

QUARTERLY REPORT
September 30, 2015
(Un-audited)

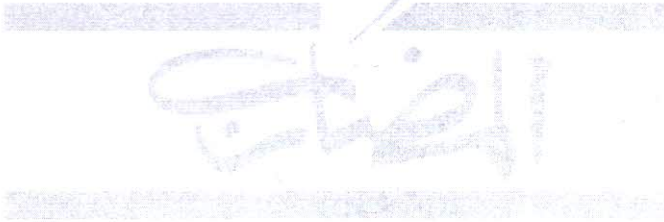


FIRST AL-NOOR MODARABA

(An Islamic Financial Institution)

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Corporate Information

BOARD OF DIRECTORS

Non Executive Directors

Chairman

Mr. Ismail H. Zakaria

Directors

Mr. Yusuf Ayooob

Mr. Suleman Ayooob

Mr. Aziz Ayooob

Mr. Mansoor Alam, Independent

Mr. Zia Zakaria

Mr. Zain Ayooob

Executive Directors

Chief Executive

Mr. Jalaluddin Ahmed

Company Secretary

Mr. Roofi Abdul Razzak

Board Audit Committee

Mr. Suleman Ayooob - Chairman

Mr. Mansoor Alam - Member

Mr. Zia Zakaria - Member

HR & Remuneration Committee

Mr. Aziz Ayooob - Chairman

Mr. Jalaluddin Ahmed - Member

Mr. Roofi Abdul Razzak - Member

Bankers

Al-Baraka Bank (Pakistan) Limited

Askari Bank Ltd, Islamic Banking

Faysal Bank Ltd, Islamic Banking

Habib Bank Limited, Islamic Banking

MCB Bank Limited, Islamic Banking

Meezan Bank Limited

Auditors

RSM Avais Hyder Liaquat Nauman

Chartered Accountants

Shariah Advisor

Mufti Muhammad Ibrahim Essa

Legal Advisor

Muhammad Jamshid Malik

Barrister-at-Law

Share Registrar

M / s Technology Trade (Private) Limited

Dagja House, 241-C, Block 2, P.E.C.H.S.

Off. Shahrah-e-Faisal, Karachi

Tel: 34391316-7 & 19, 34387960-1

Fax: 34391318

Registered Office

96-A, Sindhi Muslim Cooperative

Housing Society, Karachi

Contact Details

Telephone: 34558268;34552943;34553067

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Webpage: www.fanm.co

Email: info@fanm.co

Report Of The Directors Of Modaraba Company

As at September 30, 2015 (Unaudited)

I, on behalf of Board of Directors of Al-Noor Modaraba Management (Private) Limited, the "mudarib/management company" of First Al-Noor Modaraba (FAM), pleased to present the report together with un-audited accounts for the first quarter ended September 30, 2015.

Financial Results

Financial results are summarized as under

	Quarter ended	
	September 30, 2015	September 30, 2014
	Rupees	
(Loss)/Profit after taxation	(4,553,640)	20,055
Un-appropriated profit/(loss) brought forward	(12,885,641)	1,316,299
	(17,439,281)	1,336,354
Share of associate's incremental depreciation	19,930	4,280
Un-appropriated (loss)/profit carried forward	(17,419,351)	1,340,634
Earning per certificate- basic and diluted	(0.22)	0.00

Please be advised that there has not been any noticeable improvement in the overall business environment in the country. The domestic and international commodities have not really picked up and the fate of the exporters and traders still remains highly uncertain. Consequently, the modaraba also incurred a loss of Rs. 1.200 million in the trading activities in the quarter under review. Moreover, the equities have also behaved in a very topsy turvy manner and it becomes increasingly difficult to understand the causative factors for such a high degree of volatility in the stock market.

The modaraba just could not remain immune to this highly unpredictable stocks movement and resultantly suffered an unrealized loss of Rs. 4.710 million on the share scripts held in its equity portfolio. Obviously, this has adversely impacted the final outcome of the quarter ended September 30, 2015.

