

HALF YEARLY REPORT

For the period ended December 31, 2019
(Un-Audited)



FIRST IMROOZ MODARABA

Managed By
A R Management Services (Private) Limited



FIRST IMROOZ MODARABA

MODARABA INFORMATION

Modaraba Management Company	A R Management Services (Private) Ltd.
Directors of Modaraba Company	Mr. Naveed Riaz – Chief Executive Mrs. Saadat Ikram Mr. Ameer Riaz Mr. Omar Mohammad Khan
Chief Financial Officer	Mr. Ateed Riaz
Audit Committee	Mr. Omar Mohammad Khan (Chairman) Mrs. Saadat Ikram (Member) Mr. Ameer Riaz (Member)
Human Resource Committee	Mr. Omar Mohammad Khan (Chairman) Mrs. Saadat Ikram (Member) Mr. Ameer 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 Alfalah Limited
Legal Advisors	Mr. Masood Aziz Advocate Masood Aziz & Associates
Shariah Advisor	Mufti Abdul Qadir
Principal place of business	Room No. 405, 4 th 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 half yearly report alongwith un-audited condensed financial statements for the period ended December 31, 2019, duly reviewed by the statutory auditors.

1. Financial Highlights

Financial results of the Modaraba are summarized as under: -

	(Rupees in million)	
	Six months ended	
	31-Dec-19	31-Dec-18
Sales	260.572	371.664
Gross profit	71.974	55.192
Operating expenses	34.066	38.491
Other income	0.682	0.092
Profit before taxation	33.914	14.331
Taxation	10.319	19.167
Profit / (Loss) for the half year	23.595	(4.836)
Earnings per certificate - basic & diluted (Rupees)	7.86	(1.61)

2. Review of Operations

During the period our business performance remained under pressure due to overall economic and business slow down in the country. The turnover for the half year ended December 31, 2019 decreased to Rs. 260.572 million as compared to Rs. 371.664 million of the corresponding period.

However, gross profit has increased to Rs. 71.974 million as compared to Rs. 55.192 of the corresponding period that is by 30%. This is mainly due to better profit margin and stability in exchange rate as compared to the last corresponding period, wherein the gross profit was severely affected due to devaluation of Pakistani currency and volatility in the global market.

The operating expenses have decreased to Rs. 34.066 million as compared to Rs. 38.490 million of the corresponding period.

Resultantly, the Modaraba recorded a profit of Rs. 23.595 million as against loss of Rs. (4.835) million.

The earnings per certificate of the Modaraba worked out to Rs. 7.86 as against adverse earning per certificate of Rs. (1.61).

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
Chief Executive

Ameed Riaz
Director

February 26, 2020

ڈائریکٹرز کی رپورٹ

فرسٹ امروز مضاربہ کی انتظامی کمپنی اے آر مینجمنٹ سروسز (پرائیویٹ) لمیٹڈ کے بورڈ آف ڈائریکٹرز مضاربہ کی غیر آڈٹ شدہ ششماہی رپورٹ چھ ماہ اختتام 31 دسمبر 2019 کے مالی حسابات بشمول آڈیٹر کے جائزہ کے ساتھ پیش کرتے ہیں۔

نمایاں مالیاتی نکات

مضاربہ کے مالیاتی نتائج مندرجہ ذیل ہیں:

ششماہی اختتام		
31-Dec-18	31-Dec-19	
(ملین روپوں میں)		
371.664	260.572	فروخت اشیاء
55.192	71.974	مجموعی منافع
38.491	34.066	انتظامی اخراجات
0.092	0.682	دیگر آمدن
14.331	33.914	قبل از ٹیکس منافع
19.167	10.319	ٹیکس
(4.836)	23.595	بعد از ٹیکس منافع / (نقصان)
(1.61)	7.86	فی کس سرٹیفکیٹ آمدنی / (بنیادی اور تحلیل شدہ) روپے

کارکردگی کا جائزہ

اس ششماہی کے دوران ملک میں مجموعی معاشی اور کاروبار سست ہونے کی وجہ سے ہماری کاروباری کارکردگی دباؤ کا شکار رہی۔ 31 دسمبر، 2019 کو ختم ہونے والے نصف سال میں اشیاء کی فروخت 260.572 ملین روپے تک رہی جبکہ اسکے مقابلے میں پچھلے دورانیے میں یہ فروخت 371.664 ملین روپے تھی۔

