

1ST QUARTERLY REPORT
September 31, 2021
(Un-audited)



FIRST AL-NOOR MODARABA
(An Islamic Financial Institution)

CONTENTS

Company Information	2
Directors' Report (English)	3
Directors' Report (Urdu)	4
Condensed Interim Statement of Financial Position	5
Condensed Interim Profit and Loss Account	6
Condensed Interim Statement of Other Comprehensive Income	7
Condensed Interim Statement of Cash Flow	8
Condensed Interim Statement of Changes in Equity	9
Notes to the Condensed Interim Financial Statements	10



COMPANY INFORMATION

BOARD OF DIRECTORS

Non Executive Directors

Chairman

Mr. Zia Zakaria

Directors

Mr. Abdul Aziz Ayoob

Mr. Noor Zakaria

Mr. Abdul Rahim Suriya, Independent

Mr. Tausif Ilyas, Independent

Dr. Irum Saba, Independent

Executive Directors

Chief Executive

Mr. Zainuddin Aziz

Chief Financial Officer

Mr. Umair Rafiq

Company Secretary

Mr. Roofi Abdul Razzak

Board Audit Committee - Chairman

Mr. Abdul Rahim Suriya - Chairman

Mr. Tausif Ilyas - Member

Mr. Zia Zakaria - Member

HR & Remuneration Committee

Mr. Tausif Ilyas - Chairman

Mr. Zainuddin Aziz - Member

Mr. A. Aziz Ayoob - Member

Bankers

Al-Baraka Bank (Pakistan) Limited

Askari Bank Limited, Islamic Banking

Faysal Bank Limited, Barkat Islamic Banking

Habib Bank Limited, Islamic Banking

MIB Bank Limited, Islamic Banking

Meezan Bank Limited

National Bank of Pakistan

Auditors

Grant Thomson Anjum Rahman

Chartered Accountants

Shariah Advisor

Al Hamd Shariah Advisory Services (Pvt.) Ltd.

Legal Advisor

Mr. Sufyan Zaman

Advocate High Court

Share Registrar (Share Registration Office)

M/s FAMCO Associates (Private) Limited

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

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

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

Fax: 3438 0106

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 For the 1st Quarter ended September 30, 2021

On behalf of Board of Directors of Al-Noor Modaraba Management (Private) Limited, the "mudarib/management company" of First Al-Noor Modaraba (FAM), we are pleased to present the Un-Audited Financial Statements of the Modaraba for the first quarter ended September 30, 2021:

Financial Results	For the first quarter ended	
	September 30, 2021	September 30, 2020
	-----Amount in Pak. Rupees-----	
(Loss)/Profit after Taxation	(1,417,308)	1,519,937
Components of Other comprehensive income	-	860,476
Unappropriated profit/(loss) brought forward	<u>(53,476,994)</u>	<u>(54,342,126)</u>
	<u>(54,894,302)</u>	<u>(51,961,713)</u>
Earning per certificate - basic and diluted	<u>(0.07)</u>	<u>0.07</u>

In the first quarter, we have achieved gross profit of Rs. 2.230 million compared to Rs. 4.039 million in the corresponding period. Moreover, inspite of low discount rates, the modaraba had a growth of Rs. 2.627 million or over 96% in its Diminishing Musharaka portfolio compared to same period last year. The adjustment of unrealized marked to market valuation of Rs. 3.518 million against equity investment led to net loss of Rs. 1.417 million.

The management anticipates better after tax profit in the remainder period of the current financial year ending June 30, 2022.

