

1ST QUARTERLY REPORT  
September 30, 2016  
(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 Ayoob  
Mr. Suleman Ayoob  
Mr. Aziz Ayoob  
Mr. Mansoor Alam, Independent  
Mr. Zia Zakaria  
Mr. Zain Ayoob

### Executive Directors

#### Chief Executive

Mr. Jalaluddin Ahmed

### Company Secretary

Mr. Roofi Abdul Razzak

### Board Audit Committee

Mr. Suleman Ayoob - Chairman  
Mr. Mansoor Alam - Member  
Mr. Zia Zakaria - Member

### HR & Remuneration Committee

Mr. Zain Ayoob - Chairman  
Mr. Jalaluddin Ahmed - Member  
Mr. Roofi Abdul Razzak - Member

### Bankers

Al-Baraka Bank (Pakistan) Limited.  
Askari Bank Limited, Islamic Banking  
Askari Bank Limited  
Faysal Bank Limited, Barkat Islamic Banking  
Habib Bank Limited, Islamic Banking  
MCB Bank Limited, Islamic Banking  
MCB Bank Limited  
Meezan Bank Limited  
National Bank of Pakistan

### 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  
Dagia 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  
Fax: 34553137  
Webpage: www.fanm.co  
Email: info@fanm.co

# Report Of The Directors Of Modaraba Company

As at September 30, 2016 (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 the un-audited interim financial statements of the Modaraba for the first quarter ended September 30, 2016.

## Financial Results

Financial results are summarized as under

	Quarter ended	
	September 30, 2016	September 30, 2015
	Rupees	
Profit/(Loss) after taxation	1,270,928	(4,553,640)
Un-appropriated profit/(loss) brought forward	(12,758,742)	(12,885,641)
	(11,487,814)	(17,439,281)
Share of associate's incremental depreciation	6,220	19,930
Un-appropriated profit/(loss) brought forward	(11,481,594)	(17,419,351)
Earning per certificate - basic and diluted	0.06	(0.22)

It is, indeed, a matter of immense pleasure that the revised strategy adopted by the modaraba has surely yielded an encouraging result. In comparison to a loss of Rs. 4.554 million in the corresponding quarter of the past year, the modaraba has posted a profit of Rs. 1.271 million in the first quarter under review. This achievement is all the more remarkable as the overall market conditions remained disincentivised for the banks and other financial institutions. For instance, the discount rates have remained abysmally low, and the commodities market has still not really picked up from the domestic and international jolts it received in the past few years.

Hopefully, the modaraba will try to stay on the current growth trajectory and would be able to give better results in the future.

On behalf of the Board

sd/-  
Jalaluddin Ahmed  
Chief Executive

Place: Karachi  
Date: October 27, 2016

## Condensed Interim Balance Sheet

As at September 30, 2016 (Unaudited)

