

Annual Report 2016



First Al-Noor Modaraba
(An Islamic Financial Institution)



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OUR VISION

To become sustainable, growth oriented and efficient Modaraba, and to offer wide range of product and services catering to the need of the customers.

The Modaraba management should consider the interest of all the stake holders before making any business decision and to do that they should do concrete efforts to achieve their objectives.

OUR MISSION

- ▶ To inculcate the most efficient, ethical and time tested business practices in our management.
- ▶ To uphold our reputation for acting with responsibility and integrity, respecting the laws and regulations, traditions and cultures of the country within which we operate.
- ▶ To accomplish excellent results through increased earnings which can benefit all the stakeholders.
- ▶ To work as a team and put the interest of the Modaraba before that of the individuals.



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. Zain Ayoob - Chairman

Mr. Jalaluddin Ahmed - Member

Mr. Roofi Abdul Razzak - Member

Bankers

Al-Baraka Bank (Pakistan) Limited.

Askari Bank Limited, Islamic Banking

Askari Bank Limited

Faysal Bank Limited, Barkat Islamic Banking

Habib Bank Limited, Islamic Banking

MCB Bank Limited, Islamic Banking

MCB Bank Limited

Meezan Bank Limited

National Bank of Pakistan

Auditors

RSM Avasi 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

Dagia 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

3rd Floor, 96-A, Sindhi Muslim Cooperative

Housing Society, Karachi

Contact Details

Telephone: 34558268;34552943;34553067

Fax: 34553137

Webpage: www.fanm.co

Email: info@fanm.co



NOTICE OF ANNUAL REVIEW MEETING

Notice is hereby given to the certificate holders that Seventeenth (17th) Annual Review Meeting of First Al-Noor Modaraba will be held on Thursday October 27, 2016 at 5:45 p.m. at the Registered Office of the Modaraba at 96-A, Sindhi Muslim Co-operative Housing Society, Karachi.

By order of the Board
Roofi Abdul Razzak
Company Secretary

Karachi : September 28, 2016

Notes:

1. **Closure of Certificate (Share) Transfer Books**

The Share Transfer Book of the Modaraba will remain closed from Thursday, October 27, 2016 to Thursday, November 10, 2016 (both days inclusive) and no transfer will be accepted during this period. The transfers received in order at the office of the Share Registrar, M/s Technology Trade (Private) Limited, Dagia House, 241-C, Block 2, P.E.C.H.S., Off: Shahr-e-Quaideen, Karachi by the close of business on October 28, 2016 will be considered in time for the purpose of determination of their respective entitlement(s), if any, and eligibility to attend the Annual Review Meeting.

2. **Submission of CNICs / NTN**

The individual certificate holders who have not yet submitted photocopy of their valid Computerized National Identity Card (CNIC) to the Company/Share registrar, are once again reminded to send the same at the earliest directly to Company's Share Registrar, M/s Technology Trading (Private) Limited, Dagia House 241-C, Block 2, P.E.C.H.S., Off: Shahr-e-Quaideen, Karachi (Tel: 34391316/7/9 ; Fax: 34391318). The Corporate Entities are requested to provide their National Tax Number (NTN). Please give Folio Number with the copy of CNIC/NTN details. Reference is also made to the Securities and Exchange Commission of Pakistan (SECP) vide Notification SRO 19(i)/2014 dated January 10, 2014 read with Notification SRO 831(1)/2012 dated July 5, 2012, which mandates that the dividend warrants should bear CNIC number of the registered member or the authorized person, except in case of minor(s) and corporate members.

In case of non-receipt of the copy of a valid CNIC or NTN, the Company would be unable to comply with the respective SROs of SECP and there will be constrained under Section 251(2) of the Companies Ordinance, 1984 to withhold dispatch of dividend warrants of such shareholders.

3 **Deduction of Income Tax from Dividend Under section 150 of the Income Tax Ordinance, 2001 (Mandatory)**

(i) Pursuant to the provisions of the Finance Act, 2016 effective from July 1, 2016, the rates of deduction of income tax from dividend payments under the Income tax Ordinance have been revised as follows:

1. Rate of tax deduction for the filer(s) of income tax return 12.50%.
2. Rate of tax deduction for the non-filer(s) of income tax return 20.00%.

To enable the company to make tax deduction on the amount of cash dividend @ 12.50% instead of 20.00% shareholders whose names are not entered into the ActiveTax-payers (ATL) provided on the website of FBR, despite the fact that they are filers, are advised to immediately make sure that their names are entered in ATL, otherwise tax on their cash dividend will be deducted @ 20.00% instead of 12.50%.



- (ii) Further, according to clarification received from Federal Board of revenue (FBR), with-holding tax will be determined separately on 'Filer/Non-Filer' status of Principal shareholder as well as joint-holder(s) based on their shareholding proportions, in case of joint accounts.

In this regard, all certificate/share holders who hold such certificate/shares jointly, are requested to provide shareholding proportions of Principal shareholder and Joint-holder(s) in respect of certificates/shares held by them to our Share registrar, in writing as follows:

Company Name	Folio/CDS Account #	Total Shares	Principal shareholder		Joint Shareholder	
			Name and CNIC #	Proportion (No. of shares)	Name and CNIC #	Proportion (No. of shares)

4. Exemption Certificate

As per FBR Circulars numbers 1(29) SHT/2006 dated June 30, 2010 and 1(43) DG (WHT) 2008 Vol-II-66417-R dated May 12, 2015, the valid exemption certificate is mandatory to claim exemption amount of withholding tax u/s 150 of the Income Tax Ordinance, 2001 (tax on dividend) where the statutory exemption under clause 47B of Part-IV of Second Schedule is available. The certificate holder(s) who fall in the above mentioned category and wish to avail exemption, must provide Valid tax Exemption Certificate at our Share Registrars before book closure otherwise tax will be deducted on dividend as per applicable rates.

5. Non Resident Certificate Holders

In case of those certificate holders who are non-residents are requested to please provide their respective details including residence status/country of residence with copy of their NICOP to our Share Registrars or by email to corporate@fanm.co before book closure. In case of non availability of status in their respective portfolio, the respective tax on dividends would be applicable.

6. Dividend Mandate (Optional)

In compliance of securities and exchange circular no. 8(4) SM/CDC 2008 dated April 5, 2013, shareholders are informed that to make process of payment of cash dividend more efficient, a dividend mechanism has been envisaged whereby shareholders can get the amount of dividend credited into their respective bank accounts electronically without any delay.

Shareholders having physical holding and desiring to avail this option may submit the prescribed dividend mandate form (available on our website www.fanm.co, to the company's share registrar. The shareholders who hold shares with participants/stock brokers or with central depository company may approach to submit the prescribed dividend mandate details to their participants/stock broker or to CDC for this option with a copy of the Dividend Mandate Form to share registrar of the company.