It is pertinent to mention here that the modaraba is desperately trying to explore other lucrative avenues for investment but unfortunately, the overall market scenario is not too investment friendly as bank interest rates have fallen heavily in the past one year making existing Islamic products a not too gainful venture.

In its latest monetary policy, the State Bank of Pakistan has reduced its discount rate to an incredibly low of around 6%. This has put a huge stress on the entire financial institutions with regards, to their lending policies. Obviously, the small sized financial institutions are great sufferers as they have to literally struggle to fetch decent profits on the limited capital/equity base.

Hopefully, the situation improves in times to come and the modaraba is in a position to not only recoup its losses but to move toward a growth oriented trajectory.

On behalf of the Board


Jalaluddin Ahmed
Chief Executive

Place: Karachi

Date: October 27, 2015

Condensed Interim Balance Sheet

As at September 30, 2015 (Unaudited)

Note	Rupees	
	(Unaudited) September 30, 2015	(Audited) June 30, 2015
CURRENT ASSETS		
Cash and bank balances	46,471,663	42,319,170
Short term investments	51,164,555	50,556,745
Musawamah receivables - secured	25,000,000	25,000,000
Profit receivable	1,056,192	525,385
Ijarah rental receivable	580,125	-
Trade Debtors-unsecured	36,784,802	43,810,383
Stock in trade	16,255,874	24,793,445
Current portion of investment in sukuk certificates	714,286	714,286
Advances, deposits, prepayments and other receivables	8,241,870	14,175,379
Taxation	2,100,470	2,073,457
TOTAL CURRENT ASSETS	188,369,837	203,968,250
ASSETS		
NON-CURRENT ASSETS		
Long term deposits	3,846,989	3,846,989
Long term portion of investment in sukuk certificates	3,571,428	3,928,571
Long term investments	27,549,641	27,661,659
Ijarah assets	126,096,543	116,877,357
Fixed assets in own use	3,607,626	2,750,966
TOTAL NON-CURRENT ASSETS	164,672,227	155,065,542
TOTAL ASSETS	353,042,064	359,033,792
LIABILITIES		
CURRENT LIABILITIES		
Current maturity of security deposits	8,420,121	6,442,160
Creditors, accrued and other liabilities	23,052,023	12,271,257
Provision for custom duty & surcharge	4,398,842	4,398,842
Profit payable	227,799	227,526
TOTAL CURRENT LIABILITIES	36,098,785	23,339,785
NON CURRENT LIABILITIES		
Security deposits	20,527,990	23,426,751
Deferred liability - staff gratuity	7,055,498	6,729,031
TOTAL NON-CURRENT LIABILITIES	27,583,488	30,155,782
TOTAL LIABILITIES	63,682,273	53,495,567
NET ASSETS	289,359,791	305,538,225
REPRESENTED BY:		
CAPITAL AND RESERVES		
Certificate Capital		
Authorised certificates Capital	400,000,000	400,000,000
40,000,000 (June 2015: 40,000,000) certificates of Rs 10/- each		
Issued, subscribed and paid-up capital	210,000,000	210,000,000
Reserves	97,456,413	107,956,413
Unappropriated profit	(17,419,351)	(12,885,641)
Unrealised diminution on remeasurement of investment classified as available for sale- net	(677,271)	467,453
Total capital and reserves	289,359,791	305,538,225
CONTINGENCIES AND COMMITMENTS		
The annexed notes 1 to 19 form an integral part of these financial statements.		

