

1ST QUARTERLY REPORT
September 30, 2020
(Un-audited)



FIRST AL-NOOR MODARABA
(An Islamic Financial Institution)

Contents

Corporate Information	2
Directors' Report (English)	3
Director's Report (Urdu)	4
Condensed Interim Balance Sheet	5
Condensed Interim Profit and Loss Account	6
Condensed Interim Statement of Other Comprehensive Income	7
Condensed Interim Cash Flow Statement	8
Condensed Interim Statement of Changes in Equity	9
Notes to the Condensed Interim Financial Statements	10-20

المضارب

Corporate Information

BOARD OF DIRECTORS

Non Executive Directors

Chairman

Mr. Zia I. Zakaria

Directors

Mr. Aziz Ayooob

Mr. Abdul Rahim Suriya, Independent

Mr. Noor Muhammad Zakaria

Mr. Tauseef Ilyas, Independent

Dr. Irum Saba, Independent

Executive Directors

Chief Executive

Mr. Zainuddin Aziz

Chief Financial Officer

Mr. Muhammad Arshad Khan Durrani

Company Secretary

Mr. Roofi Abdul Razzak

Board Audit Committee - Chairman

Mr. Abdul Rahim Suriya - Chairman

Mr. Tauseef Ilyas - Member

Mr. Zia I. Zakaria - Member

HR & Remuneration Committee

Mr. Tauseef Ilyas - Chairman

Mr. A. Aziz Ayooob - Member

Mr. Zainuddin Aziz - 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 Thornton 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, Shakra-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, 2020 (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, 2020.

Financial Results

Financial results are summarized as under

	Quarter ended	
	September 30, 2020	September 30, 2019
	Rupees	
Profit/(Loss) after taxation	1,519,937	(943,260)
Components of Other comprehensive income	860,476	(362,330)
Un-appropriated profit/(loss) brought forward	<u>(54,342,126)</u>	<u>(55,786,673)</u>
	<u>(51,961,712)</u>	<u>(57,092,263)</u>
Earning per certificate - basic and diluted	<u>0.07</u>	<u>(0.04)</u>

The first quarter of current financial year achieved the profitability of nearly Rs. 1.52 million as compared to the loss of Rs. 0.943 million in the same period last year. Had there been no pricing plunge in equity market observed in last two weeks of September, the results would have been much better. This is in spite of the low discount rates, gradual increase and opening of business sectors lock downs commenced from March, 2020 of last financial year.

The management anticipates better efficiency in the remainder period of current financial year and would be able to report reasonable returns for the stake holders.

On behalf of the Board

sd/-
Zainuddin Aziz
Chief Executive

Place: Karachi
Date: October 23, 2020

مضاربہ کمپنی کی ڈائریکٹر رپورٹ

برائے اختتام پہلی سہ ماہی مدت 30 ستمبر 2020 (غیر نظر ثانی شدہ)

بورڈ آف ڈائریکٹر انور مضاربہ منجمنٹ (پرائیویٹ) لمیٹڈ مضاربہ / انتظامی کمپنی برائے فرسٹ انور مضاربہ (ایف اے ایم) کی جانب سے

انتظامی سرسٹ کے ساتھ مضاربہ کمپنی کی غیر نظر ثانی شدہ رپورٹ بہت 30 ستمبر 2020 مالیاتی دستاویز پیش کرتے ہیں۔

ختم ہونے والی ششماہی

30 ستمبر 2019	30 ستمبر 2020	
(943.260)	1,519,937	بعد از ٹیکس نفع / نقصان
(362.330)	860,476	دیگر جامع آمدنی کے اجراء
(55.786.673)	(54,342,126)	پچھلے سالوں کا غیر تصرف شدہ نفع / نقصان
(57.092.263)	(51,961,712)	
(0.04)	0.07	آمدنی فی سرٹیفکیٹ - بنیادی اور مقررہ

رداں مالی سال کی پہلی سہ ماہی میں تقریباً 1.52 ملین پچھلے سال کے 0.943 کے نقصان کے مقابلے میں منافع حاصل ہوا ہے۔ ستمبر کے آخری دو ہفتوں میں ایکویٹی مارکیٹ کی قیمتوں میں گراوٹ نہ ہوتی تو اس کے نتائج زیادہ بہتر ہوتے یہ صورت کم ڈسکاؤنٹ ریٹ، پچھلے مالی سال میں مارچ 2020 لاک ڈاؤن کے بعد اس مالی سال میں آہستہ آہستہ کاروبار کے کھلنے اور بڑھنے کے باوجود رہی۔