7. Consent for Electronic Transmission of Audited Financial Statements & Notices (Optional)

The Securities and Exchange Commission of Pakistan (SECP) through its Notification SRO 787(I)/2014 dated September 8, 2014 has permitted companies to circulate Audited Financial Statements along with Notice of Annual Review Meeting to its members through e-mail. Accordingly, members are hereby requested to convey their consent and e-mail address for receiving Audited Financial Statements and Notice through e-mail. In order to avail this facility, a Standard Request Form is available at the Modaraba's website, <http://www.fanm.co>.

8. Change of Address

Certificate holders are requested to promptly notify the Modaraba or its Share Registrar of any change in their address, if applicable, by the end of business on October 26, 2015.

9. For Attending the Meeting

(i) In case of individuals, the account holder or sub account holder and/or the person whose securities are in group account and their registration details are uploaded as per the Regulations or whose securities are in physical form, shall authenticate his/her identity by showing his/her original Computerized National identity Card (CNIC) or original passport at the time of attending the meeting.

(ii) In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of meeting.

7- آڈٹ شدہ مالیاتی رپورٹوں کی الیکٹرونک منتقلی کیلئے رضامندی (اختیاری)

سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (ایس ای سی پی) نے بذریعہ نوٹس ایس آر او 787 (1)/2014 مؤرخہ 8 ستمبر 2014 کمپنیوں کو اس بات کی اجازت دی ہے کہ کمپنیاں اپنے ممبران کو آڈٹ شدہ مالیاتی رپورٹیں بمعہ نوٹس برائے سالانہ نظر ثانی اجلاس بذریعہ ای میل بھیج سکتی ہیں۔ اسی اعتبار سے بذریعہ ہذا تمام ممبران سے التماس ہے کہ اس سلسلے میں اپنی رضامندی کے ساتھ اپنے ای میل کے پتے کمپنی کو بھیجوا دیں تاکہ انھیں آڈٹ شدہ مالیاتی رپورٹیں اور نوٹس بذریعہ ای میل بھیجوائی جاسکیں۔ اس سہولت سے فائدہ اٹھانے کیلئے مضاربہ کی ویب سائٹ <http://www.fanm.co> پر ایک معیاری فارم دستیاب ہے۔

8- پتے کی تبدیلی

ایسے افراد جو کہ حاملین سند ہیں سے درخواست ہے اگر ضرورت ہو کہ جلد از جلد مضاربہ یا حصص کے رجسٹر کو اپنے پتے میں ہونے والی کسی بھی تبدیلی سے آگاہ کر دیں اس ضمن میں کاروباری دن کے اختتام مؤرخہ 26 اکتوبر 2016 تک معلومات بہم پہنچادی جائیں۔

9- اجلاس میں شرکت

- (1) اگر افراد، حاملین اکاؤنٹ یا حاملین ذیلی اکاؤنٹ اور/ایسا کوئی فرد جس کی سیکیورٹیز مرئی صورت میں موجود ہو کو اجلاس میں شرکت کیلئے اپنی شناخت ثابت کرنے کیلئے اپنا اصل قومی شناختی یا پاسپورٹ ظاہر کارڈ ظاہر کرنا ضروری ہوگا۔
- (2) بصورت کاروباری ادارے البوقت اجلاس، بورڈ آف ڈائریکٹرز کی قرارداد/پاور آف اٹارنی بمعہ نمونہ دستخط پیش کرنا لازمی ہے (اگر پہلے سے مہیا نہ کیا گیا ہو)۔

ب) انکم ٹیکس گوشوارے جمع نہ کروانے والوں ٹیکس کوٹنی 20% فیصد

کمپنی کو تقسیم شدہ منافع (ڈیوڈنڈ) پر 20% فیصد کی بجائے 12.5% فیصد وڈ ہولڈنگ ٹیکس کی کوٹنی کا مجاز بنانے کے لیے تمام سرٹیفیکٹ یافتگان جن کے نام ایف بی آر کی ویب سائٹ پر فراہم کردہ ایکٹو ٹیکس دہندہ (ATL) پر موجود نہیں باوجود فائل کرنے کے ان کو متنبہ کیا جاتا ہے کہ وہ (ATL) میں اپنے نام کا اندراج یقینی بنائیں بصورت دیگر ان کے تقسیم شدہ منافع (ڈیوڈنڈ) پر وڈ ہولڈنگ ٹیکس کی کوٹنی 12.5% کی بجائے 20% فیصد کے حساب سے کی جائے گی۔

(ii) مزید یہ کہ ایف بی آر کی جانب سے موصول ہونے والی وضاحت کے مطابق وڈ ہولڈنگ ٹیکس کا فائلر اور نان فائلر کا تعین پرنسپل حصص یافتگان اور جوائنٹ ہولڈر کے مشترکہ اکاؤنٹ ہونے کی صورت میں ان کے شیئر ہولڈنگ کے تناسب کی بنیاد پر ہوگا۔ اس سلسلے میں تمام سرٹیفیکٹ یافتگان جن کے پاس مشترکہ حصص ہیں ان سے درخواست کی جاتی ہے کہ وہ اپنے حصص کے تناسب سے پرنسپل حصص یافتگان اور جوائنٹ ہولڈر کی تفصیلات درج ذیل انداز میں شیئر رجسٹرار کو بھیج دیں:

Company Name	Folio/CDS Account #	Total Shares	Principal shareholder		Joint Shareholder	
			Name and CNIC #	Proportion (No. of shares)	Name and CNIC #	Proportion (No. of shares)

4۔ سرٹیفیکٹ برائے استثناء

ایف بی آر کے سرکر نمبر SHT/20016 (29) بتاریخ 30 جون 2010 اور DG (WHT) 20081(43) وایم 66417-R2 بتاریخ 12 مئی 2015 کے مطابق جہاں قانونی استثناء شیڈول دوئم پارٹ 4 کی دفعہ 47B کی تحت حاصل ہے، وہاں درست سرٹیفیکٹ برائے استثناء وڈ ہولڈنگ ٹیکس کی چھوٹ کے دعویٰ کے لیے لازمی ہے۔ وہ سرٹیفیکٹ یافتگان جو درج بالا زمرہ میں استثناء حاصل کرنا چاہتے ہیں وہ اپنا قابل قبول سرٹیفیکٹ برائے استثناء ہمارے شیئر رجسٹرار کو کتابوں کی بندش سے پہلے ضرور مہیا فرمائیں ورنہ ان کا لاگو شرح کے حساب سے تقسیم شدہ منافع (ڈیوڈنڈ) پر وڈ ہولڈنگ ٹیکس منہا کر لیا جائے گا۔

