

1ST QUARTERLY REPORT
September 30, 2018
(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. Abdul Rahim Suriya, Independent

Mr. Zia Zakaria

Mr. Zainuddin Ayoob

Executive Directors

Chief Executive

Mr. Jalaluddin Ahmed

Company Secretary

Mr. Roofi Abdul Razzak

Board Audit Committee

Mr. Abdul Rahim Suriya - Chairman

Mr. Suleman Ayoob - Member

Mr. Zia Zakaria - Member

HR & Remuneration Committee

Mr. Zainuddin Ayoob - Chairman

Mr. Abdul Aziz Ayoob - Member

Mr. Jalaluddin Ahmed - Member

Bankers

Al-Baraka Bank (Pakistan) Limited.

Askari Bank Limited, Islamic Banking

Faysal Bank Limited, Barkat Islamic Banking

Habib Bank Limited, Islamic Banking

MCB Bank Limited, Islamic Banking

Meezan Bank Limited

National Bank of Pakistan

Auditors

RSM Avais Hyder Liaquat Nauman

Chartered Accountants

Shariah Advisor

AlHamd Shariah Advisory Services (Pvt) Ltd.

Legal Advisor

Muhammad Jamshid Malik

Barrister-at-Law

Share Registrar

M / s FAMCO Associates (Private) Limited

8-F, near Hotel Faran, Nursery, Block-6,

P.E.C.H.S, Shakra-e-Faisal, Karachi.

Tel: +92 21 3438 0103-5, 3438 4621-3

Fax: 34380106

Registered Office

96-A, Sindhi Muslim Cooperative

Housing Society, Karachi

Contact Details

Telephone: 34558268;34552943;34553067

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Report Of The Directors Of Modaraba Company

As at September 30, 2018 (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 accounts for the first quarter ended September 30, 2018.

Financial Results

Financial results are summarized as under

	Quarter ended	
	September 30, 2018	September 30, 2017
	Rupees	
Profit/(Loss) after taxation	(780,178)	(6,890,722)
Un-appropriated profit/(loss) brought forward	(37,434,232)	(12,589,964)
	(38,214,410)	(19,480,686)
Share of associate's incremental depreciation	15,650	16,620
Un-appropriated profit/(loss) brought forward	(38,198,760)	(19,464,066)
Earning per certificate - basic and diluted	(0.04)	(0.33)

In comparison to the past year, the loss reflected in the corresponding period of the current financial year stands considerably reduced. This amply demonstrates that the modaraba slowly but surely getting back on track. In view of the perennial incremental increase in the discount rates, the lending rates of the financial institutions are increasing thus having a positive impact on the earnings of the Financial Institutions. With a new government now in the saddle, and focusing on the revival of the economy, there is a cautious optimism that the modaraba will close the current financial year in a fairly satisfactory position.

On behalf of the Board

sd/-

Jalaluddin Ahmed
Chief Executive

Place: Karachi
Date: October 26, 2018

مضاربہ کمپنی کی ڈائریکٹر رپورٹ

برائے اختتام پہلی سہ ماہی مدت ستمبر ۲۰۱۸ء (غیر نظر ثانی شدہ)

بورڈ آف ڈائریکٹر انور مضاربہ مینجمنٹ (پرائیویٹ) لمیٹڈ مضارب / انتظامی کمپنی برائے فرسٹ انور مضاربہ (ایف اے ایم) کی جانب سے انتہائی مسرت کے ساتھ مضاربہ کمپنی کی نظر ثانی شدہ رپورٹ بابت ستمبر ۲۰۱۸ء 30 مالیاتی دستاویز پیش کرتے ہیں۔

ختم ہونے والی ششماہی

30 ستمبر 2018	30 ستمبر 2017
(780.178)	(6.890.722)
(37.434.232)	(12.589.964)
(38.214.410)	(19.480.686)
15.650	16.620
(38.198.760)	(19.464.066)
(0.04)	(0.33)

بعد از ٹیکس نفع / نقصان

پچھلے سالوں کا غیر تصرف شدہ نفع / نقصان

ملحقہ انکریمینٹ کی کمی بیشی کے شیئر

غیر تصرف شدہ نفع / نقصان

آمدنی فی سرٹیفکیٹ - بنیادی اور مقررہ

پچھلے سال کی اسی مدت کے مقابلے میں اس مالیاتی سال کا کاروباری نقصان کافی حد تک کم ہوا ہے۔ یہ ظاہر کرتا ہے کہ مضاربہ آہستہ مگر یقینی طور پر اپنے راستے پر وہی آ رہا ہے۔ تو اتر کے ساتھ بڑھتے رہا شرح کی وجہ سے مالیاتی اداروں کے قرضے کی شرح میں اضافہ ہو رہا ہے۔ جس سے ان کی آمدنی پر بھی مثبت اثرات مرتب ہو رہے ہیں اور نئی حکومت کی توجہ ملنے معاشی حالت کی بحالی پر مرکوز ہے، اس سے ایک محتاط اُمید کی جاسکتی ہے کہ مضاربہ اپنے موجودہ مالیاتی سال کو کافی اطمینان بخش صورت میں مکمل کریگا۔

sd/-

منجانب بورڈ

جلال الدین

چیف ایگزیکٹو

کراچی

مورخہ ۲۶ اکتوبر ۲۰۱۸ء

Balance Sheet

As at September 30, 2018 (Unaudited)

		(Unaudited) September 30,2018	(Audited) June 30, 30,2018
	Note	Rupees	
ASSETS			
CURRENT ASSETS			
Cash and bank balances	4	55,525,280	24,281,195
Short term investments	5.1	20,004,529	25,689,143
Musawah facility - secured	7	-	-
Profit receivable	8	1,118,916	1,014,099
Ijarah receivable	9	2,910,437	2,610,777
Diminishing musharakah receivable		618,850	1,196,806
Trade Debtors - considered good and unsecured		7,739,645	12,959,168
Stock in trade	10	23,925,377	31,164,138
Current portion of investment in sukuk certificates	11	714,283	714,283
Current portion of investment in diminishing musharakah (Syndicate)	15	15,000,000	15,000,000
Current portion of investment in diminishing musharakah	16	7,262,912	7,262,912
Advances, deposits, prepayments and other receivables	12	7,425,897	8,409,480
Taxation	13	4,313,253	4,240,860
		146,559,379	134,542,861
NON-CURRENT ASSETS			
Long term deposits	14	3,846,989	3,846,989
Long term portion of investment in sukuk certificates	11	6,428,570	6,785,715
Long term portion of investment diminishing musharakah (syndicate)	15	22,500,000	26,250,000
Long term portion of investment diminishing musharakah	16	12,645,417	14,262,219
Long term investments	6	31,414,117	27,161,535
Ijarah assets	11	84,606,664	97,608,224
Fixed assets in own use	18	5,514,956	5,922,709
		166,956,713	181,837,397
		313,516,092	316,380,258
TOTAL ASSETS			
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Current maturity of security deposits	19	9,139,950	9,054,050
Creditors, accrued and other liabilities	20	8,661,840	9,189,017
Provision for custom duty & surcharge	21	4,398,842	4,398,842
Profit payable	22	542,598	542,598
		22,743,230	23,184,507
NON CURRENT LIABILITIES			
Security deposits	19	20,227,300	21,217,800
Deferred liability - staff gratuity	23	7,471,958	7,564,856
		27,699,258	28,782,656
		50,442,488	51,967,164
TOTAL LIABILITIES			
CERTIFICATE HOLDER'S EQUITY			
40,000,000 (June 2018: 40,000,000) certificates of Rs 10/- each		400,000,000	400,000,000
Issued, subscribed & paid capital	24	210,000,000	210,000,000
Reserves	25	97,835,635	97,835,635
Unappropriated profit		(38,198,760)	(37,434,232)
Unrealised loss on OCI Component reflected in equity		(3,438,488)	(3,300,737)
Total capital and reserves		266,198,387	267,100,671
Unrealised appreciation on remeasurement of investment classified as available for sale- net	26	(3,124,783)	(2,687,577)
		313,516,092	316,380,258
TOTAL LIABILITIES AND EQUITY			
CONTINGENCIES AND COMMITMENTS			
	27	-	-