		(Unaudited) September 30, 2016	(Audited) June 30, 2016
	Note	Rupees	
<b>CURRENT ASSETS</b>			
Cash and bank balances	4	12,987,110	24,206,892
Short term investments	5	29,803,583	22,948,587
Musawah facility - secured	6	25,000,000	25,000,000
Profit receivable		1,039,742	1,169,330
Ijarah rental receivable		767,459	1,024,220
Trade Debtors - considered good and unsecured		30,486,000	9,305,000
Current portion of investment in sukuk certificates	7	1,428,572	1,428,572
Current portion of investment in diminishing musharakah (Syndicate)		3,750,000	3,750,000
Advances, deposits, prepayments and other receivables		15,864,491	15,747,368
Taxation	8	2,771,082	2,750,970
<b>TOTAL CURRENT ASSETS</b>		<b>123,898,039</b>	<b>107,330,939</b>
<b>NON-CURRENT ASSETS</b>			
Long term deposits	7	3,846,989	3,846,989
Long term portion of investment in sukuk certificates		2,142,856	2,499,999
Long term portion of investment diminishing musharakah (syndicate)		56,250,000	56,250,000
Long term investments	5.2	33,730,005	39,834,157
Ijarah assets	9	131,976,002	144,224,464
Fixed assets in own use	10	2,635,819	2,951,897
<b>TOTAL NON-CURRENT ASSETS</b>		<b>230,581,671</b>	<b>249,607,506</b>
<b>TOTAL ASSETS</b>		<b>354,479,710</b>	<b>356,938,445</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Current maturity of security deposits	11	10,542,390	11,772,251
Creditors, accrued and other liabilities	12	13,797,914	16,691,997
Provision for custom duty & surcharge	13	4,398,842	4,398,842
Profit payable	14	474,587	474,587
<b>TOTAL CURRENT LIABILITIES</b>		<b>29,213,733</b>	<b>33,337,677</b>
<b>NON CURRENT LIABILITIES</b>			
Security deposits	11	25,598,150	24,609,050
Deferred liability - staff gratuity		7,096,407	6,764,935
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>32,694,557</b>	<b>31,373,985</b>
<b>TOTAL LIABILITIES</b>		<b>61,908,290</b>	<b>64,711,662</b>
<b>NET ASSETS</b>		<b>292,571,420</b>	<b>292,226,783</b>
<b>REPRESENTED BY:</b>			
<b>CAPITAL AND RESERVES</b>			
Certificate Capital		400,000,000	400,000,000
40,000,000 (2015: 40,000,000) certificates of Rs 10/- each			
Issued, subscribed & paid capital	15	210,000,000	210,000,000
Reserves	16	97,479,973	97,479,973
Unappropriated profit		(11,481,594)	(12,758,742)
Unrealised diminution on remeasurement of investment classified as available for sale- net		(3,426,959)	(2,494,448)
<b>Total capital and reserves</b>		<b>292,571,420</b>	<b>292,226,783</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	17	-	-

The annexed notes 1 to 25 form an integral part of these financial statements.

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

Place : Karachi  
Date : October 27, 2016

sd-  
Chief Executive

sd-  
Director

sd-  
Director

## Condensed Interim Profit and Loss Account

For the Period and 1st Quarter Ended September 30, 2016 (Un-audited)

		September 30, 2016	September 30, 2015
	Note	Rupees	
Profit / (Loss) from trading operations	18	1,181,000	(1,213,956)
Income on musawah facility		621,096	621,096
Income on diminishing musharakah (Syndicate)		1,275,490	-
Income from Ijarah		3,477,851	4,042,636
Income from investments		2,811,414	2,512,576
		<b>9,366,851</b>	<b>5,962,352</b>
Administrative and operating expenses		6,594,182	6,155,058
Financial and other charges		34	20,653
		<b>6,594,216</b>	<b>6,175,711</b>
<b>Operating profit</b>		<b>2,772,635</b>	<b>(213,359)</b>
Other income		182,293	608,756
		<b>2,954,928</b>	<b>395,397</b>
Unrealised (loss) on re-measurement of investments at fair value through profit or loss		(1,125,482)	(4,709,996)
Share of loss from associates		(388,485)	(168,842)
Modaraba management fee		1,440,961	(4,483,441)
		(144,096)	-
		<b>1,296,865</b>	<b>(4,483,441)</b>
Provision for workers welfare fund		(25,937)	-
<b>Profit before taxation</b>		<b>1,270,928</b>	<b>(4,483,441)</b>
Income tax expense		-	(70,199)
<b>Profit/(Loss) for the period</b>		<b>1,270,928</b>	<b>(4,553,640)</b>
Earnings/ (Loss) per certificate - Basic and Diluted	19	0.06	(0.22)

The annexed notes 1 to 25 form an integral part of these financial statements.

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

Place : Karachi  
Date : October 27, 2016

sd-  
Chief Executive

sd-  
Director

sd-  
Director

# Condensed Interim Statement of Other Comprehensive Income

For the Period and 1st Quarter Ended September 30, 2016 (Un-audited)

	September 30, 2016	September 30, 2015
	Rupees	
<b>Profit / (loss) for the period</b>	<b>1,270,928</b>	(4,553,640)
<b>Others comprehensive income</b>		
"Unrealized (loss) / gain on re-measurement of available for sale investment"	(932,511)	(1,144,724)
Others comprehensive income	(932,511)	(1,144,724)
<b>Total comprehensive income</b>	<b>338,417</b>	(5,698,364)

The annexed notes 1 to 25 form an integral part of these financial statements.