5۔ غیر مقیم سرٹیفیکٹ یافتگان

ایسے سرٹیفیکٹ یافتگان جو غیر مقیم ہوں ان سے درخواست کی جاتی ہے وہ اپنی متعلقہ تفصیل بشمول اقامت نامہ اور شہریت، نائیکوپ (NICOP) کی نقل کاپی کے ساتھ ہمارے شیئر رجسٹرار کو کتابوں کی بندش سے پہلے ضرور مہیا فرمائیں یا درج پتہ پرائی میل کر دیں corporate@fanm.co۔ مذکورہ معلومات کی عدم دستیابی کی صورت میں متعلقہ شرح کے حساب سے وڈ ہولڈنگ ٹیکس لاگو ہوگا۔

6۔ تقسیم شدہ منافع (ڈیوڈنڈ) کا مینڈیٹ

سیکیورٹیز اینڈ ایکسچینج کمیشن کے سرکر نمبر ایس ایم بری ڈی سی مجریہ 2008 مورخہ 15 اپریل 2013 کی پاسداری کرتے ہوئے حصص داران کو مطلع کیا جاتا ہے کہ نقد منافع کی تقسیم کے عمل کو مزید موثر بنانے کی غرض سے منافع کی تقسیم کا ایک باقاعدہ نظام متعارف کروایا گیا ہے جس کے ذریعے حصص داران اپنے نقد منافع کی رقم کو بذریعہ الیکٹرونک طریقہ کار بنائے کسی تعطل اپنے بینک اکاؤنٹ میں منتقل کروا سکتے ہیں۔

ایسے حصص داران جن کے پاس دستی طور پر منافع حاصل کرنے کی سہولت موجود ہے اور وہ اس سے فائدہ اٹھانا چاہتے ہیں وہ اپنا منافع حاصل کرنے کا مینڈیٹ کمپنی رجسٹرار کے پاس جمع کروا سکتے ہیں جو کہ ہماری ویب سائٹ www.fanm.co پر بھی دستیاب ہے۔ ایسے حصص داران جن کے پاس حصص بتوسط شراکت داران/اشناک بروکر یا مرکزی ڈپازٹری کمپنی (C D C) موجود ہیں ان کو چاہیے کہ مجوزہ منافع کا مینڈیٹ اپنے متعلقہ شراکت دار/اشناک بروکر یا سی ڈی سی کے پاس جمع کرائیں اور اس سلسلے میں وہ کمپنی رجسٹرار سے منافع مینڈیٹ کی نقل حاصل کر سکتے ہیں۔

اطلاع برائے سالانہ جائزہ اجلاس

بذریعہ ہذا حصص یافتگان کو اطلاع دی جاتی ہے فرسٹ النور مضاربہ کاسٹروال (17) سالانہ جائزہ اجلاس بروز جمعرات بتاریخ 27 اکتوبر 2016 کو شام 5:45 بجے مضاربہ کے رجسٹرڈ دفتر 96-A سندھی مسلم کوآپریٹو ہاؤسنگ سوسائٹی میں منعقد کیا جائے گا۔

بحکم بورڈ

رونی عبدالرزاق

کمپنی سیکرٹری

کراچی: 28 ستمبر 2016

نوٹ:

1۔ انتقال سرٹیفکیٹ (حصص) کی کتاب کا اتمام:-

مضاربہ کی سرٹیفکیٹ ٹرانسفر بکس مورخہ 27 اکتوبر 2016 بروز جمعرات سے 10 نومبر 2016 بروز جمعرات (بشمول دونوں دن) تک بند رہیں گی اور درج بالا دنوں میں کوئی منتقلی قبول نہیں کی جائے گی۔ سالانہ اجلاس میں شرکت کے سلسلے میں ہمارے شیئرز رجسٹرار، میسرز ٹیکنالوجی ٹریڈ (پرائیوٹ) لمیٹڈ، ڈاگیا ہاؤس، C-241، بلاک 2، پی ای سی ایچ شاہراہ قائدین، کراچی کو مورخہ 28 اکتوبر 2016 کو دفتری اوقات ختم ہونے تک موصول ہونے ٹرانسفر بروقت اور سالانہ جائزہ اجلاس میں شرکت کے اہل تصور کیے جائیں گے۔

2۔ قومی شناختی کارڈ / قومی ٹیکس نمبر کی فراہمی

انفرادی سرٹیفکیٹ یافتگان جنہوں نے اپنے درست کمپیوٹرائزڈ قومی شناختی کارڈ کی نقل جمع نہیں کرائی اور کارپوریٹ اداروں جنہوں نے قومی ٹیکس نمبر فراہم نہیں کروایا، انہیں درج بالا نقول کو براہ راست کمپنی کے شیئرز رجسٹرار میسرز ٹیکنالوجی ٹریڈ (پرائیوٹ) لمیٹڈ، ڈاگیا ہاؤس، C-241، بلاک 2، پی ای سی ایچ شاہراہ قائدین، کراچی (فون نمبر 34391316/9 فیکس نمبر 34391318) کو اپنے متعلقہ فولیو نمبر کے ساتھ جمع کروانے کی یاد دہانی کروائی جاتی ہے۔ ایس ای سی پی کی نوٹیفکیشن نمبر SRO 831(1) 2012 بتاریخ 19 جنوری 2014 اور نوٹیفکیشن نمبر SRO 831(1) 2012 کے تحت حصص پر رجسٹرڈ شخص یا متعلقہ شخص کا قومی شناختی کارڈ نمبر ضرور ہونا چاہیے ماسوائے نابالغ اور کارپوریٹ ممبر کے۔

قومی شناختی کارڈ اور قومی ٹیکس نمبر کی درست نقل کی عدم وصولی کی صورت میں کمپنی ایس ای سی پی کے متعلقہ SRO کی ہدایات پر عمل کرنے کے قابل نہ ہوگی اور کمینیز آرڈیننس، 1984 کے سیکشن (2) 252 کے تحت ایسے حصص داران کے منافع کی ادائیگی کی ترسیل روک دی جائے گی۔

3۔ اکم ٹیکس آرڈیننس 2001 کے سیکشن 150 کے تحت تقسیم شدہ منافع میں ود ہولڈنگ ٹیکس کی کٹوتی (لازمی)

(i)

1 جولائی 2015 سے نافذ العمل فنانس ایکٹ 2015 کے کی دفعات کے تحت کمپنی کی طرف سے تقسیم شدہ منافع میں ود ہولڈنگ ٹیکس کی کٹوتی سے متعلق جانے والی ترامیم درج ذیل ہیں:

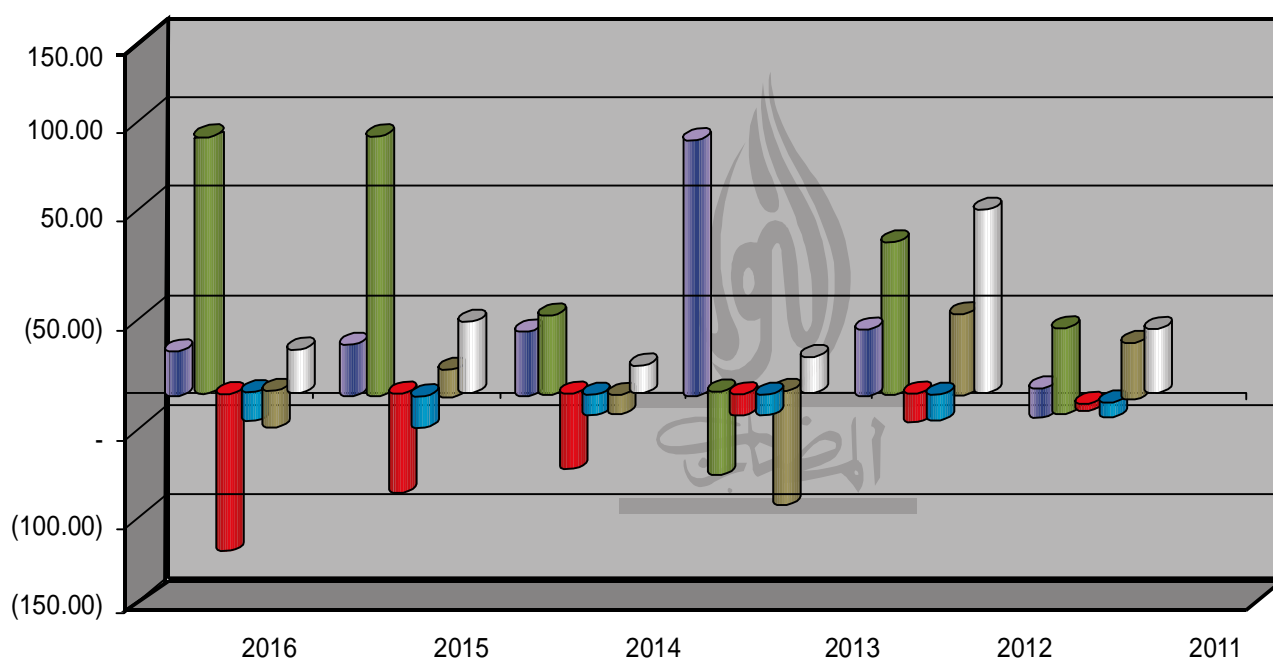
الف) اکم ٹیکس گوشوارے جمع کروانے والوں ٹیکس کٹوتی 12.5% فیصد



SIX YEARS' CASH FLOWS SUMMARY

(Rupees in millions)

	2016	2015	2014	2013	2012	2011
Cash & cash equivalents at beginning of year	42.32	22.15	29.31	120.73	50.28	11.40
Net Cash inflow/(outflow) from operating activities	116.98	124.15	47.76	(66.19)	105.05	53.27
Net Cash inflow/(outflow) from investing activities	(124.59)	(88.28)	(44.32)	(8.21)	(17.45)	(3.17)
Net Cash inflow/(outflow) from financing activities	(10.51)	(15.69)	(10.60)	(17.02)	(17.16)	(11.21)
Net increase/(decrease) in cash & cash equivalents	(18.11)	20.17	(7.16)	(91.42)	70.44	38.88
Cash & cash equivalents at the end of the year	24.21	42.32	22.15	29.31	120.73	50.28



■ Cash & cash equivalents at beginning of year	■ Net Cash inflow/(outflow) from operating activities
■ Net Cash inflow/(outflow) from investing activities	■ Net Cash inflow/(outflow) from financing activities
■ Net increase/(decrease) in cash & cash equivalents	■ Cash & cash equivalents at the end of the year



HORIZONTAL ANALYSIS

BALANCE SHEET (%)

ASSETS	2016	2015	2014	2013	2012	2011
NON-CURRENT ASSETS						
Fixed Assets - tangible						
Long term deposits	-	0.18	-	(0.35)	-	-
Long Term portion of investment in Sukuk Certificates	(36.36)	100.00				
Long Term portion of investment in diminishing musharakah	100.00					
Long Term Investments	44.00	79.98	63.11	(52.94)	(3.59)	11.67
Ijarah Assets	23.40	25.63	32.35	113.58	32.21	(17.13)
Fixed Assets in own use	7.30	(35.18)	(31.89)	(81.06)	(5.86)	(19.37)
CURRENT ASSETS						
Bank Balances	(42.80)	91.05	(24.42)	86.34	(68.72)	341.07
Short Term investments	(54.61)	17.43	(2.81)	(71.41)	311.14	49.03
Musharikah receivables - secured	-	-	-	-	-	-
Murabaha receivables - secured	100.00	-	-	-	-	-
Musawamah receivables - secured	-	-	(57.04)	(5.09)	(43.22)	21.35
Modaraba receivables - secured	-	-	-	(100.00)	200.00	(92.36)
Ijarah rental receivable	-	-	-	-	(100.00)	(65.71)
Trade Receivables	(78.76)	38.65	51.25	12,081.73	100.00	0.00
Bills Receivable	-	(100.00)	-	-	(100.00)	11.31
Stock in trade	(100.00)	(80.06)	16.19	2,655.72	(91.61)	60.42
Advances, Deposits, Prepayments & Other Receivables	11.09	63.89	35.98	(15.33)	48.62	233.21
Current portion of investment in Sukuk Certificates	100.00	100.00				
Income tax refundable/paid in advance	32.68	(10.42)	15.06	4.93	(31.92)	70.42
Profit Receivable	122.57	(24.87)	(56.99)	(60.73)	(40.28)	(18.57)
TOTAL ASSETS	(0.58)	(4.53)	4.62	1.46	1.39	5.61
EQUITY & LIABILITIES						
CAPITAL & RESERVES						
Issued, subscribed and paid up capital	-	-	-	-	-	-
Reserves	(9.70)	0.47	4.15	2.18	4.28	15.13
Unappropriated profit	(0.98)	(173.35)	63.79	(43.58)	(13.12)	48.18
unrealised diminution on remeasurement of investment classified as available for	633.63	128.75	(30.56)	6.10	36.03	32.20
NON-CURRENT LIABILITIES						
Security Deposits	5.05	40.55	35.78	114.13	71.85	(17.97)
Deffered liability - staff gratuity	0.53	24.08	75.85	41.82	(9.27)	6.30
CURRENT LIABILITIES						
Islamic export refinance	-	-	-	-	-	-
Musharikah Finance - Secured	-	-	-	-	-	-
Murabaha Finance - Secured	-	-	-	-	-	-
Current maturity of security deposits	82.74	123.30	3.72	191.31	(65.89)	(32.59)
Creditors, accrued and other liabilities	36.03	(5.41)	(1.56)	24.47	2.58	13.15
Provision for custom duty/surcharge	-	-	-	-	-	-
Profit payable	108.59	(33.36)	63.39	(88.31)	4,410.39	100.00
TOTAL EQUITIES & LIABILITIES	(0.58)	(4.53)	4.88	1.21	1.39	5.61
PROFIT & LOSS ACCOUNT (%)						
Profit on trading operations	(83.65)	(199.98)	194.57	(46.74)	(13.25)	42.52
Income on musharikah receivables	-	-	-	-	-	-
Income on murabaha receivables	100.00	-	-	-	-	-
Income on musawamah receivables	(79.03)	(22.89)	(48.17)	12.20	(54.83)	52.80
Income on modaraba receivables	-	-	(100.00)	(52.69)	(36.51)	(69.46)
Income from Ijarah	16.83	48.54	28.32	114.61	6.88	(32.42)
Income from investments	(7.92)	(7.21)	(28.80)	(24.21)	69.66	44.88
Operating Expenses	(9.36)	10.50	(0.48)	48.73	(11.75)	39.85
(Provision)/Reversal of provision on non-performing assets	-	-	-	-	-	-
Financial and other charges	(93.98)	(12.91)	68.15	(63.06)	(76.11)	(71.55)
Other Income	22.14	(48.73)	(704.56)	(137.20)	(66.70)	144.75
Unrealized gain/(loss) on remeasurement of investments classified at fair value through profit & loss	(113.97)	47.37	(12.69)	(251.80)	(644.38)	(127.74)
Impairment loss on re-measurement of investment in listed securities classified as available for sale	-	-	-	(100.00)	-	(100.00)
Share of profit from associates	(54.64)	31.73	(31.85)	686.60	(97.60)	206.44
Modaraba Company's management fee	100.00	(100.00)	92.25	(41.65)	(36.33)	164.57
Income tax expenses	(100.00)	240.70	(69.30)	(81.80)	490.03	(33.53)
Provision for workers welfare fund	100.00	(100.00)	96.09	(41.65)	(36.33)	89.70
Profit for the year	(100.79)	(167.91)	94.61	(39.64)	(39.05)	170.89



