

QUARTERLY REPORT
September 30, 2015
(Un-audited)



FIRST AL-NOOR MODARABA

(An Islamic Financial Institution)

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Corporate Information

BOARD OF DIRECTORS

Non Executive Directors

Chairman

Mr. Ismail H. Zakaria

Directors

Mr. Yusuf Ayoob
Mr. Suleman Ayoob
Mr. Aziz Ayoob
Mr. Mansoor Alam, Independent
Mr. Zia Zakaria
Mr. Zain Ayoob

Executive Directors

Chief Executive

Mr. Jalaluddin Ahmed

Company Secretary

Mr. Roofi Abdul Razzak

Board Audit Committee

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

HR & Remuneration Committee

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

Bankers

Al-Baraka Bank (Pakistan) Limited
Askari Bank Ltd, Islamic Banking
Faysal Bank Ltd, Islamic Banking
Habib Bank Limited, Islamic Banking
MCB Bank Limited, Islamic Banking
Meezan Bank Limited

Auditors

RSM Avais Hyder Liaquat Nauman
Chartered Accountants

Shariah Advisor

Mufti Muhammad Ibrahim Essa

Legal Advisor

Muhammad Jamshid Malik
Barrister-at-Law

Share Registrar

M / s Technology Trade (Private) Limited
Dagja House, 241-C, Block 2, P.E.C.H.S.
Off. Shahrah-e-Faisal, Karachi
Tel: 34391316-7 & 19, 34387960-1
Fax: 34391318

Registered Office

96-A, Sindhi Muslim Cooperative
Housing Society, Karachi

Contact Details

Telephone: 34558268;34552943;34553067
Fax: 34553137
Webpage: www.fanm.co
Email: info@fanm.co

Report Of The Directors Of Modaraba Company

As at September 30, 2015 (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 un-audited accounts for the first quarter ended September 30, 2015.

Financial Results

Financial results are summarized as under

| | Quarter ended | |
|---|-----------------------|-----------------------|
| | September 30, 2015 | September 30, 2014 |
| | Rupees | |
| (Loss)/Profit after taxation | (4,553,640) | 20,055 |
| Un-appropriated profit/(loss) brought forward | (12,885,641) | 1,316,299 |
| | (17,439,281) | 1,336,354 |
| Share of associate's incremental depreciation | 19,930 | 4,280 |
| Un-appropriated (loss)/profit carried forward | (17,419,351) | 1,340,634 |
| Earning per certificate- basic and diluted | (0.22) | 0.00 |

Please be advised that there has not been any noticeable improvement in the overall business environment in the country. The domestic and international commodities have not really picked up and the fate of the exporters and traders still remains highly uncertain. Consequently, the modaraba also incurred a loss of Rs. 1.200 million in the trading activities in the quarter under review. Moreover, the equities have also behaved in a very topsy turvy manner and it becomes increasingly difficult to understand the causative factors for such a high degree of volatility in the stock market.

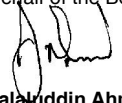
The modaraba just could not remain immune to this highly unpredictable stocks movement and resultantly suffered an unrealized loss of Rs. 4.710 million on the share scripts held in its equity portfolio. Obviously, this has adversely impacted the final outcome of the quarter ended September 30, 2015.

It is pertinent to mention here that the modaraba is desperately trying to explore other lucrative avenues for investment but unfortunately, the overall market scenario is not too investment friendly as bank interest rates have fallen heavily in the past one year making existing Islamic products a not too gainful venture.

In its latest monetary policy, the State Bank of Pakistan has reduced its discount rate to an incredibly low of around 6%. This has put a huge stress on the entire financial institutions with regards, to their lending policies. Obviously, the small sized financial institutions are great sufferers as they have to literally struggle to fetch decent profits on the limited capital/equity base.

Hopefully, the situation improves in times to come and the modaraba is in a position to not only recoup its losses but to move toward a growth oriented trajectory.