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

Place : Karachi  
Date : October 27, 2016

sd- Chief Executive      sd- Director      sd- Director

# Condensed Interim Cash Flow Statement

For the Period and 1st Quarter Ended September 30, 2016 (Un-audited)

	September 30, 2016	September 30, 2015
	Rupees	
	Note	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash from operations after working capital changes	21 (6,417,679)	32,434,802
Increase in long-term security deposits	(240,761)	(920,800)
Income on diminishing musharakah (Syndicate)	1,331,342	-
Income tax paid	(20,112)	(70,199)
<b>Net cash generated from operating activities</b>	<b>(5,347,210)</b>	<b>31,443,804</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Additions to fixed assets		
- Own	(20,700)	(1,210,710)
- Ijarah	(7,554,000)	(23,595,500)
Sale proceeds on disposal of fixed assets		
- Own	-	14,000
- Ijarah	2,162,861	362,385
Dividend received	56,717	669,325
Profit on bank deposit	189,945	383,528
Repayment of Intallment of Sukuk Certificates	492,785	357,143
Purchase of investments in listed securities	(38,047,019)	(15,768,450)
Proceeds from sale of investments in listed securities	36,846,873	11,517,940
<b>Net cash (used in) investing activities</b>	<b>(5,872,538)</b>	<b>(27,270,339)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Profit paid to the certificate holders	-	(319)
Financial charges paid	(34)	(20,653)
<b>Net cash (used in) financing activities</b>	<b>(34)</b>	<b>(20,972)</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(11,219,782)</b>	<b>4,152,493</b>
Cash and cash equivalents at beginning of the year	24,206,892	42,319,170
<b>Cash and cash equivalents at end of the period/year</b>	<b>22 12,987,110</b>	<b>46,471,663</b>

The annexed notes 1 to 25 form an integral part of these financial statements.

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

Place : Karachi  
Date : October 27, 2016

sd- Chief Executive      sd- Director      sd- Director

# Condensed Interim Statement of Changes in Equity

For the Period and 1st Quarter Ended September 30, 2016 (Un-audited)

	Certificate Capital	*Statutory Reserve	Reserve		Unrealized (loss)/Gain on remeasurement of available for sale investment	Total
			General reserve	Unappropriated profit		
Rupees						
<b>Balance as at June 30, 2015</b>	<b>210,000,000</b>	<b>96,956,413</b>	<b>11,000,000</b>	<b>(12,885,641)</b>	<b>(467,453)</b>	<b>305,538,225</b>
Share of associate's incremental depreciation on account of revaluation of fixed assets	-	-	-	32,660	-	32,660
Total Comprehensive income for the year	-	-	-	117,799	2,961,901	(2,844,102)
Profit distribution in cash	-	-	-	(10,500,000)	-	(10,500,000)
Transfer to general reserve	-	-	(10,500,000)	10,500,000	-	-
Transfer to statutory reserve	-	23,560	-	(23,560)	-	-
<b>Balance as at June 30, 2016</b>	<b>210,000,000</b>	<b>96,979,973</b>	<b>500,000</b>	<b>(12,758,742)</b>	<b>(2,494,448)</b>	<b>292,226,783</b>
Share of associate's incremental depreciation on account of revaluation of fixed assets	-	-	-	6,220	-	6,220
Total Comprehensive income for the period	-	-	-	1,270,928	(932,511)	338,417
Profit distribution in cash	-	-	-	-	-	-
Transfer to general reserve	-	-	-	-	-	-
Transfer to statutory reserve	-	-	-	-	-	-
<b>Balance as at Sept. 30, 2016</b>	<b>210,000,000</b>	<b>96,979,973</b>	<b>500,000</b>	<b>(11,481,594)</b>	<b>(3,426,959)</b>	<b>292,571,420</b>

\* 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 25 form an integral part of these financial statements.