On behalf of the Board

sd/-

Zainuddin Aziz
Chief Executive/Director

Dated : October 29, 2021
Place : Karachi

مضار بہ کمپنی کی ڈائریکٹر رپورٹ

برائے اختتام پہلی سہ ماہی مدت 30 ستمبر 2021ء (غیر نظر ثانی شدہ)

بورڈ آف ڈائریکٹر انور بیجمنٹ (پرائیوٹ) لمیٹڈ مضارب/انتظامی کمپنی برائے فرسٹ انور مضاربہ (ایف اے ایم) کی جانب سے انتہائی مسرت کے ساتھ مضاربہ کمپنی کی غیر نظر ثانی شدہ رپورٹ بابت 30 ستمبر 2021ء مالیاتی دستاویز پیش کرتے ہیں۔

ختم ہونی والی سہ ماہی

30 ستمبر 2020	30 ستمبر 2021	
1,519,937	(1,417,308)	بعد از ٹیکس نفع / نقصان
860,476	-	دیگر جامع آمدنی کے اجزاء
(54,342,126)	(53,476,994)	پچھلے سالوں کا غیر تصرف شدہ نفع / نقصان
<u>(51,961,713)</u>	<u>(54,894,302)</u>	
<u>0.07</u>	<u>(0.07)</u>	آمدنی فی سرٹیفکیٹ - بنیادی اور مقررہ

پچھلی سہ ماہی میں مضاربہ نے 2.230 ملین کا کل منافع پچھلے سال کے اسی عرصے کے کل منافع 4.039 ملین کے مقابلے میں حاصل کیا۔ اس کے علاوہ، کم شرح منافع کے باوجود، مضاربہ کے مشارک متناقصہ میں 2.627 ملین یا 96% فیصد کی بڑھوتری حاصل کی۔ ایکویٹی مارکیٹ کی سرمایہ کاری کے مارک ٹو مارکیٹ قدر کی ایڈجسٹمنٹ جو 358 ملین نے 1.417 ملین کا خالص نقصان پہنچایا۔

انتظامیہ کو موجودہ مالی سال کی بقیہ عرصے میں بعد از ٹیکس جو کہ جون 30، 2022 کو ختم ہو رہا ہے میں بہتر بعد از ٹیکس خالص منافع کی توقع ہے۔

بورڈ کی جانب سے

sd/-

زین الدین عزیز

چیف ایگزیکٹو

تاریخ: 129 اکتوبر، 2021

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT
For the 1st Quarter ended September 30, 2021 (Un-audited)

	Note	Sep 30, 2021	Sep 30, 2020
		... Rupees ...	
Income on Diminishing Musharakah		5,350,077	2,722,084
Income from Ijarah		615,710	466,361
Income from investments	15	2,268,062	7,354,871
		<u>7,030,242</u>	<u>10,543,316</u>
Administrative and operating expenses		(6,180,439)	(6,709,695)
Financial and other charges		(13,200)	(4,400)
		<u>(6,193,639)</u>	<u>(6,714,095)</u>
Operating profit / (loss)		836,603	3,829,221
Other income		189,998	210,290
		<u>2,230,208</u>	<u>4,039,511</u>
Unrealised (loss) / gain on re-measurement of investments at fair value through profit or loss		(3,518,694)	(2,342,588)
Share of profit from associates		-	25,673
		<u>(1,288,487)</u>	<u>1,722,596</u>
Management company's remuneration		-	(172,260)
Workers welfare fund		-	(30,399)
(Loss) / Profit before taxation		<u>(1,288,487)</u>	<u>1,519,937</u>
Income tax expense		(128,821)	-
(Loss) / Profit before taxation		(1,417,308)	1,519,937
Earning per certificate - basic and diluted		(0.07)	0.07

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

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

Place: Karachi
Date: October 29, 2021

sd/-
Chief Executive Officer

sd/-
Chief Executive Officer

sd/-
Director

sd/-
Director

**CONDENSED INTERIM STATEMENT OF
OTHER COMPREHENSIVE INCOME**
For the 1st Quarter ended September 30, 2021 (Un-audited)

Note	Sep 30, 2021	Sep 30, 2020
 Rupees	
Profit after taxation	(1,417,308)	1,519,937
Components of other comprehensive income reflected in equity		
Items that will not be reclassified subsequently profit and loss account		
Remeasurement of net defined benefit liability	-	262,879
Share of other comprehensive income of associate -incremental depreciation	-	18,250
Gain realised from sale of available for sale investments	-	579,348
Other comprehensive loss	-	860,477
Total comprehensive income / (loss) for the period transferred to equity	(1,417,308)	2,380,414
Equity investments at FVOCI - change in fair value	(2,612,499)	850,340
Items that will be reclassified subsequently into profit and loss account	-	-
Total comprehensive (loss) / income	(4,029,807)	3,230,754