On behalf of the Board


Jalaluddin Ahmed
Chief Executive

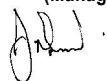
Place: Karachi
Date: October 27, 2015

Condensed Interim Balance Sheet

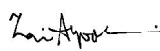
As at September 30, 2015 (Unaudited)

| | Note | (Unaudited) September 30, 2015 | (Audited) June 30, 2015 |
|---|------|--------------------------------------|-------------------------------|
| | | Rupees | |
| CURRENT ASSETS | | | |
| Cash and bank balances | 4 | 46,471,663 | 42,319,170 |
| Short term investments | 5 | 51,164,555 | 50,556,745 |
| Musawamah receivables - secured | 6 | 25,000,000 | 25,000,000 |
| Profit receivable | | 1,056,192 | 525,385 |
| Ijarah rental receivable | | 580,125 | - |
| Trade Debtors-unsecured | | 36,784,802 | 43,810,383 |
| Stock in trade | 7 | 16,255,874 | 24,793,445 |
| Current portion of investment in sukuk certificates | 8 | 714,286 | 714,286 |
| Advances, deposits, prepayments and other receivables | | 8,241,870 | 14,175,379 |
| Taxation | 10 | 2,100,470 | 2,073,457 |
| TOTAL CURRENT ASSETS | | 188,369,837 | 203,968,250 |
| ASSETS | | | |
| NON-CURRENT ASSETS | | | |
| Long term deposits | | 3,846,989 | 3,846,989 |
| Long term portion of investment in sukuk certificates | 8 | 3,571,428 | 3,928,571 |
| Long term investments | 9 | 27,549,641 | 27,661,659 |
| Ijarah assets | 10 | 126,096,543 | 116,877,357 |
| Fixed assets in own use | 11 | 3,607,626 | 2,750,966 |
| TOTAL NON-CURRENT ASSETS | | 164,672,227 | 155,065,542 |
| TOTAL ASSETS | | 353,042,064 | 359,033,792 |
| LIABILITIES | | | |
| CURRENT LIABILITIES | | | |
| Current maturity of security deposits | | 8,420,121 | 6,442,160 |
| Creditors, accrued and other liabilities | | 23,052,023 | 12,271,257 |
| Provision for custom duty & surcharge | | 4,398,842 | 4,398,842 |
| Profit payable | | 227,799 | 227,526 |
| TOTAL CURRENT LIABILITIES | | 36,098,785 | 23,339,785 |
| NON CURRENT LIABILITIES | | | |
| Security deposits | | 20,527,990 | 23,426,751 |
| Deferred liability - staff gratuity | | 7,055,498 | 6,729,031 |
| TOTAL NON-CURRENT LIABILITIES | | 27,583,488 | 30,155,782 |
| TOTAL LIABILITIES | | 63,682,273 | 53,495,567 |
| NET ASSETS | | 289,359,791 | 305,538,225 |
| REPRESENTED BY: | | | |
| CAPITAL AND RESERVES | | | |
| Certificate Capital | | | |
| Authorised certificates Capital | | 400,000,000 | 400,000,000 |
| 40,000,000 (June 2015: 40,000,000) certificates of Rs 10/- each | | | |
| Issued, subscribed and paid-up capital | | 210,000,000 | 210,000,000 |
| Reserves | | 97,456,413 | 107,956,413 |
| Unappropriated profit | | (17,419,351) | (12,885,641) |
| Unrealised diminution on remeasurement of investment classified as available for sale - net | | (677,271) | 467,453 |
| Total capital and reserves | | 289,359,791 | 305,538,225 |
| CONTINGENCIES AND COMMITMENTS | | | |
| The annexed notes 1 to 19 form an integral part of these financial statements. | | | |

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



Chief Executive



Director



Director

Place : Karachi
Date : October 27, 2015

FIRST AL-NOOR MODARABA

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QUARTERLY REPORT 2015-16

Condensed Interim Profit and Loss Account

For the Period and 1st Quarter Ended September 30, 2015 (Un-audited)

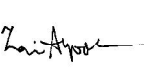
| | Note | September 30, 2015 | September 30, 2014 |
|---|-------|-----------------------|-----------------------|
| Rupees | | | |
| (Loss) / Profit from trading operations | 13 | (1,213,956) | 677,765 |
| Income on musawamah receivables | | 621,096 | 844,385 |
| Income from Ijarah | | 4,042,636 | 3,637,522 |
| Income from investments | | 2,512,576 | 817,611 |
| | | <u>5,962,352</u> | <u>5,977,283</u> |
| Administrative and operating expenses | | 6,155,058 | 6,887,184 |
| Financial and other charges | | 20,653 | 32,206 |
| | | <u>6,175,711</u> | <u>6,919,390</u> |
| Operating profit | | (213,359) | (942,107) |
| Other income | | 608,756 | 418,154 |
| | | <u>395,397</u> | <u>(523,953)</u> |
| Unrealised (loss)/gain on re-measurement of investments at fair value through profit or loss | 5.1.2 | (4,709,996) | 731,645 |
| Share of loss from associates | | (168,842) | (60,319) |
| | | <u>(4,883,441)</u> | <u>147,373</u> |
| Modaraba management fee | | - | (14,737) |
| | | <u>(4,883,441)</u> | <u>132,636</u> |
| Provision for workers welfare fund | | - | (2,601) |
| (Loss)/Profit before taxation | | (4,883,441) | 130,035 |
| Income tax expense | 14 | (70,199) | (109,980) |
| (Loss)/Profit for the period | | (4,553,640) | 20,055 |
| (Loss)/Earnings per certificate - Basic and Diluted | | <u>(0.22)</u> | <u>0.00</u> |