انتظامیہ موجودہ مالی سال کے بقیہ عرصہ میں بہتر کارکردگی کی توقع رکھتی ہے اور اسٹیک ہولڈرز کے لیے بہتر مالیاتی نتائج دے سکے۔

بورڈ کی جانب سے

sd/-

زین الدین عزیز

چیف ایگزیکٹو

تاریخ: 23 اکتوبر، 2020

Condensed Interim Balance Sheet

As at September 30, 2020 (Unaudited)

		(Unaudited) September 30, 2020	(Audited) June 30, 30, 2020
	Note	Rupees	
ASSETS			
CURRENT ASSETS			
Cash and bank balances	5	27,053,551	9,174,848
Short term investments	6	100,091,138	121,791,096
Musawamah facility - secured	7	-	-
Profit receivable	8	711,188	643,828
Ijarah rental receivable		237,537	602,434
Diminishing musharakah receivable		5,261,869	1,138,854
Current portion of investment in sukuk certificates		714,290	714,290
Current portion of investment in diminishing musharakah		41,434,992	41,159,664
Advances, deposits, prepayments and other receivables	9	28,945,439	8,222,876
Taxation		6,091,837	5,778,678
	10	210,541,842	189,226,567
NON-CURRENT ASSETS			
Long term deposits		3,839,989	3,839,989
Long term portion of investment in sukuk certificates		5,000,000	5,357,128
Long term portion of investment diminishing musharakah		29,115,905	38,750,998
Long term investments	9	18,535,949	22,322,758
Ijarah assets		2,565,290	6,181,881
Fixed assets in own use	11	3,417,521	3,626,533
	12	62,474,654	80,079,287
	13	273,016,496	269,305,854
TOTAL ASSETS			
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Current maturity of security deposits		779,950	2,711,600
Creditors, accrued and other liabilities		8,462,244	6,110,835
Provision for custom duty & surcharge		4,398,842	4,398,842
Charity Payable		56,687	52,587
		13,697,723	13,273,864
NON CURRENT LIABILITIES			
Security deposits		293,700	443,700
Deferred liability - staff gratuity		7,295,177	7,465,837
		7,588,877	7,909,537
TOTAL LIABILITIES		21,286,600	21,183,401
CERTIFICATE HOLDER'S EQUITY			
40,000,000 (2020: 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	14	(51,961,712)	(54,342,126)
Total capital and reserves	15	255,873,923	253,493,509
Unrealised diminution on remeasurement of investment classified as fairvalue through OCI - net		(4,144,027)	(5,371,057)
TOTAL LIABILITIES AND EQUITY	16	273,016,496	269,305,854
CONTINGENCIES AND COMMITMENTS			
	16	-	-

The annexed notes 1 to 23 form an integral part of these condensed interim financial information.

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

Place : Karachi

Date : October 23, 2020

sd-
Chief Executive

sd-
Chief Financial Officer

sd-
Chairman

sd-
Director

Condensed Interim Profit and Loss Account

For the 1st Quarter Ended September 30, 2020 (Un-audited)

	Note	September 30, 2020	September 30, 2019
Rupees			
Income from trading operations	18	-	159,336
Income on musawamah facility		-	-
Income on Diminishing Musharakah (Syndicate)		-	934,585
Income on Diminishing Musharakah		2,722,084	2,725,029
Income from Ijarah		466,361	2,876,161
Income from investments	19	7,354,871	516,110
		<u>10,543,316</u>	<u>7,211,221</u>
Administrative and operating expenses		6,709,695	7,433,823
Financial and other charges		4,400	4,400
		<u>6,714,095</u>	<u>7,438,223</u>
Operating Profit/(loss)		3,829,221	(227,002)
Other income		210,290	564,599
		<u>4,039,511</u>	<u>337,597</u>
Unrealised (loss) on re-measurement of investments at fair value through profit or loss		(2,342,588)	(1,698,459)
Share of Profit from associates		25,673	417,601
		<u>1,722,596</u>	<u>(943,260)</u>
Management company's remuneration		(172,260)	-
		<u>1,550,336</u>	<u>(943,260)</u>
Workers welfare fund		(30,399)	-
Profit/(Loss) before taxation		1,519,937	(943,260)
Income tax expense		-	-
Profit/(Loss) for the Period		1,519,937	(943,260)
Loss per certificate - Basic and Diluted		<u>0.07</u>	<u>(0.04)</u>

The annexed notes 1 to 23 form an integral part of these condensed interim financial information.