VERTICAL ANALYSIS

BALANCE SHEET ITEMS

ASSETS	2016	2015	2014	2013	2012	2011
NON-CURRENT ASSETS						
Fixed Assets - tangible						
Long term deposits	1.08	1.07	1.02	1.07	1.09	1.10
Long term portion of investment in sukuk certificates	0.70	1.09	-	-	-	-
Long term portion of investment in diminishing musharakah (syndicate)	15.76	-	-	-	-	-
Long term investment	11.16	7.70	4.09	2.62	5.65	5.94
Ijarah Assets	40.41	32.55	24.74	19.55	9.29	7.12
Fixed Assets in own use	0.83	0.77	1.13	1.73	9.29	10.00
CURRENT ASSETS						
Bank balances	6.78	11.79	5.89	8.15	4.44	14.39
Short Term investments	6.42	14.08	11.45	12.32	43.73	10.78
Musawamah receivables- secured	6.96	6.96	6.65	16.19	17.31	30.91
Modaraba receivables- secured	-	-	-	-	4.23	1.43
Ijarah rental receivable	0.29	-	0.03	-	-	0.10
Trade Receivables	2.61	12.20	8.40	5.81	0.05	-
Bills Receivable	-	-	0.45	-	-	0.74
Stock in trade	-	6.91	33.06	29.77	1.10	13.24
Advances, Deposits, Prepayments & Other Receivables	4.41	3.95	2.30	1.77	2.12	1.45
Current portion of investment in sukuk certificates	0.40	0.20	-	-	-	-
Current portion of investment diminishing musharakah (syndicate)	1.05	-	-	-	-	-
Income tax refundable/paid in advance	0.77	0.58	0.62	0.56	0.54	0.81
Profit receivable	0.33	0.15	0.19	0.45	1.17	1.98
TOTAL ASSETS	100.00	100.00	100.00	100.00	100.00	100.00
EQUITY & LIABILITIES						
CAPITAL & RESERVES						
Issued, subscribed and paid up capital	58.83	58.42	55.84	58.42	59.27	60.10
Reserves	27.31	30.07	28.57	28.70	28.50	27.57
Unappropriated profit	(3.57)	(3.59)	4.67	2.98	5.36	6.26
unrealised diminution on remeasurement of investment classified as available for	(0.70)	0.13	(0.43)	(0.10)	(0.37)	(0.59)
NON-CURRENT LIABILITIES						
Security Deposits	6.89	6.52	4.43	3.41	1.62	0.95
Deferred liability - staff gratuity	1.90	1.87	1.44	0.86	0.61	0.69
CURRENT LIABILITIES						
Current maturity of security deposits	3.30	1.79	0.77	0.77	0.27	0.80
Creditors, accrued and other liabilities	4.68	3.42	3.45	3.67	2.99	2.95
Provision for custom duty/surcharge	1.23	1.23	1.17	1.22	1.24	1.26
Profit payable	0.13	0.06	0.09	0.06	0.50	0.01
TOTAL EQUITIES & LIABILITIES	100.00	100.00	100.00	100.00	100.00	100.00

PROFIT & LOSS ACCOUNT ITEMS

Profit on trading operations	(13.72)	(308.96)	46.75	19.31	31.63	32.11
Income on musharikah receivables	-	-	-	-	-	-
Income on diminishing musharakah (syndicate)	4.47	-	-	-	-	-
Income on musawamah facility	2.82	49.55	9.72	22.83	17.74	34.60
Income on modaraba receivables	-	-	-	2.54	4.68	6.49
Income from Ijarah	78.13	246.22	25.08	23.78	9.66	7.96
Income from investments	28.31	113.19	18.45	31.54	36.29	18.84
Gross Revenue	100.00	100.00	100.00	100.00	100.00	100.00
Operating Expenses	(108.70)	(441.57)	(60.45)	(73.93)	(43.35)	(43.26)
(Provision)/Reversal of provision on non-performing assets	(0.03)	(2.01)	(0.35)	(0.25)	(0.00)	(0.00)
Financial and other charges	10.98	33.10	9.77	(1.97)	(0.60)	(2.20)
Other Income	-	-	-	-	4.61	12.19
unrealized gain/(loss) on remeasurement of investments classified at fair value through profit / loss	(2.86)	75.40	7.74	10.79	(6.20)	1.00
Impairment loss on re-measurement of investment in listed securities classified as available for sale	-	-	-	-	0.00	0.00
Share of profit from associates	1.17	9.48	1.09	1.94	0.22	7.91
Modaraba Company's management fee	(0.06)	-	(5.78)	(3.66)	(5.47)	(7.56)
Income tax expenses	-	(2.73)	(0.12)	(0.48)	(2.30)	(0.34)
Provision for workers welfare fund	(0.01)	-	(1.04)	(0.65)	(0.97)	(1.33)
Profit for the year	(0.49)	(228.31)	50.86	31.80	45.95	66.41