تاہم، مجموعی منافع 30% فیصد اضافے سے بڑھ کر 71.974 ملین روپے تک رہا، جب کہ اس کے مقابلے پچھلی مدت کے دوران مجموعی منافع 55.192 ملین روپے تھا۔ اس کی بنیادی وجہ پچھلی مدت کے مقابلے میں اس مدت میں منافع کے مارجن میں بہتری اور شرح تبادلہ میں استحکام ہے۔ جبکہ گزشتہ مدت میں پاکستانی روپے کی قدر میں کمی اور عالمی منڈی میں اتار چڑھاؤ کی وجہ سے مجموعی منافع شدید متاثر ہوا تھا۔

انتظامی اخراجات گھٹ کر 34.066 ملین روپے رہے جب کہ گزشتہ مقابل مدت میں یہ 38.490 ملین روپے تھے۔ نتیجتاً مضاربہ کا منافع ششماہی اختتام پہ 23.595 ملین روپے رہا، جبکہ گزشتہ مقابل مدت پہ نقصان (4.836) ملین روپے تھا۔ مضاربہ کی فی کس سرٹیفکیٹ آمدنی 7.86 روپے رہی جبکہ اسکے مقابلے میں پچھلے دورانیے میں فی کس سرٹیفکیٹ آمدنی (1.61) 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 مالکان، رفقاء کار، سرمایہ کاروں، بینکاروں اور کاروباری پارٹیوں کی رہنمائی کے لئے ان سب کا شکر گزار ہے۔

منجانب بورڈ

عمید ریاض

ڈائریکٹر

نوید ریاض

چیف ایگزیکٹو

26 فروری، 2020

INDEPENDENT AUDITORS' REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION TO THE CERTIFICATE HOLDERS

Introduction

We have reviewed the accompanying condensed interim balance sheet of **First Imrooz Modaraba** ("the Modaraba") as at December 31, 2019 and the related condensed interim profit and loss account, condensed interim cash flow statement, condensed interim statement of changes in equity and notes to the accounts for the half year then ended (here-in-after referred as the "condensed interim financial information"). Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as at and for the half year ended December 31, 2019 is not prepared, in all material respects, in accordance with accounting standards as applicable in Pakistan for interim financial reporting.

Other matters

The figures for the quarter ended December 31, 2019 and December 31, 2018 in the condensed interim profit and loss account and condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion on them.

The financial statements of the Company for the year ended June 30, 2019 were audited and condensed interim financial information for the half year ended December 31, 2018 were reviewed by another firm of chartered accountants who through their report dated October 04, 2019, and February 27, 2019 expressed an unmodified opinion and conclusion thereon, respectively.

KARACHI

DATED: 26 FEB 2020


BDO Ebrahim & Co.
CHARTERED ACCOUNTANTS
Engagement Partner: Raheel Shahnawaz



FIRST IMROOZ MODARABA

CONDENSED INTERIM BALANCE SHEET AS AT DECEMBER 31, 2019

	Note	(Un-audited) December 31, 2019 (Rupees)	(Audited) June 30, 2019 (Rupees)
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	4	8,374,624	9,294,441
Intangible assets		83,321	333,323
Long term deposits		590,752	490,752
		<u>9,048,697</u>	<u>10,118,516</u>
CURRENT ASSETS			
Stock in trade		183,678,516	212,679,008
Trade debtors		131,610,065	98,602,686
Advances, deposits, prepayments and other receivables		2,945,322	1,031,467
Taxation		9,463,265	7,450,310
Cash and bank balances		2,249,016	11,346,950
		<u>329,946,184</u>	<u>331,110,421</u>
TOTAL ASSETS		<u><u>338,994,881</u></u>	<u><u>341,228,937</u></u>
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Authorized 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		94,143,390	94,143,390
Revenue reserve		23,614,713	15,020,145
		<u>147,758,103</u>	<u>139,163,535</u>
NON-CURRENT LIABILITIES			
Defined benefit plan - Staff gratuity		34,139,954	30,196,633
CURRENT LIABILITIES			
Obligation under financing	5	39,013,775	74,637,490
Qard-e-Hasana from Modaraba Management Company		35,000,000	-
Creditors, accrued and other liabilities		83,083,049	97,231,279
		<u>157,096,824</u>	<u>171,868,769</u>
TOTAL EQUITY AND LIABILITIES		<u><u>338,994,881</u></u>	<u><u>341,228,937</u></u>
CONTINGENCIES AND COMMITMENTS	6		

The annexed notes from 1 to 10 form an integral part of this condensed interim financial information.