For Al-Noor Modaraba Management(Private) Limited
(Management Company)

Chief Executive

Director

Director

Place : Karachi
Date : October 27, 2015

Condensed Interim Profit and Loss Account

For the Period and 1st Quarter Ended September 30, 2015 (Un-audited)

Note	Rupees	
	September 30, 2015	September 30, 2014
(Loss) / Profit from trading operations	13 (1,213,956)	677,765
Income on musawamah receivables	621,096	844,385
Income from Ijarah	4,042,636	3,637,522
Income from investments	2,512,576	817,611
	5,962,352	5,977,283
Administrative and operating expenses	6,155,058	6,887,184
Financial and other charges	20,653	32,206
	6,175,711	6,919,390
Operating profit	(213,359)	(942,107)
Other income	608,756	418,154
	395,397	(523,953)
Unrealised (loss)/gain on re-measurement of investments at fair value through profit or loss	5.1.2 (4,709,996)	731,645
Share of loss from associates	(168,842)	(60,319)
	(4,483,441)	147,373
Modaraba management fee	-	(14,737)
	(4,483,441)	132,636
Provision for workers welfare fund	-	(2,601)
(Loss)/Profit before taxation	(4,483,441)	130,035
Income tax expense	14 (70,199)	(109,980)
(Loss)/Profit for the period	(4,553,640)	20,055
(Loss)/Earnings per certificate - Basic and Diluted	(0.22)	0.00

The annexed notes 1 to 19 form an integral part of these financial statements.

For Al-Noor Modaraba Management(Private) Limited
(Management Company)

Chief Executive

Director

Director

Place : Karachi
Date : October 27, 2015

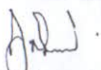
Condensed Interim Statement of Other Comprehensive Income

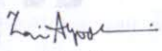
For the Period and 1st Quarter Ended September 30, 2015 (Un-audited)

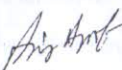
	September 30, 2015	September 30, 2014
	Rupees	
(Loss) / Net Profit for the period - after tax	(4,553,640)	20,055
Others comprehensive income		
Unrealized gain/ (loss) on re-measurement of available for sale investment	(1,144,724)	214,435
Shares of other comprehensive income of associate	-	-
	(1,144,724)	214,435
Total comprehensive income for the period - after tax	(5,698,364)	234,490

The annexed notes 1 to 19 form an integral part of these financial statements.

For Al-Noor Modaraba Management(Private) Limited
(Management Company)


Chief Executive


Director


Director

Place : Karachi
Date : October 27, 2015

Condensed Interim Cash Flow Statement

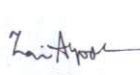
For the Period and 1st Quarter Ended September 30, 2015 (Un-audited)

	September 30, 2015	September 30, 2014
	Rupees	
	Note	
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash from operations after working capital changes	16 32,434,802	26,018,575
Increase in long-term security deposits	(920,800)	807,630
Income tax paid	(70,199)	(109,980)
Net cash generated from operating activities	31,443,804	26,716,225
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to fixed assets		
- Own	(1,210,710)	-
- Ijarah	(23,595,500)	(12,770,300)
Sale proceeds on disposal of fixed assets		
- Own	14,000	-
- Ijarah	362,385	-
Dividend received	669,325	577,470
Profit on bank deposit	383,528	263,595
Purchase of Sukuk Certificates	-	(5,000,000)
Repayment of Installment of Sukuk Certificates	357,143	-
Purchase of investments in listed securities	(15,768,450)	(6,986,051)
Proceeds from sale of investments in listed securities	11,517,940	3,840,325
Net cash used in investing activities	(27,270,339)	(20,074,961)
CASH FLOWS FROM FINANCING ACTIVITIES		
Profit paid to the certificate holders	(319)	-
Financial charges paid	(20,653)	(32,206)
Net cash used in financing activities	(20,972)	(32,206)
Net increase/(decrease) in cash and cash equivalents	4,152,493	6,609,058
Cash and cash equivalents at beginning of the year	42,319,170	22,150,478
Cash and cash equivalents at end of the period	46,471,663	28,759,536

The annexed notes 1 to 19 form an integral part of these financial statements.

