

**QUARTERLY ACCOUNTS (UN-AUDITED)**

For the period ended March 31, 2024



FIRST IMROOZ MODARABA

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. Aameed Riaz Mr. Omar Mohammad Khan Mr. Aliuddin Ahmed
<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. Aameed Riaz (Member)
<b>Chief Financial Officer</b>	Mr. Muhammad Ali Baig
<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 would like to present to its certificate holders their report along with un-audited financial statements for the third quarter and nine months period ended March 31, 2024.

### 1. Key Financial Highlights

	<b>(Rupees in million)</b>	
	<b>Nine months ended</b>	
	<b>31-Mar-24</b>	<b>31-Mar-23</b>
Sales	936.27	1,317.50
Gross profit	204.20	8.68
Operating expenses	55.91	56.77
Profit / (Loss) for the period	78.15	(117.82)
Earnings per certificate - basic & diluted (Rupees)	26.05	(39.27)

### 2. Review of Operations

Despite lower sales volume and value, the profitability is higher as compared to previous years corresponding nine months due to better margins and relatively stable exchange rates. The management foresees that the trend will continue, and we will close the year on a positive note.

### 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 partners for their support.

For and on behalf of the Board

**Naveed Riaz**  
Chief Executive

**Omar Mohammad Khan**  
Director

April 29, 2024

## ڈائریکٹرز کی رپورٹ

فرسٹ امروز مضاربہ کی انتظامی کمپنی اے آر مینجمنٹ سروسز (پرائیویٹ) لمیٹڈ کے بورڈ آف ڈائریکٹرز مضاربہ کی تیسری سہ ماہی اور نو ماہ کی اختتامی مدت 31 مارچ، 2024ء کے غیر آڈٹ شدہ مالی نتائج کے حوالے سے رپورٹ پیش کرتے ہیں۔

### نمایاں مالیاتی نکات

(ملین روپوں میں)		
نوماہ کے نتائج		
31-Mar-23	31-Mar-24	
1,317.50	936.27	فروخت
8.68	204.20	خام منافع
56.77	55.91	انتظامی اخراجات
(117.82)	78.15	نوماہ کا منافع / (خسارہ)
(39.27)	26.05	فی کس سرٹیفکیٹ آمدنی (بنیادی اور تحلیل شدہ) روپے

### کارکردگی کا جائزہ

فروخت کے حجم اور قیمت میں کمی کے باوجود، منافع پچھلے سال کے نوماہ کے مقابلے میں بہتر مارجن اور نسبتاً مستحکم شرح مبادلہ کی وجہ سے زیادہ رہا۔ انتظامیہ توقع رکھتی ہے کہ اضافے کا یہ رجحان جاری رہے گا اور ہم سال کا اختتام مثبت انداز میں کریں گے۔

### 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، رفقاء کار، سرمایہ کاروں، بینکاروں اور کاروباری پارٹیوں کے تعاون کے لئے ان سب کا بھی شکر گزار ہے۔

منجانب بورڈ

عمر محمد خان

ڈائریکٹر

نوید ریاض

چیف ایگزیکٹو

29 اپریل، 2024ء



FIRST IMROOZ MODARABA

**CONDENSED INTERIM BALANCE SHEET  
AS AT MARCH 31, 2024**

	<b>(Un-audited) March 31, 2024 Rupees</b>	<b>(Audited) June 30, 2023 Rupees</b>
<b>ASSETS</b>		
<b>NON CURRENT ASSETS</b>		
Property and equipment	12,489,655	14,006,740
Intangible assets	1,007,824	1,398,496
Long term deposits	598,202	598,202
	<u>14,095,681</u>	<u>16,003,438</u>
<b>CURRENT ASSETS</b>		
Stock in trade	302,586,115	378,194,924
Trade debtors	206,467,146	311,212,675
Advances, deposits, prepayments and other receivables	7,402,466	8,764,577
Taxation	11,807,168	16,728,957
Cash and bank balances	5,134,621	52,255,980
	533,397,516	767,157,113
<b>TOTAL ASSETS</b>	<u><u>547,493,197</u></u>	<u><u>783,160,551</u></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	78,955,563	15,806,157
	<u>227,688,820</u>	<u>164,539,414</u>
<b>NON CURRENT LIABILITY</b>		
Defined benefit plan - Staff gratuity	6,719,947	6,719,947
Obligation under financing facilities - Secured	965,340	1,422,655
	7,685,287	8,142,602
<b>CURRENT LIABILITIES</b>		
Obligation under financing facilities - Secured	163,889,224	140,609,676
Qard-e-Hasana from Modaraba Management Company	26,500,000	-
Creditors, accrued and other liabilities	121,729,866	469,868,859
	312,119,090	610,478,535
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>547,493,197</u></u>	<u><u>783,160,551</u></u>
<b>CONTINGENCIES AND COMMITMENTS</b>	3	