The annexed notes 1 to 43 form an integral part of these condensed interim financial information.

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

Place : Karachi
Date : October 26, 2018

sd-
Chief Executive

sd-
Director

sd-
Director

Profit and Loss Account

For the Period and 1st Quarter Ended September 30, 2018 (Un-audited)

	Note	September 30, 2018	September 30, 2017
Rupees			
Income from trading operations	28	535,378	-
Income on Diminishing Musharakah (Syndicate)	29	974,888	1,179,830
Income on Diminishing Musharakah		948,653	64,448
Income from Ijarah	30	3,947,785	4,962,733
Income from investments	31	926,812	1,328,130
		<u>7,333,516</u>	<u>7,535,141</u>
Administrative and operating expenses	32	7,297,256	8,138,777
Financial and other charges	33	6,536	413
		<u>7,303,792</u>	<u>8,139,190</u>
Operating profit / (loss)		29,724	(604,049)
Other income	34	361,316	209,498
		<u>391,040</u>	<u>(394,551)</u>
Unrealised (loss) / gain on re-measurement of investments at fair value through profit or loss	5.1.4	(817,815)	(5,507,861)
Share of profit from associates	6.2.1	(353,403)	(988,311)
		<u>(780,178)</u>	<u>(6,890,722)</u>
Management company's remuneration	35	-	-
		<u>(780,178)</u>	<u>(6,890,722)</u>
Workers welfare fund	36	-	-
(Loss)/Profit before taxation		(780,178)	(6,890,722)
Income tax expense	37	-	-
(Loss)/Profit for the period		(780,178)	(6,890,722)
Earnings per certificate - Basic and Diluted	38	(0.04)	(0.33)

The annexed notes 1 to 43 form an integral part of these condensed interim financial information.

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

Place : Karachi
Date : October 26, 2018

sd-
Chief Executive

sd-
Director

sd-
Director

Statement of Other Comprehensive Income

For the Period and 1st Quarter Ended September 30, 2018 (Un-audited)

	Note	September 30, 2018	September 30, 2017
Rupees			
(Loss)/Profit for the period/year		(780,178)	(6,890,722)
Others comprehensive income			
Not to be reclassified to profit and loss account in subsequent periods			
Remeasurement of net defined benefit liability - loss		(137,751)	-
Comprehensive income transferred to equity		(137,751)	-
Components of comprehensive income not reflected in equity			
"Unrealized (loss) on re-measurement of available for sale investment**"	6.2	(473,190)	(739,719)
Total Comprehensive loss		(1,391,119)	(7,630,441)

*Deficit on re-measurement of available for sale investment & gain realised on disposal of investments is presented separately below equity as 'Surplus on revaluation of investments' been shown in order to comply with the amended "Prudential Regulations for Modarabas" issued by SECP vide SC/M/PRDD/PRs Circular no. 259 of 2017 on December 11, 2017.

The annexed notes 1 to 43 form an integral part of these condensed interim financial information.

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

Place : Karachi
Date : October 26, 2018

sd-
Chief Executive

sd-
Director

sd-
Director

Cash Flow Statement

For the Period and 1st Quarter Ended September 30, 2018 (Un-audited)

		September 30, 2018	September 30, 2017
	Note	Rupees	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash from operations after working capital changes	40	22,802,114	33,944,562
Increase in long-term security deposits		(904,600)	342,100
Income on Diminishing Musharakah (Syndicate)		942,037	1,333,853
Income on Diminishing Musharakah		329,803	-
Income tax paid		(72,393)	(129,302)
Gratuity paid		(490,000)	-
Net cash generated from operating activities		22,606,961	35,491,213
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to fixed assets			
- Own		(35,500)	(4,556,500)
- Ijarah		-	(22,045,500)
Sale proceeds on disposal of fixed assets			
- Own		-	2,243,000
- Ijarah		904,600	933,000
Dividend received		159,180	7,896
Profit on bank deposit		319,755	181,843
Redemption of Installment of Sukuk Certificates		357,145	357,145
Investment in Sukuk Certificates		-	(5,000,000)
Investment in diminishing musharakah		(770,000)	-
Repayment of diminishing musharakah		6,086,531	4,606,039
Purchase of investments in mutual funds		(5,000,000)	-
Proceeds from sale of mutual funds units		5,686,935	-
Purchase of investments in listed securities		(6,285,975)	(4,672,461)
Proceeds from sale of investments in listed securities		7,212,317	12,241,636
Net cash (used in) investing activities		8,634,988	(15,703,902)
CASH FLOWS FROM FINANCING ACTIVITIES			
Financial charges paid		2,136	(413)
Net cash (used in) financing activities		2,136	(413)
Net (decrease) in cash and cash equivalents		31,244,085	19,786,898
Cash and cash equivalents at beginning of the year		24,281,195	11,482,750
Cash and cash equivalents at end of the period/year	41	55,525,280	31,269,648

The annexed notes 1 to 43 form an integral part of these condensed interim financial information.

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

Place : Karachi
Date : October 26, 2018

sd-
Chief Executive

sd-
Director

sd-
Director

Statement of Changes in Equity

For the Period and 1st Quarter Ended September 30, 2018 (Un-audited)

	Certificate Capital	*Statutory Reserve	Reserve		Unrealized (loss)/Gain on remeasurement of available for sale investment	Total
			General reserve	Unappropriated profit		
Rupees						
Balance as at June 30, 2017	210,000,000	97,585,635	500,000	(10,319,964)	(2,588,314)	295,177,357
Share of associate's incremental depreciation on account of revaluation of fixed assets	-	-	-	166,220	-	166,220
Total Comprehensive income for the year	-	-	-	(25,010,488)	(712,423)	(25,722,911)
Profit distribution in cash	-	-	-	(2,520,000)	-	(2,520,000)
Transfer to general reserve	-	-	(250,000)	250,000	-	-
Transfer to statutory reserve	-	-	-	-	-	-
Balance as at June 30, 2018	210,000,000	97,585,635	250,000	(37,434,232)	(3,300,737)	267,100,666
Share of associate's incremental depreciation on account of revaluation of fixed assets	-	-	-	15,650	-	15,650
Total Comprehensive income for the period	-	-	-	(780,178)	(137,751)	(917,929)
Profit distribution in cash	-	-	-	-	-	-
Transfer to general reserve	-	-	-	-	-	-
Transfer to statutory reserve	-	-	-	-	-	-
Balance as at Sept. 30, 2018	210,000,000	97,585,635	250,000	(38,198,760)	(3,438,488)	266,198,387

* 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 43 form an integral part of these condensed interim financial information.