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

**NAVEED RIAZ
CHIEF EXECUTIVE**

**MRS. SADAAT IKRAM
DIRECTOR**

**AMEED RIAZ
DIRECTOR**

**ATEED RIAZ
CHIEF FINANCIAL OFFICER**



FIRST IMROOZ MODARABA

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2019

Note	Half year ended		Quarter ended	
	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
	----- (Rupees) -----	----- (Rupees) -----	----- (Rupees) -----	----- (Rupees) -----
Sales	260,572,413	371,664,218	146,151,294	189,859,222
Cost of sales	(188,598,344)	(316,471,906)	(110,460,423)	(161,610,298)
Gross profit	71,974,069	55,192,312	35,690,871	28,248,924
Operating expenses	(34,066,386)	(38,490,623)	(16,553,117)	(21,802,960)
Operating profit	37,907,683	16,701,689	19,137,754	6,445,964
Murabaha charges	(1,061,116)	(1,481,797)	(170,527)	(1,490,982)
Musharaka charges	(2,923,193)	(688,289)	(1,314,892)	-
Other income	682,428	92,231	34,951	42,804
Provision for Sindh Workers' Welfare Fund	(692,116)	(292,476)	(353,296)	(99,955)
Profit before taxation	33,913,686	14,331,358	17,333,990	4,897,831
Taxation	(10,319,118)	(19,167,321)	(4,989,341)	(9,465,285)
Profit / (loss) for the period	23,594,568	(4,835,963)	12,344,649	(4,567,454)
Other comprehensive income	-	-	-	-
Total comprehensive income / (loss) for the period	23,594,568	(4,835,963)	12,344,649	(4,567,454)
Earnings per certificate - basic and diluted	7.86	(1.61)	4.11	(1.52)

The annexed notes from 1 to 10 form an integral part of this condensed interim financial information.

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

NAVEED RIAZ
CHIEF EXECUTIVE

MRS. SADAAT IKRAM
DIRECTOR

AMEED RIAZ
DIRECTOR

ATEED RIAZ
CHIEF FINANCIAL OFFICER



FIRST IMROOZ MODARABA

CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2019

	Half year ended	
	December 31, 2019	December 31, 2018
	----- (Rupees) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	33,913,686	14,331,358
Adjustments for non-cash and other items:		
Depreciation	1,897,295	2,009,127
Amortisation on intangible assets	250,002	250,002
(Gain) / loss on disposal of assets	(599,998)	3,415
Murabaha charges	1,061,116	2,170,086
Musharaka charges	2,923,193	-
Provision for staff retirement gratuity	4,299,781	1,874,562
Provision for doubtful debts	107,021	1,158,085
	9,938,410	7,465,277
Operating profit before working capital changes	43,852,096	21,796,635
Changes in operating assets and liabilities		
Decrease / (increase) in current assets		
Stock in trade	29,000,492	32,058,630
Trade debtors	(33,114,400)	16,150,219
Advances, deposits, prepayments and other receivables	(2,013,855)	(589,098)
	(6,127,763)	47,619,751
(Increase) / decrease in current liabilities		
Creditors, accrued and other liabilities	(14,301,832)	26,718,686
Cash generated from operating activities	23,422,501	96,135,072
Murabaha charges paid	(1,314,730)	(1,867,136)
Musharaka charges paid	(3,158,176)	-
Taxes paid	(12,332,073)	(16,114,007)
Staff gratuity paid	(356,460)	-
Net cash generated from operating activities	6,261,062	78,153,929
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property and equipment	(977,478)	(803,945)
Proceeds from disposal of property and equipment	599,998	21,000
Net cash used in investing activities	(377,480)	(782,945)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(14,357,802)	(16,211,671)
Proceeds of Qard-e-Hasana from Modaraba Management Company	79,000,000	75,200,000
Repayment of Qard-e-Hasana to Modaraba Management Company	(44,000,000)	(191,100,000)
Receipts from Morabaha finances	15,577,376	126,062,927
Repayment of Morabaha finances	(37,467,201)	(73,722,967)
Repayment of Musharaka finances	(13,733,889)	-
Net cash used in financing activities	(14,981,516)	(79,771,711)
Net decrease in cash and cash equivalents	(9,097,934)	(2,400,727)
Cash and cash equivalents at the beginning of the period	11,346,950	14,070,366
Cash and cash equivalents at the end of the period	2,249,016	11,669,639

The annexed notes from 1 to 10 form an integral part of this condensed interim financial information.