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

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

Place: Karachi
Date: October 29, 2021

sd/-
Chief Executive Officer

sd/-
Chief Executive Officer

sd/-
Director

sd/-
Director

CONDENSED INTERIM STATEMENT OF CASH FLOW
For the 1st Quarter ended September 30, 2021 (Un-audited)

	Note	(Un-Audited) Sep 30, 2021	(Un-Audited) Sep 30, 2020
	 Rupees	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash from operations after working capital changes	17	10,520,693	18,800,863
Long term deposits		-	-
Income tax paid		(432,568)	(313,159)
Financial charges paid		(13,200)	-
Gratuity paid		-	(515,000)
Net cash generated from operating activities		10,074,925	17,972,704
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of:			
Fixed assets in own use		-	(104,000)
Intangible assets for own use		-	-
Sale proceeds on disposal		-	-
Fixed assets in own use		-	9,999
Net cash generated from / (used in) operations		-	(94,001)
Net increase in cash and cash equivalents		10,074,925	17,878,703
Cash and cash equivalents at the beginning of the period		4,001,144	9,174,848
Cash and cash equivalents at the end of the period	4	14,076,069	27,053,551

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

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

Place: Karachi
Date: October 29, 2021

sd/-
Chief Executive Officer

sd/-
Chief Executive Officer

sd/-
Director

sd/-
Director

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
For the 1st Quarter ended September 30, 2021 (Un-audited)

	Issued, subscribed, and paid-up certificate capital	Reserve			Total	Total
		Statutory reserve	General reserve	Accumulated losses		
----- Rupees -----						
Balance as at June 30, 2019	210,000,000	97,585,635	250,000	(54,342,126)	43,493,509	253,493,509
Profit for the period	-	-	-	1,519,937	1,519,937	1,519,937
Other comprehensive gain	-	-	-	860,477	860,477	860,477
Balance as at Sep 30, 2020	210,000,000	97,585,635	250,000	(51,961,712)	45,873,923	255,873,923
Balance as at June 30, 2021	210,000,000	97,716,506	250,000	(53,476,994)	44,489,512	254,489,512
Profit for the period	-	-	-	(1,417,308)	(1,417,308)	(1,417,308)
Other comprehensive loss	-	-	-	-	-	-
Balance as at Sep 30, 2021	210,000,000	97,716,506	250,000	(54,894,302)	43,072,204	253,072,204

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

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

Place: Karachi
Date: October 29, 2021

sd/-
Chief Executive Officer

sd/-
Chief Executive Officer

sd/-
Director

sd/-
Director

NOTES TO THE QUARTERLY FINANCIAL STATEMENTS

For the 1st Quarter ended September 30, 2021 (Un-audited)

1 LEGAL STATUS AND NATURE OF BUSINESS

The First Al-Noor Modaraba (the 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 perpetual, multi purpose and multi dimensional Modaraba and is primarily engaged in providing Ijarah financing, Musharakah, Diminishing musharkah, Murabaha, Musawamah, Equity investment and other Shariah compliant trading activities. The Modaraba is listed on the Pakistan Stock Exchange (PSX).

2 BASIS OF PREPARATION

2.1 Statement of compliance

These quarterly financial statements of the Modaraba for the three months period ended 30 September 2021 has been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Accounting Standard (IAS)-34, 'Interim Financial Reporting' issued by the International Accounting Standard Board (IASB) as notified under the Companies Act 2017;
- Provisions of and directions issued under the Companies Act 2017;
- Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981 and Prudential Regulation for Modarabas; and
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP) as notified under the Companies Act 2017.

