QUARTERLY ACCOUNTS
For the period ended March 31, 2020
(Un-Audited)

Managed By
A R Management Services (Private) Limited
# MODARABA INFORMATION

<table>
<thead>
<tr>
<th><strong>Modaraba Management Company</strong></th>
<th>A R Management Services (Private) Ltd.</th>
</tr>
</thead>
</table>
| **Directors of Modaraba Company** | Mr. Naveed Riaz – Chief Executive  
Mrs. Saadat Ikram  
Mr. Ameed Riaz  
Mr. Omar Mohammad Khan |
| **Chief Financial Officer** | Mr. Ateed Riaz |
| **Audit Committee** | Mr. Omar Mohammad Khan (Chairman)  
Mrs. Saadat Ikram (Member)  
Mr. Ameed Riaz (Member) |
| **Human Resource Committee** | Mr. Omar Mohammad Khan (Chairman)  
Mrs. Saadat Ikram (Member)  
Mr. Ameed Riaz (Member) |
| **Company Secretary** | Mr. Shabbir Ahmed Jamsa |
| **Chief Internal Auditor** | Mr. Abbas Kerani |
| **Auditors** | M/s. BDO Ebrahim & Co.  
Chartered Accountants |
| **Bankers** | Soneri Bank Limited  
Bank Al Falah Limited |
| **Legal Advisors** | Mr. Masood Aziz Advocate  
Masood Aziz & Associates |
| **Shariah Advisor** | Mufti Abdul Qadir |
| **Principal place of business** | Room No. 405, 4th Floor  
Beaumont Plaza, Beaumont Road  
Civil Lines Quarters, Karachi. |
| **Registered Office of the Modaraba Company** | 125-S, Small Industrial Area  
Kot Lakhpat, Lahore. |
| **Certificate Registration Office** | F.D. Registrar Services (Pvt) Limited  
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 are pleased to present their report alongwith un-audited financial statements for third quarter and nine months period ended March 31, 2020.

1. Financial Highlights

Financial results of the Modaraba are summarized as under:

<table>
<thead>
<tr>
<th></th>
<th>31-Mar-20</th>
<th>31-Mar-19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>418.672</td>
<td>538.878</td>
</tr>
<tr>
<td>Gross profit</td>
<td>93.710</td>
<td>95.894</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>48.621</td>
<td>52.910</td>
</tr>
<tr>
<td>Other income</td>
<td>1.055</td>
<td>0.660</td>
</tr>
<tr>
<td>Profit before taxation</td>
<td>39.870</td>
<td>37.372</td>
</tr>
<tr>
<td>Taxation</td>
<td>19.085</td>
<td>26.564</td>
</tr>
<tr>
<td>Profit for the period</td>
<td>20.785</td>
<td>10.808</td>
</tr>
<tr>
<td>Earnings per certificate - basic &amp; diluted</td>
<td>6.93</td>
<td>3.60</td>
</tr>
</tbody>
</table>

(Rupees in million)

2. Review of Operations

The turnover for the nine months’ period ended March 31, 2020 decreased to Rs. 418.672 million as compared to Rs. 538.878 million of the corresponding period last year. This decrease is due to overall economic and business slowdown in the country.

However, the gross profit did not decrease significantly. We closed the nine months at Rs. 93.710 million compared to Rs. 95.894 of the same period last year. This is mainly due to better profit margin and stability in exchange rate.

Despite inflationary trends, we were able to decrease expenses to Rs. 48.621 million as compared to Rs. 52.910 million of the corresponding period last year.

As a result, the Modaraba recorded a profit of Rs. 20.785 million as against profit of Rs. 10.808 million of the corresponding period.

We would like to point out that this is after a loss of Rs. 2.810 million in the third quarter. This is because of slow down of world economy since January 2020 due to spread of Corona virus (COVID-19). Further, in Pakistan, lockdown was also implemented in March 2020.

We foresee a difficult period till the year end closing in June 2020.

