

QUARTERLY ACCOUNTS

(un-audited)

For the period ended March 31, 2017



FIRST IMROOZ MODARABA

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, 2017.

1. Financial Highlights

Financial results of the Modaraba are summarized as under :-

	(Rupees in million)	
	Nine months ended	
	31-Mar-17	31-Mar-16
Sales	548.149	561.783
Gross profit	87.240	86.622
Operating expenses	42.109	35.498
Other income	1.117	0.309
Profit before taxation	44.461	49.842
Profit after taxation	20.823	23.741
Earnings per certificate-basic & diluted (Rupees)	6.94	7.91

2. Review of Operations

The turnover for the period is slightly decreased to Rs.548.149 million as against Rs.561.783 million of the corresponding period. However, the gross profit is increased to Rs. 87.240 million as against Rs.86.622 million.

The other income for the period is Rs. 1.117 million as against Rs. 0.309 million of the corresponding period.

The Modaraba's profit for nine months period ended March 31, 2017 decreased to Rs. 20.823 million as compared to Rs. 23.741 million of the corresponding period. The earnings per certificate of the Modaraba worked out to Rs. 6.94 as against Rs. 7.91 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 21, 2017



FIRST IMROOZ MODARABA

ڈائریکٹرز کی رپورٹ

فہرست امروز مضاربہ کی انتظامی کابینہ اے آر منجمنٹ سروسز (پرائیویٹ) لمیٹڈ کے بورڈ آف ڈائریکٹرز مضاربہ کے سہ ماہی اختتام 31 مارچ 2017 کے نتائج بعد 9 مہینے تک کے غیر آڈٹڈ مالی حسابات کو پیش کرتے ہیں۔

نمایاں مالیاتی نکات

مضاربہ کے مالیاتی نتائج مندرجہ ذیل ہیں:

(ملین روپوں میں)

نو ماہ کے نتائج		
16- مارچ-31	17- مارچ-31	
561.783	548.149	فروخت
86.622	87.240	کل منافع
35.498	42.109	انتظامی اخراجات
0.309	1.117	دیگر آمدنی
49.842	44.461	قبل از ٹیکس منافع
23.741	20.823	بعد از ٹیکس منافع
7.91	6.94	نی کس سرٹیفکیٹ آمدنی (بنیادی اور تحلیل شدہ) روپے

کارکردگی کا جائزہ

زیر غور مدت کے دوران فروخت 548.149 ملین روپے تک ہوئی جبکہ اسکے مقابلے میں پچھلے دورانیے میں یہ 561.783 ملین روپے تھی۔ جبکہ کل منافع 87.240 ملین روپے تک رہا، جو کہ پچھلی مدت کے دوران 86.622 ملین روپے تھا۔ اس مدت کی دیگر آمدنی 1.117 ملین روپے رہی جب کہ گزشتہ مدت میں یہ 0.309 ملین روپے تھی۔ مضاربہ کا منافع سہ ماہی اختتام پر 20.823 ملین روپے رہا، جو کہ گزشتہ مقابل مدت پر 23.741 ملین روپے تھا۔ نی کس سرٹیفکیٹ آمدنی 6.94 روپے رہی جو کہ پچھلی مقابل مدت میں 7.91 روپے تھی۔

اعتراف نامہ

بورڈ اس موقع پر رجسٹرار مضاربہ اور سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے دیگر حکام کی مسلسل رہنمائی اور مدد کے لئے اپنے تشکر کا اظہار کرتا ہے۔ بورڈ اس کے علاوہ اپنے سرٹیفکیٹ ہولڈرز، رفقاءئے کار، سرمایہ کاروں، بینکاروں اور کاروباری پارٹیوں کی رہنمائی اور مدد کے لئے ان سب کا شکریہ گزارا ہے۔