For Al-Noor Modaraba Management(Private) Limited
(Management Company)


Chief Executive


Director


Director

Place : Karachi
Date : October 27, 2014

Condensed Interim Statement of Changes in Equity

For the Period and 1st Quarter Ended September 30, 2015 (Un-audited)

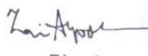
	Certificate Capital	*Statutory Reserve	Reserve			Total
			General reserve	Unappropriated profit	Unrealized (loss)/Gain on remeasurement of available for sale investment	
Rupees						
Balance as at June 30, 2014	210,000,000	96,956,413	10,500,000	17,566,490	(1,625,844)	333,397,059
Share of associate's incremental depreciation on account of revaluation of fixed assets	-	-	-	330,890	-	330,890
Total Comprehensive income for the year	-	-	-	(14,533,021)	2,093,297	(12,439,724)
Profit distribution in cash	-	-	-	(15,750,000)	-	(15,750,000)
Transfer to general reserve	-	-	500,000	(500,000)	-	-
Transfer to statutory reserve	-	-	-	-	-	-
Balance as at June 30, 2015	210,000,000	96,956,413	11,000,000	(12,885,641)	467,453	305,538,225
Share of associate's incremental depreciation on account of revaluation of fixed assets	-	-	-	19,930	-	19,930
Total Comprehensive income for the period	-	-	-	(4,553,640)	(1,144,724)	(5,698,364)
Profit distribution in cash	-	-	-	(10,500,000)	-	10,500,000
Transfer to general reserve	-	-	(10,500,000)	10,500,000	-	-
Transfer to statutory reserve	-	-	-	-	-	-
Balance as at September 30, 2015	210,000,000	96,956,413	500,000	(17,419,351)	(677,271)	289,359,792

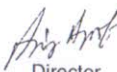
* In accordance with the Prudential Regulations for Modarabas, the Modaraba is required to transfer an amount not less than 20% and not more than 50% of its after tax profits to statutory reserve until the reserve funds equals the paid-up capital. Thereafter, a sum not less than 5% of the after tax profits is required to be transferred to the statutory reserve.

The annexed notes 1 to 19 form an integral part of these financial statements.

For Al-Noor Modaraba Management(Private) Limited
(Management Company)


Chief Executive


Director


Director

Place : Karachi
Date : October 27, 2015

Notes to the Condensed Interim Financial Statements

For the Period and 1st Quarter Ended September 30, 2015 (Un-audited)

1 LEGAL STATUS AND NATURE OF BUSINESS

The First Al Noor Modaraba was formed under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 and the rules framed thereunder and is managed by Al Noor Modaraba Management (Private) Limited, a company incorporated in Pakistan. The address of its registered office is 96-A, Sindhi Muslim Housing Society. The Modaraba was floated on October 19, 1992 and commenced its business on November 02, 1992.

The Modaraba is a multipurpose perpetual modaraba and is primarily engaged in ijarah financing, musharikah, murabaha, musawamah, modaraba, equity investment, Ijarah and trading activities. The Modaraba is listed on the Karachi and Lahore Stock Exchanges.

2 STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, Islamic Financial Accounting Standards (IFASs) issued by the Institute of Chartered Accountants of Pakistan, the requirements of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981 and directives issued by the Securities and Exchange Commission of Pakistan (SECP). Wherever the requirements of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981 and directives issued by SECP differ with the requirements of IFRS, the requirements of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, Islamic Financial Accounting Standards (IFASs), Modaraba Companies and Modaraba Rules, 1981 or the directives issued by SECP prevail.

2.1. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted for the preparation of these condensed interim financial information are consistent with those followed in the preparation of the Modaraba's annual financial statement for the year ended 30 June 2015.

3. ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of the interim financial information conformity with approved accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, income and expenses. It also requires management to exercise judgment in application of the Modaraba's accounting policies. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both the current and future periods.

The preparing the interim financial information, the significant judgments made by management in the applying the company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the preceding published annual financial statements of the Company as at and for the year ended June 2015.