The earnings of the Modaraba are Rs. 6.93 per certificate versus Rs. 3.60 of the same period last year.

3. Acknowledgement

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

For and on behalf of the Board

Naveed Riaz        Ameed Riaz
Chief Executive        Director

April 23, 2020
2 - کارگر کرک کا چاپ

<table>
<thead>
<tr>
<th>(ہزاروں روپے)</th>
<th>31-Mar-19</th>
<th>31-Mar-20</th>
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</thead>
<tbody>
<tr>
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<td>ماہ</td>
<td>52.910</td>
<td>48.621</td>
</tr>
<tr>
<td>نئی کمپنی</td>
<td>0.660</td>
<td>1.055</td>
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<tr>
<td>ظرفیت مالی</td>
<td>37.372</td>
<td>39.870</td>
</tr>
<tr>
<td>مالیات نقدی</td>
<td>26.564</td>
<td>19.085</td>
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<tr>
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<td>10.808</td>
<td>20.785</td>
</tr>
<tr>
<td>یک تین فیضت</td>
<td>3.60</td>
<td>6.93</td>
</tr>
</tbody>
</table>

3 - اعتماد عام

<table>
<thead>
<tr>
<th>(ہزاروں روپے)</th>
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</tr>
</tbody>
</table>

4 - اعتماد عام

<table>
<thead>
<tr>
<th>(ہزاروں روپے)</th>
<th>31-Mar-19</th>
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</tr>
<tr>
<td>یک تین فیضت</td>
<td>3.60</td>
<td>6.93</td>
</tr>
</tbody>
</table>
### CONDENSED INTERIM BALANCE SHEET
**AS AT MARCH 31, 2020**

<table>
<thead>
<tr>
<th>Note</th>
<th>(Un-audited) March 31, 2020</th>
<th>(Audited) June 30, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Rupees</td>
<td>Rupees</td>
</tr>
<tr>
<td><strong>NON CURRENT ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property and equipment</td>
<td>7,375,919</td>
<td>9,294,441</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>-</td>
<td>333,323</td>
</tr>
<tr>
<td>Long term deposits</td>
<td>590,752</td>
<td>490,752</td>
</tr>
<tr>
<td><strong>CURRENT ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stock in trade</td>
<td>241,460,420</td>
<td>212,679,008</td>
</tr>
<tr>
<td>Trade debtors</td>
<td>139,164,942</td>
<td>98,602,686</td>
</tr>
<tr>
<td>Advances, deposits, prepayments and other receivables</td>
<td>4,008,305</td>
<td>1,031,467</td>
</tr>
<tr>
<td>Taxation</td>
<td>8,914,074</td>
<td>7,450,310</td>
</tr>
<tr>
<td>Cash and bank balances</td>
<td>2,587,667</td>
<td>11,346,950</td>
</tr>
<tr>
<td><strong>CAPITAL AND RESERVES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Authorised capital</td>
<td></td>
<td></td>
</tr>
<tr>
<td>10,000,000 Modaraba certificates of Rs.10 each</td>
<td>100,000,000</td>
<td>100,000,000</td>
</tr>
<tr>
<td>Issued, subscribed and paid-up certificate capital</td>
<td>30,000,000</td>
<td>30,000,000</td>
</tr>
<tr>
<td>Statutory reserve</td>
<td>94,143,390</td>
<td>94,143,390</td>
</tr>
<tr>
<td>Revenue reserve</td>
<td>20,804,923</td>
<td>15,020,145</td>
</tr>
<tr>
<td><strong>NON CURRENT LIABILITY</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Defined benefit plan - Staff gratuity</td>
<td>34,776,524</td>
<td>30,196,633</td>
</tr>
<tr>
<td><strong>CURRENT LIABILITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Obligation under financing</td>
<td>34,331,512</td>
<td>74,637,490</td>
</tr>
<tr>
<td>Qard-e-Hasana from Modaraba Management Company</td>
<td>31,800,000</td>
<td>-</td>
</tr>
<tr>
<td>Creditors, accrued and other liabilities</td>
<td>158,245,729</td>
<td>97,231,279</td>
</tr>
<tr>
<td><strong>CONTINGENCIES AND COMMITMENTS</strong></td>
<td>224,377,241</td>
<td>171,868,769</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>404,102,078</td>
<td>341,228,937</td>
</tr>
</tbody>
</table>

The annexed notes from 1 to 4 form an integral part of these condensed interim financial information.