منجانب بورڈ

نوید ریاض
چیف ایگزیکٹو

21 اپریل، 2017



FIRST IMROOZ MODARABA

CONDENSED INTERIM BALANCE SHEET AS AT MARCH 31, 2017

	(Un-audited) March 31, 2017	(Audited) June 30, 2016
Note	Rupees	Rupees
NON CURRENT ASSETS		
Property and equipment	12,546,486	12,497,055
Intangible assets	1,476,188	1,961,711
Long term deposits	381,352	116,652
	<u>14,404,026</u>	<u>14,575,418</u>
CURRENT ASSETS		
Stock in trade	202,459,293	129,909,802
Trade debtors - unsecured, considered good	95,497,275	129,336,163
Advances, deposits, prepayments and other receivables	1,701,773	1,824,284
Taxation	4,461,812	2,995,820
Cash and bank balances	1,409,350	61,300,889
	<u>305,529,503</u>	<u>325,366,958</u>
	<u>319,933,529</u>	<u>339,942,376</u>
CAPITAL AND RESERVES		
Authorised 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	30,000,000	30,000,000
Statutory reserve	71,399,574	71,399,574
Revenue reserve	23,596,485	38,773,071
	<u>124,996,059</u>	<u>140,172,645</u>
NON CURRENT LIABILITY		
Defined benefit plan - Staff gratuity	20,662,721	19,429,784
CURRENT LIABILITIES		
Obligation under murabaha finances	38,251,702	35,013,364
Qard-e-Hasana from modaraba management company	25,300,000	-
Creditors, accrued and other liabilities	110,723,047	145,326,583
	<u>174,274,749</u>	<u>180,339,947</u>
CONTINGENCIES AND COMMITMENTS		
	<u>4</u>	<u>4</u>
	<u>319,933,529</u>	<u>339,942,376</u>

The annexed notes from 1 to 5 form an integral part of these condensed interim financial information.

Naveed Riaz
Chief Executive

Ameed Riaz
Director

Mrs. Saadat Ikram
Director



FIRST IMROOZ MODARABA

CONDENSED PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2017

	Nine months ended		Quarter ended	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
	Rupees			
Sales	548,149,093	561,783,405	173,503,782	195,390,071
Cost of sales	460,908,772	475,161,430	143,200,873	163,846,427
Gross profit	87,240,321	86,621,975	30,302,909	31,543,644
Operating expenses	42,108,546	35,497,861	12,689,112	11,679,702
Operating profit	45,131,775	51,124,114	17,613,797	19,863,942
Murabaha charges	(1,787,206)	(1,590,634)	(644,634)	(441,111)
Other income	1,116,629	308,799	594,843	70,841
Profit before taxation	44,461,198	49,842,279	17,564,006	19,493,672
Taxation	23,637,784	26,101,515	6,486,626	8,962,919
Profit for the period	20,823,414	23,740,764	11,077,380	10,530,753
Other comprehensive income	-	-	-	-
Total comprehensive income	20,823,414	23,740,764	11,077,380	10,530,753
Earnings per certificate - basic and diluted	6.94	7.91	3.69	3.51

The annexed notes from 1 to 5 form an integral part of these condensed interim financial information.

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR NINE MONTHS PERIOD ENDED MARCH 31, 2017

	Issued, subscribed and paid up certificate capital	Statutory reserve	Revenue reserve (Unappropriated profit)	Total
		Rupees		
Balance as at July 01, 2015	30,000,000	69,298,719	30,329,434	129,628,153
Transaction with owners				
Profit distribution for the year ended June 30, 2015 at Rs. 9 per certificate	-	-	(27,000,000)	(27,000,000)
Total comprehensive income - Jul 15 to Mar 16	-	-	23,740,764	23,740,764
Balance at March 31, 2016	30,000,000	69,298,719	27,070,198	126,368,917
Total comprehensive income				
Profit for the period Apr 16 to Jun 16	-	-	18,276,328	18,276,328
Other comprehensive income	-	-	(4,472,600)	(4,472,600)
	-	-	13,803,728	13,803,728
Transfer to statutory reserve	-	2,100,855	(2,100,855)	-
Balance as at June 30, 2016	30,000,000	71,399,574	38,773,071	140,172,645
Transaction with owners				
Profit distribution for the year ended June 30, 2016 at Rs. 12 per certificate	-	-	(36,000,000)	(36,000,000)
Total comprehensive income - Jul 16 to Mar 17	-	-	20,823,414	20,823,414
Balance as at March 31, 2017	30,000,000	71,399,574	23,596,485	124,996,059

The annexed notes from 1 to 5 form an integral part of these 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 NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2017