Notes to the Condensed Interim Financial Statements

For the Period and 1st Quarter Ended September 30, 2015 (Un-audited)

	Note	September	June 30,
		30, 2015	2015
Rupees			
4. CASH AND BANK BALANCES			
Cash in Hand		17,923	30,500
Banks in current accounts		1,210,259	1,740,874
Banks in PLS account		45,243,481	40,547,796
		46,453,740	42,288,670
		46,471,663	42,319,170
5. INVESTMENTS			
5.1 Short term Investments			
At fair value through profit and loss			
- Equity securities - listed	5.1.1	51,164,555	50,556,745
		51,164,555	50,556,745
5.1 At fair value through profit and loss			
Equities securities listed			

Name of investee company	Number of Shares / Units				Balance as at September 30, 2015			
	As at July 1, 2015	Purchases during the period	Bonus / right issue	Sales / write-offs during the period	As at Sept. 30, 2015	Carrying cost	Market value	Appreciation / (diminution)
Construction and Materials								
Lucky Cement Company Limited	-	2,500	-	2,500	-	-	-	-
Maple Leaf Cement Factory Limited	-	5,000	-	5,000	-	-	-	-
Fauji Cement Company Limited	-	35,000	-	-	35,000	1,274,892	1,171,800	(103,092)
Pioneer Cement Limited	5,000	22,500	-	5,000	22,500	1,979,198	1,951,650	(27,548)
D.G.Khan Cement Limited	-	2,500	-	2,500	-	-	-	-
Attock Cement Pakistan Limited	-	5,000	-	-	5,000	1,005,101	874,100	(131,001)
Sub total	5,000	72,500	-	15,000	62,500	4,259,191	3,997,550	(261,641)
Refinery								
Attock Refinery Limited	3,000	-	-	3,000	-	-	-	-
National Refinery Limited	7,000	-	-	-	7,000	2,146,237	1,539,440	(606,797)
Pakistan Refinery Limited	1,500	-	12,000	1,500	12,000	318,728	492,600	173,872
Sub total	11,500	-	12,000	4,500	19,000	2,464,965	2,032,040	(432,925)
Oil & Gas Exploration Companies								
Oil & Gas Development Company	-	1,000	-	-	1,000	161,916	124,670	(37,246)
Hascol Petroleum Limited	-	7,500	-	7,500	-	-	-	-
Pakistan Petroleum Limited	20,500	-	-	-	20,500	3,267,309	2,448,519	(818,790)
Sub total	20,500	8,500	-	7,500	21,500	3,429,225	2,573,189	(856,036)
Oil & Gas Marketing Companies								
Sui Northern Gas Pipelines Limited	40,500	-	-	25,500	15,000	403,673	471,450	67,777
	40,500	-	-	25,500	15,000	403,673	471,450	67,777
Sub total	2,500	-	-	-	2,500	800,080	632,488	(167,593)
Automobile Parts & Accessories								
Thal Limited	2,500	-	-	-	2,500	800,080	632,488	(167,593)
Sub total	2,500	-	-	-	2,500	800,080	632,488	(167,593)
Power Generation & Distribution								
K-Electric Limited	70,000	25,000	-	-	95,000	774,827	670,450	(104,377)
Kot Addu Power Company Limited	2,500	-	-	-	2,500	217,522	236,875	19,353
Sub total	72,500	25,000	-	-	97,500	992,349	907,325	(85,024)

Notes to the Condensed Interim Financial Statements

For the Period and 1st Quarter Ended September 30, 2015 (Un-audited)