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

Place : Karachi
Date : October 26, 2018

sd-
Chief Executive

sd-
Director

sd-
Director

Notes to the Condensed Interim Financial Statements

For the Period and 1st Quarter Ended September 30, 2018 (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, 2017 and 2018 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 Company's annual financial statements for the year ended 30 June 2018.

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 2018.

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.

In 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 2018.

Notes to the Condensed Interim Financial Statements

For the Period and 1st Quarter Ended September 30, 2018 (Un-audited)

	Note	Sept. 30, 2018	June 30, 2018
Rupees			
4. CASH AND BANK BALANCES			
With Cash in Hand		8,532	-
With banks in current accounts			
- Islamic Banks /Islamic Window operations		517,859	483,575
- Conventional Banks		467,705	145,227
With banks in PLS accounts			
- Islamic Banks /Islamic Window operations	4.1	54,531,185	23,652,393
- Conventional Banks		-	-
		<u>55,525,280</u>	<u>24,281,195</u>
4.1 These deposits accounts carry profit at rates ranging from 1.55% % to 4.28 % (2018: 1.55% to 4.28%).			
5. INVESTMENTS			
5.1 Short term Investments			
At fair value through profit and loss			
Shariah compliant			
- Equity securities - listed	5.1.1	19,881,571	19,926,693
- Mutual funds - listed	5.1.2	122,958	5,762,450
Non - Shariah compliant			
- Equity securities - listed	5.1.3	-	-
- Mutual funds - listed		-	-
		<u>20,004,529</u>	<u>25,689,143</u>

5.1.1 At fair value through profit and loss Shariah compliant Equities securities listed

Name of investee company	Number of Shares / Units				Balance as at Sept. 30, 2018			
	As at July 1, 2018	Purchases during the period	Bonus / right issue	Sales / write-offs during the period	As at Sept. 30, 2018	Carrying cost	Market value	Appreciation / (diminution)
Construction and Materials								
Fauji Cement Company Limited	12,500	-	-	7,500	5,000	227,603	156,520	(71,083)
D.G. Khan Cement Limited	3,000	-	-	500	2,500	447,128	256,025	(191,103)
Lucky Cement Company Limited	4,400	-	-	900	3,500	2,997,604	2,051,760	(945,844)
Maple Leaf Cement Limited	8,500	-	-	4,500	4,000	489,434	235,500	(253,934)
Best Way Cement Co. Limited	500	-	-	-	500	159,256	60,575	(98,681)
Power cement Limited	-	5,000	-	-	5,000	40,004	36,200	(3,804)
AKZO Nobel Pakistan Limited	500	-	-	-	500	126,856	81,205	(45,651)
Kohat Cement Company Limited	1,500	-	-	500	1,000	256,301	125,140	(131,161)
Sub total	30,900	5,000	-	13,900	22,000	4,744,185	3,002,925	(1,741,260)
Oil & Gas Producers								
Attock Refinery Limited	1,000	-	-	1,000	-	-	-	-
National Refinery Limited	2,000	-	-	-	2,000	1,064,106	700,000	(364,106)
Hascol Petroleum Limited	1,300	-	70	-	1,370	374,216	375,898	1,682
Sub total	4,300	-	70	1,000	3,370	1,438,322	1,075,898	(362,424)
Gas Water & Multiutilities								
Sui Southern Gas Limited	15,000	15,000	-	-	30,000	1,042,025	825,000	(217,025)
TPL Traker Limited	45,000	-	-	15,000	30,000	454,777	181,200	(273,577)
Sui Northern Gas Pipeline Limited	7,000	5,000	-	500	11,500	1,314,571	1,024,880	(289,691)
Sub total	67,000	20,000	-	15,500	71,500	2,811,374	2,031,080	(780,294)
General Industries								
Thal Limited	1,000	-	-	-	1,000	552,130	437,010	(115,120)
Pakistan Paper Products	500	100	-	-	600	97,946	84,300	(13,646)
Packages Limited	2,500	2,500	-	-	5,000	3,357,135	2,236,100	(1,121,035)
Sub total	4,000	2,600	-	-	6,600	4,007,211	2,757,410	(1,249,801)
Power Generation & Distribution								
K-Electric Limited	239,500	100,000	-	-	339,500	2,482,188	1,816,325	(665,863)
Hub Power Company Limited.	-	5,000	-	2,000	3,000	281,328	262,410	(18,918)
Kot Addu Power Company Limited	8,000	-	-	6,000	2,000	170,179	113,160	(57,019)
Sub total	247,500	105,000	-	8,000	344,500	2,933,695	2,191,895	(741,800)

Notes to the Condensed Interim Financial Statements

For the Period and 1st Quarter Ended September 30, 2018 (Un-audited)

