,173,740</u>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Purchase of property and equipment	(1,746,800)	(2,854,322)	(1,604,300)	(626,520)
Proceeds from disposal of property and equipment	-	1,744,544	-	729,194
Net cash (used in) / generated from investing activities	<u>(1,746,800)</u>	<u>(1,109,778)</u>	<u>(1,604,300)</u>	<u>102,674</u>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Profit distribution	(14,817,503)	(28,387,142)	(455,450)	(12,587)
Qard-e-Hasana from modaraba management company - net	73,500,000	20,000,000	-	(27,000,000)
Obligation under murabaha finances - net	7,521,079	(13,536,057)	(2,261,154)	(12,871,439)
Net cash generated from / (used in) financing activities	<u>66,203,576</u>	<u>(21,923,199)</u>	<u>(2,716,604)</u>	<u>(39,884,026)</u>
Net (decrease) / increase in cash and cash equivalent (A+B+C)	<u>(298,355)</u>	<u>(511,838)</u>	<u>5,228,494</u>	<u>17,392,388</u>
Cash and cash equivalent at the beginning of the period	<u>19,768,400</u>	<u>29,763,921</u>	<u>14,241,551</u>	<u>11,859,695</u>
Cash and cash equivalent at the end of the period	<u>19,470,045</u>	<u>29,252,083</u>	<u>19,470,045</u>	<u>29,252,083</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, 2015

#### 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 and quarter ended March 31, 2015 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, 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 Financial 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 and methods of computation followed in the preparation of this condensed interim financial information are same as those for the preceding annual financial statements for the year ended June 30, 2014.

#### 5. CONTINGENCIES AND COMMITMENTS

##### 5.1 Contingencies

5.1.1. The Modaraba has issued post dated cheques to the Collector of Customs amounting to Rs. 95.57 million (June 30, 2014: Rs. 92.34 million).

5.1.2. Workers Welfare Fund (WWF): The amendments made in Section 2(f) of the WWF Ordinance, 1971 vide FA 2008 have been struck down by the Lahore High Court. Besides this, the judgment of three member larger bench of Sindh High Court has also been challenged before Supreme Court of Pakistan. Therefore, the management of the Modaraba is of the opinion that no provision be made till the outcome of these petitions. Had this provision been made since July 01, 2010 it would amounting to Rs. 4.92 million (June 30, 2014: Rs. 4.21 million).

##### 5.2 Commitments

Commitments in respect of outstanding letters of credit for trading stock amounting to Rs. 23.92 million (June 30, 2014: Rs. 21.13 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 20, 2015.

#### 7. GENERAL

7.1 This condensed interim financial information is presented in Pak Rupees, which is the Modaraba's functional and presentation currency.

7.2 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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