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for A R Management Services (Private) Limited  
(Modaraba Management Company)

NAVEED RIAZ               MRS. SADAAT IKRAM               AMEED RIAZ               ATEED RIAZ  
CHIEF EXECUTIVE            DIRECTOR                               DIRECTOR            CHIEF FINANCIAL OFFICER
## CONDENSED INTERIM PROFIT AND LOSS ACCOUNT
FOR NINE MONTHS AND QUARTER ENDED MARCH 31, 2020 (UN-AUDITED)

<table>
<thead>
<tr>
<th></th>
<th>Nine months ended</th>
<th>Quarter ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>March 31, 2020</td>
<td>March 31, 2019</td>
</tr>
<tr>
<td></td>
<td>Rupees</td>
<td>Rupees</td>
</tr>
<tr>
<td>Sales</td>
<td>418,672,487</td>
<td>158,100,074</td>
</tr>
<tr>
<td></td>
<td>(324,962,564)</td>
<td>(126,512,426)</td>
</tr>
<tr>
<td>Cost of sales</td>
<td>93,709,923</td>
<td>21,735,854</td>
</tr>
<tr>
<td></td>
<td>(52,910,207)</td>
<td>(14,554,199)</td>
</tr>
<tr>
<td>Gross profit</td>
<td>45,089,332</td>
<td>7,181,655</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>1,321,328</td>
<td>(1,215,869)</td>
</tr>
<tr>
<td>Murabaha charges</td>
<td>(4,139,062)</td>
<td>(2,236,155)</td>
</tr>
<tr>
<td>Musharaka charges</td>
<td>1,054,628</td>
<td>372,200</td>
</tr>
<tr>
<td>Other income</td>
<td>(813,671)</td>
<td>(121,555)</td>
</tr>
<tr>
<td>Provision for Sindh Workers' Welfare Fund</td>
<td>(762,685)</td>
<td>(470,209)</td>
</tr>
<tr>
<td>Profit before taxation</td>
<td>39,869,900</td>
<td>23,040,199</td>
</tr>
<tr>
<td>Taxation</td>
<td>(19,085,125)</td>
<td>(7,396,407)</td>
</tr>
<tr>
<td>Profit / (Loss) for the period</td>
<td>20,784,775</td>
<td>15,643,792</td>
</tr>
<tr>
<td>Other comprehensive income</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total comprehensive income / (loss) for the period</td>
<td>20,784,775</td>
<td>15,643,792</td>
</tr>
<tr>
<td>Earnings per certificate - basic and diluted</td>
<td>6.93</td>
<td>5.21</td>
</tr>
</tbody>
</table>

The annexed notes from 1 to 4 form an integral part of these condensed interim financial information.
### A. CASH FLOWS FROM OPERATING ACTIVITIES

