

## **QUARTERLY ACCOUNTS**

For the period ended September 30, 2024  
(Un-Audited)



**FIRST IMROOZ MODARABA**

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Managed By  
A R Management Services (Private) Limited



## MODARABA INFORMATION

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<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 Mr. Aliuddin Ahmed
<b>Chief Financial Officer</b>	Mr. Muhammad Ali Baig
<b>Audit Committee</b>	Mr. Aliuddin Ahmed (Chairman) Mr. Omar Mohammad Khan (Member) Mrs. Saadat Ikram (Member)
<b>Human Resource Committee</b>	Mr. Aliuddin Ahmed (Chairman) Mr. Omar Mohammad Khan (Member) 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. BDO Ebrahim & Co. Chartered Accountants
<b>Bankers</b>	Soneri Bank Limited Bank Alfalah Limited Bank AL Habib Limited Faysal Bank Limited
<b>Legal Advisors</b>	Mr. Masood Aziz Advocate Masood Aziz & Associates
<b>Shariah Advisor</b>	Mufti Abdul Qadir
<b>Principal place of business</b>	Room No. 405, 4 <sup>th</sup> 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 17 <sup>th</sup> 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 is pleased to present the condensed interim un-audited financial statements for the first quarter ended on September 30, 2024.

### 1. Financial Highlights

Financial results of the Modaraba are summarized as under:

	(Rupees in million)	
	Three months ended	
	30-Sep-24	30-Sep-23
Sales	308.11	351.81
Gross profit	74.68	68.96
Operating expenses	26.19	20.82
Other income	0.94	0.27
Profit for the quarter	29.16	23.82
Earnings per certificate - basic & diluted	(Rupees) 9.72	7.94

### 2. Review of Operations

In the current quarter, the Gross profit has increased by 26% despite a 12% decrease in turnover. This improvement is attributable to better prices and stable forex rates. The quarter ended with a profit after taxation of Rs. 29.16 million, resulting in an Earnings Per Certificate (EPS) of Rs. 9.72.

The Modaraba has reported improved earnings this quarter, though challenges remain.

### 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, bankers, business partners and the employees of the Modaraba for their continued support and co-operation.

For and on behalf of the Board

**Naveed Riaz**  
Chief Executive

**Ameed Riaz**  
Director

October 23, 2024

## ڈائریکٹرز کی رپورٹ

فرسٹ امروز مضاربہ کی انتظامی کمپنی اے آر مینجمنٹ سروسز (پرائیویٹ) لمیٹڈ کے بورڈ آف ڈائریکٹرز مضاربہ کی پہلی سہ ماہی کی اختتامی مدت 30 ستمبر 2024ء کے غیر آڈیٹڈ مالی نتائج کے حوالے سے رپورٹ پیش کرتے ہوئے مسرت محسوس کرتے ہیں۔

### نمایاں مالیاتی نکات

مضاربہ کے مالیاتی نتائج مندرجہ ذیل ہیں:

30-Sep-23	30-Sep-24	
(ملین روپوں میں)		
351.81	308.11	فروخت
68.96	74.68	مجموعی منافع
20.82	26.19	انتظامی اخراجات
0.27	0.94	دیگر آمدن
23.82	29.16	بقیہ منافع
7.94	9.72	فی کس سرٹیفکیٹ آمدنی (بنیادی اور تحلیل شدہ) روپے

### کارکردگی کا جائزہ

موجودہ سہ ماہی میں فروخت میں 12% کمی کے باوجود مجموعی منافع میں 26% اضافہ ہوا ہے۔ اس اضافے کی وجہ بہتر قیمتیں اور مستحکم غیر ملکی کرنسی کی شرح ہے۔ اس سہ ماہی میں بعد از ٹیکس منافع 29.16 ملین روپے ہوا۔ جس کے نتیجے میں فی کس سرٹیفکیٹ آمدنی 9.72 روپے رہی۔

اس سہ ماہی میں مضاربہ کی آمدنی میں بہتری آئی ہے، حالانکہ کاروباری حالات سخت ہیں۔

### اعتراف

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 مالکان، رفقاء کار، سرمایہ کاروں، بینکاروں، کاروباری پارٹیوں کی رہنمائی اور مضاربہ کے تمام ملازمین کی انتھک محنت اور لگن کے لئے ان سب کا شکر گزار ہے۔