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

Place : Karachi
Date : October 23, 2020

sd-
Chief Executive

sd-
Chief Financial Officer

sd-
Chairman

sd-
Director

Condensed Interim Statement of Other Comprehensive Income

For the 1st Quarter Ended September 30, 2020 (Un-audited)

	September 30, 2020	September 30, 2019
Note	Rupees	
Profit/(Loss) for the year	1,519,937	(943,260)
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 - Profit / (loss)	23.5 262,878	(382,150)
Share of others comprehensive income of associate - incremental depreciation	6.2.1 18,250	19,820
Equity investments at FVOCI - realised portion directly transferred into equity	26 579,348	-
Total comprehensive income for the year transferred to equity	860,476	(362,330)
Total comprehensive loss for the year transferred to equity	2,380,414	(1,305,590)
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	26 850,340	(438,330)
Items that will be reclassified subsequently into profit or loss account		
Reversal of realised on disposal during the period	26	-
Available-for-sale financial assets - net change in fair value	-	-
Total Comprehensive Profit/ (Loss)	3,230,754	(1,743,920)

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

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

Place : Karachi sd- sd- sd- sd-
 Date : October 23, 2020 Chief Executive Chief Financial Officer Chairman Director

Condensed Interim Cash Flow Statement

For the 1st Quarter Ended September 30, 2020 (Un-audited)

	September 30, 2020	September 30, 2019
Note	Rupees	
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash from operations after working capital changes	21 (26,996,829)	11,873,193
Increase in long-term security deposits	(2,081,650)	(990,500)
Profit on investment in Islamic certificates	520,640	
Income on Diminishing Musharakah (Syndicate)	-	1,056,468
Income on Diminishing Musharakah	2,722,084	2,725,029
Income tax paid	(313,159)	(148,973)
Gratuity paid	(515,000)	-
Net cash generated from operating activities	(26,663,914)	14,515,217
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to fixed assets		
- Own	(104,000)	(18,300)
- Ijarah	-	-
Sale proceeds on disposal of fixed assets		
- Own	9,999	-
- Ijarah	904,286	990,500
Dividend received	294,600	142,745
Profit on bank deposit	244,577	541,292
Redemption of Installment of Sukuk Certificates	357,145	357,145
Investment in Islamic Certificates	(70,002,000)	
Maturity of Investment in Islamic Certificates	100,000,000	
Investment in diminishing musharakah	(999,000)	(23,887,000)
Repayment of diminishing musharakah	10,358,748	9,462,804
Proceeds from sale of mutual funds units	3,290,403	-
Purchase of investments in listed securities	(103,487,140)	(146,215)
Proceeds from sale of investments in listed securities	103,675,000	418,000
Net cash (used in) investing activities	44,542,617	(12,139,029)
CASH FLOWS FROM FINANCING ACTIVITIES		
Financial charges paid	-	-
Net cash (used in) financing activities	-	-
Net increase / (decrease) in cash and cash equivalents	17,878,703	2,376,188
Cash and cash equivalents at beginning of the year	9,174,848	33,848,731
Cash and cash equivalents at end of the period	5 27,053,551	36,224,919

The annexed notes 1 to 23 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 23, 2020 Chief Executive Chief Financial Officer Chairman Director

Condensed Interim Statement of Changes in Equity

For the 1st Quarter Ended September 30, 2020 (Un-audited)

		Reserve			
	Certificate Capital	*Statutory Reserve	General reserve	Unappropriated profit	Total
Rupees					
Balance as at June 30, 2019	210,000,000	97,585,635	250,000	(55,786,673)	252,048,962
Share of associate's incremental depreciation on account of revaluation of fixed assets					
Total comprehensive loss for the year				1,444,547	1,444,547
Profit distribution in cash				-	-
Transfer from general reserve	-	-	-	-	-
Transfer to statutory reserve	-	-	-	-	-
Balance as at June 30, 2020	210,000,000	97,585,635	250,000	(54,342,126)	253,493,509
Share of associate's incremental depreciation on account of revaluation of fixed assets	-	-	-	-	-
Total Comprehensive income for the period	-	-	-	2,380,414	2,380,414
Profit distribution in cash	-	-	-	-	-
Transfer to general reserve	-	-	-	-	-
Transfer to statutory reserve	-	-	-	-	-
Balance as at September 30, 2020	210,000,000	97,585,635	250,000	(51,961,712)	255,873,923

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

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

Place : Karachi
Date : October 23, 2020

sd- Chief Executive sd- Chief Financial Officer sd- Chairman sd- Director

Notes to the Condensed Interim Financial Statements

For the 1st Quarter Ended September 30, 2020 (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, diminishing musharikhah, murabaha, musawamah, modaraba, equity investment, ijarah and trading activities. The Modaraba is listed on the Pakistan Stock Exchange.