Name of investee company	Number of Shares / Units				Balance as at Sept. 30, 2017			
	As at July 1, 2018	Purchases during the period	Bonus / right issue	Sales / write-offs during the period	As at Sept. 30, 2018	Carrying cost	Market value	Appreciation / (diminution)
Automobile and Parts								
Ghandhars Industries Limited	1,000	-	-	500	500	422,042	339,005	(83,037)
Pak Suzuki Motors Co. Limited	1,000	-	-	-	1,000	860,221	309,820	(550,401)
Millat Tractors Limited	570	-	-	-	570	798,821	578,066	(220,755)
General Tyre & Rubber Co. of Pakistan Limited	5,000	2,000	-	3,000	4,000	950,485	651,680	(298,805)
Exide Battery Limited	120	-	-	-	120	115,648	30,840	(84,808)
Atlas Battery Limited	200	-	-	200	-	-	-	-
Sub total	7,890	2,000	-	3,700	6,190	3,147,217	1,909,411	(1,237,807)
Cable and Electrical Goods								
Pakistan Electronic Limited	3,200	-	-	-	3,200	158,102	98,368	(59,734)
Sub total	3,200	-	-	-	3,200	158,102	98,368	(59,734)
Engineering								
Amerli Steels Limited	5,000	2,500	-	500	7,000	667,817	454,650	(213,167)
International Steels Limited	2,000	-	-	-	2,000	232,105	181,940	(50,165)
Mughal Iran & Steel Industries Limited	3,000	5,000	-	1,000	7,000	427,113	342,510	(84,603)
Sub total	10,000	7,500	-	1,500	16,000	1,327,035	979,100	(347,935)
Chemicals								
Lotte Pakistan PTA Limited	7,500	15,000	-	19,000	3,500	44,119	47,215	3,096
Engro Corporation Limited	3,000	-	-	1,000	2,000	763,955	623,260	(140,695)
Engro Fertilizer Limited	15,000	2,000	-	5,000	12,000	840,437	1,283,330	442,893
Fatima fertilizer Limited	4,000	-	-	3,000	1,000	32,218	74,820	42,602
ICI Pakistan Limited	220	-	-	-	220	231,379	166,888	(64,492)
Sitara Peroxide Limited	10,000	-	-	9,500	500	11,289	14,715	3,426
Ittehad Chemicals Limited	1,000	-	-	-	1,000	44,479	34,820	(9,659)
Dawood Hercules Chemicals Limited	15,000	-	-	1,000	14,000	1,956,392	1,491,700	(464,692)
Sub total	55,720	17,000	-	38,500	34,220	3,924,270	3,736,748	(187,522)
Pharma and Bio Tech								
The Searle Company Limited	1,910	-	-	-	1,910	875,440	603,426	(272,013)
Glaxo Smithkline Pakistan Limited	4,500	-	-	-	4,500	951,676	665,190	(286,486)
Sub total	6,410	-	-	-	6,410	1,827,115	1,268,616	(558,499)
Food Industries								
Fauji Foods Limited	1,000	5,000	-	-	6,000	226,439	181,680	(44,759)
Al-Shaher Corporation	11,750	21,250	-	15,500	17,500	645,536	481,250	(164,286)
Sub total	12,750	26,250	-	15,500	23,500	871,975	662,930	(209,045)
Glass & Ceramics								
Shabbir Tiles & Ceramics Limited	-	10,000	-	10,000	-	-	-	-
Sub total	-	10,000	-	10,000	-	-	-	-
Personal Goods (Textiles)								
Nishat Mills Limited	-	5,000	-	4,000	1,000	135,474	140,590	5,116
Sub total	-	5,000	-	4,000	1,000	135,474	140,590	5,116
Miscellaneous								
Synthetic Products Limited	692	-	-	-	692	36,214	26,600	(9,614)
Sub total	692	-	-	-	692	36,214	26,600	(9,614)
	450,362	200,350	70	111,600	539,182	27,362,189	19,881,571	(7,480,619)
5.1.2 Mutual funds - listed								
Units of Mutual Funds								
Meezan Islamic Fund - Growth Units	1,941	-	-	-	1,941	50,427	122,958	72,531
First Habib Islamic Balanced Fund	64,573	-	-	64,573	-	-	-	-
	66,515	-	-	64,573	1,941	50,427	122,958	72,531
5.1.3 Non - Shariah compliant								
	-	-	-	-	-	-	-	-
Total Listed securities								
- At Fair value through Profit & Loss	516,877	200,350	70	176,173	541,123	27,412,616	20,004,529	(7,408,088)

Notes to the Condensed Interim Financial Statements

For the Period and 1st Quarter Ended September 30, 2018 (Un-audited)

	Note	September 30, 2018	June 30, 2018
Rupees			
5.1.4 Unrealised gain / (loss) on re-measurement of investment at fair value through profit or loss			
Market Value as at		20,004,529	25,689,143
Cost of investment		27,412,616	34,084,621
Unrealised (loss) / gain on investment as at period/ year ended		(7,408,087)	(8,395,477)
Unrealised gain on investment at the beginning of the year		(8,395,477)	(2,792,396)
Gain / (Loss) realised on disposal during the period / year		1,805,205	2,664,475
Unrealised loss on investment for the period/year ended		(817,815)	(8,267,557)
6 LONG TERM INVESTMENTS			
Investment in Associates	6.1.1	7,311,121	7,648,874
Available for Sale			
Equity securities - listed AFS			
Shariah compliant			
- Equity securities - listed	6.1.2	10,878,446	11,132,900
- Mutual funds - listed	6.1.3	10,734,730	5,858,066
Non - shariah compliant			
- Equity securities - listed	6.1.4	2,489,820	2,521,695
		31,414,117	27,161,535
6.1.1 Investment in Associates			
Opening balance		7,648,874	8,297,869
Share of incremental depreciation		15,650	166,220
Share of comprehensive income		-	-
Share of profit/loss of associate		(353,403)	(815,215)
		(337,753)	(648,995)
Reversal of Sale of Shares		-	-
Dividend income		-	-
		7,311,121	7,648,874
Name of Associate			
Al-Noor Sugar Mills Limited			
Basis of significant influence			
Common directorship			
Summarized financial statements of Associates :			
		Al-Noor Sugar Mills Ltd	
		Rupees	Rupees
Share capital - ordinary shares of Rs. 10 each		204,737	204,737
Total assets		11,411,674	11,411,674
Total liabilities		8,741,814	8,741,814
Net assets		2,669,860	2,669,860
Revenue		5,699,601	5,699,601
Profit for the year - after tax		269,431	269,431
		Rupees	Rupees
Number of shares held		110,775	110,775
Cost of investment		1,482,481	1,482,481
Ownership interest		0.54%	0.54%
Market value of shares		6,309,000	6,309,000
Net book value		(4,826,519)	(4,826,519)
Financial results based on the information available as on		30-Jun-18	31-Mar-18
Financial year ended of the companies		30-Sep	30-Sep

Notes to the Condensed Interim Financial Statements

For the Period and 1st Quarter Ended September 30, 2018 (Un-audited)