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  
CHIEF EXECUTIVE

OMAR MOHAMMAD KHAN  
DIRECTOR

AMEED RIAZ  
DIRECTOR

MUHAMMAD ALI BAIG  
CHIEF FINANCIAL OFFICER



**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)  
FOR NINE MONTHS AND THIRD QUARTER ENDED MARCH 31, 2024**

	Nine months ended		Third Quarter ended	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
	Rupees			
Sales	936,274,396	1,317,504,817	327,431,922	612,887,488
Cost of sales	(732,074,913)	(1,308,826,740)	(259,346,417)	(682,255,566)
Gross Profit / (Loss)	204,199,483	8,678,077	68,085,505	(69,368,078)
Operating expenses	(56,399,368)	(56,769,971)	(17,985,533)	(16,193,032)
Operating Profit / (Loss)	147,800,115	(48,091,894)	50,099,972	(85,561,110)
Financial charges	(26,502,757)	(11,556,857)	(8,862,015)	(6,172,919)
Other income	362,806	1,637,535	29,810	227,087
Reversal for doubtful debts	-	2,372,411	-	-
	121,660,164	(55,638,805)	41,267,767	(91,506,942)
(Provision) / Reversal for Sindh Workers' Welfare Fund	(2,433,203)	-	(825,355)	717,363
Profit / (Loss) before taxation	119,226,961	(55,638,805)	40,442,411	(90,789,579)
Taxation	(41,077,555)	(62,183,286)	(15,660,685)	(25,652,545)
Profit / (Loss) for the period	78,149,406	(117,822,091)	24,781,727	(116,442,124)
Other comprehensive income	-	-	-	-
Total comprehensive income / (loss) for the period	78,149,406	(117,822,091)	24,781,727	(116,442,124)
Earnings per certificate - basic and diluted	26.05	(39.27)	8.26	(38.81)