منجانب بورڈ

نوید ریاض  
چیف ایگزیکٹو  
عمید ریاض  
ڈائریکٹر

23 اکتوبر، 2024ء



**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION  
AS AT SEPTEMBER 30, 2024**

	September 30, 2024 Rupees (Un-audited)	June 30, 2024 Rupees (Audited)
<b>ASSETS</b>		
<b>NON CURRENT ASSETS</b>		
Property and equipment	4 17,530,412	11,727,765
Intangible assets	747,375	877,600
Long term deposits	598,202	598,202
	18,875,989	13,203,567
<b>CURRENT ASSETS</b>		
Stock in trade	228,230,389	312,073,335
Trade debtors	318,245,858	205,683,131
Advances, deposits, prepayments and other receivables	1,254,533	2,312,249
Cash & bank balances	2,508,928	6,419,338
	550,239,708	526,488,053
<b>TOTAL ASSETS</b>	<u>569,115,697</u>	<u>539,691,620</u>
<b>EQUITY AND LIABILITIES</b>		
<b>CAPITAL AND RESERVES</b>		
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	118,733,257	118,733,257
Revenue reserve	102,287,058	73,124,705
	251,020,315	221,857,962
<b>NON-CURRENT LIABILITIES</b>		
Obligation under financing facilities - Secured	5 660,518	812,945
<b>CURRENT LIABILITIES</b>		
Current portion of obligation under financing facilities - Secured	5 140,609,676	140,609,677
Running musharaka	30,986,711	2,664,069
Defined benefit plan - Staff gratuity	6,719,947	6,719,947
Creditors, accrued and other liabilities	139,118,530	167,027,020
	317,434,864	317,020,713
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>568,455,179</u>	<u>538,878,675</u>
<b>CONTINGENCIES AND COMMITMENTS</b>	6	

The annexed notes from 1 to 11 form an integral part of this condensed interim financial information.

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

CHIEF EXECUTIVE

DIRECTOR

DIRECTOR

CHIEF FINANCIAL OFFICER



## FIRST IMROOZ MODARABA

### CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME (UN-AUDITED) FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2024

	Quarter ended	
	Jul - Sep 2024	Jul - Sep 2023
	Rupees	Rupees
Sales	308,119,409	351,813,285
Cost of sales	(233,434,820)	(282,844,887)
Gross profit	74,684,589	68,968,398
Operating expenses	(26,193,162)	(20,823,874)
Operating profit	48,491,427	48,144,524
Financial charges	(8,078,033)	(8,983,003)
Other income	940,921	265,192
	41,354,315	39,426,713
Provision for Sindh Workers' Welfare Fund	(827,086)	(789,677)
Profit before income tax and minimum tax differential	40,527,229	38,637,036
Minimum tax differential	(11,364,876)	(14,811,590)
Profit before income tax	29,162,353	23,825,446
Taxation	-	-
Net profit for the period	29,162,353	23,825,446
Other Comprehensive Income	-	-
Total Comprehensive Income	29,162,353	23,825,446
Earnings per certificate - basic & diluted	9.72	7.94

The annexed notes from 1 to 11 form an integral part of this condensed interim financial information.

### CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2024

	Paid-up certificate	Statutory reserve	Revenue reserve Unappropriated profit	Total
	Rupees			
Balance at June 30, 2023	30,000,000	118,733,257	15,806,157	164,539,414
Comprehensive income for the period: July 2023 to Sept 2023				
Loss for the period	-	-	23,825,446	23,825,446
Other comprehensive income	-	-	-	-
Balance as at September 30, 2023	30,000,000	118,733,257	39,631,603	188,364,860
Profit distribution for the year ended June 30, 2023 @ Rs. 5 per certificate	-	-	(15,000,000)	(15,000,000)
Comprehensive income for the period: Oct 2023 to Jun 2024				
Profit for the period	-	-	48,493,102	48,493,102
Other comprehensive income	-	-	-	-
Balance at June 30, 2024	30,000,000	118,733,257	73,124,705	221,857,962
Comprehensive loss for the period: July 2024 to Sept 2024				
Profit for the period	-	-	29,162,353	29,162,353
Other comprehensive income	-	-	-	-
Balance as at September 30, 2024	30,000,000	118,733,257	102,287,058	251,020,315

The annexed notes from 1 to 11 form an integral part of this condensed interim financial information.