<table>
<thead>
<tr>
<th></th>
<th>Nine months ended</th>
<th>Quarter ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Mar 31, 2020</td>
<td>Mar 31, 2019</td>
</tr>
<tr>
<td></td>
<td>2020</td>
<td>2019</td>
</tr>
<tr>
<td>Profit before taxation</td>
<td>39,869,900</td>
<td>37,371,555</td>
</tr>
<tr>
<td>Adjustments for:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>2,878,379</td>
<td>2,984,575</td>
</tr>
<tr>
<td>Amortization</td>
<td>333,521</td>
<td>375,003</td>
</tr>
<tr>
<td>Gain on disposal of property and equipment</td>
<td>(922,377)</td>
<td>(516,584)</td>
</tr>
<tr>
<td>Murabaha charges</td>
<td>1,321,328</td>
<td>2,584,687</td>
</tr>
<tr>
<td>Musharaka charges</td>
<td>4,139,062</td>
<td>2,924,444</td>
</tr>
<tr>
<td>Provision for staff gratuity</td>
<td>6,449,671</td>
<td>2,811,843</td>
</tr>
<tr>
<td>Provision for doubtful debt</td>
<td>592,979</td>
<td>(700,000)</td>
</tr>
<tr>
<td></td>
<td>13,606,405</td>
<td>12,100,180</td>
</tr>
<tr>
<td>Changes in operating assets and liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Increase) / Decrease in current assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stock in trade</td>
<td>(28,781,412)</td>
<td>(57,781,904)</td>
</tr>
<tr>
<td>Trade debtors</td>
<td>(39,869,277)</td>
<td>(68,545,777)</td>
</tr>
<tr>
<td>Advances, deposits, prepayments &amp; other receivables</td>
<td>(3,076,838)</td>
<td>(1,062,983)</td>
</tr>
<tr>
<td></td>
<td>(71,875,225)</td>
<td>(85,424,994)</td>
</tr>
<tr>
<td>Increase / (decrease) in current liabilities</td>
<td>61,078,881</td>
<td>75,380,713</td>
</tr>
<tr>
<td>Cash generated from / (used in) operating activities</td>
<td>42,727,658</td>
<td>75,380,713</td>
</tr>
<tr>
<td>Murabaha charges paid</td>
<td>(1,674,547)</td>
<td>(359,817)</td>
</tr>
<tr>
<td>Musharaka charges paid</td>
<td>(4,470,990)</td>
<td>(1,312,819)</td>
</tr>
<tr>
<td>Income tax paid</td>
<td>(20,548,889)</td>
<td>(8,216,816)</td>
</tr>
<tr>
<td>Gratitude paid</td>
<td>(1,869,780)</td>
<td>(1,513,320)</td>
</tr>
<tr>
<td>Net cash generated from / (used in) operating activities</td>
<td>14,163,453</td>
<td>7,902,391</td>
</tr>
</tbody>
</table>

### B. CASH FLOWS FROM INVESTING ACTIVITIES

<table>
<thead>
<tr>
<th></th>
<th>Nine months ended</th>
<th>Quarter ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Mar 31, 2020</td>
<td>Mar 31, 2019</td>
</tr>
<tr>
<td></td>
<td>2020</td>
<td>2019</td>
</tr>
<tr>
<td>Purchase of property and equipment</td>
<td>(977,480)</td>
<td>(1,016,049)</td>
</tr>
<tr>
<td>Proceeds from disposal of property and equipment</td>
<td>940,000</td>
<td>541,000</td>
</tr>
<tr>
<td>Net cash (used in) / generated from investing activities</td>
<td>(37,480)</td>
<td>(475,049)</td>
</tr>
</tbody>
</table>

