# QUARTERLY ACCOUNTS

(un-audited)

For the period ended March 31, 2013



# 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 third quarter and nine months period ended March 31, 2013.

## 1. Financial Highlights

Financial results of the Modaraba are summarized as under:-

(Rupees in million)

| | Nine months ended | |
|---|---|---|
| | 31-Mar-13 | 31-Mar-12 |
| Sales | 437.948 | 470.953 |
| Gross profit | 61.709 | 66.184 |
| Operating expenses | 23.931 | 26.932 |
| Other income | 1.992 | 1.590 |
| Unrealized (diminution) \ appreciation on re-measurement of investments | - | (0.044) |
| Profit before taxation | 33.452 | 33.926 |
| Profit after tax for the nine months | 16.798 | 13.229 |
| Earnings per certificate - basic & diluted (Rupees) | 5.60 | 4.41 |

## 2. Review of Operations

As indicated earlier, the Modaraba is passing through its difficult period. Due to weak economic conditions, the turnover for the period under review is decreased to Rs.437.948 million as against Rs.470.953 million of the corresponding period.

However, by management's emphasis on controlling expenses the operating expenses decreased to Rs. 23.931 million as against Rs. 26.932 million of corresponding period.

The other income of the Modaraba increased to Rs. 1.992 million as against Rs. 1.590 million of the corresponding period.

As a result, the Modaraba's profit for nine months ended March 31, 2013 is increased to Rs. 16.798 million as against Rs. 13.229 million of the corresponding period. The earnings per certificate is worked out to Rs. 5.60 as against Rs. 4.41 in 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.

on behalf of the Board

Naveed Riaz
Chief Executive

April 23, 2013

FIRST IMROOZ MODARABA

## CONDENSED INTERIM BALANCE SHEET
## AS AT MARCH 31, 2013

| | Note | (Un-audited) March 31, 2013 Rupees | (Audited) June 30, 2012 Rupees |
|---|---|---|---|
| **NON CURRENT ASSETS** | | | |
| Property and equipment | | 4,355,477 | 6,089,851 |
| Intangible assets | | 99,063 | 183,792 |
| | | 4,454,540 | 6,273,643 |
| **CURRENT ASSETS** | | | |
| Stock in trade | | 128,789,067 | 182,523,263 |
| Trade debtors - unsecured, considered good | | 67,943,070 | 122,180,389 |
| Advances, deposits, prepayments and other receivables | | 4,383,968 | 4,395,526 |
| Investments | | - | 1,104,182 |
| Taxation | | 3,718,483 | 3,127,085 |
| Cash and bank balances | | 22,468,063 | 28,403,992 |
| | | 227,302,651 | 341,734,437 |
| | | 231,757,191 | 348,008,080 |
| **CAPITAL AND RESERVES** | | | |
| Authorised Certificate Capital | | | |
| 10,000,000 Modaraba Certificates of Rs.10/- each | | 100,000,000 | 100,000,000 |
| Issued certificate capital | | 30,000,000 | 30,000,000 |
| Statutory reserve | | 65,477,797 | 65,477,797 |
| Revenue reserve | | 21,320,683 | 24,022,403 |
| | | 116,798,480 | 119,500,200 |
| **NON CURRENT LIABILITY** | | | |
| Staff gratuity | | 13,030,295 | 11,190,455 |
| **CURRENT LIABILITIES** | | | |
| Obligation under murabaha finances | | 16,953,528 | 43,018,771 |
| Qard-e-Hasana from modaraba mangement company | | 22,500,000 | 31,000,000 |
| Creditors, accrued and other liabilities | | 62,474,888 | 143,298,654 |
| | | 101,928,416 | 217,317,425 |
| **CONTINGENCIES AND COMMITMENTS** | 5 | | |
| | | 231,757,191 | 348,008,080 |

The annexed notes from 1 to 7 form an integral part of this condensed interim financial information

| | | |
|---|---|---|
| **Naveed Riaz** | **Ameed Raiz** | **Mrs. Saadat Ikram** |
| Chief Executive | Director | Director |