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

CHIEF EXECUTIVE

DIRECTOR

DIRECTOR

CHIEF FINANCIAL OFFICER



**FIRST IMROOZ MODARABA**

**CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)  
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2024**

	Quarter ended	
	Sept. 30, 2024	Sept. 30, 2023
	Rupees	Rupees
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	40,527,229	38,637,036
Adjustments for non-cash and other items:		
Depreciation	1,142,120	983,175
Amortization of intangible assets	130,225	130,224
Financial Charges	8,078,033	8,983,003
Gain on disposal of property and equipment	(790,467)	(15,000)
	<u>8,559,911</u>	<u>10,081,402</u>
Operating profit before working capital changes	49,087,140	48,718,438
<b>Changes in operating assets and liabilities</b>		
<b>(Increase) / Decrease in current assets</b>		
Stock in trade	83,842,946	121,197,173
Trade debtors	(112,562,727)	43,113,269
Advances, deposits, prepayments and other receivables	1,057,716	5,174,904
	<u>(27,662,066)</u>	<u>169,485,346</u>
<b>Decrease in current liabilities</b>		
Creditors, accrued and other liabilities	(27,659,322)	(300,166,321)
Cash used in operations	(6,234,248)	(81,962,537)
Financial charges paid	(8,327,201)	(4,983,431)
Income Taxes paid	(11,364,876)	(14,244,475)
Staff Gratuity paid	-	-
Net cash used in operating activities	<u>(25,926,325)</u>	<u>(101,190,443)</u>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property and equipment	(6,954,300)	-
Proceeds from disposal of property and equipment	800,000	15,000
Net cash (used in) / generated from investing activities	<u>(6,154,300)</u>	<u>15,000</u>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipts of Qard-e-Hasana from Modaraba Management Company	-	133,000,000
Repayment of Qard-e-Hasana to Modaraba Management Company	-	(70,000,000)
Receipts from Musawamah finances	140,000,000	95,000,000
Repayment of Musawamah finances	(140,000,000)	(95,000,000)
Receipts from Musharaka finances	362,764,783	438,692,093
Repayment of Musharaka finances	(334,594,569)	(438,844,521)
Net cash generated from financing activities	<u>28,170,215</u>	<u>62,847,573</u>
Net decrease in cash and bank balances A+B+C	(3,910,410)	(38,327,870)
Cash and bank balances at the beginning of the period	6,419,338	52,255,980
Cash and bank balances at the end of the period	<u><u>2,508,928</u></u>	<u><u>13,928,110</u></u>

The annexed notes from 1 to 11 form an integral part of this condensed interim financial information.

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

CHIEF EXECUTIVE

DIRECTOR

DIRECTOR

CHIEF FINANCIAL OFFICER



**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)  
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2024**

**1 NATURE AND STATUS 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, 4<sup>th</sup> 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**

- 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 and made applicable to Modarabas, 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) as notified under the provisions of the Companies Act, 2017 and made applicable to Modarabas, requirements of 'the Modaraba Regulations' have been followed.

- 2.1.2 The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of IAS 34. This condensed interim financial information does not include all the 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, 2024.
- 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, 2024, 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 the quarter ended September 30, 2024.
- 2.1.4 This condensed interim financial information is un-audited.

**2.2 Basis of measurement**

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.

**2.3 Functional and presentation currency**

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.





**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)  
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2024**

**3 SIGNIFICANT ACCOUNTING AND RISK MANAGEMENT POLICIES, ACCOUNTING ESTIMATES, JUDGEMENT AND CHANGES THEREIN**

- 3.1 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, 2024.
- 3.2 The preparation of this condensed interim financial information in conformity with approved accounting standards requires management to make estimates, assumptions and use of judgements that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.
- 3.3 The significant estimates, judgements and assumptions made by the management in applying the accounting policies and the key sources of estimation uncertainty are the same as those applied to the annual audited financial statements as at and for the year ended June 30, 2024.
- 3.4 There are certain standards, interpretations and amendments to approved accounting standards which have been published and are mandatory for the Modaraba's accounting period beginning on or after January 01, 2021. These standards, interpretations and amendments are either not relevant to the Modaraba's operations or are not expected to have a significant effect on this condensed interim financial information.
- 3.5 The Modaraba's financial risk management objectives and policies are consistent with that disclosed in annual audited financial statements of the Modaraba for the year ended June 30, 2024.