1.1 Impact of COVID-19 on the Financial Statements

Since the novel coronavirus (COVID-19) emerged, the condition has continued to deteriorate. On January 30, 2020, The International Health Regulations Emergency Committee of the World Health Organisation declared the outbreak "Public Health Emergency of International Concern". Many countries including Pakistan have enacted protection measures against COVID-19 with countrywide lockdown in March, 2020, that had a significant impact on economic activities. The Securities And Exchange Commission Of Pakistan (SECP) issued Circular No.15 dated April 24, 2020 to facilitate the lending Modarabas in rescheduling of financing facilities extended to the customers. As per para 1 of the circular, upon specific request of the customer, modaraba may defer the repayment of principal loan/ facility amount by one year and profit shall continue be paid as per agreed terms and conditions. Due to this, Modaraba has assessed the accounting implications of these developments on these financial statements, however, according to management's assessment, there is no significant accounting impact of the effects of COVID-19 on these financial statements as 30 September 2020.

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 issues 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, 2020. The figures for the three months ended September 30, 2020 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 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 three months ended September 30, 2020 which have been subjected to a review but not audited.

2.4 The comparative condensed balance sheet, presented in this condensed interim financial statements, as at June 30, 2020 has been extracted from the annual audited financial statements of the Modaraba for the year ended June 30, 2020 whereas the comparative 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 for the three months ended September 30, 2019 have been extracted from the condensed interim financial statements for the three months ended September 30, 2019 which were subjected to a review but not audited.

2.4 These interim financial statements have been presented in pak rupees which is the functional currency of the 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, 2020 except those stated in note 3.2 (a) below.

Notes to the Condensed Interim Financial Statements

For the 1st Quarter Ended September 30, 2020 (Un-audited)

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

(a) Standards and amendments to published accounting and reporting standards which were effective during the three months ended September 30, 2020

IFRS 16 'Leases' - IFRS 16 replaces the previous lease standard: IAS 17: Leases. As the distinction between operating and finance lease is eliminated, it has resulted in leases being recognised on the statement of financial position except for short-term and low-value leases. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised.

However, the application of IFRS 16 does not have any material impact on the Modaraba's books of account.

The amendments that were mandatory for the half year ended December 31, 2019 are considered not to be relevant for the Modaraba's financial reporting process and hence have not been disclosed here.

(b) Standards and amendments to approved accounting and reporting standards that are not yet effective

There is a new standard and certain amendments and interpretation to the accounting and reporting standards that will be mandatory for the Modaraba's annual accounting periods beginning on or after July 1, 2021. However, these standard, amendments and interpretation will not have any significant impact on the financial reporting of the Modaraba and, therefore, have not been disclosed in these condensed interim financial statements.

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.

	Note	September 30, 2020	June 30, 2020
Rupees			
5. CASH AND BANK BALANCES			
With Cash in Hand		70,518	-
With banks in current accounts			
- Islamic Banks /Islamic Window operations		472,270	472,270
- Conventional Banks		456,630	818,851
With banks in PLS accounts			
- Islamic Banks /Islamic Window operations	5.1	26,054,133	7,883,727
- Conventional Banks		-	-
		<u>27,053,551</u>	<u>9,174,848</u>

5.1 These deposits accounts carry profit at rates ranging from 4.25% % to 6.74 % (June 2020: 4.25% to 6.74%).

6. INVESTMENTS

6.1 Short term Investments

At fair value through profit and loss

Shariah compliant

- Equity securities - listed 6.1 29,982,423 20,405,213

- Mutual funds - listed 6.2 106,714 90,753

Non - Shariah compliant

- Equity securities - listed 6.3 - 1,295,130

- Mutual funds - listed - -

At amortised cost

Investment in Islamic Certificates 6.4 70,002,000 100,000,000
100,091,138 121,791,096

Notes to the Condensed Interim Financial Statements

For the 1st Quarter Ended September 30, 2020 (Un-audited)