The SECP has issued directive (vide SRO 431 (I) / 2007 dated May 22, 2007) that Islamic Financial Accounting Standard 2 (IFAS 2) shall be followed in preparation of the financial statements by Companies and Modarabas while accounting for Lease Financing transactions as defined by the said standard. The Modaraba has adopted the said standard.

Where the provisions of and directives issued under the Companies Act 2017, the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules 1981 and Prudential Regulations for Modarabas differ with the requirements of IAS 34 and IFAS, the provisions of and directives issued under the Companies Act 2017, the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules 1981 and Prudential Regulations for Modarabas have been followed.

Where the provisions and directives issued under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981 and Prudential Regulation for Modarabas differ from Companies Act 2017, the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981 and Prudential Regulation for Modarabas shall prevail.

NOTES TO THE QUARTERLY FINANCIAL STATEMENTS

For the 1st Quarter ended September 30, 2021 (Un-audited)

2.1.1 The interim financial statements do not include all the information and disclosures required for full annual financial statements and should be read in conjunction with the annual audited financial statements of the Modaraba as at and for the year ended June 30, 2021.

2.1.2 These quarterly financial statements comprises of the quarterly Condensed Interim Financial Position for the 1st Quarter ended September 30, 2021 and the profit and loss account & statement of comprehensive income, cash flow statement and statement of changes in equity and the notes forming part thereof.

2.2 Basis of measurement

These quarterly financial statements have been prepared under the historical cost convention except as stated otherwise in these quarterly financial statements.

2.3 Functional and presentation currency

These quarterly financial statements are presented in Pakistani Rupees which is also the Modaraba's functional and presentation currency. All amounts have been rounded to the nearest rupee, unless otherwise indicated.

2.4 Significant accounting estimates and judgements

In preparing these financial statements management has made judgements, estimates and assumptions that affect the application of the Modaraba's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by the management in applying the Modaraba's accounting policies and the key sources of estimating the uncertainty were the same as those that apply to the audited annual financial statements as at and for the year ended June 30, 2021.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted for the preparation of these quarterly financial statements are the same as those applied in the preparation of annual audited financial statements for the year ended June 30, 2021 except for the adoption of the following new and amended standards, which became effective for the current period:

Standards	Effective date (Annual periods beginning on or after)
IFRS `First Time Adoption of Internation Financial Reporting Standards	January 1, 2009
Ammendments to IFRS 17 Insurance Contracts	January 1, 2023
IFRS 17 `Insurance Contracts`	January 1, 2023

The adoption of the above standards and amendments are not expected to have any material impact on the Modaraba's quarterly financial statements.

NOTES TO THE QUARTERLY FINANCIAL STATEMENTS
For the 1st Quarter ended September 30, 2021 (Un-audited)

		(Un-audited) September 30, 2021	Audited June 30, 2021
	Note	-----Rupees-----	
4 CASH AND BANK BALANCES			
With banks in current accounts			
- Islamic Banks /Islamic Window operations		1,115,070	2,893,977
- Conventional Banks		499,500	828,997
With banks in pls accounts			
- Islamic Banks /Islamic Window operations	4.1	12,373,622	278,170
		<u>13,988,192</u>	<u>4,001,144</u>
Cash in hand		87,877	-
		<u>14,076,069</u>	<u>4,001,144</u>

4.1 These deposits accounts carry profit at rates ranging from 2.99% to 3.99 % (June 30, 2021: 4.25% to 6.74%) per annum

		(Un-audited) September 30, 2021	Audited June 30, 2021
	Note	-----Rupees-----	
5 SHORT TERM INVESTMENTS			
At fair value through profit or loss			
Shariah compliant			
Listed equity securities	5.1.1	16,082,329	29,049,505
Listed Mutual funds	5.1.2	126,721	126,721
Non-Shariah compliant			
Listed equity securities		-	123,087
Investment in Islamic Certificates		-	-
Investment in TDR's		75,000,000	55,000,000
		<u>91,209,050</u>	<u>84,299,313</u>

NOTES TO THE QUARTERLY FINANCIAL STATEMENTS
For the 1st Quarter ended September 30, 2021 (Un-audited)

5.1.1 Shahriah Compliant listed equity securities - 'at fair value through profit or loss'
(Oordinary shares have a face value of Rs.10/- each unless stated otherwise).