6.1.2 Available for sale Shariah compliant Equity securities - listed

Name of investee company	Number of Shares / Units				Balance as at Sept. 30, 2018			
	As at July 1, 2018	Purchases during the period	Bonus / right issue	Sales / write-offs during the period	As at Sept. 30, 2018	Carrying cost	Market value	Appreciation / (diminution)
Fully paid ordinary shares of Rs 10 each unless stated otherwise								
Equity Investment Instruments								
First Habib Modaraba	4,500	-	-	-	4,500	36,646	49,500	12,854
First Imrooz Modaraba	3,000	-	-	-	3,000	479,843	658,710	178,867
Habib Metro Modaraba	500	-	-	-	500	5,000	4,905	(95)
Allied Rental Modaraba	15,000	-	-	-	15,000	385,856	262,500	(123,356)
Orix Modaraba	11,000	-	-	-	11,000	283,258	209,330	(73,928)
Sub total	34,000	-	-	-	34,000	1,190,604	1,184,945	(5,659)
Construction and Materials								
Power Cement Company Limited	6,000	-	-	-	6,000	73,931	43,440	(30,491)
Sub total	6,000	-	-	-	6,000	73,931	43,440	(30,491)
Automobile and Parts								
Ghandhars Nissan Limited	2,600	-	693	-	3,293	711,799	407,015	(304,784)
Ghandhars Industries Limited	2,100	-	-	-	2,100	1,616,533	1,423,821	(192,712)
Millat Tractors Limited	630	-	-	-	630	822,135	638,915	(183,221)
Sazgar Engineering Works	200	-	-	100	100	7,223	29,313	22,090
Hinopak Motors Limited	10	-	-	-	10	10,204	7,054	(3,150)
Sub total	5,540	-	693	100	6,133	3,167,895	2,506,118	(661,777)
General Industries								
Cherat Packages Limited	6,715	-	-	-	6,715	2,163,324	1,161,964	(1,001,360)
Sub total	6,715	-	-	-	6,715	2,163,324	1,161,964	(1,001,360)
Pharma and Bio Tech								
Searle Company Limited	1,000	-	-	-	1,000	610,286	375,957	(234,329)
Sub total	1,000	-	-	-	1,000	610,286	375,957	(234,329)
Engineering								
Crescent Steel & Allied Products	200	-	-	-	200	38,894	15,304	(23,590)
International Steels Limited	5,000	-	-	-	5,000	807,581	454,850	(352,731)
Sub total	5,200	-	-	-	5,200	846,475	470,154	(376,321)
Chemicals								
Engro Fertilizer Company Limited	5,000	-	-	-	5,000	340,264	377,450	37,186
Engro Corporation Limited	7,100	-	-	-	7,100	2,421,697	2,212,573	(209,124)
Lotte Chemical Pakistan Ltd	7,500	-	-	3,500	4,000	39,471	53,960	14,489
Sub total	19,600	-	-	3,500	16,100	2,801,431	2,643,983	(157,448)
Oil & Gas Producers								
Pakistan Petroleum Limited	8,000	-	-	-	8,000	1,485,534	1,707,200	221,666
Pakistan Oilfield Limited	100	-	-	-	100	38,772	54,918	16,146
Oil & Gas Development Co. Ltd	500	-	-	-	500	69,954	76,495	6,541
Attock Petroleum Limited	100	-	-	-	100	60,439	44,385	(16,054)
Mari Petroleum Ltd	160	-	-	-	160	247,031	249,333	2,302
Hascol Petroleum Limited	1,330	-	-	-	1,330	374,439	359,555	(14,884)
Sub total	10,190	-	-	-	10,190	2,276,168	2,491,886	215,717
	88,245	-	693	3,600	85,338	13,130,114	10,878,446	(2,251,668)
6.1.3 Mutual funds - listed								
Units of Mutual Funds								
UBL Al Ameen Islamic Allocation Plan Plan -VI Class	29,680	-	-	-	29,680	3,061,111	2,784,112	(276,999)
UBL Al Ameen Islamic Allocation Plan -IX	29,016	-	-	-	29,016	3,000,000	2,844,706	(155,294)
HBL-JFPF-Islamic Capital Preservation Plan	-	49,724	-	-	49,724	5,000,000	4,972,374	(27,626)
Meezan Balance Fund	8,651	-	-	-	8,651	118,136	133,537	15,401
Sub total	67,347	49,724	-	-	117,071	11,179,248	10,734,730	(444,518)

Notes to the Condensed Interim Financial Statements

For the Period and 1st Quarter Ended September 30, 2018 (Un-audited)

6.1.4 Non - Shariah compliant

Chemicals								
Fauji Fertilizer Company Limited	25,500	-	-	-	25,500	2,918,417	2,489,820	(428,597)
Sub total	25,500	-	-	-	25,500	2,918,417	2,489,820	(428,597)
	<u>25,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,500</u>	<u>2,918,417</u>	<u>2,489,820</u>	<u>(428,597)</u>

Total Listed securities - AFS 181,092 49,724 693 3,600 227,909 27,227,779 24,102,996 (3,124,783)

	Note	September 30, 2018	June 30, 2018
		Rupees	
6.2 Unrealised (loss) on re-measurement of available for sale investment			
Market Value as at		24,102,996	19,512,661
Cost of investment		27,227,779	22,200,238
Unrealised gain / (loss) on investment as at period/year ended		(3,124,783)	(2,687,577)
Unrealised loss on investment at the beginning of the period/year		(2,687,577)	(2,641,995)
Gain realised on disposal during the period/year		35,984	161,419
Unrealised gain on investment for the period/year ended		<u>(473,190)</u>	<u>(207,001)</u>
7 MUSAWAMAH FACILITY - SECURED			
Musawamah facility - secured considered doubtful		25,000,000	25,000,000
Less: provision against potential losses		<u>(25,000,000)</u>	<u>(25,000,000)</u>
		<u>-</u>	<u>-</u>

7.1 Musawamah facility (Classified portfolio)

	September 30, 2018		June 30, 2018	
	Balance Outstanding	Provision Held	Balance Outstanding	Provision Held
	----Rupees----			
OAEM				
Substandard	-	-	-	-
Doubtful	25,000,000	(25,000,000)	25,000,000	(25,000,000)
Loss	-	-	-	-
	<u>25,000,000</u>	<u>(25,000,000)</u>	<u>25,000,000</u>	<u>(25,000,000)</u>

7.2 This represents musawamah principal amount overdue by more than one year carried profit rate of 10% (June 2017: 10%) per annum secured against hypothecation of current assets, demand promissory notes, personal guarantee of directors and pledge of stocks (raw cotton). M/s Quetta Textile Mills Limited has defaulted in payment at its maturity therefore the Modaraba has filed a suit for recovery of principal and profit in Hon'ble Banking Court No. II. The legal advisor of the Modaraba is of the opinion that Modaraba has reasonable chances of recovery of the defaulted amounts. However, in compliance to prudential regulation # 5 for modarabas, the modaraba has provided the provision against the said default.

Further, Modaraba has also filed for registration of criminal complaint against M/s Quetta Textile Mills Ltd."

M/s Quetta Textile has filed a suit against Modaraba for the recovery of Rs. 76,898,349/- along with damages, rendition of accounts, reconciliation of documents, cancellation of documents and other reliefs under section 9 of the Financial Institutions (Recovery of Finances) Ordinance 2001. The notice against said suit was served in July 2017. In the given facts and circumstances of the case, the outcome of the matter cannot be predicted with any degree of certainty. However, in the opinion of Modaraba's legal advisor, the Modaraba has reasonable chance to prevail.

Notes to the Condensed Interim Financial Statements

For the Period and 1st Quarter Ended September 30, 2018 (Un-audited)

	Note	September 30, 2018	June 30, 2018
8 PROFIT RECEIVABLE			
Musawamah	7.2 & 8.1	-	-
Diminishing Musharakah		799,018	766,167
Sukuk		206,210	156,088
PLS bank account		113,688	91,844
		<u>1,118,916</u>	<u>1,014,099</u>
8.1 Provision against potential losses		678,083	678,083
Less: Income suspended		<u>(678,083)</u>	<u>(678,083)</u>
		-	-
9 IJARAH RECEIVABLES			
Ijarah receivable - considered good		2,910,437	2,610,777
Less: allowance for potential ijarah losses		-	-
		<u>2,910,437</u>	<u>2,610,777</u>
10 STOCK IN TRADE			
Finished goods		23,925,377	31,164,138
In transit		267,790	267,790
less: Provision for slow moving stock		<u>(267,790)</u>	<u>(267,790)</u>
		<u>23,925,377</u>	<u>31,164,138</u>
11 INVESTMENT IN SUKUK CERTIFICATES - Held to Maturity			
Investment in Sukuk Certificates	11.1	5,750,002	6,785,722
Less: Principal Repaid		(35,715)	(714,290)
Less: Current portion of Investment in Sukuk Certificates		714,283	714,283
		<u>6,428,570</u>	<u>6,785,715</u>
11.1	This represent sukuk certificates of Albaraka Bank (Pakistan) Limited carrying profit similar to base rate of six months of KIBOR + 1.25% (June 2016: KIBOR + 1.25%) receivable in 14 equal installments till September, 2021.		
12 ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES			
Advances - considered good			
- Suppliers		50,000	119,300
- Employees	12.1	560,350	615,130
Prepayments		5,124,162	5,072,501
Others		316,296	1,381,900
Dividend receivable		388,845	234,405
Sales tax receivable		986,244	986,244
		<u>7,425,897</u>	<u>8,409,480</u>
12.1	The balance on current account with the officers and employees of the modaraba, the maximum amounts held by any of them at any time for Rs. 560,350/- (June 2018: Rs.615,130/-)		
13 TAXATION			
13.1	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.		