KEY FINANCIAL DATA SIX YEARS' AT A GLANCE

(Rupees in millions)

KEY FINANCIAL DATA	2016	2015	2014	2013	2012	2011
Total Assets	356.04	359.03	376.09	359.48	354.30	349.43
Fixed Assets (owned)	2.95	2.75	4.24	6.23	32.90	34.94
Fixed Assets (ijarah)	144.22	116.88	93.04	70.29	32.91	24.89
Other Non Current Assets	102.43	35.44	19.21	13.26	23.87	24.62
Current Assets	107.33	203.97	259.60	269.69	264.61	264.97
Total Liabilities	64.71	53.50	42.69	35.93	25.64	23.29
Current Liabilities	33.34	23.34	20.60	20.57	17.73	17.56
Non Current Liabilities	31.37	30.16	22.09	15.36	7.91	5.73
Total Equity	292.23	305.54	333.40	322.66	328.66	326.14
Reserves	97.48	107.96	107.46	103.18	100.98	96.33
Certificate Holders' Equity	210.00	210.00	210.00	210.00	210.00	210.00
Unappropriated	(15.25)	(12.42)	15.94	9.48	17.68	19.81
Gross Revenue	26.01	8.47	46.19	33.90	41.48	50.50
Net Revenue	0.11	(14.53)	21.40	11.00	18.22	29.89
Earning per Certificate - Rs. 10/- each	0.01	(0.69)	1.02	0.52	0.87	1.42
Cash dividend (%)	-	5.00%	7.50%	5.00%	8.00%	8.00%

(Rupees in millions)

STAKEHOLDER INFORMATION	2016	2015	2014	2013	2012	2011
Profit after tax ratio (%)	0.01	(23.19)	29.48	18.24	45.95	51.24
Return on equity / capital employed	0.03	(4.53)	6.52	3.37	5.56	9.44
Assets Turnover Ratio (%)	37.37	76.33	96.14	35.54	43.24	62.47
Current ratio	3.21	8.74	12.60	13.11	14.94	15.09
Market Value per certificate (year end)						
High	4.23	4.30	6.00	5.99	4.99	4.00
Low	4.23	4.30	6.00	5.00	4.25	4.00
Closing	4.23	4.36	6.00	5.01	4.90	4.00
EPC (Earning per certificate)	0.01	(0.69)	1.02	0.52	0.87	1.42
Net assets / breakup value per certificate	13.92	14.55	15.88	15.41	15.65	15.53
Earning asset to total assets ratio (%)	85.48	83.63	87.21	88.61	85.75	83.82
Dividend Yield Ratio (%)	-	11.63	12.50	9.98	16.33	20.00
Cash Dividend per certificate (in Rs.)	-	0.50	0.75	0.50	0.80	0.80



TWENTY FOURTH REPORT OF THE DIRECTORS OF MODARABA COMPANY FOR THE YEAR ENDED JUNE 30, 2016

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 Twenty Fourth Annual Report together with the Audited Financial Statements of the Modaraba for the year ended June 30, 2016.

FINANCIAL RESULTS

	For the year ended June 30, 2016 Rupees	June 30, 2015 Rupees
Profit after taxation	117,799	(14,533,021)
Shares of associate's incremental depreciation on account of revaluation of fixed assets	32,660	330,890
Un-appropriated profit / (loss) brought forward	<u>(12,885,641)</u>	<u>1,316,490</u>
	<u>(12,735,182)</u>	<u>(12,885,641)</u>
APPROPRIATIONS		
Profit distribution @ 0.00% (2015 @ 5.00%)	-	(10,500,000)
Statutory reserve @ 20.00% (2015 @ 00.00%)	(23,560)	-
General reserve	(23,560)	10,500,000
	<u>(12,758,742)</u>	<u>(12,885,641)</u>
Unappropriated profit / (loss) carried forward		

Review of Operations

The aforementioned meagre profit of Rs. 0.117 million amply demonstrates the remarkable efforts made by the modaraba, in the financial year ended June 30, 2016. After incurring a heavy loss of Rs. 14.53 million in the preceding financial year the Modaraba employed its available resources to in a highly judicious manner to get back on track. And this recovery is even more commendable, as the overall business climate remained extremely uncondusive. The prevalent discount rate of around 5.75% (is at the lowest in the past forty six years) and the commodities market has still not stabilized.

Financial and Economic Review

The continuing factors that are generally constraining the Pakistan's economy to achieve sustainable recovery and growth includes:

- the asymmetrical inflation and saving rates.
- continuing fiscal slippages.
- unresolved power sector issue.
- high level of government borrowings and low lending by banks to private sector.
- Political and operational inconsistency
- New and stringent taxation measures
- falling international and domestic commodity pricing.

Future Outlook of the Modaraba

If the constraining factors would not be the major element in effecting the overall economical prosperity and normalized and stabilized commodity market, the Modaraba strategy of focusing more on ijarah and trading portfolio would continue to persist. With the stabilized confidence and the improved learning of the market's effecting elements, would hopefully be resulting in the consistent and better earnings.



TWENTY FOURTH REPORT OF THE DIRECTORS OF MODARABA COMPANY FOR THE YEAR ENDED JUNE 30, 2016

With the hope of the governments' all out efforts for improving the Pakistan's economy, we do foresee a better years ahead.

Compliance with Code of Corporate Governance

As required by the Code of Corporate Governance, your Directors are pleased to report that:

- (a) The financial statements prepared by the management of the Modaraba present fairly its true state of affairs, the results of its operations, cash flows and changes in equity.
- (b) Proper books of account of the Modaraba have been maintained.
- (c) Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- (d) International Accounting Standards, as applicable in Pakistan have been followed in preparation of financial statements and departure therefrom has been adequately disclosed and explained, if any.
- (e) The system of internal control is sound and has been effectively implemented and monitored.
- (f) The Modaraba is financially sound and there is no reason whatsoever to doubt its ability to continue as a going concern.
- (g) There has been no material departure from the best practices of corporate governance as detailed in the listing regulation of the Stock Exchange(s) and;
- (h) During the year under review, four meetings of the Board of Directors were held. Attendance by each director was as follows:

Name of Director	Meetings Eligibility	Meetings Attended
Mr. Ismail H. Zakaria, Chairman	4	4
Mr. Jalaluddin Ahmed, Chief Executive	4	4
Mr. Yusuf Ayoob, Director	4	4
Mr. Suleman Ayoob, Director	4	4
Mr. A. Aziz Ayoob, Director	4	3
Mr. Mansoor Alam, Director	4	2
Mr. Zia I. Zakaria	4	4
Mr. Zain Ayoob, Director	4	4

- (i) A statement setting out the status of the compliance with the best practices of corporate governance is attached to the Annual Report.

Pattern of Certificate Holding

A statement reflecting the pattern of holding of certificates as on June 30, 2016 is attached to the Annual Report.