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

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

Place : Karachi
Date : October 27, 2015


Chief Executive


Director


Director

Condensed Interim Statement of Other Comprehensive Income


For the Period and 1st Quarter Ended September 30, 2015 (Un-audited)

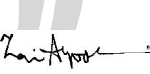
| | September 30, 2015 | September 30, 2014 |
|--|-----------------------|-----------------------|
| | Rupees | |
| (Loss) / Net Profit for the period - after tax | (4,553,640) | 20,055 |
| Others comprehensive income | | |
| Unrealized gain/ (loss) on re-measurement of available for sale investment | (1,144,724) | 214,435 |
| Shares of other comprehensive income of associate | - | - |
| | (1,144,724) | 214,435 |
| Total comprehensive income for the period - after tax | (5,698,364) | 234,490 |

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

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

Place : Karachi
Date : October 27, 2015


Chief Executive


Director


Director

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Condensed Interim Cash Flow Statement

For the Period and 1st Quarter Ended September 30, 2015 (Un-audited)

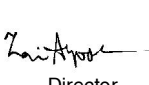
| | | September 30, 2015 | September 30, 2014 |
|---|------|-----------------------|-----------------------|
| | Note | Rupees | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Cash from operations after working capital changes | 16 | 32,434,802 | 26,018,575 |
| Increase in long-term security deposits | | (920,800) | 807,630 |
| Income tax paid | | (70,199) | (109,980) |
| Net cash generated from operating activities | | 31,443,804 | 26,716,225 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Additions to fixed assets | | | |
| - Own | | (1,210,710) | - |
| - Ijarah | | (23,595,500) | (12,770,300) |
| Sale proceeds on disposal of fixed assets | | | |
| - Own | | 14,000 | - |
| - Ijarah | | 362,385 | - |
| Dividend received | | 669,325 | 577,470 |
| Profit on bank deposit | | 383,528 | 263,595 |
| Purchase of Sukuk Certificates | | - | (5,000,000) |
| Repayment of Installment of Sukuk Certificates | | 357,143 | - |
| Purchase of investments in listed securities | | (15,768,450) | (6,986,051) |
| Proceeds from sale of investments in listed securities | | 11,517,940 | 3,840,325 |
| Net cash used in investing activities | | (27,270,339) | (20,074,961) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Profit paid to the certificate holders | | (319) | - |
| Financial charges paid | | (20,653) | (32,206) |
| Net cash used in financing activities | | (20,972) | (32,206) |
| Net increase/(decrease) in cash and cash equivalents | | 4,152,493 | 6,609,058 |
| Cash and cash equivalents at beginning of the year | | 42,319,170 | 22,150,478 |
| Cash and cash equivalents at end of the period | 4 | 46,471,663 | 28,759,536 |

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

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

Place : Karachi
Date : October 27, 2014


Chief Executive


Director


Director

Condensed Interim Statement of Changes in Equity

For the Period and 1st Quarter Ended September 30, 2015 (Un-audited)