Name of Investee	Balance as at Sept. 30 2020	Balance as at June 30 2020
6.1 At fair value through profit and loss		
Shariah compliant		
Equity securities - listed		
Construction and Materials		
Fauji Cement Company Limited	497,000	295,400
D.G. Khan Cement Limited	-	42,665
Lucky Cement Company Limited	1,488,261	-
Maple Leaf Cement Limited	1,442,742	5,170
Gharibwal Cement Limited	359,550	-
Power cement Limited	-	310,000
Dewan Cement Limited	-	233,400
	<u>3,787,553</u>	<u>886,635</u>
Oil & Gas Producers		
Pakistan State Oil Limited	142,142	-
Pakistan Oilfield Limited	210,665	-
Oil & Gas Development Co. Limited	3,418,800	1,308,000
Hi-Tech Lubricants	-	363,360
Pakistan Petroleum	1,150,750	1,362,446
Hascol Petroleum Limited	56,141	479,835
	<u>4,978,498</u>	<u>3,513,641</u>
Gas Water & Multiutilities		
Sui Southern Gas Limited	199,000	466,900
Sui Northern Gas Pipeline Limited	2,348,780	2,215,200
	<u>2,547,780</u>	<u>2,682,100</u>
General Industries		
Pakistan Paper Products	48,500	98,605
Packages Limited	101,165	3,472,100
	<u>149,665</u>	<u>3,570,705</u>
Power Generation & Distribution		
K-Electric Limited	42,100	526,750
	<u>42,100</u>	<u>526,750</u>
Automobile and Parts		
Sazgar Engineering Works	854,500	-
Atlas Battery Limited	202,940	-
Honda Atlas Cars (Pakistan) Limited	388,410	-
Millat Tractors Limited	-	22,597
Exide Pakistan Limited	345,000	-
	<u>1,790,850</u>	<u>22,597</u>
Cable and Electrical Goods		
Waves Singer Pakistan Limited	212,200	-
Pak Elektron Limited	1,295,545	464,464
Waves Singer Pakistan Limited	-	-
	<u>1,507,745</u>	<u>464,464</u>
Glass & Ceramics		
Ghani Global Glass Limited	425,940	-
Shabbir Tiles & Ceramics Limited	384,300	-
	<u>810,240</u>	<u>-</u>
Cable and Electrical Goods		
Waves Singer Pakistan Limited	-	212,200
Pak Elektron Limited	1,653,000	1,295,545
	<u>1,653,000</u>	<u>1,507,745</u>

Notes to the Condensed Interim Financial Statements

For the 1st Quarter Ended September 30, 2020 (Un-audited)

Name of Investee	Balance as at Sept. 30 2020	Balance as at June 30 2020
Engineering		
Crescent Steel & Allied Products Limited	440,760	-
International Steels Limited	847,440	-
	<u>1,288,200</u>	-
Chemicals		
Lotte Pakistan PTA Limited	360,000	1,393,000
Siddiq Son Tin Plate Limited		138,300
Engro Polymer & Chemical Limited	201,300	761,890
Engro Corporation Limited	1,866,386	1,408,945
Engro Fertilizer Limited	1,368,450	1,265,880
ICI Pakistan Limited	2,749,642	-
Sitara Peroxide Limited	274,375	-
Ghani Globe Handling	223,575	-
Fatima Fertilizer Co.	296,800	-
Ittehad Chemicals Limited		2,635
	<u>7,340,528</u>	<u>4,970,650</u>
Pharma and Bio Tech		
The Searle Company Limited	1,666,015	-
Ferozsons Laboratories Limited	477,204	-
Glaxo Smithkline Pakistan Limited	1,560,855	-
	<u>3,704,074</u>	-
Food Industries		
Unity Foods Limited	-	501,750
Treet Corporation Limited	59,200	-
	<u>59,200</u>	<u>501,750</u>
Banks		
BankIslamic Pakistan Limited	-	2,222,640
	<u>-</u>	<u>2,222,640</u>
Transport		
Pakistan Shipping Corporation Limited		45,500
	<u>45,500</u>	-
Personal Goods(Textiles)		
Nishat Mills Limited	50,535	-
Kohinoor Textile Mills Limited	1,623,300	-
	<u>1,673,835</u>	-
Miscellaneous		
Synthetic Products Limited	111,400	-
	<u>111,400</u>	-
	<u>29,982,423</u>	<u>20,405,213</u>
6.2 Units of Mutual Funds		
Meezan Islamic Fund - Growth Units	106,714	90,753
	<u>106,714</u>	<u>56,288</u>
6.3 Non Shariah compliant Equity Securities - Listed		
Transport		
Pakistan Int' Bulk Terminal Limited	-	132,000
	<u>-</u>	<u>132,000</u>

Notes to the Condensed Interim Financial Statements

For the 1st Quarter Ended September 30, 2020 (Un-audited)

Name of Investee	Balance as at Sept. 30 2020	Balance as at June 30 2020
Power Generation & Distribution		
The Hub Power Company Limited	-	1,051,250
Kot Addu Power Company Limited	-	20,150
		<u>1,071,400</u>
Engineering		
International Industris Limited	-	91,730
		<u>91,730</u>
Total Listed securities		
- At Fair value through Profit & Loss	Total 30,089,138	21,791,096