Name of investee company	Number of share As at Sep 30, 2021	Carrying value as at Sep 30, 2021 (Rupees)	Market value as at Sep 30, 2021 (Rupees)
Chemicals			
Engro Fertilizer Limited	1500	154,220	105,420
Construction and Materials			
D.G. Khan Cement Limited	15000	1,574,637	1,326,300
Lucky Cement Company Limited	1000	830,500	722,900
Maple Leaf Cement Limited	11699	438,746	411,805
Power Cement Company Limited	52500	455,175	368,550
Power Cement Company Limited (Pref share)	7130	80,213	65,596
Gharibwal Cement Limited	20000	733,200	571,200
		4,112,470	3,466,351
Oil & Gas Producers			
Pakistan State Oil	10000	2,166,200	2,009,900
Pakistan Oilfield Limited	500	195,475	187,675
Pakistan Petroleum Limited	13000	1,062,880	973,830
Oil And Gas Development Company Limited	22500	2,089,350	1,765,941
Hascol Petroleum Limited	13782	105,432	89,307
		5,619,337	5,026,653
Gas Water & Multiutilities			
Electricity			
K-Electric	225000	834,750	900,000
Pharmaceuticals			
The Searle Company Limited	9000	2,053,080	1,701,726
Glaxo Smithkline Pakistan Limited	4700	763,938	694,754
		2,817,018	2,396,480
Cable and Electrical goods			
Pak Electron Limited	113500	3,859,600	3,126,925
Automobile Assembler			
Food & Personal Care Products			
National Foods Limited	5000	1,138,650	1,060,500
Total		18,536,045	16,082,329

5.1.2 Listed Mutual Funds - 'at fair value through profit or loss'

Meezan Islamic Fund - Growth Units	2030	90,753	126,721
Total		90,753	126,721

NOTES TO THE QUARTERLY FINANCIAL STATEMENTS
For the 1st Quarter ended September 30, 2021 (Un-audited)

	(Un-audited) September 30, 2021	Audited June 30, 2021
	-----Rupees-----	
6 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>
6.1 Musawamah facility (Classified portfolio)	September 30, 2021	June 30, 2021
	Balance Outstanding	Provision held
	Balance Outstanding	Provision held
	----- (Rupees) -----	
Loss	<u>25,000,000</u>	<u>(25,000,000)</u>
	<u>25,000,000</u>	<u>(25,000,000)</u>

6.2 This represents musawamah principal amount overdue by more than one year carried profit rate of 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 Honorable Banking Court No.II amounting to Rs 25.79 Million. 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 Limited.

M/s Quetta Textile Mills Limited 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 QUARTERLY FINANCIAL STATEMENTS
For the 1st Quarter ended September 30, 2021 (Un-audited)

		(Un-audited) September 30, 2021	Audited June 30, 2021
-----Rupees-----			
7 LONG TERM INVESTMENTS			
Investment in Associates	7.1	9,963,741	7,476,930
At fair value through other comprehensive income			
Shariah compliant			
Equity securities-listed	7.2	3,758,055	2,710,089
Mutual funds-listed	7.3	141,956	8,607,167
Non-shariah compliant		3,900,011	11,317,256
Equity securities-listed	7.4	1,648,235	3,528,572
At Amortised Cost			
Investment in Sukuk Certificates		5,357,128	6,071,418
Less: Current maturity		(357,128)	(714,290)
		<u>5,000,000</u>	<u>5,357,128</u>
		<u>20,511,987</u>	<u>27,679,886</u>
7.1 Investment in Associates			
Opening Balance		9,963,741	7,476,930
Share of incremental depreciation - OCI Component		-	333,796
Share of profit/(loss) of associate		-	2,485,340
		-	2,819,136
Dividend income		-	(332,325)
		<u>9,963,741</u>	<u>9,963,741</u>
Name of Associate		Basis of significant influence	
Al-Noor Sugar Mills Limited		Common directorship	
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		7,754,250	5,431,298