FIRST IMROOZ MODARABA

## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2013

| | Nine months ended | | Quarter ended | |
|---|---|---|---|---|
| | March 31, 2013 | March 31, 2012 | March 31, 2013 | March 31, 2012 |
| | Rupees | | | |
| Sales | 437,948,409 | 470,952,751 | 128,142,945 | 125,402,786 |
| Cost of sales | 376,239,080 | 404,768,507 | 107,085,304 | 106,131,023 |
| Gross profit | 61,709,329 | 66,184,244 | 21,057,641 | 19,271,763 |
| Operating expenses | 23,930,656 | 26,931,818 | 7,575,056 | 8,121,058 |
| Operating profit | 37,778,673 | 39,252,426 | 13,482,585 | 11,150,705 |
| Murabaha charges | (3,010,164) | (3,517,587) | (544,458) | (1,075,245) |
| Other income | 1,992,411 | 1,590,328 | 725,062 | 634,794 |
| Unrealised (diminution) / appreciation on re-measurement of investments | - | (44,347) | (603,994) | 365,264 |
| | 36,760,920 | 37,280,820 | 13,059,195 | 11,075,518 |
| Profit payable to the modaraba company as their remuneration | 3,308,483 | 3,355,274 | 1,175,329 | 996,797 |
| Profit before taxation | 33,452,437 | 33,925,546 | 11,883,866 | 10,078,721 |
| Taxation | 16,654,157 | 20,697,018 | 4,562,970 | 5,411,000 |
| Profit for the period | 16,798,280 | 13,228,528 | 7,320,896 | 4,667,721 |
| Other Comprehensive Income | - | - | - | - |
| Total comprehensive income | 16,798,280 | 13,228,528 | 7,320,896 | 4,667,721 |
| Earnings per certificate - basic and diluted | 5.60 | 4.41 | 2.44 | 1.56 |

The annexed notes from 1 to 7 form an integral part of this condensed interim financial information

## CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2013

| | Issued, subscribed and paid up certificate capital | Statutory reserve | Revenue reserve (un-appropriated profit) | Total |
|---|---|---|---|---|
| | Rupees | | | |
| Balance at July 01, 2011 | 30,000,000 | 60,557,907 | 26,392,845 | 116,950,752 |
| Profit distribution for the year ended June 30, 2011 @ Rs. 7.35 per certificate | - | - | (22,050,000) | (22,050,000) |
| Total comprehensive income - Jul 11 to Mar 12 | - | - | 13,228,528 | 13,228,528 |
| Balance at March 31, 2012 | 30,000,000 | 60,557,907 | 17,571,373 | 108,129,280 |
| Total comprehensive income - Apr 12 to Jun 12 | - | - | 11,370,920 | 11,370,920 |
| Transfer to statutory reserve | - | 4,919,890 | (4,919,890) | - |
| Balance at June 30, 2012 | 30,000,000 | 65,477,797 | 24,022,403 | 119,500,200 |
| Profit distribution for the year ended June 30, 2012 @ Rs. 6.50 per certificate | - | - | (19,500,000) | (19,500,000) |
| Total comprehensive income - Jul 12 to Mar 13 | - | - | 16,798,280 | 16,798,280 |
| Balance at March 31, 2013 | 30,000,000 | 65,477,797 | 21,320,683 | 116,798,480 |

The annexed notes from 1 to 7 form an integral part of this condensed interim financial information