6.4 These Islamic certificates carry profit rates ranging from 6.40 & to 6.60(June 2020 6.25 to 12.00)

	September 30 2020	June 30 2020
7 MUSAWAMAH FACILITY - SECURED		
Musawamah facility - secured considered doubtful	25,000,000	25,000,000
Less: provision against potential losses	(25,000,000)	(25,000,000)
	<u>-</u>	<u>-</u>

7.1 Musawamah facility (Classified portfolio)

	September 30,2020		June 30,2020	
	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 2020: 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.

	September 30 2020	June 30 2020
8 PROFIT RECEIVABLE		
Sukuk	17,335	261,758
islamic Certificates	653,006	246,917
PLS bank account	40,847	135,153
	<u>711,188</u>	<u>643,828</u>

Notes to the Condensed Interim Financial Statements

For the 1st Quarter Ended September 30, 2020 (Un-audited)

		September 30 2020	June 30 2020
9 INVESTMENT IN SUKUK CERTIFICATES - Amortised Cost			Rupees
Investment in Sukuk Certificates	9.1	6,071,418	6,785,708
Less: Principal Repaid		<u>(357,145)</u>	<u>(714,290)</u>
		5,714,273	6,071,418
Less: Current portion of Investment in Sukuk Certificates		<u>(714,290)</u>	<u>(714,290)</u>
Long term portion of investment in sukuk certificates		<u>5,000,000</u>	<u>5,357,128</u>

9.1 Two separate Sukuk investment were made in Tier II Albaraka Bank (Pakistan Ltd., this represent sukuk I certificates carrying profit to base rate of six months of KIBOR + 1.25% & terms of principal repayment bi annual receivable in 14 equal installments till September, 2021.(June 2020: KIBOR + 1.25%) and II sukuk certificates carrying profit to base rate of six months of KIBOR + 0.75% & terms of repayment principal on maturity August 21, 2014 (June 2020: KIBOR + 00.75%)

10 TAXATION

10.1 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 (2019: Nil) are the tax deducted as final on the remittance received from the import / export of goods.

		September 30 2020	June 30 2020
10.2 Income tax refundable			Rupees
Income tax adjusted / deducted at source		5,778,678	4,713,859
		<u>313,159</u>	<u>1,064,819</u>
		<u>6,091,837</u>	<u>5,778,678</u>

11 LONG TERM INVESTMENTS

Investment in Associates	11.1	7,520,852	7,476,930
FVTOCI			
Equity securities - listed FVTOCI			
Shariah compliant			
- Equity securities - listed	11.2.1	3,805,054	2,710,089
- Mutual funds - listed	11.2.2	5,691,889	8,607,167
Non - shariah compliant			
- Equity securities - listed	11.2.3	1,518,154	3,528,572
- Mutual funds - listed		-	-
		<u>18,535,949</u>	<u>22,322,758</u>

11.1 Investment in Associates

Opening balance		7,476,930	6,671,102
Share of incremental depreciation - OCI Component		18,250	75,620
Share of (loss) / profit of associate		25,673	1,062,534
		43,923	1,138,154
Dividend income		-	(332,325)
		<u>7,520,852</u>	<u>7,476,930</u>

Notes to the Condensed Interim Financial Statements

For the 1st Quarter Ended September 30, 2020 (Un-audited)

Name of Associate
Al-Noor Sugar Mills Limited

Basis of significant influence
Common directorship

Summarized financial statements of Associates :

Share capital - ordinary shares of Rs. 10 each
Total assets
Total liabilities
Net assets

Revenue
Profit for the year - after tax

Number of shares held
Cost of investment
Ownership interest
Market value of shares

Net book value

Financial results based on the information available as on
Financial year ended of the companies

Sept. 30 2020	June 30 2020
Al-Noor Sugar Mills Ltd	
Rupees	Rupees
204,737	204,737
10,684,825	11,988,688
7,663,783	8,972,591
3,021,042	3,016,097
6,621,213	4,660,984
4,745	(100,392)
Rupees	Rupees
110,775	110,775
1,482,481	1,482,481
0.54%	0.54%
4,985,000	5,431,298
(3,502,519)	(3,948,817)
30-Jun-20	31-Mar-20
30-Sep	30-Sep

Name of Investee	Balance as at Sept. 30 2020	Balance as at June 30 2020
------------------	--------------------------------	-------------------------------

