

1ST QUARTERLY REPORT
September 30, 2019
(Un-audited)



FIRST AL-NOOR MODARABA

(An Islamic Financial Institution)

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المضارب

Corporate Information

BOARD OF DIRECTORS

Non Executive Directors

Chairman

Mr. Ismail H. Zakaria

Directors

Mr. Aziz Ayoob

Mr. Abdur Rahim Suriya, Independent

Mr. Zia Zakaria

Mr. Zainuddin Ayoob

Mr. Tauseef Ilyas, Independent

Executive Directors

Chief Executive

Mr. Jalaluddin Ahmed

Chief Financial Officer

Mr. Muhammad Arshad Khan Durrani

Company Secretary

Mr. Roofi Abdul Razzak

Board Audit Committee - Chairman

Mr. Abdur Rahim Suriya - Chairman

Mr. Tauseef Ilyas - Invited Member

Mr. Zia Zakaria - Member

HR & Remuneration Committee

Mr. Zainuddin Ayoob - Chairman

Mr. A. 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

MIB Bank Limited, Islamic Banking

Meezan Bank Limited

National Bank of Pakistan

Auditors

RSM Avais Hyder Liaquat Nauman

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

As at September 30, 2019 (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, 2019.

Financial Results

Financial results are summarized as under

	Quarter ended	
	September 30, 2019	September 30, 2018
	Rupees	
Profit/(Loss) after taxation	(943,260)	(780,178)
Un-appropriated profit/(loss) brought forward	(55,786,673)	(37,434,232)
	(56,729,933)	(38,214,410)
Components of other comprehensive income	(362,330)	15,650
Un-appropriated profit/(loss) brought forward	(57,092,264)	(38,198,760)
Earning per certificate - basic and diluted	(0.04)	(0.04)

The loss in the current financial year is almost the same, as reflected in the corresponding period of the past financial year. The modaraba is gradually on course of consolidation and it is hoped that by the end of the current financial year better picture would emerge.

This incremental growth is chiefly on account of improvement in the bank rates as the modaraba is now getting better returns on its investment in Ijarah/Diminishing Musharakah in which quite a huge placement has been made. Moreover, the modaraba also anticipates an improvement in its trading activities as the rice market has gradually started picking up. Moreover, there is a cautious optimism that the country's overall economy would gather some momentum from January, 2020, and that surely will have positive impact on the business environment vis-à-vis the financial institutions.

On behalf of the Board

sd/-

Jalaluddin Ahmed
Chief Executive

Place: Karachi
Date: October 28, 2019

مضاربہ کمپنی کی ڈائریکٹر رپورٹ

برائے اختتام ہجری سال 30 ستمبر 2019 (غیر نظر ثانی شدہ)

بورڈ آف ڈائریکٹر انور مضاربہ مینجمنٹ (پرائیوٹ) لمیٹڈ مضاربہ / انتظامی کمپنی برائے فرسٹ انور مضاربہ (ایف اے ایم) کی جانب سے انتہائی مسرت کے ساتھ مضاربہ کمپنی کی غیر نظر ثانی شدہ رپورٹ باہت 30 ستمبر 2019 مالیاتی دستاویز پیش کرتے ہیں۔

ختم ہونے والی ششماہی		
30 ستمبر 2018	30 ستمبر 2019	
(780.178)	(943.260)	بعد از ٹیکس نفع / نقصان
(37.434.232)	(55.786.673)	پچھلے سالوں کا غیر تصرف شدہ نفع / نقصان
(38.214.410)	(56.729.933)	
15.650	(362.330)	دوسرے وسیع منافع کے اجزاء
(38.198.760)	(57.092.264)	غیر تصرف شدہ نفع / نقصان
(0.04)	(0.04)	آمدنی فی سرٹیکٹ - بنیادی اور مقررہ

موجودہ مالی سال میں ہونے والا نقصان تقریباً گزشتہ مالی سال کے اسی عرصے کے برابر ہے۔ مضاربہ آہستہ آہستہ استحکام کے راستے پر گامزن ہے اور امید ہے کہ رواں مالی سال کے اختتام تک بہتر تصویر سامنے آجائے گی۔