| | Certificate Capital | *Statutory Reserve | Reserve | | Total | |
|---|---------------------|--------------------|-------------------|--|--------------------|--------------------|
| | | | General reserve | Unappropriated profit | | |
| | | | | Unrealized (loss)/Gain on remeasurement of available for sale investment | | |
| Rupees | | | | | | |
| Balance as at June 30, 2014 | 210,000,000 | 96,956,413 | 10,500,000 | 17,566,490 | (1,625,844) | 333,397,059 |
| Share of associate's incremental depreciation on account of revaluation of fixed assets | - | - | - | 330,890 | - | 330,890 |
| Total Comprehensive income for the year | - | - | - | (14,533,021) | 2,093,297 | (12,439,724) |
| Profit distribution in cash | - | - | - | (15,750,000) | - | (15,750,000) |
| Transfer to general reserve | - | - | 500,000 | (500,000) | - | - |
| Transfer to statutory reserve | - | - | - | - | - | - |
| Balance as at June 30, 2015 | 210,000,000 | 96,956,413 | 11,000,000 | (12,885,641) | 467,453 | 305,538,225 |
| Share of associate's incremental depreciation on account of revaluation of fixed assets | - | - | - | 19,930 | - | 19,930 |
| Total Comprehensive income for the period | - | - | - | (4,553,640) | (1,144,724) | (5,698,364) |
| Profit distribution in cash | - | - | - | (10,500,000) | - | (10,500,000) |
| Transfer to general reserve | - | - | (10,500,000) | 10,500,000 | - | - |
| Transfer to statutory reserve | - | - | - | - | - | - |
| Balance as at September 30, 2015 | 210,000,000 | 96,956,413 | 500,000 | (17,419,351) | (677,271) | 289,359,792 |

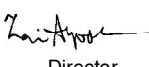
* In accordance with the Prudential Regulations for Modarabas, the Modaraba is required to transfer an amount not less than 20% and not more than 50% of its after tax profits to statutory reserve until the reserve funds equals the paid-up capital. Thereafter, a sum not less than 5% of the after tax profits is required to be transferred to the statutory reserve.

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

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

Place : Karachi
Date : October 27, 2015


Chief Executive


Director


Director

Notes to the Condensed Interim Financial Statements

For the Period and 1st Quarter Ended September 30, 2015 (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 (Private) 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, musharikah, murabaha, musawamah, modaraba, equity investment, Ijarah and trading activities. The Modaraba is listed on the Karachi and Lahore Stock Exchanges.

2 STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, Islamic Financial Accounting Standards (IFASs) issued by the Institute of Chartered Accountants of Pakistan, the requirements of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981 and directives issued by the Securities and Exchange Commission of Pakistan (SECP). Wherever the requirements of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981 and directives issued by SECP differ with the requirements of IFRS, the requirements of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, Islamic Financial Accounting Standards (IFASs), Modaraba Companies and Modaraba Rules, 1981 or the directives issued by SECP prevail.

2.1. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted for the preparation of these condensed interim financial information are consistent with those followed in the preparation of the Modaraba's annual financial statement for the year ended 30 June 2015.

3. ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of the interim financial information conformity with approved accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, income and expenses. It also requires management to exercise judgment in application of the Modaraba's accounting policies. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both the current and future periods.

The preparing the interim financial information, the significant judgments made by management in the applying the company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the preceding published annual financial statements of the Company as at and for the year ended June 2015.

Notes to the Condensed Interim Financial Statements

For the Period and 1st Quarter Ended September 30, 2015 (Un-audited)

| | Note | September 30, 2015 | June 30, 2015 |
|----------------------------------|------|-----------------------|-------------------|
| Rupees | | | |
| 4. CASH AND BANK BALANCES | | | |
| Cash in Hand | | 17,923 | 30,500 |
| Banks in current accounts | | 1,210,259 | 1,740,874 |
| Banks in PLS account | | 45,243,481 | 40,547,796 |
| | | 46,453,740 | 42,288,670 |
| | | 46,471,663 | 42,319,170 |

5. INVESTMENTS

5.1 Short term Investments

At fair value through profit and loss

| | | | |
|------------------------------|-------|-------------------|-------------------|
| - Equity securities - listed | 5.1.1 | 51,164,555 | 50,556,745 |
| | | 51,164,555 | 50,556,745 |