11.2.1 Fair Value through OCI
Shariah compliant
Equity securities - listed

Fully paid ordinary shares of Rs 10 each unless stated otherwise

Equity Investment Instruments

"First Habib Modaraba (Habib Modaraba Management (Private) Limited)"	52,200	44,775
First Imrooz Modaraba (AR Management Services (Private) Limited)	268,080	249,390
Habib Metro Modaraba (Habib Metropolitan Modaraba Management Company (Private) Limited)	4,725	4,000
Allied Rental Modaraba (Allied Engineering Management Company (Private) Limited)	177,540	182,325
Orix Modaraba (Orix Services Pakistan (Private) Limited)	233,310	198,000
	735,855	678,490

Construction and Materials

Power Cement Company Limited	52,980	37,200
	52,980	37,200

Automobile and Parts

Ghandhara Nissan Limited	278,390	206,636
Ghandhara Industries Limited	989,604	508,200
Millat Tractors Limited	545,108	444,881
Hinopak Motors Limited	-	-
	1,813,102	1,159,717

Pharma and Bio Tech

Searle Company Limited	358,321	278,524
	358,321	278,524

Engineering

Crescent Steel & Allied Products	381,992	236,600
International Steels Limited	385,200	258,250
	767,192	494,850

Notes to the Condensed Interim Financial Statements

For the 1st Quarter Ended September 30, 2020 (Un-audited)

Name of Investee	Balance as at Sept. 30 2020	Balance as at June 30 2020
Oil & Gas Producers		
Attock Petroleum Limited	40,978	36,624
Mari Petroleum Ltd	-	-
Hascol Petroleum Limited	36,627	24,684
	<u>77,604</u>	<u>61,308</u>
	<u>3,805,054</u>	<u>2,710,089</u>
11.2.2 Mutual funds - listed		
Units of Mutual Funds		
UBL Al Ameen Islamic Allocation Plan -IX	-	2,969,886
Meezan Balance Fund	129,138	118,646
HBL-IFPF-Islamic Capital Preservation Plan	5,562,751	5,518,636
	<u>5,691,889</u>	<u>8,607,167</u>
11.2.3 Non - Shariah compliant		
Chemicals		
Fauji Fertilizer Company Limited	2,529,770	-
	-	2,529,770
General Industries		
Cherat Packages Limited	1,511,168	995,072
	<u>1,511,168</u>	<u>995,072</u>
Automobile and Parts		
Hinopak Motors Limited	6,946	3,730.00
Hinopak Motors Limited	6,946	3,730.00
	<u>6,946</u>	<u>3,730.00</u>
Total Investment in Non- Shariah Compliant	1,518,154	3,528,572
Total Listed securities - FVTOCI	11,015,097	14,845,828
12 IJARAH ASSETS		
Opening balance	6,181,881	43,557,154
Add: Addition during the period/year	-	-
	<u>6,181,881</u>	<u>43,557,154</u>
Less: Disposals during the period/year - book value	(2,637,192)	(16,281,545)
Depreciation during the period/year	(979,396)	(21,093,728)
	<u>2,565,293</u>	<u>6,181,881</u>
Disposals during the period at book value - period/year		
Motor vehicles	2,637,192	16,281,545
	<u>2,637,192</u>	<u>16,281,545</u>
13 FIXED ASSETS IN OWN USE		
Opening balance	3,626,533	4,598,420
Add: Addition during the period/year	104,000	2,160,230
	<u>3,730,533</u>	<u>6,758,650</u>
Less: Disposals during the period/year - book value	(1)	(1,564,878)
Depreciation during the period/year	(313,015)	(1,567,239)
	<u>3,417,517</u>	<u>3,626,533</u>
Addition during the period/year		
Computer equipment	104,000	230,160
Office equipment and appliances	-	-
Furniture and Fixtures	-	26,620
Motor vehicles	-	1,903,450
Computer software	-	-
	<u>104,000</u>	<u>2,160,230</u>
Disposals during the period at book value - period/year		
Office equipment and appliances	-	(10,757)
Motor vehicles	(1)	(1,554,121)
	<u>(1)</u>	<u>(1,564,878)</u>

Notes to the Condensed Interim Financial Statements

For the 1st Quarter Ended September 30, 2020 (Un-audited)

14 CERTIFICATE CAPITAL

Authorised certificate capital

September 30, 2020	June 30, 2020		September 30, 2020	June 30, 2020
----Number of certificates----			------(Rupees)-----	
40,000,000	40,000,000	Modaraba Certificates of Rs 10 each	400,000,000	400,000,000
20,000,000	20,000,000	Modaraba Certificates of Rs 10 each fully paid in cash	200,000,000	200,000,000
1,000,000	1,000,000	Modaraba Certificates of Rs 10 each issued as fully paid bonus certificates	10,000,000	10,000,000
21,000,000	21,000,000		210,000,000	210,000,000

14.1 As at June 30, 2020, First Al-Noor Modaraba Management (Private) Limited (the Management Company) held 4,200,000 certificates (June 2019: 4,200,000 certificates), as required under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980.