**Naveed Riaz**
Chief Executive

**Ameed Raiz**
Director

**Mrs. Saadat Ikram**
Director

FIRST IMROOZ MODARABA

# CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE NINE MONTHS PERIOD AND QUARTER ENDED

| | Nine months ended | | Quarter ended | |
|---|---|---|---|---|
| | March 31, 2013 | March 31, 2012 | March 31, 2013 | March 31, 2012 |
| | Rupees | | | |
| **A. CASH FLOWS FROM OPERATING ACTIVITIES** | | | | |
| Profit before taxation | 33,452,437 | 33,925,546 | 11,883,866 | 10,078,721 |
| Adjustments for: | | | | |
| Depreciation on property and equipment | 1,475,719 | 2,131,525 | 449,595 | 738,164 |
| Amortization of intangible assets | 84,729 | 116,289 | 25,363 | 38,763 |
| Gain on disposal of property and equipment | (704,586) | (474,776) | - | (490,415) |
| Gain on sale of investments | (587,350) | ( 15,501) | (517,192) | (15,501) |
| Dividend Income | (70,158) | (101,140) | (70,158) | - |
| Unrealised diminution / (appreciation) on re-measurement of investments | - | 44,347 | 603,994 | (365,264) |
| Murabaha charges | 3,010,164 | 3,517,587 | 544,458 | 1,075,245 |
| Provision for staff gratuity | 2,052,000 | 1,575,000 | 684,000 | 525,000 |
| | 5,260,518 | 6,793,331 | 1,720,060 | 1,505,992 |
| | 38,712,955 | 40,718,877 | 13,603,926 | 11,584,713 |
| Changes in operating assets and liabilities | | | | |
| Decrease / (Increase) in current assets | | | | |
| Stock in trade | 53,734,196 | 43,418,480 | 9,507,783 | (289,754) |
| Trade debtors | 54,237,319 | 141,694 | (9,748,366) | (8,811,020) |
| Advances, deposits, prepayments and other receivables | 11,558 | (4,585,553) | (3,132,617) | (5,711,209) |
| | 107,983,073 | 38,974,621 | (3,373,200) | (14,811,983) |
| (Decrease) / Increase in current liabilities | | | | |
| Creditors, accrued and other liabilities | (81,041,011) | (86,473,386) | 18,787,850 | 11,143,788 |
| Cash generated from / (used in) operations | 65,655,017 | (6,779,888) | 29,018,576 | 7,916,518 |
| Murabaha charges paid | (3,314,429) | (3,902,244) | (833,403) | (1,074,191) |
| Taxes paid | (17,245,555) | (21,992,468) | (5,835,179) | (8,371,960) |
| Gratuity paid | (212,160) | - | - | - |
| Net cash generated / (used in) operating activities | 44,882,873 | 32,674,600 | 22,349,994 | (1,529,633) |
| **B. CASH FLOWS FROM INVESTING ACTIVITIES** | | | | |
| Purchase of property and equipment | (191,760) | (3,332,836) | - | (34,741) |
| Proceeds from disposal of property and equipment | 1,155,000 | 1,018,928 | - | 1,010,928 |
| Proceeds from disposal of investments | 1,691,533 | - | 1,691,533 | - |
| Investment in shares - net | - | 75,501 | - | 75,501 |
| Dividend received | 70,158 | 101,140 | - | - |
| Net cash generated/(used in) from investing activities | 2,724,931 | (2,137,267) | 1,691,533 | 1,051,688 |
| **C. CASH FLOWS FROM FINANCING ACTIVITIES** | | | | |
| Profit distribution | (18,978,490) | (21,471,240) | (13,046,533) | (579,016) |
| Qard-e-Hasana from modaraba management company - net | (8,500,000) | 54,500,000 | (2,000,000) | (5,000,000) |
| Obligation under murabaha finances - net | (26,065,243) | 11,891,476 | (12,355,736) | 17,744,609 |
| Net cash (used in) / generated from financing activities | (53,543,733) | 44,920,236 | (27,402,269) | 12,165,593 |
| Net (decrease) / increase in cash and cash equivalent (A+B+C) | (5,935,929) | 10,108,369 | (3,360,742) | 11,687,648 |
| Cash and cash equivalent at the beginning of the period | 28,403,992 | 17,555,322 | 25,828,805 | 15,976,043 |
| Cash and cash equivalent at the end of the period | 22,468,063 | 27,663,691 | 22,468,063 | 27,663,691 |

The annexed notes from 1 to 7 form an integral part of this condensed interim financial information

| Naveed Riaz | Ameed Raiz | Mrs. Saadat Ikram |
|---|---|---|
| Chief Executive | Director | Director |

FIRST IMROOZ MODARABA

# NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2013

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, 2013 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, the 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 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 for the preparation of this condensed interim financial information are the same which were applied for the preparation of financial statements for the year ended June 30, 2012

5. CONTINGENCIES AND COMMITMENTS

5.1 Contingencies

5.1.1. The Modaraba has issued post dated cheques to Collector of Customs amounting to Rs. 39.065 million (June 30, 2012 : Rs. 43.556 million).

5.1.2. The other contingencies are same as disclosed in the financial statement for the year ended 30 June 2012.

5.2 Commitments

Commitments in respect of outstanding letters of credit for trading stock amounting to Rs. 16.086 million (June 30, 2012 : Rs. 37.149 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 23, 2013.

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** | **Ameed Raiz** | **Mrs. Saadat Ikram** |
|---|---|---|
| Chief Executive | Director | Director |

***If undelivered, please return to:***

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