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

Place : Karachi  
Date : October 27, 2016

sd-  
Chief Executive

sd-  
Director

sd-  
Director

# Notes to the Condensed Interim Financial Statements

For the Period and 1st Quarter Ended September 30, 2016 (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 (Pvt.) 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, musharikhah, murabaha, musawamah, modaraba, equity investment, ijarah and trading activities. The Modaraba is listed on the Pakistan Stock Exchange (Previously on the Karachi and Lahore Stock Exchanges).

## 2 STATEMENTS 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, 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, Modaraba Companies and Modaraba Rules, 1981 or the directives issued by SECP prevail.

"The figures of the condensed interim profit and loss of account for the quarter ended September 30, 2015 and 2016 are unaudited and the information do not include all the information and disclosures required in the annual financial information, and should be read in conjunction with the Modaraba's annual financial statements for the year ended 30 June 2016.

## 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 2016

## 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 2016.

# Notes to the Condensed Interim Financial Statements

For the Period and 1st Quarter Ended September 30, 2016 (Un-audited)

	Note	September	June 30,
		30, 2016	2016
Rupees			
<b>4. CASH AND BANK BALANCES</b>			
With Cash in Hand		74,793	-
With banks in current accounts			
- Islamic Banks /Islamic Window operations		312,715	166,029
- Conventional Banks		1,397,178	948,438
With banks in PLS accounts			
- Islamic Banks /Islamic Window operations	4.1	11,202,425	23,092,425
- Conventional Banks		-	-
		12,987,110	24,206,892

4.1 These deposits accounts carry profit at rates ranging from 2.05% to 4.38% (June 2016: 2.05% to 6.48%).

## 5. INVESTMENTS

### 5.1 Short term Investments

#### At fair value through profit and loss

##### Shariah compliant

- Equity securities - listed	5.1.1	22,488,142	15,837,640
- Mutual funds - listed	5.1.2	7,315,441	7,110,947

##### Non - Shariah compliant

- Equity securities - listed	-	-	-
- Mutual funds - listed	-	-	-

### 5.1 At fair value through profit and loss Equities securities listed

Name of investee company	Number of Shares / Units				Balance as at Sept. 30, 2016			
	As at July 1, 2016	Purchases during the period	Bonus / right issue	Sales / write-offs during the period	As at Sept. 30, 2016	Carrying cost	Market value	Appreciation / (diminution)
<b>Construction and Materials</b>								
Dewan Cement Limited	-	5,000	-	5,000	-	-	-	-
Fauji Cement Company Limited	5,000	-	-	5,000	-	-	-	-
AKZO nobel Pakistan Limited	-	1,000	-	500	126,238	124,405	(1,833)	
Kohat Cement Company Limited	2,000	-	-	2,000	512,601	514,340	1,739	
<b>Sub total</b>	<b>7,000</b>	<b>6,000</b>	<b>-</b>	<b>10,500</b>	<b>638,839</b>	<b>638,745</b>	<b>(94)</b>	
<b>Oil &amp; Gas Producers</b>								
Attock Petroleum Limited	-	2,000	-	2,000	-	-	-	-
Pakistan State Oil Limited	-	1,000	-	500	204,270	207,070	2,800	
Pakistan Refinery Limited	12,000	24,000	-	24,500	462,506	513,820	51,314	
National Refinery Limited	-	16,600	-	14,600	2,000	1,698,096	1,696,770	(1,326)
Hascol Petroleum Ltd.	-	17,000	-	12,600	4,400	1,010,831	969,100	(41,731)
BYCO Petroleum Limited	-	26,000	-	18,000	8,000	200,791	189,200	(11,591)
Pakistan Petroleum Limited	13,300	100	-	13,400	-	-	-	-
<b>Sub total</b>	<b>25,300</b>	<b>86,700</b>	<b>-</b>	<b>85,600</b>	<b>26,400</b>	<b>3,576,494</b>	<b>3,575,960</b>	<b>(534)</b>
<b>Gas Water &amp; Multiutilities</b>								
Sui Southern Gas Limited	-	25,000	-	25,000	1,005,101	1,013,500	8,400	
<b>Sub total</b>	<b>-</b>	<b>25,000</b>	<b>-</b>	<b>25,000</b>	<b>1,005,101</b>	<b>1,013,500</b>	<b>8,400</b>	
<b>General Industries</b>								
Thal Limited	2,000	100	-	600	433,543	608,475	174,932	
<b>Sub total</b>	<b>2,000</b>	<b>100</b>	<b>-</b>	<b>600</b>	<b>1,500.00</b>	<b>433,543</b>	<b>608,475</b>	<b>174,932</b>
<b>Power Generation &amp; Distribution</b>								
K-Electric Limited	-	30,000	-	10,000	20,000	177,943	184,200	6,257
Kot Addu Power Company Limited	-	8,000	-	8,000	719,572	669,520	(50,052)	
<b>Sub total</b>	<b>-</b>	<b>38,000</b>	<b>-</b>	<b>10,000</b>	<b>28,000</b>	<b>897,515</b>	<b>853,720</b>	<b>(43,795)</b>
<b>Automobile and Parts</b>								
Honda Atlas Car (Pakistan) Limited	-	1,000	-	800	200	84,208	116,828	32,620
<b>Sub total</b>	<b>-</b>	<b>1,000</b>	<b>-</b>	<b>800</b>	<b>200</b>	<b>84,208</b>	<b>116,828</b>	<b>32,620</b>