یہ بڑھتی ہوئی ترقی بنیادی طور پر بینک نرخوں میں بہتری کی وجہ سے ہے کیونکہ مضاربہ اس اجارہ / مشارکہ نتائج میں اپنی سرمایہ کاری پر بہتر منافع مل رہا ہے جس میں کافی بڑی سرمایہ کاری کی گئی ہے۔ مزید یہ کہ، مضاربہ اپنی تجارتی سرگرمیوں میں بہتری کی توقع بھی رکھتا ہے کیونکہ چاولوں کی منڈی آہستہ آہستہ بہتری کی طرف گامزن ہے۔ جملہ اندازے کے مطابق ملک کی مجموعی معیشت میں جنوری 2020ء سے کچھ تیزی آئے گی، اور اس سے مالیاتی لواہروں کے کاروباری ماحول پر مثبت اثرات مرتب ہوں گے۔

sd/-

منجانب بورڈ

جلال الدین

چیف ایگزیکٹو

کراچی

مورخہ ۱۲۸ اکتوبر ۲۰۱۹

Condensed Interim Balance Sheet

As at September 30, 2019 (Unaudited)

		(Unaudited) September 30,2019	(Audited) June 30, 30,2019
Note		Rupees	
ASSETS			
CURRENT ASSETS			
Cash and bank balances	5	36,224,919	33,848,731
Short term investments	6	10,120,769	12,072,439
Musawah facility - secured	7	-	-
Profit receivable		998,937	1,127,893
Ijarah rental receivable		2,067,349	1,772,553
Diminishing musharakah receivable		949,374	1,071,257
Trade Debtors - considered good and unsecured		3,680,673	3,710,823
Stock in trade		48,286,736	53,984,600
Current portion of investment in sukuk certificates	8	714,283	714,283
Current portion of investment in diminishing musharakah (Syndicate)	9	15,000,000	15,000,000
Current portion of investment in diminishing musharakah	10	31,201,860	19,105,977
Advances, deposits, prepayments and other receivables		10,856,194	16,101,954
Taxation		4,862,831	4,713,859
		<u>164,963,925</u>	<u>163,224,369</u>
NON-CURRENT ASSETS			
Long term deposits		3,846,989	3,846,989
Long term portion of investment in sukuk certificates		5,714,280	6,071,418
Long term portion of investment diminishing musharakah (syndicate)	9	7,500,000	11,250,000
Long term portion of investment diminishing musharakah	10	37,680,520	31,586,607
Long term investments	11	24,825,036	24,823,945
Ijarah assets	12	36,142,702	43,557,154
Fixed assets in own use	13	4,190,859	4,598,418
		<u>119,900,386</u>	<u>125,734,538</u>
		<u>284,864,311</u>	<u>288,958,907</u>
TOTAL ASSETS			
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Current maturity of security deposits		16,479,750	17,470,250
Creditors, accrued and other liabilities		7,722,671	9,813,079
Provision for custom duty & surcharge		4,398,842	4,398,842
Profit payable		556,898	556,898
		<u>29,158,161</u>	<u>32,239,069</u>
NON CURRENT LIABILITIES			
Security deposits		2,252,550	2,252,550
Deferred liability - staff gratuity		10,556,022	9,827,789
		<u>12,808,572</u>	<u>12,080,339</u>
		<u>41,966,733</u>	<u>44,319,408</u>
TOTAL LIABILITIES			
CERTIFICATE HOLDER'S EQUITY			
40,000,000 (June 2019: 40,000,000) certificates of Rs 10/- each		400,000,000	400,000,000
Issued, subscribed & paid up capital		210,000,000	210,000,000
Reserves		97,835,635	97,835,635
Unappropriated loss		(57,092,264)	(55,786,673)
Total capital and reserves		<u>250,743,371</u>	<u>252,048,962</u>
Unrealised diminution on remeasurement of investment classified as fairvalue through OCI- net		(7,845,793)	(7,409,463)
TOTAL LIABILITIES AND EQUITY		<u>284,864,311</u>	<u>288,958,907</u>
CONTINGENCIES AND COMMITMENTS	19	-	-

The annexed notes 1 to 24 form an integral part of these condensed interim financial information.