Name of investee company	Number of Shares / Units				Balance as at September 30, 2015			
	As at July 1, 2015	Purchases during the period	Bonus / right issue	Sales / write-offs during the period	As at Sept 30, 2015	Carrying cost	Market value	Appreciation / (diminution)
Automobile Assembler								
Ghandara Industries Limited	-	4,500	-	4,500	-	-	-	-
Pak Suzuki Motors Company Limited	-	1,000	-	-	1,000	474,047	414,565	(59,482)
Honda Atlas Car (Pakistan) Limited	5,000	-	-	-	5,000	-	-	-
Sub total	5,000	5,500	-	9,500	1,000	474,047	414,565	(59,482)
Fixed Line Telecommunication								
Pakistan Telecommunication Company Limited	40,000	10,000	-	-	50,000	1,066,007	869,400	(196,607)
	40,000	10,000	-	-	50,000	1,066,007	869,400	(196,607)
Engineering								
Crescent Steel & Allied Products	15,000	-	-	15,000	-	-	-	-
Sub total	15,000	-	-	15,000	-	-	-	-
Sugar & Allied Industries								
Faran Sugar Mills Limited	-	10,000	-	-	10,000	873,197	799,950	(73,247)
Sub total	-	10,000	-	-	10,000	873,197	799,950	(73,247)
Fertilizer								
Fauji Fertilizer Bin Qasim Limited	130,000	20,000	-	35,000	115,000	5,782,674	6,917,601	1,134,927
Engro Fertilizer Limited	5,000	12,500	-	10,000	7,500	705,821	673,500	(32,321)
Fauji Fertilizer Company Limited	98,000	12,500	-	2,500	108,000	12,913,944	13,340,603	426,659
Sub total	233,000	45,000	-	47,500	230,500	19,402,439	20,931,704	1,529,265
Chemicals								
Lotte Pakistan PTA Limited	200,000	-	-	26,000	174,000	1,908,404	1,101,420	(806,984)
Ghani Gases Limited	20,000	-	-	5,000	15,000	510,677	478,425	(32,252)
Dawood Hercules Chemicals Limited	-	5,000	-	-	5,000	680,318	526,775	(153,543)
Sub total	220,000	5,000	-	31,000	194,000	3,099,399	2,106,620	(992,779)
Cable & Electrical Goods								
Pak Electron Limited	-	10,000	-	5,000	5,000	476,748	360,425	(116,323)
Sub total	-	10,000	-	5,000	5,000	476,748	360,425	(116,323)
Personal Goods(Textiles)								
Nishat Mills Limited	7,500	7,500	-	-	15,000	1,809,868	1,489,350	(320,518)
Artistic Denim Mills Limited	5,000	-	-	-	5,000	595,823	387,225	(208,598)
Sub total	12,500	7,500	-	-	20,000	2,405,691	1,876,575	(529,116)
Units of Mutual Funds								
Meezan Islamic Fund - Growth Units	69,180	-	2,584	-	71,764	1,521,948	4,073,297	2,551,349
Meezan Balance Fund	174,134	-	-	-	174,134	2,333,818	2,521,455	187,637
Al-Ameen Islamic Active Allocation Plan-1	9,232	-	47	-	9,279	960,000	888,976	(71,024)
First Habib Islamic Balanced Fund	57,712	-	-	-	57,712	4,673,100	5,707,546	1,034,445
Sub total	310,258	-	2,630	-	312,888	9,488,867	13,191,274	3,702,407
Total Listed securities								
- At Fair value through Profit & Loss	743,758	154,000	2,630	108,500	1,041,388	49,635,879	51,164,555	1,528,676

Notes to the Condensed Interim Financial Statements

For the Period and 1st Quarter Ended September 30, 2015 (Un-audited)