5.1 At fair value through profit and loss Equities securities listed

| Name of investee company | Number of Shares / Units | | | | Balance as at September 30, 2015 | | | |
|--|--------------------------|-----------------------------|---------------------|--------------------------------------|----------------------------------|------------------|------------------|-----------------------------|
| | As at July 1, 2015 | Purchases during the period | Bonus / right issue | Sales / write-offs during the period | As at Sept. 30, 2015 | Carrying cost | Market value | Appreciation / (diminution) |
| Construction and Materials | | | | | | | | |
| Lucky Cement Company Limited | - | 2,500 | - | 2,500 | - | - | - | - |
| Maple Leaf Cement Factory Limited | - | 5,000 | - | 5,000 | - | - | - | - |
| Fauji Cement Company Limited | - | 35,000 | - | - | 35,000 | 1,274,892 | 1,171,800 | (103,092) |
| Pioneer Cement Limited | 5,000 | 22,500 | - | 5,000 | 22,500 | 1,979,198 | 1,951,650 | (27,548) |
| D.G.Khan Cement Limited | - | 2,500 | - | 2,500 | - | - | - | - |
| Attock Cement Pakistan Limited | - | 5,000 | - | - | 5,000 | 1,005,101 | 874,100 | (131,001) |
| Sub total | 5,000 | 72,500 | - | 15,000 | 62,500 | 4,259,191 | 3,997,550 | (261,641) |
| Refinery | | | | | | | | |
| Attock Refinery Limited | 3,000 | - | - | 3,000 | - | - | - | - |
| National Refinery Limited | 7,000 | - | - | - | 7,000 | 2,146,237 | 1,539,440 | (606,797) |
| Pakistan Refinery Limited | 1,500 | - | 12,000 | 1,500 | 12,000 | 318,728 | 492,600 | 173,872 |
| Sub total | 11,500 | - | 12,000 | 4,500 | 19,000 | 2,464,965 | 2,032,040 | (432,925) |
| Oil & Gas Exploration Companies | | | | | | | | |
| Oil & Gas Development Company | - | 1,000 | - | - | 1,000 | 161,916 | 124,670 | (37,246) |
| Hascol Petroleum Limited | - | 7,500 | - | 7,500 | - | - | - | - |
| Pakistan Petroleum Limited | 20,500 | - | - | - | 20,500 | 3,267,309 | 2,448,519 | (818,790) |
| Sub total | 20,500 | 8,500 | - | 7,500 | 21,500 | 3,429,225 | 2,573,189 | (856,036) |
| Oil & Gas Marketing Companies | | | | | | | | |
| Sui Northern Gas Pipelines Limited | 40,500 | - | - | 25,500 | 15,000 | 403,673 | 471,450 | 67,777 |
| Sub total | 40,500 | - | - | 25,500 | 15,000 | 403,673 | 471,450 | 67,777 |
| Automobile Parts & Accessories | | | | | | | | |
| Thal Limited | 2,500 | - | - | - | 2,500 | 800,080 | 632,488 | (167,593) |
| Sub total | 2,500 | - | - | - | 2,500 | 800,080 | 632,488 | (167,593) |
| Power Generation & Distribution | | | | | | | | |
| K-Electric Limited | 70,000 | 25,000 | - | - | 95,000 | 774,827 | 670,450 | (104,377) |
| Kot Addu Power Company Limited | 2,500 | - | - | - | 2,500 | 217,522 | 236,875 | 19,353 |
| Sub total | 72,500 | 25,000 | - | - | 97,500 | 992,349 | 907,325 | (85,024) |

Notes to the Condensed Interim Financial Statements

For the Period and 1st Quarter Ended September 30, 2015 (Un-audited)