NOTES TO THE QUARTERLY FINANCIAL STATEMENTS
For the 1st Quarter ended September 30, 2021 (Un-audited)

7.2 Shariah Compliant listed equity securities - 'at fair value through other comprehensive income'

(Ordinary shares have a face value of Rs.10/- each unless stated otherwise).

Name of investee company	Number of share As at Sep 30, 2021	Carrying value as at Sep 30, 2021 (Rupees)	Market value as at Sep 30, 2021 (Rupees)
Modarabas			
First Habib Modaraba	4500	36,646	44,685
Orix Modaraba	11000	283,258	206,690
Habib Metro Modaraba	500	5,000	4,700
Allied Rental Modaraba	16500	385,856	262,185
First Imrooz Modaraba	3000	479,843	554,520
		1,190,603	1,072,780
Oil & Gas Producers			
Hascol Petroleum Limited	1815	374,439	11,761
Attock Petroleum Limited	120	60,439	34,800
		434,878	46,561
Automobile Assembler			
Ghandhara Nissan Limited	4610	711,799	401,669
Ghandhara Industries Limited	4200	1,616,533	818,874
Millat Tractors Limited	708	822,135	759,826
		3,150,468	1,980,369
Pharmaceuticals			
The Searle Company Limited	1398	610,286	281,711
Total		5,386,234	3,758,055

7.3 Listed Mutual Funds - 'at fair value through other comprehensive income'

Meezan Balanced Fund - Growth Units	9,104	124,347	141,956
-------------------------------------	-------	---------	---------

7.4 Non-Shariah compliant Listed equity securities - 'at fair value through profit or loss'

Cement			
Power cement Limited	6000	73,931	42,120
Paper And Board			
Cherat Packaging Limited	8495	2,163,224	1,602,065
Automobile and Parts			
Hino Pak Motor Limited	10	10,204	4,050
Total		7,633,593	5,406,290

NOTES TO THE QUARTERLY FINANCIAL STATEMENTS
For the 1st Quarter ended September 30, 2021 (Un-audited)

		(Un-audited) September 30, 2021	Audited June 30, 2021
-----Rupees-----			
8	DIMINISHING MUSHARAKAH FINANCING		
	Diminishing musharka financing	8.1 118,800,693	122,184,621
	Less: Provision in respect of Diminishing Musharaka	-	-
		<u>118,800,693</u>	<u>122,184,621</u>
	Less: Current portion	<u>(481,289)</u>	<u>(46,711,912)</u>
		<u>118,319,404</u>	<u>75,472,709</u>

8.1 These carry profit rate ranging from 9.00% to 15.00% (June 30, 2021: 9% to 15.88%) per annum and are repayable on monthly basis over a maximum period of five years. The financing is secured by way of personal guarantees of the parties.

		(Un-audited) September 30, 2021	Audited June 30, 2021
-----Rupees-----			
9	IJARAH ASSETS	9.1 720,175	1,005,705
	Cost		
	Opening Balance	1,005,705	5,574,000
	Additions during the period	-	-
	Accumulated Depreciation		
	Balance as at July 01	-	(22,409,619)
	Charge for the period	(285,530)	(1,946,740)
	Disposals during the period	-	19,788,064
	Balance as at Sep 30, 2021	<u>(285,530)</u>	<u>(4,568,295)</u>
	Net Book Value as at Sep 30, 2021	<u>720,175</u>	<u>1,005,705</u>

9.1 Ijarah assets are stated at cost less accumulated depreciation. Depreciation is charged to income applying the straight line method whereby the cost of an asset less salvage value is written off over the Ijarah (lease) period, which is considered to be the estimated useful life of the asset. In respect of additions and disposals during the year, depreciation is charged on monthly basis from the date of commencement of Ijarah. While prorated depreciation is charged in the month of maturity/ termination on accrual basis. Depreciation rate of Ijarah Asset are in accordance with the agreement with the Customers.