	Note	September 31, 2015	June 30, 2015
Rupees			
5.1.2 Unrealised gain / (loss) on re-measurement of investment at fair value through profit or loss			
Market Value as at		51,164,555	50,556,745
Cost of investment		49,635,879	44,455,858
Unrealised gain/(loss) on investment as at year ended		1,528,676	6,100,887
Unrealised gain/(loss) on investment at the beginning of the year		6,100,887	2,559,531
Gain realised on disposal during the period		137,783	(1,258,358)
Unrealised gain on investment for the period ended		(4,709,996)	4,799,714
6 Musawamah Receivables - Secured			
Musawamah receivables	6.1	25,000,000	25,000,000
6.1 This represents principal amount outstanding against musawamah receivable for the period ranging between 90 days. These musawamah carry profit upto 10.00% (June 2015: upto 10.00% per annum. These are secured against hypothecation of stocks and trade receivables, demand promissory notes, personal guarantee of directors/proprietors.			
7 STOCK IN TRADE			
Finished goods		16,523,664	25,061,236
less: Provision for slow moving stock		(267,790)	(267,790)
		16,255,874	24,793,445
7.1 The stock is valued at Net Realizable Value. The difference between Net Realizable Value and cost amounting to Rs. Nil (June 2015: 2.264 million) is recognised in finished goods and included in 'cost of sales.'			
8 INVESTMENT IN SUKUK CERTIFICATES - Held to Maturity			
Investment in Sukuk Certificate	8.1	4,642,857	5,000,000
Less: Principal Repaid		(357,143)	(357,143)
Less: Current portion of Investment in Sukuk Certificate		(714,286)	(714,286)
Long term portion of investment in Sukuk Certificates		3,571,428	3,928,571
8.1 This represents sukuk certificates of Albaraka Bank (Pakistan) Limited acquired during the year carrying profit similar to base rate of six months KIBOR + 1.25% (June 2015: KIBOR + 1.25%) receivable in 14 equal semi annual installments till September, 2021.			
9 LONG TERM INVESTMENTS			
Investment in Associate		8,179,916	8,328,828
Investment equity securities		19,369,725	19,332,831
		27,549,641	27,661,659
10 IJARAH ASSETS			
Machinery		1,901,011	2,355,431
Vehicles		106,915,869	95,552,513
Others		17,279,663	18,969,413
		126,096,543	116,877,357
11 FIXED ASSETS IN USE			
Tangible assets		3,607,624	2,745,538
Intangible assets		2	5,428
		3,607,626	2,750,966

Notes to the Condensed Interim Financial Statements

For the Period and 1st Quarter Ended September 30, 2015 (Un-audited)

	Note	September 30, 2015	June 30, 2015
11.1 Details of additions / (disposals) during the period are as follows:			
Costs of additions to fixed assets in use:			
Computer equipments		16,000	26,100
Office equipments and appliances		270,349	161,660
Furniture and fixtures		59,950	26,500
Motor vehicles		864,411	-
		1,210,710	214,260
Written down values of disposals of fixed assets:			
Computer equipments		-	355,740
Office equipments		60,500	779,162
Furniture and fixtures		-	497,362
		60,500	1,632,264
12 CONTINGENCIES AND COMMITMENTS			
- Contingencies			
Contingencies are same as disclosed in the financial statements for the year ended June 30, 2015			
- Commitments			
There are no commitments as on balance sheet date.			
13 PROFIT FROM TRADING OPERATIONS			
Sales	13.1	25,221,615	21,712,061
Cost of sales		(26,435,571)	(21,034,296)
(Loss)/Profit		(1,213,956)	677,765
13.1 Sales			
Local		25,221,615	21,712,061
Export		-	-
Sales		25,221,615	21,712,061
14 TAXATION			
14.1 The income of the Modaraba, not being trading income, is exempt from tax subject to the condition that not less than ninety per cent of its total profits in the year as reduced by the amount transferred to a mandatory reserve, required under the provisions of Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 (XXXI of 1980) are distributed amongst the shareholders.			
As per section 148 of the income tax ordinance, 2001, the Collector of Customs shall collect advance tax from every importer of goods on the value of the goods at the rate specified in Part II of the First Schedule of the income tax ordinance, 2001. The tax collected under this section shall be a final tax on the income of the importer arising from the imports.			
As per section 154 of the income tax ordinance, 2001, every authorised dealer in foreign exchange shall, at the time of realisation of foreign exchange proceeds on account of the export of goods by an exporter, deduct tax from the proceeds at the rates specified in Division IV of Part III of the First Schedule. The tax deducted under this section shall be a final tax on the income arising from the transaction.			
No provision for current taxation has been made in these financial statements as the Modaraba intends to distribute at least 90 percent of its total income for the year after transfer to mandatory reserve, Income tax expense during the period amounting to Rs.70,199 (June 2015: Rs. 173,523) are the tax deducted as final on the remittance received from the dividend income/export of goods.			