Key Operating & Financial Data

A statement summarizing key operating and financial data for the last six years is attached to the Annual Report.

Auditors

The present auditors, Messrs. RSM Avais Hyder Liaquat Nauman & Company, Chartered Accountants have offered themselves for appointment as the auditor of the Modaraba for the financial year ending June 30, 2017 subject to approval of Registrar Modaraba companies & Modaraba.

On behalf of the Board

Sd/-
Jalaluddin Ahmed
Chief Executive

Dated : September 28, 2016
Place : Karachi

چوبیسویں ڈائریکٹر رپورٹ بابت 30 جون 2016 برائے مضاربہ کمپنی

ڈائریکٹروں کے نام	مطلوبہ میٹنگز	میٹنگز میں شرکت
جناب اسماعیل ایچ ذکریا، چیئرمین	4	4
جناب جلال الدین احمد، چیف ایگزیکٹو	4	4
جناب یوسف ایوب، ڈائریکٹر	4	4
جناب سلیمان ایوب، ڈائریکٹر	4	4
جناب اے عزیز ایوب، ڈائریکٹر	4	3
جناب منصور عالم، ڈائریکٹر	4	2
جناب ضیاء آئی ذکریا	4	4
جناب زین ایوب، ڈائریکٹر	4	4

کارپوریٹ گورننس کی بہترین پالیسیوں کی پاسداری سے متعلق ایک بیان سالانہ رپورٹ کے ساتھ منسلک ہے۔

ترتیب برائے سرٹیفکیٹ ہولڈنگ

ترتیب برائے سرٹیفکیٹ ہولڈنگ بابت 30 جون 2016 سالانہ رپورٹ کے ساتھ منسلک ہے۔

آپریشنز اور مالیات سے متعلق اہم معلومات

آپریشنز اور مالیات سے متعلق اہم معلومات پر مبنی بیان سالانہ رپورٹ کے ساتھ منسلک ہے۔

آڈیٹرز

موجودہ آڈیٹر میسرز اولیس حیدر لیاقت نعمان اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس نے برائے سال 30 جون 2017 اپنی خدمات بطور قانونی آڈیٹر پیش کی ہیں، تاہم انکی خدمات کے سلسلے میں رجسٹرڈ مضاربہ کمپنیز اور مضاربہ کی جانب سے منظوری لازم ہے۔

منجانب بورڈ



جلال الدین

چیف ایگزیکٹو

مؤرخہ 28 ستمبر 2016

بمقام کراچی

چوبیسویں ڈائریکٹر رپورٹ بابت 30 جون 2016 برائے مضاربہ کمپنی

ھ۔ سیاسی و آپریشنل غیر مستقل صورتحال
و۔ ٹیکس سے متعلق نئے اور مشروط اقدامات
ذ۔ ملکی و عالمی سطح پر اشیاء کی قیمتوں میں کمی کا رجحان

مضاربہ کے مستقبل پر نظر

اگر مذکورہ بالا عناصر معاشی ترقی اور اجناس کی منڈیوں کی ترقی کی راہ میں حائل ناہوں تو اجارہ اور تجارتی اجناس کے تنوع کے سلسلے میں مضاربہ کی حکمت عملی بھی استقلال کے ساتھ آگے بڑھ سکتی تھی۔ تاہم ہم امید کرتے ہیں کہ اعتماد اور منڈی کو متاثر کرنے والے عوامل سے زیادہ سے زیادہ جائگاری کے بعد ہم مضاربہ پالیسیوں کو بہتر انداز اور مستقل بنیادوں پر آگے بڑھانے میں کامیاب رہیں گے۔

پاکستان کی معیشت کو بہتری کی جانب گامزن کرنے کے سلسلے میں حکومت کی جانب سے کئے جانے والے اقدامات کے پیش نظر ہم یہ امید کرتے ہیں کہ آنے والے سال پہلے کے مقابلے میں بہتر ہوں گے۔

کوڈ آف کارپوریٹ گورننس کی پاسداری

کوڈ آف کارپوریٹ گورننس کی پاسداری سے متعلق آپ کے ڈائریکٹر انتہائی مسرت کے ساتھ اس رپورٹ پیش کرتے ہیں کہ:
الف۔ مینجمنٹ کی جانب سے تیار شدہ مالیاتی دستاویزات مضاربہ کے تمام امور، آپریشنز کے نتائج، ترسیل نقد رقم اور حصص میں رد و بدل سے متعلق معاملات کی صحیح ترجمانی کرتی ہیں۔

ب۔ مضاربہ سے متعلق ریکارڈ کو باقاعدہ کھاتوں میں درج کیا گیا ہے۔

ج۔ تمام ترامالیاتی دستاویزات کی تیاری کے سلسلے میں مناسب محاسبی پالیسیوں پر عمل کیا گیا ہے، نیز تمام ترامالیاتی تخمینے معقول اور قرین قیاس ہیں۔

د۔ مالیاتی دستاویزات کی تیاری کے سلسلے میں پاکستان میں مستعمل بین الاقوامی محاسبی معیارات کی مکمل پاسداری کی گئی ہے۔

ھ۔ اندرونی طور پر کنٹرول کا نظام انتہائی منظم اور جامع ہے اور اسے مؤثر انداز سے نافذ کیا گیا ہے اور اس پر مکمل نظر رکھی جاتی ہے۔

و۔ مضاربہ مالیاتی طور پر مضبوط بنیادوں پر استوار ہے اور ایسی کوئی وجہ نظر نہیں آتی جس کی بنیاد پر مضاربہ کو ختم کرنے سے متعلق کوئی سوال پیدا ہوتا ہو۔

ذ۔ اسٹاک ایکسچینجر کے لسٹنگ قواعد میں مذکور کارپوریٹ گورننس کی بہترین پالیسیوں سے کوئی ایسا انحراف نہیں کیا گیا جو کہ قابل غور ہو۔

ح۔ سال رواں کے دوران بورڈ آف ڈائریکٹرز کی چار میٹنگز ہوئی ہیں۔ ان میٹنگز میں ڈائریکٹروں کی شرکت سے متعلق تفصیلات درج ذیل ہیں:

چوبیسویں ڈائریکٹر رپورٹ بابت 30 جون 2016 برائے مضاربہ کمپنی

بورڈ آف ڈائریکٹرز انور مضاربہ مینجمنٹ (پرائیویٹ) لمیٹڈ مضاربہ/ مینجمنٹ کمپنی برائے فرسٹ انور مضاربہ (ایف اے ایم) کی جانب سے میں انتہائی مسرت کے ساتھ مضاربہ کمپنی کی چوبیسویں سالانہ رپورٹ بابت 30 جون 2016 بمعہ آڈٹ شدہ مالیاتی دستاویزات پیش کر رہا ہوں۔