| Name of investee company | Number of Shares / Units | | | | Balance as at September 30, 2015 | | | |
|--|--------------------------|-----------------------------|---------------------|--------------------------------------|----------------------------------|-------------------|-------------------|-----------------------------|
| | As at July 1, 2015 | Purchases during the period | Bonus / right issue | Sales / write-offs during the period | As at Sept 30, 2015 | Carrying cost | Market value | Appreciation / (diminution) |
| Automobile Assembler | | | | | | | | |
| Ghandara Industries Limited | - | 4,500 | - | 4,500 | - | - | - | - |
| Pak Suzuki Motors Company Limited | - | 1,000 | - | - | 1,000 | 474,047 | 414,565 | (59,482) |
| Honda Atlas Car (Pakistan) Limited | 5,000 | - | - | 5,000 | - | - | - | - |
| Sub total | 5,000 | 5,500 | - | 9,500 | 1,000 | 474,047 | 414,565 | (59,482) |
| Fixed Line Telecommunication | | | | | | | | |
| Pakistan Telecommunication Company Limited | 40,000 | 10,000 | - | - | 50,000 | 1,066,007 | 869,400 | (196,607) |
| | 40,000 | 10,000 | - | - | 50,000 | 1,066,007 | 869,400 | (196,607) |
| Engineering | | | | | | | | |
| Crescent Steel & Allied Products | 15,000 | - | - | 15,000 | - | - | - | - |
| Sub total | 15,000 | - | - | 15,000 | - | - | - | - |
| Sugar & Allied Industries | | | | | | | | |
| Faran Sugar Mills Limited | - | 10,000 | - | - | 10,000 | 873,197 | 799,950 | (73,247) |
| Sub total | - | 10,000 | - | - | 10,000 | 873,197 | 799,950 | (73,247) |
| Fertilizer | | | | | | | | |
| Fauji Fertilizer Bin Qasim Limited | 130,000 | 20,000 | - | 35,000 | 115,000 | 5,782,674 | 6,917,601 | 1,134,927 |
| Engro Fertilizer Limited | 5,000 | 12,500 | - | 10,000 | 7,500 | 705,821 | 673,500 | (32,321) |
| Fauji Fertilizer Company Limited | 98,000 | 12,500 | - | 2,500 | 108,000 | 12,913,944 | 13,340,603 | 426,659 |
| Sub total | 233,000 | 45,000 | - | 47,500 | 230,500 | 19,402,439 | 20,931,704 | 1,529,265 |
| Chemicals | | | | | | | | |
| Lotte Pakistan PTA Limited | 200,000 | - | - | 26,000 | 174,000 | 1,908,404 | 1,101,420 | (806,984) |
| Ghani Gases Limited | 20,000 | - | - | 5,000 | 15,000 | 510,677 | 478,425 | (32,252) |
| Dawood Hercules Chemicals Limited | - | 5,000 | - | - | 5,000 | 680,318 | 526,775 | (153,543) |
| Sub total | 220,000 | 5,000 | - | 31,000 | 194,000 | 3,099,399 | 2,106,620 | (992,779) |
| Cable & Electrical Goods | | | | | | | | |
| Pak Electron Limited | - | 10,000 | - | 5,000 | 5,000 | 476,748 | 360,425 | (116,323) |
| Sub total | - | 10,000 | - | 5,000 | 5,000 | 476,748 | 360,425 | (116,323) |
| Personal Goods(Textiles) | | | | | | | | |
| Nishat Mills Limited | 7,500 | 7,500 | - | - | 15,000 | 1,809,868 | 1,489,350 | (320,518) |
| Artistic Denim Mills Limited | 5,000 | - | - | - | 5,000 | 595,823 | 387,225 | (208,598) |
| Sub total | 12,500 | 7,500 | - | - | 20,000 | 2,405,691 | 1,876,575 | (529,116) |
| Units of Mutual Funds | | | | | | | | |
| Meezan Islamic Fund - Growth Units | 69,180 | - | 2,584 | - | 71,764 | 1,521,948 | 4,073,297 | 2,551,349 |
| Meezan Balance Fund | 174,134 | - | - | - | 174,134 | 2,333,818 | 2,521,455 | 187,637 |
| Al-Ameen Islamic Active Allocation Plan-1 | 9,232 | - | 47 | - | 9,279 | 960,000 | 888,976 | (71,024) |
| First Habib Islamic Balanced Fund | 57,712 | - | - | - | 57,712 | 4,673,100 | 5,707,546 | 1,034,445 |
| | 310,258 | - | 2,630 | - | 312,888 | 9,488,867 | 13,191,274 | 3,702,407 |
| Total Listed securities | | | | | | | | |
| - At Fair value through Profit & Loss | 743,758 | 154,000 | 2,630 | 108,500 | 1,041,388 | 49,635,879 | 51,164,555 | 1,528,676 |

Notes to the Condensed Interim Financial Statements

For the Period and 1st Quarter Ended September 30, 2015 (Un-audited)