# Notes to the Condensed Interim Financial Statements

For the Period and 1st Quarter Ended September 30, 2016 (Un-audited)

Name of investee company	Number of Shares / Units				Balance as at Sept. 30, 2016			
	As at July 1, 2016	Purchases during the period	Bonus / right issue	Sales / write-offs during the period	As at Sept. 30, 2016	Carrying cost	Market value	Appreciation / (diminution)
<b>Fixed Line Telecommunication</b>								
Pakistan Telecommunication Company Limited	50,000	36,000	-	62,000	24,000	431,368	438,720	7,352
<b>Sub total</b>	<b>50,000</b>	<b>36,000</b>	<b>-</b>	<b>62,000</b>	<b>24,000</b>	<b>431,368</b>	<b>438,720</b>	<b>7,352</b>
<b>Cable and Electrical Goods</b>								
Pakistan Elecktronic Limited	7,500	-	-	1,500	6,000	534,413	424,620	(109,793)
<b>Sub total</b>	<b>7,500</b>	<b>-</b>	<b>-</b>	<b>1,500</b>	<b>6,000</b>	<b>534,413</b>	<b>424,620</b>	<b>(109,793)</b>
<b>Engineering</b>								
Ameril Steels Limited	-	2,500	-	-	2,500	159,016	178,225	19,209
Mughal Iran & Steel Industries Ltd.	2,500	-	-	2,500	-	-	-	-
<b>Sub total</b>	<b>2,500</b>	<b>2,500</b>	<b>-</b>	<b>2,500</b>	<b>2,500</b>	<b>159,016</b>	<b>178,225</b>	<b>19,209</b>
<b>Chemicals</b>								
Fauji Fertilizer Company Limited	62,000	2,000	-	29,000	35,000	3,889,854	3,639,300	(250,554)
Lotte Pakistan PTA Limited	41,500	-	-	41,500	-	-	-	-
Engro Corporation Ltd.	-	13,600	-	-	13,600	4,514,301	3,961,000	(553,301)
Engro Fertilizer Limited	43,500	13,000	-	27,000	29,500	1,968,414	1,818,970	(149,444)
Agri-tech Limited	-	2,500	-	2,500	-	-	-	-
ICI Pakistan Limited	-	1,200	-	-	1,200	690,419	782,628	92,209
Dawood Hercules Chemicals Limited	-	13,000	-	-	13,000	1,979,198	1,728,480	(250,718)
<b>Sub total</b>	<b>147,000</b>	<b>45,300</b>	<b>-</b>	<b>100,000</b>	<b>92,300</b>	<b>13,042,187</b>	<b>11,930,378</b>	<b>(1,111,809)</b>
<b>Pharma and Bio Tech</b>								
Searle Company Limited	100	100	-	-	200	98,750	114,700	15,950
Glaxo Smithkline Pakistan Ltd.	-	3,000	-	-	3,000	648,034	647,700	(334)
<b>Sub total</b>	<b>100</b>	<b>3,100</b>	<b>-</b>	<b>-</b>	<b>3,200</b>	<b>746,784</b>	<b>762,400</b>	<b>15,616</b>
<b>Food Industries</b>								
Fauji Foods Limited	-	21,500	-	2,000	19,500	1,979,002	1,737,060	(241,942)