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 year amounting to Rs. Nil (June 2018: Nil) are the tax deducted as final on the remittance received from the import / export of goods.

Notes to the Condensed Interim Financial Statements

For the Period and 1st Quarter Ended September 30, 2018 (Un-audited)

	Note	September 30, 2018	June 30, 2018
13.2 Income tax refundable		4,240,860	3,684,382
Income tax adjusted / deducted at source		<u>72,393</u>	<u>556,478</u>
		4,313,253	4,240,860
14 LONG TERM DEPOSITS			
National Commodities Exchange Limited		2,500,000	2,500,000
Security Deposit-N.C.E.L.-Office Space		850,000	850,000
Guarantee Margin - MCB		440,000	440,000
Mobile Phone - Pakistan Mobile Comm.		12,489	12,489
Mobile Phone - Warid Telecom		7,000	7,000
Security Deposit- CDC Pakistan Ltd.		37,500	37,500
		3,846,989	3,846,989
15 LONG TERM PORTION OF INVESTMENT IN DIMINISHING MUSHARAKAH (Syndicate)			
Diminishing Musharakah	15.1	37,500,000	41,250,000
Less: Current portion of investment in diminishing musharakah		(15,000,000)	(15,000,000)
Long term portion of investment in diminishing musharakah		22,500,000	26,250,000
15.1			
This represents Syndicate diminishing musharakah facility to Spud Energy PTY Limited through Albaraka Bank (Pakistan) Limited being the lead arranger, advisor and participant during the year carrying profit equal to the rate of three months KIBOR + 1.25% (June 2016: KIBOR + 1.25%) receivable in 16 quarterly equal installments from April 2017 to till January, 2021. with one year grace period .			
16 LONG TERM PORTION OF INVESTMENT IN DIMINISHING MUSHARAKAH			
Diminishing Musharakah		21,525,131	29,489,271
Less: Principal Repaid		(1,616,802)	(7,964,140)
Less: Current portion of investment in diminishing musharakah		(7,262,912)	(7,262,912)
Long term portion of investment in diminishing musharakah		12,645,417	14,262,219
These carry profit rate ranging from 8.52% to 14.00% (2018:8.52% to 14.00%) per annum and are repayable on monthly basis over a maximum period of three years.The financing is secured by way of personal guarantees of the parties.			
17 IJARAH ASSETS			
Vehicles		82,082,989	94,379,174
Others		2,523,675	3,229,050
	17.1	84,606,664	97,608,224

17.1 The following is a statement of ijarah assets:

Period ended September 30, 2018

	Ijarah Assets		
	Motor Vehicles	Others	Total
At July 01, 2018			
Cost	189,374,376	12,540,000	201,914,376
Accumulated depreciation	(94,995,202)	(9,310,950)	(104,306,152)
Net book value	94,379,174	3,229,050	97,608,224
Additions	-	-	-
Disposals			
Cost	(9,046,000)	-	(9,046,000)
Depreciation	8,273,675	-	8,273,675
	(772,325)	-	(772,325)
Depreciation / amortization charge for the period	(11,523,860)	(705,375)	(12,229,235)
Closing net book value	82,082,989	2,523,675	84,606,664

Notes to the Condensed Interim Financial Statements

For the Period and 1st Quarter Ended September 30, 2018 (Un-audited)

Year ended June 30, 2018

	Ijarah Assets		
	Motor Vehicles	Others	Total
At July 01, 2017			
Cost	211,181,876	12,540,000	223,721,876
Accumulated depreciation	(75,025,316)	(6,489,450)	(81,514,766)
Net book value	136,156,560	6,050,550	142,207,110
Additions	28,325,500	-	28,325,500
Disposals			
Cost			
Depreciation	(50,133,000)	-	(50,133,000)
	41,278,596	-	41,278,596
Depreciation / amortization charge for the year	(8,854,404)	-	(8,854,404)
Closing net book value	(61,248,482)	(2,821,500)	(64,069,982)
At June 30, 2018	<u>94,379,174</u>	<u>3,229,050</u>	<u>97,608,224</u>
Cost			
Accumulated depreciation			
Net book value	189,374,376	12,540,000	201,914,376
	(94,995,202)	(9,310,950)	(104,306,152)
	<u>94,379,174</u>	<u>3,229,050</u>	<u>97,608,224</u>

	September 30, 2018	June 30, 2018
18 FIXED ASSETS IN OWN USE		
Tangible assets	5,514,954	5,922,707
Intangible assets	2	2
	5,514,956	5,922,709

Computer equipment	Office equipment and appliances	Furniture and Fixtures	Motor Vehicles	Total Tangible Assets	Intangible Computer Software	Total
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At July 01, 2018							
Cost	546,034	565,908	809,774	7,480,989	9,402,705	253,000	9,655,705
Accumulated depreciation / amortization	(459,545)	(429,055)	(233,366)	(2,358,032)	(3,479,998)	(252,998)	(3,732,996)
Net book value	86,489	136,853	576,408	5,122,957	5,922,707	2	5,922,709
Additions	14,000	21,500	-	-	35,500	-	35,500
Disposals							
Cost	-	-	-	(40,800)	(40,800)	-	(40,800)
Depreciation	-	-	-	40,799	40,799	-	40,799
	-	-	-	(1)	(1)	-	(1)
Depreciation / amortization charge for the year	(19,662)	(41,526)	(18,709)	(363,355)	(443,252)	-	(443,252)
Closing net book value	80,827	116,827	557,699	4,759,601	5,514,954	2	5,514,956
At September 30, 2018							
Cost	560,034	587,408	809,774	7,440,189	9,397,405	253,000	9,650,405
Accumulated depreciation / amortization	(479,207)	(470,581)	(252,075)	(2,680,588)	(3,882,451)	(252,998)	(4,135,449)
Net book value	80,827	116,827	557,699	4,759,601	5,514,954	2	5,514,956
Depreciation rate % per annum	30	30	10	20	30		

Notes to the Condensed Interim Financial Statements

For the Period and 1st Quarter Ended September 30, 2018 (Un-audited)