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)**

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CHIEF EXECUTIVE

OMAR MOHAMMAD KHAN  
DIRECTOR

AMEED RIAZ  
DIRECTOR

MUHAMMAD ALI BAIG  
CHIEF FINANCIAL OFFICER

**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)  
FOR NINE MONTHS AND THIRD QUARTER ENDED MARCH 31, 2024**

	Nine months ended		Third Quarter ended	
	Mar 31, 2024	Mar 31, 2023	Mar 31, 2024	Mar 31, 2023
	Rupees			
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Profit / (Loss) before taxation	119,226,961	(55,638,805)	40,442,411	(90,789,579)
Adjustments for non-cash and other items:				
Depreciation	2,907,491	2,035,027	982,440	689,877
Amortization on intangible assets	390,672	261,805	130,224	98,007
Amortization on Deferred Capital Grant	-	-	-	27,953
Gain on disposal of property and equipment	(355)	(1,203,499)	14,645	-
Financial charges	26,502,757	11,556,857	8,862,015	6,172,919
Provision for staff gratuity	-	451,110	-	150,370
Reversal for doubtful debts	-	(2,372,411)	-	-
	29,800,565	10,728,889	9,989,324	7,139,126
Operating profit / (loss) before working capital changes	149,027,526	(44,909,916)	50,431,735	(83,650,453)
Changes in operating assets and liabilities				
Decrease / (Increase) in current assets				
Stock in trade	75,608,809	128,991,538	(15,083,984)	342,478,935
Trade debtors	104,745,529	(365,743,644)	2,672,731	(352,847,950)
Advances, deposits, prepayments & other receivables	1,362,111	(24,306,811)	(4,977,817)	(11,085,740)
	181,716,449	(261,058,917)	(17,389,070)	(21,454,755)
(Decrease) / Increase in current liabilities				
Creditors, accrued and other liabilities	(354,081,935)	334,689,932	(20,545,472)	77,365,811
Cash (used in) / generated from operating activities	(23,337,960)	28,721,099	12,497,194	(27,739,397)
Financial charges paid	(20,769,116)	(10,969,930)	(7,840,508)	(5,548,146)
Income tax paid	(36,155,766)	(75,220,662)	(11,342,177)	(34,747,284)
Gratuity paid	-	(6,618,982)	-	(3,318,366)
Net cash used in operating activities	(80,262,842)	(64,088,475)	(6,685,491)	(71,353,193)
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Purchase of property and equipment	(1,405,051)	(1,714,610)	(1,081,101)	(1,452,475)
Purchase of intangible assets	-	(773,198)	-	(773,198)
Proceeds from disposal of property and equipment	15,000	1,203,500	-	-
Net cash used in investing activities	(1,390,051)	(1,284,308)	(1,081,101)	(2,225,673)
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Dividend paid	(14,790,699)	(16,012,405)	(179,843)	(1,800)
Receipts of Qard-e-Hasana from Modaraba Management Company	218,500,000	305,500,000	45,500,000	128,000,000
Repayment of Qard-e-Hasana to Modaraba Management Company	(192,000,000)	(262,500,000)	(56,000,000)	(30,000,000)
(Repayment) / Receipts of Musharaka finances	22,822,233	(4,609,398)	15,726,208	9,834,219
Receipts of Musawamah finances	325,000,000	335,000,000	120,000,000	140,000,000
Repayment of Musawamah finances	(325,000,000)	(250,000,000)	(120,000,000)	(140,000,000)
Repayment of Salam finances	-	(1,376,727)	-	-
Net cash generated from financing activities	34,531,534	106,001,470	5,046,365	107,832,419
Net (decrease) / increase in cash and cash equivalent (A+B+C)	(47,121,359)	40,628,687	(2,720,227)	34,253,553
Cash and cash equivalent at the beginning of the period	52,255,980	5,020,220	7,854,848	11,395,354
Cash and cash equivalent at the end of the period	5,134,621	45,648,907	5,134,621	45,648,907

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)**

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CHIEF EXECUTIVE

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AMEED RIAZ  
DIRECTOR

MUHAMMAD ALI BAIG  
CHIEF FINANCIAL OFFICER



FIRST IMROOZ MODARABA

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)  
FOR NINE MONTHS AND THIRD QUARTER ENDED MARCH 31, 2024**

	<b>Paid-up certificate</b>	<b>Statutory reserve*</b>	<b>Revenue reserve Unappropriated profit</b>	<b>Total</b>
	----- (Rupees) -----			
Balance as at July 01, 2022	30,000,000	118,733,257	35,003,813	183,737,070
<b>Transaction with owners</b>				
Profit distribution for the year ended June 30, 2022 @ Rs.5.50/- per certificate	-	-	(16,500,000)	(16,500,000)
<b>Total comprehensive income</b>				
Loss for the period - Jul 2022 to Mar 2023	-	-	(117,822,091)	(117,822,091)
Other comprehensive income	-	-	-	-
	-	-	(117,822,091)	(117,822,091)
Balance as at March 31, 2023	<u>30,000,000</u>	<u>118,733,257</u>	<u>(99,318,278)</u>	<u>49,414,979</u>
<b>Total comprehensive income</b>				
Profit for the period - Apr 2023 to Jun 2023	-	-	115,124,435	115,124,435
Other comprehensive income	-	-	-	-
Transfer to statutory reserve	-	-	-	-
Balance as at June 30, 2023	30,000,000	118,733,257	15,806,157	164,539,414
<b>Transaction with owners</b>				
Profit distribution for the year ended June 30, 2023 @ Rs.5/- per certificate	-	-	(15,000,000)	(15,000,000)
<b>Total comprehensive income</b>				
Profit for the period - Jul 2023 to Mar 2024	-	-	78,149,406	78,149,406
Other comprehensive income	-	-	-	-
	-	-	78,149,406	78,149,406
Balance as at March 31, 2024	<u>30,000,000</u>	<u>118,733,257</u>	<u>78,955,563</u>	<u>227,688,820</u>

\* The statutory reserve represents profit set aside under Modaraba Regulations, 2021 issued by the Securities and Exchange Commission of Pakistan.