<b>Sub total</b>	<b>-</b>	<b>21,500</b>	<b>-</b>	<b>2,000</b>	<b>19,500</b>	<b>1,979,002</b>	<b>1,737,060</b>	<b>(241,942)</b>
<b>Personal Goods (Textiles)</b>								
Nishat Mills Limited	500	-	-	500	-	-	-	-
Treet Corporation Limited	-	3,000	-	1,000	2,000	105,877	109,240	3,363
Artistic Denim Mills Limited	5,000	-	-	1,000	4,000	119,165	75,830	(43,335)
<b>Sub total</b>	<b>5,500</b>	<b>3,000</b>	<b>-</b>	<b>2,500</b>	<b>6,000</b>	<b>225,042</b>	<b>185,070</b>	<b>(39,972)</b>
<b>Miscellaneous</b>								
Synthetic Products Limited	-	14,000	-	11,500	2,500	147,194	24,441	(122,753)
<b>Sub total</b>	<b>-</b>	<b>14,000</b>	<b>-</b>	<b>11,500</b>	<b>2,500</b>	<b>147,194</b>	<b>24,441</b>	<b>(122,753)</b>
	<b>246,900</b>	<b>282,200</b>	<b>-</b>	<b>289,500</b>	<b>239,600</b>	<b>23,900,706</b>	<b>22,488,142</b>	<b>(1,412,564)</b>
<b>Mutual funds - listed</b>								
<b>Units of Mutual Funds</b>								
Meezan Islamic Fund - Growth Units	1,834	-	-	-	1,834	42,173	129,884	87,712
Meezan Balance Fund	-	-	-	-	-	-	-	-
Al-Ameen Islamic Active Allocation Plan-1	9,394	-	-	-	9,394	972,178	1,073,640	101,462
First Habib Islamic Balanced Fund	57,712	1,448	-	-	59,160	4,818,101	6,111,916	1,293,815
	68,940	1,448	-	-	70,388	5,832,452	7,315,441	1,482,989
<b>Total Listed securities</b>								
<b>- At Fair value through Profit &amp; Loss</b>	<b>315,840</b>	<b>283,648</b>	<b>-</b>	<b>289,500</b>	<b>309,988</b>	<b>29,733,158</b>	<b>29,803,583</b>	<b>70,424</b>



# Notes to the Condensed Interim Financial Statements

For the Period and 1st Quarter Ended September 30, 2016 (Un-audited)

## 10.1.1 Detail of addition/deletion in tangible assets

	Unaudited September 30, 2016		Audited June 30, 2016	
	Additions	Deletions	Additions	Deletions
Computer equipments	-	-	159,320	-
Office equipments and appliances	20,700	-	273,458	(14,346)
Furniture and fixtures	-	-	628,110	-
Motor Vehicles	-	-	864,411	(232,556)
Total	20,700	-	1,925,299	(246,902)

## 10.2 INTANGIBLE ASSETS

	Note	September 30, 2016	June 30, 2015
Opening balance		2	5,428
Amortization for the period		-	(5,426)
Closing balance		2	2

## 11 SECURITY DEPOSITS

	September 30, 2016	June 30, 2015
Security deposits	36,140,540	36,381,301
Less: Repayable / adjustable after one year	(25,598,150)	(24,609,050)
Current maturity of security deposits	10,542,390	11,772,251