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

Place : Karachi
Date : October 28, 2019

sd-
Chief Executive

sd-
Chief Financial Officer

sd-
Chairman

sd-
Director

Condensed Interim Profit and Loss Account

For the Period and 1st Quarter Ended September 30, 2019 (Un-audited)

	Note	September 30, 2019	September 30, 2018
Rupees			
Income from trading operations	14	159,336	535,378
Income on musawamah facility		-	-
Income on Diminishing Musharakah (Syndicate)		934,585	974,888
Income on Diminishing Musharakah		2,725,029	948,653
Income from Ijarah		2,876,161	3,947,786
Income from investments		516,110	926,812
		<u>7,211,221</u>	<u>7,333,517</u>
Administrative and operating expenses		7,433,823	7,297,256
Financial and other charges		4,400	6,536
		<u>7,438,223</u>	<u>7,303,792</u>
Operating (loss)		(227,002)	29,724
Other income		564,599	361,316
		<u>337,598</u>	<u>391,040</u>
Unrealised (loss) on re-measurement of investments at fair value through profit or loss		(1,698,459)	(817,815)
Share of Profit/(loss) from associates		417,601	(353,403)
		<u>(943,260)</u>	<u>(780,178)</u>
Management company's remuneration	15	-	-
		<u>(943,260)</u>	<u>(780,178)</u>
Workers welfare fund	16	-	-
(Loss) before taxation		(943,260)	(780,178)
Income tax expense	17	-	-
(Loss) for the period		(943,260)	(780,178)
(Loss) per certificate - Basic and Diluted	18	(0.04)	(0.04)

The annexed notes 1 to 24 form an integral part of these condensed interim financial information.

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

Place : Karachi

Date : October 28, 2018

sd-
Chief Executive

sd-
Chief Financial Officer

sd-
Chairman

sd-
Director

Condensed Interim Statement of Other Comprehensive Income

For the Period and 1st Quarter Ended September 30, 2019 (Un-audited)

	September 30, 2019	September 30, 2018
Rupees		
(Loss) for the Period	(943,260)	(780,178)
Components of other comprehensive income reflected in equity		
Items that will not be reclassified subsequently profit or (loss) account		
Remeasurement of net defined benefit liability - (loss)	(382,150)	(137,751)
Share of others comprehensive income of associate - incremental depreciation	19,820	-
Equity investments at FVOCI - realised portion directly transferred into equity	-	-
Total comprehensive income for the Period transferred to equity	(362,330)	(137,751)
Total comprehensive loss for the Period transferred to equity	(1,305,591)	(917,929)
Components of other comprehensive income reflected below equity*		
Items that will not be reclassified subsequently profit or loss account		
Equity investments at FVOCI - change in fair value	(436,330)	-
Items that will be reclassified subsequently into profit or loss account		
Reversal of realised on disposal during the Period	-	-
Available-for-sale financial assets - net change in fair value	-	(473,190)
Total Comprehensive (Loss)	(1,741,921)	(1,391,119)

The annexed notes 1 to 24 form an integral part of these condensed interim financial information.

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

Place : Karachi sd- sd- sd- sd-
Date : October 28, 2019 Chief Executive Chief Financial Officer Chairman Director

Condensed Interim Cash Flow Statement

For the Period and 1st Quarter Ended September 30, 2019 (Un-audited)

		September 30, 2019	September 30, 2018
	Note	Rupees	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash from operations after working capital changes	21	11,873,193	22,802,114
Increase in long-term security deposits		(990,500)	(904,600)
Income on Diminishing Musharakah (Syndicate)		1,056,468	942,037
Income on Diminishing Musharakah		2,725,029	329,803
Income tax paid		(148,973)	(72,393)
Gratuity paid		-	(490,000)
Net cash generated from operating activities		14,515,217	22,606,960
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to fixed assets			
- Own		(18,300)	(35,500)
- Ijarah		-	-
Sale proceeds on disposal of fixed assets			
- Own		-	-
- Ijarah		990,500	904,600
Dividend received		142,745	159,180
Profit on bank deposit		541,292	319,755
Redemption of Installment of Sukuk Certificates		357,145	357,145
Investment in diminishing musharakah		(23,887,000)	(770,000)
Repayment of diminishing musharakah		9,462,804	6,086,531
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		(146,215)	(6,285,975)
Proceeds from sale of investments in listed securities		418,000	7,212,317
Net cash (used in) investing activities		(12,139,029)	8,634,988
CASH FLOWS FROM FINANCING ACTIVITIES			
Financial charges paid		-	2,136
Net cash (used in) financing activities		-	2,136
Net increase / (decrease) in cash and cash equivalents		2,376,188	31,244,085
Cash and cash equivalents at beginning of the year		33,848,731	24,281,195
Cash and cash equivalents at end of the year	22	36,224,919	55,525,280

The annexed notes 1 to 24 form an integral part of these condensed interim financial information.