	<b>September 30, 2024 (Rupees) (Un-audited)</b>	<b>June 30, 2024 (Rupees) (Audited)</b>
<b>4 PROPERTY AND EQUIPMENT</b>	<b>Note</b>	
Following additions and disposals, at cost, were made during the period / year :		
Opening fixed assets (Net book value)	11,727,765	14,006,740
Additions	6,954,300	1,815,450
Disposals	(1,230,000)	(462,383)
Depreciation charge for the period / year	(1,142,120)	(3,632,042)
Depreciation on disposals during the period / year	1,220,467	-
Closing fixed assets (Net book value)	<u>17,530,412</u>	<u>11,727,765</u>

**5 OBLIGATION UNDER FINANCING FACILITIES - SECURED**

Musharaka financing facility	5.1 & 5.2	1,270,195	1,422,622
Less: non-current portion under Musharaka financing facility	5.1 & 5.2	(660,518)	(812,945)
Current portion under Musharaka financing facility		609,676	609,676
Musawamah Financing Facility	5.3	140,000,000	140,000,000
		<u>140,609,676</u>	<u>140,609,676</u>



**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)  
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2024**

- 5.1 The Modaraba has availed Running Musharaka Financing facility from Bank AL Habib Limited with sanctioned limit of Rs. 30 million (June 30, 2024 : Rs. 30 million). This facility has been obtained to finance working capital requirements of the Modaraba carries profit at the rate of 1.5% (June 30, 2024 : 1.5%) over 3 months average KIBOR.
- 5.2 In prior year, the Modaraba had obtained Diminishing Musharaka financing facility with a sanctioned limit of Rs. 10 million from Bank AL Habib Limited for the purchase of locally manufactured brand new / used commercial and non-commercial vehicles for Modaraba's / staff use. The facility carries profit at the rate 2.25% over 1 year KIBOR and is repayable within 5 years from the date of delivery of vehicle(s).
- 5.3 The Modaraba has also availed Musawamah finance facility from Bank AL Habib Limited with a sanctioned limit of Rs. 230 million (June 30, 2024: Rs. 230 million) to finance sale of inventory owned by the Modaraba. The facility carries profit at the rate of 1.5% (June 30, 2024 : 1.5%) over 3 months average KIBOR.
- 5.4 All facilities are secured against hypothecation charge on current assets (stock in trade and trade debts) of Modaraba.

**6 CONTINGENCIES AND COMMITMENTS**

**6.1 Contingencies**

- 6.1.1 There is no change in the status of matter of show cause notice issued to the Modaraba by the Collectorate of Customs (Adjudication-II), for recovery of Customs Duty along with allied taxed as reported in note 20.1 to the published financial statements of the Modaraba for the year ended June 30, 2024.
- 6.1.2 The Modaraba has issued post dated cheques to the Collector of Customs amounting to Rs. 55.771 million (June 30, 2024 : Rs. 87.152 million) on account of custom dues and taxes on goods at bonded warehouse.

**6.2 Commitments**

Commitments in respect of outstanding letters of credit as at year end date for trading stock are amounting to Rs. 9.4 million (June 30, 2024 : Rs. NIL).

**7 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 minimum tax regime (MTR), the management compared it with normal tax regime (NTR), alternate corporate tax (ACT) and turnover tax and record tax on the basis of which ever is higher. The Modaraba has followed a policy for tax recognition, whereby the tax paid at import stage is recognized as tax expense in the year 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.

Deferred tax asset is recognized for available credits to the extent that it is probable that sufficient taxable temporary differences and taxable profits will be available against which credits can be utilized. Significant judgement is exercised to determine the amount of deferred tax asset to be recognized.

**8 FAIR VALUE OF FINANCIAL INSTRUMENTS**

As at quarter ended September 30, 2024, the Modaraba does not hold any financial asset or liability measured at fair value. Therefore, fair value hierarchies have not been disclosed.

Further, carrying value of all financial assets and liabilities reflected in the condensed interim financial information approximate their fair value.



**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)  
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2024**

**9 RELATED PARTY TRANSACTIONS**

The related parties of the Modaraba include the management company, associated undertakings, directors of the management company and key management personnel. Significant transactions with related parties are as follows:

	<b>September 30, 2024 Rupees (Un-audited)</b>	<b>September 30, 2023 Rupees (Un-audited)</b>
Share of common expenses to Group Companies	297,017	559,470
Warehouse rent to Group Companies	1,455,000	1,455,000
Office rent to Group Company	-	-
Receipt of Qard-e-Hasana from Modaraba Management Company	-	133,000,000
Repayment of Qard-e-Hasana to Modaraba Management Company	-	70,000,000

**10 DATE OF AUTHORIZATION FOR ISSUE**

This condensed interim financial information was approved by the Board of Directors of the Modaraba Management Company and authorised for issue on 23 October 2024.

**11 GENERAL**

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

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

CHIEF EXECUTIVE

DIRECTOR

DIRECTOR

CHIEF FINANCIAL OFFICER