	Computer equipment	Office equipment and appliances	Furniture and Fixtures	Motor Vehicles	Total Tangible Assets	Intangible Computer Software	Total
At July 01, 2017							
Cost	817,723	537,873	755,824	5,181,489	7,292,909	253,000	7,545,909
Accumulated depreciation / amortization	(704,936)	(329,068)	(167,069)	(886,689)	(2,087,762)	(252,998)	(2,340,760)
Net book value	112,787	208,805	588,755	4,294,800	5,205,147	2	5,205,149
Additions	38,900	86,700	59,500	4,542,500	4,727,600	-	4,727,600
Disposals							
Cost	(310,589)	(58,665)	(5,550)	(2,243,000)	(2,617,804)	-	(2,617,804)
Depreciation	(50)	(2)	45	(2,243,000)	(2,243,007)	-	(2,243,007)
Depreciation / amortization charge for the year	(65,148)	(158,650)	(71,892)	(1,471,343)	(1,767,033)	-	(1,767,033)
Closing net book value	86,489	136,853	576,408	5,122,957	5,922,707	2	5,922,709
At June 30, 2018							
Cost	546,034	565,908	809,774	7,480,989	9,402,705	253,000	9,655,705
Accumulated depreciation / amortization	(459,545)	(429,055)	(233,366)	(2,358,032)	(3,479,998)	(252,998)	(3,732,996)
Net book value	86,489	136,853	576,408	5,122,957	5,922,707	2	5,922,709
Depreciation rate % per annum	30	30	10	20	30		

	Note	September 30, 2018	June 30, 2018
19 SECURITY DEPOSITS			
Security deposits		29,367,250	30,271,850
Less: Repayable / adjustable after one year		(20,227,300)	(21,217,800)
Current maturity of security deposits		<u>9,139,950</u>	<u>9,054,050</u>
20 CREDITORS, ACCRUED AND OTHER LIABILITIES			
Creditors		-	90,212
Accrued expenses		1,592,984	1,251,886
Payable to management company	20.1	-	-
Takaful / Insurance		17,099	94,075
Advances from customers		2,712,891	3,248,924
Provision for Worker's Welfare Fund	20.2	455,573	455,573
Advance Ijarah rentals		2,774,147	2,939,202
Unclaimed profit distributions		1,109,146	1,109,146
		<u>8,661,840</u>	<u>9,189,017</u>

20.1 "This includes Sindh sales tax on management fee payable amounting to Rs.nil (2018: Rs. nil) as per the provisions of Sindh Sales Tax on Services Act, 2011. The said Act has been published as an Act of the Legislature of Sindh vide notification dated June 10, 2011. As per the advice obtained from the Tax consultant, the levy is effective from the date of amendment made in the Second Schedule through the Amendment Ordinance dated November 1, 2011. Due to the enforceability of the Act, the payable to the Modaraba Management Company has come under the ambit of the Act."

The levy has been recorded as Sales tax refundable on the basis of opinion received from the tax consultant advising that the excess input tax shall be adjustable against the output tax on other services subject to levy under Sindh Sales Tax on Services Act, 2011 and any excess input tax shall be refundable.

20.2 The Finance Act 2008, introduced an amendment to the Worker's Welfare Fund Ordinance, 1971 (WWF Ordinance). Through these amendments Workers Welfare Fund (WWF) was payable @ 2% of the profit before taxation or taxable income whichever is higher. The legality of the above amendments were challenged in Sindh, Lahore and Peshawar High Courts. Due to variable judgments from the aforesaid Courts, the matter was forwarded to the Honorable Supreme Court of Pakistan. The Honorable Supreme Court has decided the matter on November 10, 2016, and Para 21 of its judgment states that the levy of WWF is in the nature of fee and the law could not be amended by a money bill and as such the amendments made in the year

Notes to the Condensed Interim Financial Statements

For the Period and 1st Quarter Ended September 30, 2018 (Un-audited)

2006 and 2008 are unlawful and ultravires to the Constitution. In terms of judgment by the Honorable Supreme Court of Pakistan, WWF under WWF Ordinance, is no more payable by the Modaraba and provision made against WWF up till June 30, 2014 is reversed during the period.

Subsequently the Sindh Assembly passed a bill on May 4, 2015 and notified Sindh Worker's Welfare Act 2014 on June 4, 2015. As per the said Act the applicability of the Sindh Workers Welfare Fund is effective from the financial year of the entities ended on or after December 31, 2013. Accordingly, provision has been made at the rate of 2% of profit before taxation or taxable income, whichever is higher, effective after June 30, 2014.

	Note	September 30, 2018	June 30, 2018
Rupees			
21 PROVISION FOR CUSTOM DUTY & SURCHARGE			
Custom duty / surcharges	21.1	<u>4,398,842</u>	<u>4,398,842</u>
22.1	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.		
22 PROFIT PAYABLE			
Late payment & cheques return	22.1	<u>267,268</u>	267,268
Shares Dividend	22.2	<u>239,487</u>	239,487
Others		<u>35,843</u>	35,843
		<u>542,598</u>	<u>542,598</u>
22.1	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.		
22.2	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.		
23 DEFERRED LIABILITY - STAFF GRATUITY			
23.1	Staff Gratuity Scheme As disclosed in note 3.6.2, the Modaraba operates an unfunded gratuity scheme for its permanent employees. The latest actuarial valuation was carried out as at June 30, 2017, using the Projected Unit Credit Method.		
23.2	Liability recognised in the balance sheet:		
Present value of the defined benefit obligation		<u>7,471,958</u>	7,564,856
Less: fair value of planned assets		-	-
Defined benefit liability recognized in the accounts		<u>7,471,958</u>	<u>7,564,856</u>
24 CERTIFICATE CAPITAL			
Authorised certificate capital			
September 30, 2018	June 30, 2018	September 30, 2018	June 30, 2018
----Number of certificates----		------(Rupees)-----	
40,000,000	40,000,000	400,000,000	400,000,000
			Modaraba Certificates of Rs 10 each
20,000,000	20,000,000	200,000,000	200,000,000
			Modaraba Certificates of Rs 10 each fully paid in cash
1,000,000	1,000,000	10,000,000	10,000,000
			Modaraba Certificates of Rs 10 each issued as fully paid bonus certificates
<u>21,000,000</u>	<u>21,000,000</u>	<u>210,000,000</u>	<u>210,000,000</u>

Notes to the Condensed Interim Financial Statements

For the Period and 1st Quarter Ended September 30, 2018 (Un-audited)

24.1 As at June 30, 2018, First Al-Noor Modaraba Management (Private) Limited (the Management Company) held 4,200,000 certificates (June 2018: 4,200,000 certificates), as required under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980.

25 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 (2018: Rs Nil) .