Notes to the Condensed Interim Financial Statements

For the Period and 1st Quarter Ended September 30, 2015 (Un-audited)

15 RELATED PARTIES TRANSACTIONS

The related parties of the Modaraba comprise of its Management Company, associated companies, directors of the Management Company and key management personnel. Transactions with related parties other than remuneration and benefits to key management personnel (which are employed by the Management Company) under the terms of their employment are as follows:

	September 30, 2015	September 30, 2014
	(Rupees)	
15.1 Balance outstanding at period end		
Modaraba Management Company		
- Management fee	-	14,737
Associated undertakings		
- Guarantee commission accrued to MCB Bank Limited	125,389	829,937
- Sharing of common expense charged during the year with Al-Noor Sugar Mills Limited	150,000	150,000
Other related parties (other than key management personnel)		
- Contribution to staff gratuity fund	7,055,498	5,423,164
15.2 Transactions during the period		
Modaraba Management Company		
- Management fee	-	14,737
Associated undertakings		
- Guarantee commission accrued to MCB Bank Limited	20,006	20,416
- Sharing of common expense charged during the year with Al-Noor Sugar Mills Limited	150,000	150,000
Other related parties (other than key management personnel)		
- Contribution to staff gratuity fund	326,467	-

16 CASH FROM OPERATIONS AFTER WORKING CAPITAL CHANGES

Profit before taxation	(4,483,441)	130,035
<i>Adjustments for:</i>		
Gain on sale of investment in listed securities	(1,342,724)	(174,650)
Dividend income	(1,071,562)	(635,063)
Income on musawamah investment	(621,096)	(844,385)
Gain on Sukuk Certificates	(98,290)	(7,898)
(Profit) on takafuls Claim	(208,794)	-
Profit on bank deposits	(348,261)	(388,500)
Financial charges	20,653	32,206
Depreciation - owned assets	344,911	355,378
Depreciation - Ijarah assets	11,339,352	17,608,764
Amortization of intangible assets	5,426	6,600
Provision for gratuity	326,467	-
Share of Loss/ (profit) of associate	168,842	60,319
Unrealized loss/(gain) on re measurement of investments in listed securities	4,709,996	(731,645)
	13,224,920	15,281,126
Operating profit before working capital changes	8,741,479	15,411,162

Notes to the Condensed Interim Financial Statements

For the Period and 1st Quarter Ended September 30, 2015 (Un-audited)

(Increase)/Decrease in current assets

Stock in trade	11,161,570	4,591,601
Bills receivable	-	1,697,587
Musawamah receivables - secured	-	-
Profit receivable	(530,807)	(732,701)
Ijarah Rental receivable	(580,125)	(9,928,727)
Trade Debtors - unsecured	7,025,581	13,413,450
Advances, deposits, prepayments and other receivables	6,335,746	1,174,332
	23,411,965	10,215,544

Increase/(Decrease) in current liabilities

Creditors, accrued and other liabilities	281,085	391,867
Profit payable	273	-
	281,358	391,868
Cash flow from operating activities	32,434,802	26,018,575

17 FINANCIAL RISK MANAGEMENT

The Modaraba's financial risk management objectives and policies are consistent with those disclosed in the preceding annual published financial statements of the Modaraba for the year ended June 30, 2015

18 Date of Authorization

These condensed interim financial statements were authorised for issue on by the Board of Directors of the Modaraba Management Company in their meeting held on October 27, 2015.

19 General

Figures have been rounded off to the nearest rupee.

For Al-Noor Modaraba Management (Private) Limited
(Management Company)

Place : Karachi
Date : October 27, 2015

Chief Executive

Director

Director

Book Post



If undelivered, please return to:

FIRST AL-NOOR MODARABA

(An Islamic Financial Institution)

96-A, Sindhi Muslim Co-operative Housing Society, Karachi-74400.

Tel.: 3455 8268, 3455 3067, 3455 2974 & 3455 2943