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

Place : Karachi sd- sd- sd- sd-
Date : October 28, 2018 Chief Executive Chief Financial Officer Chairman Director

Condensed Interim Statement of Changes in Equity

For the Period and 1st Quarter Ended September 30, 2019 (Un-audited)

	Reserve				Total
	Certificate Capital	*Statutory Reserve	General reserve	Unappropriated profit	
Rupees					
Balance as at June 30, 2018	210,000,000	97,585,635	250,000	(40,734,969)	267,100,666
Total comprehensive loss for the year	-	-	-	(15,051,704)	(15,051,704)
Profit distribution in cash	-	-	-	-	-
Transfer from general reserve	-	-	-	-	-
Transfer to statutory reserve	-	-	-	-	-
Balance as at June 30, 2019	210,000,000	97,585,635	250,000	(55,786,673)	252,048,962
Total Comprehensive income for the Period	-	-	-	(1,305,591)	(1,305,591)
Profit distribution in cash	-	-	-	-	-
Transfer to general reserve	-	-	-	-	-
Transfer to statutory reserve	-	-	-	-	-
Balance as at September 30, 2019	210,000,000	97,585,635	250,000	(57,092,264)	250,743,371

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

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

المضاب

Place : Karachi
Date : October 28, 2019

sd-
Chief Executive

sd-
Chief Financial Officer

sd-
Chairman

sd-
Director

Notes to the Condensed Interim Financial Statements

For the Period and 1st Quarter Ended September 30, 2019 (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, diminishing musharakah, musharikah, murabaha, musawamah, modaraba, equity investment and trading activities. The Modaraba is listed on the Pakistan Stock Exchange.

2 BASIS OF PREPARATION

2.1 STATEMENT OF COMPLIANCE

These condensed interim financial statements have been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting', the requirements of Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981 and directives issued by the Securities & Exchange Commission of Pakistan (SECP). In case where requirements differ, the requirements of Modaraba Companies and Modaraba (Floatation & Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981 or the directives issued by SECP prevail.

2.2 These condensed interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the financial statements of the Modaraba for the year ended June 30, 2019. The figures for the first quarter ended September 30, 2019 have been subjected to limited scope review by the auditors as required by the Code of Corporate Governance.

2.3 This condensed interim financial statements comprises of the condensed interim balance sheet as at September 30, 2019 and the condensed interim profit and loss account & condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity and the notes forming part thereof for the first quarter ended September 30, 2019.

2.4 The comparative condensed balance sheet, presented in this condensed interim financial statements, as at June 30, 2019 has been extracted from the annual audited financial statements of the Modaraba & condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity for the first quarter ended September 30, 2018 have been extracted from the condensed interim financial statements for the first quarter ended September 30, 2018..

2.5 These condensed interim financial statements have been presented in Pak Rupees, which is the functional currency of Modaraba.

3 SIGNIFICANT ACCOUNTING POLICIES

3.1 The accounting policies and methods of computation adopted in the preparation of these condensed interim financial statements are consistent with those applied in the preparation of the annual audited financial statements for the year ended June 30, 2019 except those stated in note 3.2 (a) below.

3.2 Change in accounting standards, interpretations and amendments to published approved accounting and reporting standards

New standards, amendments to approved accounting standards and interpretations that are effective from earlier financial years and/or during the three month and quarter ended September 30, 2019.

4 SIGNIFICANT ACCOUNTING ESTIMATES , JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts. Actual results may differ from these judgements, estimates and assumptions.

However, the management believes that the change in outcome of judgements, estimates and assumptions would not have a material impact on the amounts disclosed in these condensed interim financial statements.