NOTES TO THE QUARTERLY FINANCIAL STATEMENTS
For the 1st Quarter ended September 30, 2021 (Un-audited)

	(Un-audited) September 30, 2021	Audited June 30, 2021
-----Rupees-----		
10 FIXED ASSETS		
Cost		
Opening Balance	7,622,121	8,425,884
Additions during the period	-	231,016
Disposals during the period	-	(1,034,779)
Balance as at June 30, 2021	<u>7,622,121</u>	<u>7,622,121</u>
Accumulated depreciation		
Balance as at July 01, 2020	(4,975,724)	(4,827,848)
Charge for the period	-	(1,182,655)
Disposal	-	1,034,779
Balance as at June 30, 2021	<u>(4,975,724)</u>	<u>(4,975,724)</u>
Balance as at July 01, 2021	2,646,392	2,646,392
Charge for the period	(39,367)	-
Disposal	-	-
Balance as at Sep 30, 2021	<u>2,607,025</u>	<u>2,646,392</u>
Net Book Value	<u>2,607,025</u>	<u>2,646,392</u>
Annual Rate of depreciation	<u>10-30%</u>	

	(Un-audited) September 30, 2021	Audited June 30, 2021
-----Rupees-----		
10.1 INTANGIBLE ASSETS		
Cost		
Opening Balance	313,000	313,000
Additions	-	-
Disposal	-	-
	<u>313,000</u>	<u>313,000</u>
Ammortization		
Opening balance	(302,498)	(284,498)
Charge for the period	(4,500)	(18,000)
Disposal	-	-
	<u>(306,998)</u>	<u>(302,498)</u>
Net Book Value as at September 30, 2021	<u>6,002</u>	<u>10,502</u>
Annual rate of ammortization	<u>30%</u>	<u>30%</u>

NOTES TO THE QUARTERLY FINANCIAL STATEMENTS
For the 1st Quarter ended September 30, 2021 (Un-audited)

11 CERTIFICATE CAPITAL

11.1 Authorised certificate capital

(Un-audited) September 30, 2021	Audited June 30, 2021		(Un-audited) September 30, 2021	Audited June 30, 2021
----Number of certificates----			-----Rupees-----	
<u>40,000,000</u>	<u>40,000,000</u>	Modaraba certificates of Rs. 10 each	<u>400,000,000</u>	<u>400,000,000</u>

11.2 Issued, subscribed and paid - up certificate capital

(Un-audited) September 30, 2021	Audited June 30, 2020		(Un-audited) September 30, 2021	Audited June 30, 2020
----Number of certificates----			-----Rupees-----	
<u>20,000,000</u>	<u>20,000,000</u>	Modaraba certificates of Rs. 10 each fully paid in cash	<u>200,000,000</u>	<u>200,000,000</u>
<u>1,000,000</u>	<u>1,000,000</u>		<u>10,000,000</u>	<u>10,000,000</u>
<u>21,000,000</u>	<u>21,000,000</u>		<u>210,000,000</u>	<u>210,000,000</u>

11.3 As at September 30, 2021, First Al-Noor Modaraba Management (Private) Limited (the Management Company and a related party) held 4,200,000 certificates (June 2021: 4,200,000 certificates), as required under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980.

12 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 certificate 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, 2021: Rs Nil).