## 12 CREDITORS, ACCRUED AND OTHER LIABILITIES

	September 30, 2016	June 30, 2015
Creditors	2,300,795	4,394,227
Accrued expenses	1,703,623	1,772,691
Payable to management company	37,657	15,092
Clearing and forwarding charges	458,900	458,900
Takaful / Insurance	92,460	451,260
Advances from customers	4,056,553	3,636,524
Provision for Worker's Welfare Fund	393,771	393,771
Advance Ijarah rentals	3,616,003	4,431,380
Unclaimed profit distributions	1,138,152	1,138,152
	13,797,914	16,691,997

## 13 PROVISION FOR CUSTOM DUTY & SURCHARGE

	Note	September 30, 2016	June 30, 2015
Custom duty / surcharges	13.1	4,398,842	4,398,842

13.1 In a suit filed with the Honorable High Court of Sindh in the year 1994 - 95, Modaraba has disputed the amount of duty and surcharge levied by the Collector of Customs on import of 1,901.472 metric tons of edible oil imported from Singapore. The Honorable High Court rejected the appeal and ordered to deposit amount for the disputed amount of duty. The Modaraba has filed an appeal in the Honorable Supreme Court against the decision of the Honorable High Court. The Honorable Supreme Court in its interim order allowed the Modaraba to get release of goods for which Modaraba has provided bank guarantee of Rs. 4.4 million against 10% cash margin and hypothecation charge on current assets until the matter is decided. The Modaraba, however, has fully provided for the duty and surcharge of Rs. 4,398,842, as claimed by the Collector of Customs.

## 14 PROFIT PAYABLE

	Note	September 30, 2016	June 30, 2015
Late payment & cheques return	14.1	267,268	267,268
Shares Dividend	14.2	207,319	207,319
		474,587	474,587

# Notes to the Condensed Interim Financial Statements

For the Period and 1st Quarter Ended September 30, 2016 (Un-audited)

14.1 This represents surcharge applied to customers due to late payment and cheques returned during the year. The management is required to donate the same for charitable purposes.

14.2 This represents non shariah shares dividend Income during the year. The management has to donate the same for charitable purposes as per circular 8 of 2012 of the Securities and Exchange Commission of Pakistan.

## 15 CERTIFICATE CAPITAL

Authorised certificate capital

	September 30, 2016	June 30, 2016		September 30, 2016	June 30, 2016
-----Number of certificates-----					
40,000,000		40,000,000	Modaraba Certificates of Rs 10 each	400,000,000	400,000,000
20,000,000		20,000,000	Modaraba Certificates of Rs 10 each fully paid in cash	200,000,000	200,000,000
1,000,000		1,000,000	Modaraba Certificates of Rs 10 each issued as fully paid bonus certificates	10,000,000	10,000,000
21,000,000		21,000,000		210,000,000	210,000,000

15.1 As at September 30, 2016, First Al-Noor Modaraba Management (Private) Limited (the Management Company) held 4,200,000 certificates (June 2016: 4,200,000 certificates), as required under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980.

## 16 RESERVES

Statutory reserve

Statutory reserve represents profits set aside to comply with the Prudential Regulations for modarabas issued by the SECP. These regulations require a modaraba to transfer not less than 20% and not more than 50% of its after tax profit till such time that reserves equal 100% of the paid up capital. Thereafter, a sum not less than 5% of the after tax profit is to be transferred.

During the current period the Modaraba has transferred an amount of Rs Nil (June 30, 2016 Rs.23,560)

## 17 CONTINGENCIES AND COMMITMENTS

There are no known contingencies and commitments at the balance sheet date.