Notes to the Condensed Interim Financial Statements

For the Period and 1st Quarter Ended September 30, 2019 (Un-audited)

	Note	September 30, 2019	June 30, 2019
Rupees			
5. CASH AND BANK BALANCES			
With Cash in Hand		33,549	-
With banks in current accounts			
- Islamic Banks /Islamic Window operations		492,204	492,204
- Conventional Banks		798,900	2,467,857
With banks in PLS accounts			
- Islamic Banks /Islamic Window operations	5.1	34,900,266	30,888,670
- Conventional Banks		-	-
		<u>36,224,919</u>	<u>33,848,731</u>
5.1 These deposits accounts carry profit at rates ranging from 2.88% % to 5.75 % (June 2019: 2.88% to 5.75%).			
6. INVESTMENTS			
6.1 Short term Investments			
At fair value through profit and loss			
Shariah compliant			
- Equity securities - listed	5.1.1	9,470,014	11,333,638
- Mutual funds - listed	5.1.2	87,115	93,051
Non - Shariah compliant			
- Equity securities - listed	5.1.3	563,640	645,750
- Mutual funds - listed		-	-
		<u>10,120,769</u>	<u>12,072,439</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 30,2019		June 30,2019	
	Balance Outstanding	Provision Held	Balance Outstanding	Provision Held
		---Rupees---		
OAEM	-	-	-	-
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	25,000,000	25,000,000	25,000,000	25,000,000
	<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 2019: 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. 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, 2019 (Un-audited)

	Note	September 2019	September 2019
Rupees			
8. Stock in Trade			
Finished goods		48,286,736	53,984,600
In transit		267,790	267,790
less: Provision for slow moving stock		(267,790)	(267,790)
		<u>48,286,736</u>	<u>53,984,600</u>
9 LONG TERM PORTION OF INVESTMENT IN DINIMISHING MUSHARAKAH (Syndicate)			
Diminishing Musharakah	9.1	7,500,000	26,250,000
Less: Current portion of investment in diminishing musharakah		(15,000,000)	(15,000,000)
Long term portion of investment in diminishing musharakah		<u>(7,500,000)</u>	<u>11,250,000</u>
9.1			
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 + 2.75% (June 2019: KIBOR + 2.75%) receivable in 16 quarterly equal installments from April 2017 to till January, 2021. with one year grace period .			
10 LONG TERM PORTION OF INVESTMENT IN DINIMISHING MUSHARAKAH			
Diminishing Musharakah		96,763,976	73,021,000
Less: Principal Repaid		(27,881,596)	(22,328,416)
Less: Current portion of investment in diminishing musharakah		(31,201,860)	(19,105,977)
Long term portion of investment in diminishing musharakah		<u>37,680,520</u>	<u>31,586,607</u>
11 LONG TERM INVESTMENTS			
Investment in Associates	11.1	7,108,523	6,671,102
FVTOCI			
Equity securities - listed FVTOCI			
Shariah compliant			
- Equity securities - listed		4,631,379	5,034,862
- Mutual funds - listed		10,201,596	10,271,679
Non - shariah compliant			
- Equity securities - listed		2,883,539	2,846,302
		<u>24,825,036</u>	<u>24,823,945</u>
11.1 Investment in Associates			
Opening balance		6,671,102	7,648,874
Share of incremental depreciation - OCI Component		19,820	304,770
Share of (loss) / profit of associate		417,601	(1,116,380)
		437,421	(811,610)
Dividend income		-	(166,163)
		<u>7,108,523</u>	<u>6,671,102</u>
12 IJARAH ASSETS			
Opening balacne		43,557,154	97,608,224
Add: Addition durring th period		-	-
		43,557,154	97,608,224
Less: Disposals during the period		(890,500)	(13,625,053)
Depreciation durring the period		(6,523,952)	(40,426,017)
		<u>36,142,702</u>	<u>43,557,154</u>
13 FIXED ASSETS IN OWN USE			
Opening balacne		4,598,418	5,922,709
Add: Addition durring th period		18,300	406,825
		4,616,718	6,329,534
Less: Disposals during the period		-	(2)
Depreciation durring the period		(425,859)	(1,731,115)
		<u>4,190,859</u>	<u>4,598,418</u>

Notes to the Condensed Interim Financial Statements

For the Period and 1st Quarter Ended September 30, 2019 (Un-audited)