### C. CASH FLOWS FROM FINANCING ACTIVITIES

<table>
<thead>
<tr>
<th></th>
<th>Nine months ended</th>
<th>Quarter ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Mar 31, 2020</td>
<td>Mar 31, 2019</td>
</tr>
<tr>
<td></td>
<td>2020</td>
<td>2019</td>
</tr>
<tr>
<td>Dividend paid</td>
<td>(14,379,278)</td>
<td>(16,474,457)</td>
</tr>
<tr>
<td>Receipts of Qard-e-Hasana from Modaraba Management Company</td>
<td>97,000,000</td>
<td>104,700,000</td>
</tr>
<tr>
<td>Repayment of Qard-e-Hasana to Modaraba Management Company</td>
<td>(65,200,000)</td>
<td>(199,100,000)</td>
</tr>
<tr>
<td>Receipts from Murabaha finances</td>
<td>20,019,129</td>
<td>192,745,575</td>
</tr>
<tr>
<td>Repayment of Murabaha finances</td>
<td>(47,162,167)</td>
<td>(33,428,278)</td>
</tr>
<tr>
<td>Repayment of Musharaka finances</td>
<td>(13,162,940)</td>
<td>(98,607,857)</td>
</tr>
<tr>
<td>Net cash (used in) / generated from financing activities</td>
<td>(22,885,256)</td>
<td>(16,736,739)</td>
</tr>
<tr>
<td>Net (decrease) / increase in cash and cash equivalent (A+B+C)</td>
<td>(8,759,283)</td>
<td>(21,467,476)</td>
</tr>
<tr>
<td>Cash and cash equivalent at the beginning of the period</td>
<td>(13,346,950)</td>
<td>14,070,366</td>
</tr>
<tr>
<td>Cash and cash equivalent at the end of the period</td>
<td>2,587,667</td>
<td>18,635,168</td>
</tr>
</tbody>
</table>

The annexed notes from 1 to 4 form an integral part of these condensed interim financial information.
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR NINE MONTHS ENDED MARCH 31, 2020 (UN-AUDITED)

<table>
<thead>
<tr>
<th></th>
<th>Paid-up certificate</th>
<th>Statutory reserve</th>
<th>Revenue reserve (Accumulated losses) / Unappropriated profit</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance as at July 01, 2018</td>
<td>30,000,000</td>
<td>85,284,849</td>
<td>19,575,963</td>
<td>134,860,812</td>
</tr>
<tr>
<td>Transaction with owners</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profit distribution for the year ended</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>June 30, 2018 @ Rs. 5.67 per certificate</td>
<td>-</td>
<td>-</td>
<td>(17,010,000)</td>
<td>(17,010,000)</td>
</tr>
<tr>
<td>Total comprehensive income</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profit for the period - Jul 18 to Mar 19</td>
<td>-</td>
<td>-</td>
<td>10,807,827</td>
<td>10,807,827</td>
</tr>
<tr>
<td>Other comprehensive income</td>
<td>-</td>
<td>-</td>
<td>10,807,827</td>
<td>10,807,827</td>
</tr>
<tr>
<td>Balance as at March 31, 2019</td>
<td>30,000,000</td>
<td>85,284,849</td>
<td>13,373,790</td>
<td>128,658,639</td>
</tr>
<tr>
<td>Total comprehensive income</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profit for the period - Apr 19 to Jun 19</td>
<td>-</td>
<td>-</td>
<td>14,502,290</td>
<td>14,502,290</td>
</tr>
<tr>
<td>Other comprehensive income</td>
<td>-</td>
<td>-</td>
<td>14,502,290</td>
<td>14,502,290</td>
</tr>
<tr>
<td>Transfer to statutory reserve</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other comprehensive income / (loss)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance as at June 30, 2019</td>
<td>30,000,000</td>
<td>94,143,390</td>
<td>15,020,145</td>
<td>139,163,535</td>
</tr>
<tr>
<td>Transaction with owners</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profit distribution for the year ended</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>June 30, 2019 @ Rs. 5 per certificate</td>
<td>-</td>
<td>-</td>
<td>(15,000,000)</td>
<td>(15,000,000)</td>
</tr>
<tr>
<td>Total comprehensive income</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profit for the period - Jul 19 to Mar 20</td>
<td>-</td>
<td>-</td>
<td>20,784,775</td>
<td>20,784,775</td>
</tr>
<tr>
<td>Other comprehensive income</td>
<td>-</td>
<td>-</td>
<td>20,784,775</td>
<td>20,784,775</td>
</tr>
<tr>
<td>Balance as at March 31, 2020</td>
<td>30,000,000</td>
<td>94,143,390</td>
<td>20,804,923</td>
<td>144,948,313</td>
</tr>
</tbody>
</table>

The annexed notes from 1 to 4 form an integral part of these condensed interim financial information.