NOTES TO THE QUARTERLY FINANCIAL STATEMENTS
For the 1st Quarter ended September 30, 2021 (Un-audited)

	(Un-audited) September 30, 2021	Audited June 30, 2021
	-----Rupees-----	
13 DEFICIT ON REVALUATION OF INVESTMENTS - Classified As 'FVTOCI'		
Market value of investments	5,460,165	5,441,402
Less: cost of investments	<u>(10,502,149)</u>	<u>(7,758,041)</u>
	<u>(5,041,984)</u>	<u>(2,316,639)</u>
Deficit on revaluation at the beginning of the period	(2,316,639)	(5,371,057)
Gain realised on disposal and transferred into equity directly	-	174,625
Deficit on revaluation during the period	<u>(2,612,499)</u>	<u>2,879,793</u>
	<u>(2,612,499)</u>	<u>3,054,418</u>
Deficit on revaluation at the end of the period	<u>(5,041,984)</u>	<u>(2,316,639)</u>
14 CONTINGENCIES AND COMMITMENTS		
14.1 Contigencies and Commitments		
There are no commitments as at Sep 30, 2021 (June 30, 2021: Disclosed in Y/E 2021)		
15 INCOME FROM INVESTMENTS		
Gain on sale of securities - net	636,807	5,937,581
Dividend income	231,940	313,600
Profit on Islamic Certificates	15.1 <u>1,399,315</u>	<u>1,103,690</u>
	<u>1,064,455</u>	<u>7,354,871</u>
15.1 Profit from Islamic Certificates place with Islamic Banking has an average profit rate 6.71% .		
16 RELATED PARTY 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:		

NOTES TO THE QUARTERLY FINANCIAL STATEMENTS
For the 1st Quarter ended September 30, 2021 (Un-audited)

	(Un-audited) September 30, 2021	Audited September 30, 2020
	-----Rupees-----	
17 CASH FROM OPERATIONS AFTER WORKING CAPITAL CHANGES		
Profit / (Loss) Before Taxation	(1,288,487)	1,519,937
Adjustments for:		
Gain on sale of investments in listed securities	(636,807)	(6,114,542)
Depreciation on:		
Ijarah assets	285,530	965,205
Fixed assets	39,367	264,132
Ammortization on intangibles	4,500	18,000
Gain on disposal of fixed assets	-	(9,999)
Unrealized loss on re-measurement of:		
Equity securities	3,518,694	2,342,588
Share of profit from associate	-	(25,673)
Financial and other charges	13,200	4,400
Provision for gratuity	-	344,340
	3,224,484	(2,211,549)
Operating profit before working capital changes	1,935,997	(691,612)
(Increase)/Decrease in current assets		
Ijarah rental receivable	(32,947)	364,897
Diminishing musharakah receivable	3,383,928	5,236,733
Profit receivable	(643,039)	(379,143)
Proceeds from sale of of ijarah assets	-	904,286
Investments- net	(12,623,812)	33,833,406
Advance, deposits, prepayments and other receivables	19,743,053	(20,741,564)
	9,827,182	19,218,615
Increase/(Decrease) in current liabilities		
Creditors, accrued and other liabilities	(1,221,252)	2,351,409
Security deposits	-	(2,081,650)
Charity payable	(21,235)	4,101
	(1,242,487)	273,860
Cash flow from operating activities	10,520,693	18,800,863

NOTES TO THE QUARTERLY FINANCIAL STATEMENTS

For the 1st Quarter ended September 30, 2021 (Un-audited)

18. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were approved and authorized for issue on October 29, 2021 by the Board of Directors of the Management Company.

19. 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 29, 2021

sd/-
Chief Executive Officer

sd/-
Chief Executive Officer

sd/-
Director

sd/-
Director



BOOK POST
PRINTED MATTER



FIRST AL-NOOR MODARABA

(An Islamic Financial Institution)

96-A, Sindh Muslim Cooperative Housing Society, Karachi-74400.

Tel. : 3455 8268, 3455 3067, 3455 2974, 34552943