	Nine months ended		Quarter ended	
	Mar 31, 2017	Mar 31, 2016	Mar 31, 2017	Mar 31, 2016
Rupees				
A. CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before taxation	44,461,198	49,842,279	17,564,006	19,493,671
Adjustments for:				
Depreciation on property and equipment	2,648,629	1,788,461	883,697	645,422
Amortization of intangible assets	485,523	485,520	161,841	411,840
Gain on disposal of property and equipment	(899,996)	-	(564,999)	-
Murabaha charges	1,787,206	1,590,634	644,634	441,111
Provision for staff gratuity	2,006,217	2,313,000	668,739	771,000
	6,027,579	6,177,615	1,793,912	2,269,373
	50,488,777	56,019,894	19,357,918	21,763,044
Changes in operating assets and liabilities				
(Increase) / Decrease in current assets				
Stock in trade	(72,549,491)	(3,974,400)	(56,228,029)	(5,771,496)
Trade debtors	33,838,888	27,319,894	19,777,121	(7,428,695)
Advances, deposits, prepayments & other receivables	122,511	(3,617,028)	(32,355)	260,783
	(38,588,092)	19,728,466	(36,483,263)	(12,939,408)
(Decrease) / Increase in current liabilities				
Creditors, accrued and other liabilities	(31,332,403)	(11,333,982)	3,531,825	19,747,301
Cash (used in) / generated from operations	(19,431,718)	64,414,378	(13,593,521)	28,570,937
Murabaha charges paid	(1,624,644)	(1,688,136)	(400,886)	(311,187)
Taxes paid	(25,103,776)	(28,321,972)	(7,390,190)	(9,502,207)
Gratuity paid	(773,280)	(3,590,782)	-	(3,590,782)
Net cash (used in) / generated from operating activities	(46,933,418)	30,813,488	(21,384,596)	15,166,761
B. CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of property and equipment	(2,759,448)	(2,740,300)	(125,254)	-
Purchase of intangible assets	-	(2,000,000)	-	(2,000,000)
Proceeds from disposal of property and equipment	961,384	-	626,384	-
Long term deposit paid	(264,700)	-	-	-
Net cash (used in) / generated from investing activities	(2,062,764)	(4,740,300)	501,130	(2,000,000)
C. CASH FLOWS FROM FINANCING ACTIVITIES				
Dividend paid	(39,433,695)	(25,465,756)	(4,048,498)	(15,538)
Qard-e-Hasana from modaraba management company - net	25,300,000	20,000,000	(7,700,000)	(5,000,000)
Proceeds / (Repayment) from murabaha finances - net	3,238,338	(2,347,044)	16,395,899	6,841,624
Net cash (used in) / generated from financing activities	(10,895,357)	(7,812,800)	4,647,401	1,826,086
Net (decrease) / increase in cash and cash equivalent (A+B+C)	(59,891,539)	18,260,388	(16,236,066)	14,992,847
Cash and cash equivalent at the beginning of the period	61,300,889	9,969,276	17,645,416	13,236,817
Cash and cash equivalent at the end of the period	1,409,350	28,229,664	1,409,350	28,229,664

The annexed notes from 1 to 5 form an integral part of these 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 NINE MONTHS PERIOD ENDED MARCH 31, 2017

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 Pakistan Stock Exchange Limited.

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

2. BASIS OF PREPARATION

2.1 This condensed interim financial information of the Modaraba for nine months period and quarter ended March 31, 2017 has been prepared in accordance with International Accounting Standard 34 - Interim Financial Reporting, the requirements of the Modaraba Companies and Modarabas (Floatation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981 and directives issued by the Securities and Exchange Commission of Pakistan (SECP). In case where requirements differ, the Modaraba Companies and Modarabas (Floatation and Control) Ordinance, 1980, the Modaraba Companies and Modaraba Rules, 1981 and directives issued by SECP shall prevail.

2.2 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".

2.3 This condensed interim financial information have been prepared under the historical cost convention except for stock which is valued at lower of cost and net realizable value.

2.4 This condensed interim financial information is prepared in Pakistani Rupees which is the Modaraba's functional and presentation currency. Amounts have been rounded off to the nearest rupee.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies, basis of accounting estimates applied and methods of computation adopted in the preparation of this condensed interim financial information and financial risk management objectives and policies are the same as those applied in the preparation of the annual financial statements of the Modaraba for the year ended June 30, 2016.

4. CONTINGENCIES AND COMMITMENTS

4.1 Contingencies

a. The Modaraba has issued post dated cheques to the Collector of Customs amounting to Rs. 66.451 million (June 30, 2016 : Rs. 23.824 million) on account of custom dues / taxes on goods at bonded warehouse.

b. The matter relating to Federal Workers Welfare Fund is described in the note 18.1.1 of the annual financial statements for the year ended June 30, 2016. On November 10, 2016 the Supreme Court of Pakistan (SCP) has passed a judgment declaring the amendments made in the Finance Acts 2006 and 2008 pertaining to WWF as illegal citing that WWF was not in the nature of tax and could, therefore, not have been introduced through money bills. Accordingly, the aforesaid amendments have been struck down by the SCP. The Federal Board of Revenue has filed a review petition in the SCP against the said judgment, which is pending for hearing. Regarding Sindh Workers Welfare Fund, the NBF & Modaraba Association of Pakistan is contemplating to file a petition against such levy.

4.2 Commitments

Commitments in respect of outstanding letters of credit (LC) for trading stock amounting to Rs. 8.021 million (June 30, 2016 : Rs. 7.035 million).

5. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was approved by the Board of Directors of the Modaraba Management Company and authorized for issue on April 21, 2017.

Naveed Riaz
Chief Executive

Ameed Riaz
Director

Mrs. Saadat Ikram
Director

If undelivered, please return to:

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