	September 30, 2018	June 30,2018
	Rupees	
26 SURPLUS ON REVALUATION OF INVESTMENTS CLASSIFIED AS 'AVAILABLE-FOR-SALE'		
Market value of investments	24,102,996	19,512,661
Less: cost of investments	<u>(27,227,779)</u>	<u>(22,200,238)</u>
	<u>(3,124,783)</u>	<u>(2,687,577)</u>
Surplus on revaluatuon at the beginning of the period/year	<u>(2,687,577)</u>	(2,641,995)
Gain / (loss) realised on disposal and transferred to profit loss account	<u>35,984</u>	161,419
Deficit on revaluation during the period/year	<u>(473,190)</u>	<u>(207,001)</u>
	<u>(437,206)</u>	(45,582)
Surplus on revaluatuon at the ending of the year	<u>(3,124,783)</u>	<u>(2,687,577)</u>
27 CONTINGENCIES AND COMMITMENTS		
There are no known contingencies and commitments at the balance sheet date.		
28 PROFIT FROM TRADING OPERATIONS	September 30, 2018	September 30,2017
Sales	15,251,949	-
Cost of Sales	<u>14,716,571</u>	-
Profit	<u>535,378</u>	-
29 INCOME ON DIMINISHING MUSHARAKA (Syndicate)		
Income on Diminishing Musharaka	<u>974,888</u>	1,179,830
	<u>974,888</u>	<u>1,179,830</u>
30 INCOME FROM IJARAH		
Ijarah income	16,044,745	21,645,528
Less: Depreciation of ijarah assets	<u>(12,096,960)</u>	<u>(16,682,795)</u>
	<u>3,947,785</u>	4,962,733
31 INCOME FROM INVESTMENTS		
Gain on sale of marketable securities - net	464,643	972,103
Dividend income	313,620	245,814
Gain on Sukuk Certificates	<u>148,549</u>	<u>110,213</u>
	<u>926,812</u>	<u>1,328,130</u>

Notes to the Condensed Interim Financial Statements

For the Period and 1st Quarter Ended September 30, 2018 (Un-audited)

	Note	September 30, 2018	September 30, 2017
32 ADMINISTRATIVE AND OPERATING EXPENSES			Rupees
Salaries and other staff benefits		4,277,634	3,904,144
Rent, rates and taxes		221,984	20,385
Postage and telephone		97,268	106,180
Printing and stationery		40,675	41,374
Fee and subscription		253,926	161,468
Legal and professional charges		232,541	557,929
Traveling and conveyance		3,100	2,150
Entertainment		41,142	60,255
Repair and maintenance		584,258	725,151
Depreciation		443,252	449,479
Auditor's remuneration		60,475	47,325
Storage and transportation charges		63,900	-
Takaful		923,412	1,975,729
Commission		30,069	20,870
Others expenses		23,620	66,339
		<u>7,297,256</u>	<u>8,138,777</u>
33 FINANCIAL AND OTHER CHARGES			
Bank charges		2,136	-
Guarantee commission		4,400	413
		<u>6,536</u>	<u>413</u>
34 OTHER INCOME			
Profit on bank deposits	34.1	341,599	163,986
Profit on disposal of fixed asset- Own		9,999	-
Documentation charges		9,070	45,512
Miscellaneous income		648	-
		<u>361,316</u>	<u>209,498</u>
34.1	This represents profit from PLS accounts, maintained with Islamic banks at the rates ranging from 2.05% to 4.48% (2018: 2.05% to 4.48%).		
35 MODARABA MANAGEMENT FEE	In accordance with the Modaraba Companies and Modaraba Rules, 1981 management fee at the rate of 10% of annual profits is payable to the Management Company.		
36 WORKERS'S WELFARE FUND	The Finance Act 2008 made certain changes to the Workers' Welfare Fund Ordinance, 1971. Through these amendments Workers' Welfare Fund (WWF) is payable @ 2% on the higher of the profit before taxation as per the financial statements or return of income.		
37 INCOME TAX EXPENSES			
Current tax		-	-
37.1 Relation between tax expenses and accounting profit			
Accounting profit for the current year		(780,178)	(6,890,722)
Tax on income @ 25% (2018: 25%)		(195,044)	(1,722,680)
Tax effect off - exempt income		780,178	6,890,722
		<u>-</u>	<u>-</u>

Notes to the Condensed Interim Financial Statements

For the Period and 1st Quarter Ended September 30, 2018 (Un-audited)

	Note	September 30, 2018	September 30, 2017
38 EARNINGS PER CERTIFICATE - BASIC AND DILUTED			
(Loss) / Profit for the year		(780,178)	(6,890,722)
		------(Numbers)-----	
Weighted average number of certificates		21,000,000	21,000,000
		------(Rupees)-----	
(Loss) / Earning per certificate - basic and diluted		(0.04)	(0.33)
39 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, 2018	September 30, 2017
		------(Rupees)-----	
39.1 Balance outstanding at period end			
Modaraba Management Company			
- Management fee Associated undertakings		-	-
- Sharing of common expense charged during the year with Other related parties (other than key management personnel)			
- Contribution to staff gratuity fund		7,471,958	6,482,891
39.2 Transactions during the period			
Modaraba Management Company			
- Management remuneration Associated undertakings		-	-
- Contribution to staff gratuity fund		259,351	259,351
40 CASH FROM OPERATIONS AFTER WORKING CAPITAL CHANGES			
Profit / (loss) before taxation		(780,178)	(6,890,722)
Adjustments for:			
Gain on sale of investment in listed securities	31	(464,643)	(972,103)
Dividend income	31	(313,620)	(245,814)
Income on diminishing musharakah		(1,923,541)	(1,244,278)
Gain on sukuk certificates	31	(148,549)	(110,213)
Profit on bank deposits	34	(341,599)	(163,986)
Financial charges		6,536	413
Depreciation - owned assets		443,252	449,479
Depreciation - Ijarah assets		12,229,235	16,682,795
Provision for gratuity		259,351	259,351
Share of loss/(profit) from Associate	6.2.1	353,403	988,311
Unrealized loss/(gain) on re measurement of investments in listed securities	5.1.4	817,815	5,507,861
		10,917,640	21,151,816
Operating profit before working capital changes		10,137,462	14,261,093

Notes to the Condensed Interim Financial Statements

For the Period and 1st Quarter Ended September 30, 2018 (Un-audited)

	Note	September 30, 2018	September 30, 2017
Rupees			
(Increase)/Decrease in current assets			
Stock in trade	10	7,238,761	-
Profit receivable	8	(104,817)	116,800
Ijarah receivable	9	(299,660)	(632,017)
Trade Debtors - considered good and unsecured		5,219,523	195,575
Advances, deposits, prepayments and other receivables	12	1,138,022	21,754,043
		13,191,829	21,434,401
Increase/(Decrease) in current liabilities			
Creditors, accrued and other liabilities	20	(527,177)	(1,786,775)
Profit payable	22	-	35,843
		(527,177)	(1,750,932)
Cash flow from operating activities		22,802,114	33,944,562
41 CASH AND CASH EQUIVALENTS			
Cash and bank balances	4	55,525,280	24,281,195
		55,525,280	24,281,195
42 DATE OF AUTHORISATION			
These financial statements were authorised for issue by the Board of Directors of the Management Company in their meeting held on October 26, 2018.			
43 GENERAL			
Figures in these financial statements have been rounded off to the nearest Rupee.			

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

Place : Karachi
Date : October 26, 2018

sd-
Chief Executive

sd-
Director

sd-
Director

Book Post



If undelivered, please return to:

FIRST AL-NOOR MODARABA

(An Islamic Financial Institution)

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

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