	Note	September 30, 2019	September 30, 2018
<u>Rupees</u>			
14 INCOME FROM TRADING OPERATIONS			
Sales	14.1	5,857,200	15,251,949
Cost of Sales	14.2	(5,697,864)	(14,716,571)
Profit		159,336	535,378
14.1 Sales			
Local		5,857,200	15,251,949
Export		-	-
		5,857,200	15,251,949
14.2 Cost of sales			
Opening stock		53,984,600	31,164,138
Purchases		-	7,477,810
		53,984,600	38,641,948
Export expenses		-	-
		53,984,600	38,641,948
Less: closing stock		(48,286,736)	(23,925,377)
Cost of sales		5,697,864	14,716,571
15 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.			
16 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. During the current period, the management has made a provision of Rs. nil (September 2018: Rs. nil) in respect of this liability."			
17 INCOME TAX EXPENSES			
Current tax		-	-
17.1 Relation between tax expenses and accounting profit			
Accounting loss for the current year		(943,260)	(780,178)
Tax on income @ 25% (June 2019: 25%)		(235,815)	(195,044)
Tax effect off - exempt income		943,260	780,178
		-	-
18 LOSS PER CERTIFICATE - BASIC AND DILUTED			
Loss for the year		(943,260)	(780,178)
		----- (Numbers) -----	
Weighted average number of certificates		21,000,000	21,000,000
		----- (Rupees) -----	
Loss per certificate - basic and diluted		(0.04)	(0.04)

There is no dilutive effect on the basic earnings per share of the Modaraba, since there are no convertible instruments in issue as at September 30, 2019 and September 30, 2018 which would have any effect on the earnings per share if the option to convert is exercised.

19 Contingencies and commitments

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

Notes to the Condensed Interim Financial Statements

For the Period and 1st Quarter Ended September 30, 2019 (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:

	Note	September 30, 2019	September 30, 2018
Rupees			
20.1 Balance outstanding at period end			
Modaraba Management Company			
- Management fee Associated undertakings		-	-
Other related parties (other than key management personnel)			
- Contribution to staff gratuity fund		10,556,022	7,417,958
20.2 Transactions during the period			
Modaraba Management Company			
- Management remuneration Associated undertakings		-	-
Other related parties (other than key management personnel)			
- Contribution to staff gratuity fund		346,083	258,351
21 CASH FROM OPERATIONS AFTER WORKING CAPITAL CHANGES			
Loss before taxation		(943,260)	(780,178)
Adjustments for:			
Gain on sale of investment in listed securities		(18,700)	(464,643)
Dividend income		(234,270)	(313,620)
Income on diminishing musharakah		(3,659,614)	(1,923,541)
Gain on sukuk certificates		(263,140)	(148,549)
Profit on bank deposits		(519,909)	(341,599)
Financial charges		4,400	6,536
Depreciation - owned assets		425,859	443,252
Depreciation - Ijarah assets		6,523,952	12,229,235
Provision for gratuity		346,083	259,351
Share of (profit)/loss from Associate		(417,601)	353,403
Unrealized loss on re measurement of investments in listed securities		1,698,459	817,815
		3,885,519	10,917,640
Operating profit before working capital changes		2,942,258	10,137,462
(Increase)/Decrease in current assets			
Stock in trade		5,697,864	7,238,761
Profit receivable		128,956	(104,817)
Ijarah Rental receivable		(294,796)	(299,660)
Diminishing musharakah receivable		121,883	-
Trade Debtors - considered good and unsecured		30,150	5,219,523
Advances, deposits, prepayments and other receivables		5,337,285	1,138,022
		11,021,342	13,191,829
Increase/(Decrease) in current liabilities			
Creditors, accrued and other liabilities		(2,090,408)	(527,177)
Profit payable		-	-
		(2,090,408)	(527,177)
Cash flow from operating activities		11,873,193	22,802,114

Notes to the Condensed Interim Financial Statements

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

	September 30, 2019	September 30, 2018
	Rupees	
21.1 CASH AND CASH EQUIVALENTS		
Cash and bank balances	36,224,919	55,525,280
	36,224,919	55,525,280

22 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 28, 2019.

23 GENERAL

Figures in these financial statements have been rounded off to the nearest Rupee.

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

sd-
Chief Executive

sd-
Chief Financial Officer

sd-
Chairman

sd-
Director

Place : Karachi
Date : October 28, 2019



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