## 18 PROFIT / LOSS FROM TRADING OPERATIONS

	September 30, 2016	September 30, 2015
Sales	21,181,000	25,221,615
Cost of Sales	20,000,000	26,435,571
Profit / (Loss)	1,181,000	(1,213,956)

## 19 EARNINGS/ (LOSS) PER CERTIFICATE - BASIC AND DILUTED

	September 30, 2016	September 30, 2015
Profit / (loss) for the period	1,270,928	(4,553,640)
----- (Numbers) -----		
Weighted average number of certificates	21,000,000	21,000,000
----- (Rupees) -----		
Earning per certificate - basic and diluted	0.06	(0.22)

# Notes to the Condensed Interim Financial Statements

For the Period and 1st Quarter Ended September 30, 2016 (Un-audited)

## 20 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:

### 20.1 Balance outstanding at period end

	September 30, 2016	September 30, 2015
	(Rupees)	
Modaraba Management Company		
- Management fee	37,657	-
Associated undertakings		
- Guarantee commission accrued to MCB Bank Limited	-	125,389
- Sharing of common expense charged during the year with Al-Noor Sugar Mills Ltd.	450,000	150,000
Other related parties (other than key management personnel)		
- Contribution to staff gratuity fund	7,096,407	7,055,498

### 20.2 Transactions during the year

	September 30, 2016	September 30, 2015
	(Rupees)	
Modaraba Management Company		
- Management fee	22,565	-
Associated undertakings		
- Guarantee commission accrued to MCB Bank Limited	-	20,006
- Sharing of common expense charged during the year with Al-Noor Sugar Mills Ltd.	150,000	150,000
Other related parties (other than key management personnel)		
- Contribution to staff gratuity fund	331,472	326,467
Associated undertakings		
- Bonus shares of Al-Noor Sugar Mills Limited	-	No. of shares

## 21. CASH FROM OPERATIONS AFTER WORKING CAPITAL CHANGES

	September 30, 2016	September 30, 2015
<b>Profit / (loss) before taxation</b>	1,270,928	(4,483,441)
Adjustments for:		
Gain on sale of investment in listed securities	(2,120,545)	(1,342,724)
Dividend income	(605,825)	(1,071,562)
Income on musawah facility	-	(621,096)
Income on diminishing musharakah	(1,275,490)	-
Gain on sukuk certificates	(85,044)	(98,290)
(Profit) on takafuls claim	-	(208,794)
Profit on bank deposits	(166,806)	(348,261)
Financial charges	34	20,653
Depreciation - owned assets	336,778	344,911
Depreciation - Ijarah assets	17,639,601	11,339,352
Amortization of intangible assets	-	5,426
Provision for gratuity	331,472	326,467
Share of profit from Associate	388,485	168,842
Unrealized loss/(gain) on re measurement of investments in listed securities	1,125,482	4,709,996
<b>Operating profit before working capital changes</b>	15,568,142	13,224,920
	16,839,070	8,741,479

### (Increase)/Decrease in current assets

	September 30, 2016	September 30, 2015
Stock in trade	-	11,161,570
Profit receivable	129,588	(530,807)
Ijarah Rental receivable	256,761	(580,125)
Trade Debtors - considered good and unsecured	(21,181,000)	7,025,581
Advances, deposits, prepayments and other receivables	431,985	6,335,746
	(20,362,666)	23,411,965

### Increase/(Decrease) in current liabilities

	September 30, 2016	September 30, 2015
Creditors, accrued and other liabilities	(2,894,083)	281,085
Profit payable	-	273

### Cash flow from operating activities

	September 30, 2016	September 30, 2015
	(2,894,083)	281,358
	(6,417,679)	32,434,802

# Notes to the Condensed Interim Financial Statements

For the Period and 1st Quarter Ended September 30, 2016 (Un-audited)

	September 30, 2016	September 30, 2015
	(Rupees)	
<b>22 CASH AND CASH EQUIVALENTS</b>		
Cash and bank balances	4 12,987,110	24,206,892
	12,987,110	24,206,892

## 23 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, 2016.

## 24 DATE OF AUTHORIZATION

These condensed interim financial statements were authorized for issue on October 27, 2016 by the Board of Directors of the Modaraba Management Company.

## 25 GENERAL

Figures have been rounded off to the nearest rupee.

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

Place : Karachi  
Date : October 27, 2016

sd-  
Chief Executive

sd-  
Director

sd-  
Director

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### **FIRST AL-NOOR MODARABA**

(An Islamic Financial Institution)

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