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  
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## **NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR NINE MONTHS AND THIRD QUARTER ENDED MARCH 31, 2024**

### **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 and its warehouses at C-28, S.I.T.E , Karachi and 125-S, Small Industrial Area, Kot Lakhpat, Lahore, in the provinces of Sindh & Punjab, Pakistan
- 1.3 It is a multi purpose, perpetual Modaraba and is mainly engaged in domestic and international trading activities. The Modaraba primarily trades in industrial raw materials, catering to numerous industries like paint, coatings, pharmaceuticals, food, agriculture, personal care, household, textile etc.

### **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 which comprised 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 ['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), the 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, 2023.
- 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, 2023, 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 third quarter and nine months period ended March 31, 2023.
- 2.1.4 These financial statements have been prepared under the historical cost convention and have been prepared following accrual basis of accounting except for cash flow statement.

## **NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR NINE MONTHS AND THIRD QUARTER ENDED MARCH 31, 2024**

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, 2023.

### **3. CONTINGENCIES AND COMMITMENTS**

#### **3.1 Contingencies**

3.1.1 In respect of show cause notices issued to the Modaraba by the Collectorate of Customs (Adjudication-II), Karachi, the Honorable Customs Excise and Sales Tax Appellate Tribunal, Karachi decided the appeal in our favor as per order dated October 09, 2023 and dated January 08, 2024.

3.1.2 In addition to above, the Deputy Collector of Customs, Adjudication-II, Karachi passed an order on 10-02-2023, creating aggregate demand of Rs.1,623,672, includes Customs Duty, Additional Customs Duty, Sales Tax, Income Tax and Penalty on the alleged ground that declared valuation of specified imported goods were lower than the assessable value. The matter is pending before the Collector of Customs (Appeals), Karachi and the management is confident of favorable outcome, therefore the management has not recorded any provision for the said amount in these financial statements.

3.1.3 The Deputy Commissioner (DC) - Unit 37 of the Sindh Revenue Board (SRB) issued Show Cause Notices (SCNs) in October 2023 relating to the tax period ended June-2016 to June-2022 for recovery of Sindh Workers Welfare Fund (SWWF).

The Modaraba has filed its responses to the said SCNs taking plea that Modaraba is not engaged in any kind of activity whatsoever related to banking or financial institution, since its inception. It is engaged in the business of commercial imports of specialty chemicals. Therefore, provisions of SWWF are not applicable on the Modaraba.

The DC of SRB passed 07 order in Nov-2023 and in Jan-2024 creating aggregate demand of Rs.26,387,353/-, which includes Penalties Rs.778,000/- and Additional amount @ 15% p.a. Rs.9,749,348/-

The Modaraba has filed appeals before the Commissioner Appeals, SRB, Karachi where the matter is pending. The Commissioner Appeals has pleased to grant stay of disputed demand. The management of the Modaraba is hopeful of positive outcome.



**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION  
FOR NINE MONTHS AND THIRD QUARTER ENDED MARCH 31, 2024**

**3.2 Commitments**

3.2.1 The Modaraba has issued post dated cheques to the Collector of Customs amounting to Rs. 52.882 million (June 30, 2023 : Rs. 47.004 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. 36 million (June 30, 2023 : Rs. Nil).

**4. DATE OF AUTHORISATION FOR ISSUE**

These condensed interim financial statements were authorised for issue on 29-04-2024 by the Board of Directors of the Modaraba Management Company M/s. A R Management Services (Private) Limited.

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

NAVEED RIAZ  
CHIEF EXECUTIVE

OMAR MOHAMMAD KHAN  
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