| | Note | September 31, 2015 | June 30, 2015 |
|--|--|-----------------------|------------------|
| Rupees | | | |
| 5.1.2 Unrealised gain / (loss) on re-measurement of investment at fair value through profit or loss | | | |
| Market Value as at | | 51,164,555 | 50,556,745 |
| Cost of investment | | 49,635,879 | 44,455,858 |
| Unrealised gain/(loss) on investment as at year ended | | 1,528,676 | 6,100,887 |
| Unrealised gain/(loss) on investment at the beginning of the year | | 6,100,887 | 2,559,531 |
| Gain realised on disposal during the period | | 137,783 | (1,258,358) |
| Unrealised gain on investment for the period ended | | (4,709,996) | 4,799,714 |
| 6 Musawamah Receivables - Secured | | | |
| Musawamah receivables | 6.1 | 25,000,000 | 25,000,000 |
| 6.1 | This represents principal amount outstanding against musawamah receivable for the period ranging between 90 days. These musawamah carry profit upto 10.00% (June 2015: upto 10.00% per annum. These are secured against hypothecation of stocks and trade receivables, demand promissory notes, personal guarantee of directors/proprietors. | | |
| 7 STOCK IN TRADE | | | |
| Finished goods | | 16,523,664 | 25,061,236 |
| less: Provision for slow moving stock | | (267,790) | (267,790) |
| | | 16,255,874 | 24,793,445 |
| 7.1 | The stock is valued at Net Realizable Value. The difference between Net Realizable Value and cost amounting to Rs. Nil (June 2015: 2.264 million) is recognised in finished goods and included in 'cost of sales.' | | |
| 8 INVESTMENT IN SUKUK CERTIFICATES - Held to Maturity | | | |
| Investment in Sukuk Certificate | 8.1 | 4,642,857 | 5,000,000 |
| Less: Principal Repaid | | (357,143) | (357,143) |
| Less: Current portion of Investment in Sukuk Certificate | | (714,286) | (714,286) |
| Long term portion of investment in Sukuk Certificates | | 3,571,428 | 3,928,571 |
| 8.1 | This represents sukuk certificates of Albaraka Bank (Pakistan) Limited acquired during the year carrying profit similar to base rate of six months KIBOR + 1.25% (June 2015: KIBOR + 1.25%) receivable in 14 equal semi annual installments till September, 2021. | | |
| 9 LONG TERM INVESTMENTS | | | |
| Investment in Associate | | 8,179,916 | 8,328,828 |
| Investment equity securities | | 19,369,725 | 19,332,831 |
| | | 27,549,641 | 27,661,659 |
| 10 IJARAH ASSETS | | | |
| Machinery | | 1,901,011 | 2,355,431 |
| Vehicles | | 106,915,869 | 95,552,513 |
| Others | | 17,279,663 | 18,969,413 |
| | | 126,096,543 | 116,877,357 |
| 11 FIXED ASSETS IN USE | | | |
| Tangible assets | | 3,607,624 | 2,745,538 |
| Intangible assets | | 2 | 5,428 |
| | | 3,607,626 | 2,750,966 |

Notes to the Condensed Interim Financial Statements

For the Period and 1st Quarter Ended September 30, 2015 (Un-audited)

| | Note | September 30, 2015 | June 30, 2015 |
|--|------|-----------------------|------------------|
| 11.1 Details of additions / (disposals) during the period are as follows: | | | |
| Costs of additions to fixed assets in use: | | | |
| Computer equipments | | 16,000 | 26,100 |
| Office equipments and appliances | | 270,349 | 161,660 |
| Furniture and fixtures | | 59,950 | 26,500 |
| Motor vehicles | | 864,411 | - |
| | | <u>1,210,710</u> | <u>214,260</u> |
| Written down values of disposals of fixed assets: | | | |
| Computer equipments | | - | 355,740 |
| Office equipments | | 60,500 | 779,162 |
| Furniture and fixtures | | - | 497,362 |
| | | <u>60,500</u> | <u>1,632,264</u> |

12 CONTINGENCIES AND COMMITMENTS

- Contingencies

Contingencies are same as disclosed in the financial statements for the year ended June 30, 2015

- Commitments

There are no commitments as on balance sheet date.

13 PROFIT FROM TRADING OPERATIONS

| | Note | September 30, 2015 | September 30, 2014 |
|---------------|------|-----------------------|-----------------------|
| Sales | 13.1 | 25,221,615 | 21,712,061 |
| Cost of sales | | (26,435,571) | (21,034,296) |
| (Loss)/Profit | | <u>(1,213,956)</u> | <u>677,765</u> |

13.1 Sales

| | | |
|--------|-------------------|-------------------|
| Local | 25,221,615 | 21,712,061 |
| Export | - | - |
| Sales | <u>25,221,615</u> | <u>21,712,061</u> |

14 TAXATION

14.1 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.

As per section 148 of the income tax ordinance, 2001, the Collector of Customs shall collect advance tax from every importer of goods on the value of the goods at the rate specified in Part II of the First Schedule of the income tax ordinance, 2001. The tax collected under this section shall be a final tax on the income of the importer arising from the imports.

As per section 154 of the income tax ordinance, 2001, every authorised dealer in foreign exchange shall, at the time of realisation of foreign exchange proceeds on account of the export of goods by an exporter, deduct tax from the proceeds at the rates specified in Division IV of Part III of the First Schedule. The tax deducted under this section shall be a final tax on the income arising from the transaction.

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 period amounting to Rs.70,199 (June 2015: Rs. 173,523) are the tax deducted as final on the remittance received from the dividend income/export of goods.