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

**NAVEED RIAZ
CHIEF EXECUTIVE**

**MRS. SADAAT IKRAM
DIRECTOR**

**AMEED RIAZ
DIRECTOR**

**ATEED RIAZ
CHIEF FINANCIAL OFFICER**



**CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2019**

	Paid-up certificate	Statutory reserve	<u>Revenue reserve</u> (Accumulated losses) / Unappropriated profit	Total
	----- (Rupees) -----			
Balance as at July 01, 2018	30,000,000	85,284,849	19,575,963	134,860,812
Profit for the period	-	-	(4,835,963)	(4,835,963)
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	(4,835,963)	(4,835,963)
Transaction with owners				
Profit distribution for the year ended June 30, 2018 @ Rs. 5.67 per certificate	-	-	(17,010,000)	(17,010,000)
Balance as at December 31, 2018	<u>30,000,000</u>	<u>85,284,849</u>	<u>(2,270,000)</u>	<u>113,014,849</u>
Balance as at July 01, 2019	30,000,000	94,143,390	15,020,145	139,163,535
Profit for the period	-	-	23,594,568	23,594,568
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	23,594,568	23,594,568
Transaction with owners				
Profit distribution for the year ended June 30, 2019 @ Rs. 5 per certificate	-	-	(15,000,000)	(15,000,000)
Balance as at December 31, 2019	<u>30,000,000</u>	<u>94,143,390</u>	<u>23,614,713</u>	<u>147,758,103</u>

The annexed notes from 1 to 10 form an integral part of this condensed interim financial information.

**For A R Management Services (Private) Limited
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**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2019**

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, 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 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 period 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 the half year ended December 31, 2018.

- 2.1.4 This condensed interim financial information is unaudited, but has been reviewed by the statutory auditors. Further, the figures of the condensed interim profit and loss account for the quarter ended December 31, 2019 and December 31, 2018 have not been reviewed.

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.

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, 2019 except adoption of IFRS16 "Leases" which does not have significant impact on condensed interim financial information due to short term lease contracts.
- 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 period ended June 30, 2019.
- 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 July 01, 2019. 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, 2019.

	December 31, 2019 (Rupees) Note (Un-audited)	June 30, 2019 (Rupees) (Audited)
4 PROPERTY AND EQUIPMENT		
Following additions and disposals, at cost, were made during the period / year :		
Opening fixed assets (Net book value)	9,294,441	11,644,710
Additions	1,004,480	1,883,549
Disposals	(1,497,975)	(2,353,700)
Depreciation charge for the period / year	(1,897,295)	(3,930,381)
Depreciation on disposals during the period / year	1,470,973	2,050,263
Closing fixed assets (Net book value)	<u>8,374,624</u>	<u>9,294,441</u>

5 OBLIGATION UNDER FINANCING FACILITIES

Murabaha facility	5.1	9,694,966	31,584,792
Musharaka facility	5.2	29,318,809	43,052,698
		<u>39,013,775</u>	<u>74,637,490</u>

- 5.1 The Modaraba has availed this facility from Soneri Bank Limited. Sanctioned limit is Rs. 40 million (June 30, 2019: Rs. 40 million).
- 5.2 The Modaraba has also availed running musharika facility from the Soneri Bank Limited with a sanctioned limit of Rs. 90 million (June 30, 2019: Rs. 90 million) in order to meet working capital requirement.
- 5.3 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, 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.
- 6.1.2 The Modaraba has issued post dated cheques to Collector of Customs amounting to Rs. 18,345,056 (June 30, 2019 : Rs.54,584,769) on account of custom dues and taxes on goods at bonded warehouse.

6.2 Commitments

Commitments in respect of outstanding letters of credit for trading stock amounted to Rs. 28,413,000 (June 30, 2019 : 29,504,000).

7 TAXATION

Provision for taxation is provisional on the basis of applicable tax regime. Final tax liability would be determined on the basis of annual results.

8 FAIR VALUE OF FINANCIAL INSTRUMENTS

As at period ended December 31, 2019, 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.

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:

	December 31, 2019 Rupees (Un-audited)	December 31, 2018 Rupees (Un-audited)
Dividend paid to Modaraba Management Company	3,000,000	3,402,000
Dividend paid to key management personnel	3,764,500	4,268,943
Share of common expenses to group companies	1,315,878	508,029
Warehouse rent to group companies	1,840,500	1,840,500
Receipt of Qard-e-Hasana from Modaraba	79,000,000	75,200,000
Repayment of Qard-e-Hasana to Modaraba	44,000,000	191,100,000

10 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorised for issue on 26 February 2020 by the Board of Directors of A R Management Services (Private) Limited.

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

**NAVEED RIAZ
CHIEF EXECUTIVE**

**MRS. SADAAT IKRAM
DIRECTOR**

**AMEED RIAZ
DIRECTOR**

**ATEED RIAZ
CHIEF FINANCIAL OFFICER**