for A R Management Services (Private) Limited
(Modaraba Management Company)

NAVEED RIAZ                     MRS. SADAAT IKRAM                     AMEED RIAZ                                     ATEED RIAZ
CHIEF EXECUTIVE                              DIRECTOR                                 DIRECTOR                       CHIEF FINANCIAL OFFICER
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION  
FOR NINE MONTHS ENDED MARCH 31, 2020 (UN-AUDITED) 

1. LEGAL STATUS AND NATURE OF BUSINESS  
1.1 First Imrooz Modaraba (the Modaraba) was formed on September 27, 1993 under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 (XXXI of 1980) and the Rules framed there under and is managed by A R Management Services (Private) Limited. The Modaraba commenced its commercial operations from March 01, 1994. The Modaraba is listed on Pakistan Stock Exchange. 

1.2 The principal place of the business of the Modaraba is situated at Room No. 405, 4th Floor, Beaumont Plaza, Beaumont Road, Civil Lines Quarters, Karachi, in the province of Sindh, Pakistan. 

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

2. BASIS OF PREPARATION  
2.1.1 This condensed interim financial information has been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of International Accounting Standard (IAS) 34 - Interim Financial Reporting, Islamic Financial Accounting Standards (IFAS) as notified under the provisions of the Companies Act, 2017, Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, the Modaraba Companies and Modaraba Rules, 1981 and directives issued by the Securities and Exchange Commission of Pakistan (SECP) [the Modaraba Regulations']. 

Wherever the requirements of 'the Modaraba Regulations' differ from the requirements of International Accounting Standard (IAS) 34 - Interim Financial Reporting and Islamic Financial Accounting Standards (IFAS), requirements of 'the Modaraba Regulations' have been followed. 

2.1.2 The disclosures made in this condensed interim financial information have been limited based on the requirements of IAS 34. This condensed interim financial information does not include all information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Modaraba for the year ended June 30, 2019. 

2.1.3 The comparative statement of balance sheet presented in this condensed interim financial information has been extracted from the annual audited financial statements of the Modaraba for the year ended June 30, 2019, whereas the comparative condensed interim profit and loss account, condensed interim cash flow statement, condensed interim statement of changes in equity of the Modaraba are extracted from the unaudited condensed interim financial information for nine months ended March 31, 2019. 

2.1.4 This condensed interim financial information has been prepared under the historical cost convention except for defined benefit plan - staff gratuity which is carried as per actuarial valuation. 

2.1.5 This condensed interim financial information is prepared in Pakistani Rupees which is the Modaraba's functional and presentation currency. The figures in this condensed interim financial information have been rounded off to the nearest rupee unless otherwise specified.
2.2 SIGNIFICANT ACCOUNTING AND RISK MANAGEMENT POLICIES, ACCOUNTING ESTIMATES, JUDGEMENT AND CHANGES THEREIN

The accounting policies adopted for the preparation of the condensed interim financial information are the same as those applied in the preparation of the annual audited financial statements of the Modaraba for the year ended June 30, 2019.

3. CONTINGENCIES AND COMMITMENTS

3.1 Contingencies

There is no change in the status of matter of show cause notice issued to the Modaraba by the Collectorate of Customs, Karachi for recovery of Customs Duty, Additional Customs Duty, Sales Tax and Income Tax as disclosed in note 19.1 of the annual audited financial statements of the Modaraba for the year ended June 30, 2019.

3.2 Commitments

3.2.1 The Modaraba has issued post dated cheques to the Collector of Customs amounting to Rs. 25.120 million (June 30, 2019: Rs. 54.585 million) on account of custom dues and taxes on goods at bonded warehouse.

3.2.2 Commitments in respect of outstanding letters of credit (LC) for trading stock amounting to Rs. 24.151 million (June 30, 2019: Rs. 29.504 million).

4. 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 23, 2020.

for A R Management Services (Private) Limited
(Modaraba Management Company)