Notes to the Condensed Interim Financial Statements

For the Period and 1st Quarter Ended September 30, 2015 (Un-audited)

15 RELATED PARTIES TRANSACTIONS

The related parties of the Modaraba comprise of its Management Company, associated companies, directors of the Management Company and key management personnel. Transactions with related parties other than remuneration and benefits to key management personnel (which are employed by the Management Company) under the terms of their employment are as follows:

| | September 30, 2015 | September 30, 2014 |
|--|-----------------------|-----------------------|
| | ------(Rupees)----- | |
| 15.1 Balance outstanding at period end | | |
| Modaraba Management Company | | |
| - Management fee | - | 14,737 |
| Associated undertakings | | |
| - Guarantee commission accrued to MCB Bank Limited | 125,389 | 829,937 |
| - Sharing of common expense charged during the year with Al-Noor Sugar Mills Limited | 150,000 | 150,000 |
| Other related parties (other than key management personnel) | | |
| - Contribution to staff gratuity fund | 7,055,498 | 5,423,164 |
| 15.2 Transactions during the period | | |
| Modaraba Management Company | | |
| - Management fee | - | 14,737 |
| Associated undertakings | | |
| - Guarantee commission accrued to MCB Bank Limited | 20,006 | 20,416 |
| - Sharing of common expense charged during the year with Al-Noor Sugar Mills Limited | 150,000 | 150,000 |
| Other related parties (other than key management personnel) | | |
| - Contribution to staff gratuity fund | 326,467 | - |
| 16 CASH FROM OPERATIONS AFTER WORKING CAPITAL CHANGES | | |
| Profit before taxation | (4,483,441) | 130,035 |
| <i>Adjustments for:</i> | | |
| Gain on sale of investment in listed securities | (1,342,724) | (174,650) |
| Dividend income | (1,071,562) | (635,063) |
| Income on musawamah investment | (621,096) | (844,385) |
| Gain on Sukuk Certificates | (98,290) | (7,898) |
| (Profit) on takafuls Claim | (208,794) | - |
| Profit on bank deposits | (348,261) | (388,500) |
| Financial charges | 20,653 | 32,206 |
| Depreciation - owned assets | 344,911 | 355,378 |
| Depreciation - Ijarah assets | 11,339,352 | 17,608,764 |
| Amortization of intangible assets | 5,426 | 6,600 |
| Provision for gratuity | 326,467 | - |
| Share of Loss/ (profit) of associate | 168,842 | 60,319 |
| Unrealized loss/(gain) on re measurement of investments in listed securities | 4,709,996 | (731,645) |
| | 13,224,920 | 15,281,126 |
| Operating profit before working capital changes | 8,741,479 | 15,411,162 |

Notes to the Condensed Interim Financial Statements

For the Period and 1st Quarter Ended September 30, 2015 (Un-audited)

(Increase)/Decrease in current assets

| | | |
|---|-------------------|-------------------|
| Stock in trade | 11,161,570 | 4,591,601 |
| Bills receivable | - | 1,697,587 |
| Musawamah receivables - secured | - | - |
| Profit receivable | (530,807) | (732,701) |
| Ijarah Rental receivable | (580,125) | (9,928,727) |
| Trade Debtors - unsecured | 7,025,581 | 13,413,450 |
| Advances, deposits, prepayments and other receivables | 6,335,746 | 1,174,332 |
| | 23,411,965 | 10,215,544 |

Increase/(Decrease) in current liabilities

| | | |
|--|----------------|----------------|
| Creditors, accrued and other liabilities | 281,085 | 391,867 |
| Profit payable | 273 | - |
| | 281,358 | 391,868 |

Cash flow from operating activities

| | | |
|--|-------------------|-------------------|
| | 32,434,802 | 26,018,575 |
|--|-------------------|-------------------|

17 FINANCIAL RISK MANAGEMENT

The Modaraba's financial risk management objectives and policies are consistent with those disclosed in the preceding annual published financial statements of the Modaraba for the year ended June 30, 2015

18 Date of Authorization

These condensed interim financial statements were authorised for issue on by the Board of Directors of the Modaraba Management Company in their meeting held on October 27, 2015.

19 General

Figures have been rounded off to the nearest rupee.

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

Place : Karachi

Chief Executive

Director

Director

Date : October 27, 2015

Book Post



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FIRST AL-NOOR MODARABA

(An Islamic Financial Institution)

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

Tel.: 3455 8268, 3455 3067, 3455 2974 & 3455 2943