15 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 (2020: Rs Nil) .

	Balance as at Sept. 30 2020	Balance as at June 30 2020
16 Unrealised diminution on remeasurement of investment classified as 'fairvalue through OCI'		
Market value of investments	11,015,097	14,845,828
Less: cost of investments	(14,207,879)	(19,840,177)
	(3,192,782)	(4,994,349)
Surplus on revaluation at the beginning of the year	(5,371,057)	(7,409,463)
Gain / (loss) realised on disposal and transferred to profit loss account	-	-
Gain realised on disposal and transferred into equity directly	579,348	513,978
Deficit on revaluation during the year	647,682	1,524,428
	1,227,030	2,038,406
(Deficit) / Surplus on revaluation at the ending of the year	(4,144,027)	(5,371,057)

17 CONTINGENCIES AND COMMITMENTS

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

	September 30 2020	September 30 2019
	Rupees	
18 INCOME FROM TRADING OPERATIONS		
Sales	-	5,857,200
Cost of Sales	-	(5,697,864)
Profit	-	159,336
19 INCOME FROM INVESTMENTS		
Gain on sale of marketable securities - net	5,937,581	18,700
Dividend income	313,600	234,270
Profit on investment in Islamic certificates	926,729	-
Gain on Sukuk Certificates	176,961	263,140
	7,354,871	516,110

Notes to the Condensed Interim Financial Statements

For the 1st Quarter Ended September 30, 2020 (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, 2020	September 30, 2019
Rupees			
20.1 Balance outstanding at period end			
Modaraba Management Company			
- Management fee		172,260	-
Associated undertakings			
Other related parties (other than key management personnel)			
- Contribution to staff gratuity fund		7,295,177	10,556,022
20.2 Transactions during the period			
Modaraba Management Company			
- Management fee		172,260	-
Associated undertakings			
Other related parties (other than key management personnel)			
- Contribution to staff gratuity fund		344,340	346,083
No. of shares			
Associated undertakings			
- Bonus shares of Al-Noor Sugar Mills Limited		-	-

21 CASH FROM OPERATIONS AFTER WORKING CAPITAL CHANGES

Loss before taxation	1,519,937	(943,260)
Adjustments for:		
Gain on sale of investment in listed securities	(5,937,581)	(18,700)
Dividend income	(313,600)	(234,270)
Profit on investment in Islamic certificates	(926,729)	-
Income on diminishing musharakah	(2,722,084)	(3,659,614)
Gain on sukuk certificates	(176,961)	(263,140)
Profit on disposal of fixed assets	(9,999)	-
Profit on bank deposits	(150,271)	(519,909)
Financial charges	4,400	4,400
Depreciation - owned assets	264,132	425,859
Depreciation - Ijarah assets	965,205	6,523,952
Amortization of intangible assets	18,000	-
Provision for gratuity	344,340	346,083
Share of (profit) from Associate	(25,673)	(417,601)
Unrealized loss on re measurement of investments in listed securities	2,342,588	1,698,459
	(6,324,234)	3,885,519
Operating profit before working capital changes	(4,804,296)	2,942,258
(Increase)/Decrease in current assets		
Stock in trade	-	5,697,864
Profit receivable	(67,360)	128,956
Ijarah Rental receivable	364,897	(294,796)
Diminishing musharakah receivable	(4,123,015)	121,883
Trade Debtors - considered good and unsecured	-	30,150
Advances, deposits, prepayments and other receivables	(20,722,564)	5,337,285
	(24,548,042)	11,021,342
Increase/(Decrease) in current liabilities		
Creditors, accrued and other liabilities	2,351,409	(2,090,408)
Profit payable	4,101	-
	2,355,510	(2,090,408)
Cash flow from operating activities	(26,996,829)	11,873,193

Notes to the Condensed Interim Financial Statements

For the 1st Quarter Ended September 30, 2020 (Un-audited)

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 September 23, 2020.

23 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 sd- sd- sd- sd-
Date : October 23, 2020 Chief Executive Chief Financial Officer Chairman Director



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FIRST AL-NOOR MODARABA

(An Islamic Financial Institution)

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

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