مالیاتی نتائج

برائے سال 30 جون 2016 برائے سال 30 جون 2015

رقم پاکستانی روپوں میں	رقم پاکستانی روپوں میں
(14,533,021)	117,799
330,890	32,660
1,316,490	(12,885,641)
(12,885,641)	(12,735,182)

منافع بعد از ٹیکس

ایسوسی ایٹس کے حصص کی فرسودگی اضافی بابت قدر نو برائے مستقل اثاثے

غیر تقسیم شدہ منافع/ (نقصان) گزشتہ

تقسیم رقم

منافع کی تقسیم بلحاظ فیصد 0.00% @ (بلحاظ 5.00% @ 2015)

زرمحفوظ بر بنائے قانونی تقاضے 20.00% @ (00.00% @ 2015)

عمومی زرمحفوظ

(10,500,000)	-
-	(23,560)
10,500,000	-
-	(23,560)
(12,885,641)	(12,758,742)

غیر تقسیم شدہ منافع/ (نقصان) گزشتہ

نظر ثانی برائے آپریشنز

مذکورہ بالا 0.117 ملین روپے کا معمولی منافع مضاربہ کی طرف سے سال رواں 30 جون 2016 میں کی گئی بہترین کوششوں کا منہ بولتا ثبوت ہے۔ گزشتہ مالی سال میں 14.53 ملین روپے کا بھاری نقصان اٹھانے کے بعد مضاربہ نے دستیاب وسائل کو انتہائی محتاط انداز میں استعمال کرنے کا فیصلہ کیا تاکہ کھویا ہوا توازن دوبارہ حاصل کیا سکے۔ کاروبار میں مجموعی طور پر مندی کے رجحان کے مد نظر یہ واگزاری (ریکوری) اور بھی زیادہ قابل ستائش ہے۔ موجودہ شرح سود 5.75% کے ارد گرد ہے جو کہ گزشتہ 46 سالوں کی کم ترین سطح پر ہے اور تاحال اجناس کی میڈیوں میں بھی ابھی تک استحکام پیدا نہیں ہو سکا ہے۔

نظر ثانی برائے مالیاتی و معاشی حالات

پاکستان کی معیشت کی مستقل بحالی کے راہ میں بننے والی رکاوٹیں عمومی طور پر درج ذیل عناصر پر مشتمل ہیں:

الف۔ غیر یکساں شرح افراط زر و شرح بچت

ب۔ مستقل مالیاتی انحطاط

ج۔ انرجی سے متعلق حل طلب مسائل

د۔ حکومت کی جانب سے بڑے پیمانے پر قرضوں کی وصولی اور اس کے نتیجے میں نجی سیکٹر کو بینکوں سے ملنے والے قرضوں میں کمی



SHARIAH ADVISOR'S REPORT

بسم الله الرحمن الرحيم
الحمد لله رب العالمين، والعاقبة للمتقين، والصلوة والسلام على رسوله
الكريم وعلى آله واصحابه اجمعين-امابعد

I have conducted the Shari'ah review of First Al Noor Modaraba managed by AlNoor Modaraba Management (Private) Limited for the year ended June 30, 2016 in accordance with the requirements of the Shariah Compliance and Shariah Audit Mechanism for Modarabas. Based on my review I report that in my opinion:

SHARIAH COMPLIANCE:

The Modaraba effectively have a mechanism to strengthened the Shariah compliance, in letter and spirit and the systems, procedures and policies adopted by the Modaraba are in line with the Shariah principles;

REVIEW OF OPERATIONS:

Based on my review following were the major activities/developments in respect of Shari'ah that took place during this period:

BANK ACCOUNTS:

Modaraba does not maintain any saving account with conventional banks except the current account(s). Other than these, the Modaraba operates the saving accounts only with Islamic Banks for its business purposes.

FRESH DISBURSEMENTS:

On assest side, Modarab has disbursed Ijarah and Musawamah Facilities to different clients. I confirm that the financing agreement(s) entered into by the Modaraba are Shariah compliant and the financing agreement(s) have been executed on the formats as approved by the Religious Board and all the related conditions have been met.

INVESTMENTS IN EQUITY SHARES:

Modaraba's centire equity investments were made in approved Shariah complaint scripts provided and updated by NBFI and Modaraba Association of Pakistan.

DIVIDEND PURIFICATION:

Modaraba has effectively performed process of dividend purification of equities as per Shariah guidelines and the amount required to be charited has been transferred into charity account for charity purposes.

TAKAFUL:

For risk mitigation, the Modaraba effectively adopted and maintaining Takaful coverages with Takaful companies and did not obtain any coverage(s) from conventional Insurance companies.

TRADE OF COMMODITIES:

Modaraba engages in the business of rice and other commodities. I confirm that Modaraba follows Shariah principles in its trade of rice and other commodities.

TRAINING:

The undersigned keep giving specific training session on continuous basis during the course of internal review of transaction(s).

CONCLUSION:

Alhamdulillah, after introduction of Shari'ah Compliance and Shari'ah Audit Mechanism for Modarabas by Securities & Exchange Commission of Pakistan (SECP), the Management of First Al-Noor Modaraba has effectively shown its sincerity to comply with Shariah Rulings in its true spirit, therefore, I am of the view that the business operations of First Al Noor Modaraba are Shari'ah compliant up to the best of my knowledge.

MUFTI IBRAHIM ESSA

Shariah Advisor

Dated: September 20, 2016



شرعی مشیر کی رپورٹ

بسم الله الرحمن الرحيم
الحمد لله رب العالمين، والعاقبة للمتقين، والصلوة والسلام على رسولہ
الکریم وعلى آله واصحابه اجمعين۔ امابعد

میں نے انور مضاربہ بینچمنٹ (پرائیویٹ) لمیٹڈ کے زیر انتظام چلنے والی فرسٹ انور مضاربہ کا 30 جون 2016 کو ختم ہونے والے سال کا شرعی جائزہ لیا۔ یہ جائزہ مضاربہ کمپنیوں کے لئے مقررہ شرعی تعمیل و شرعی نگران طریقہ کار کے مطابق تھا۔ میرے علم کے مطابق اس جائزہ کی رپورٹ درج ذیل ہے:

شرعی تعمیل

مضاربہ نے ایسا طریقہ اختیار کیا ہے جو شریعت کی روح اور مزاج کے مطابق ہے۔ اختیار کردہ نظام، طریقہ کار اور قواعد تمام کے تمام شرعی قواعد کے مطابق ہیں۔
کاروائی کا جائزہ

میرے جائزے کے مطابق دوران سال درج ذیل اہم شرعی سرگرمیاں اور پیش رفت کی گئیں:

بینک اکاؤنٹ

مضاربہ کا کسی سودی بینک میں سیونگ اکاؤنٹ نہیں ہے، صرف کرنٹ اکاؤنٹ ہی ہیں۔ کاروباری مقاصد کے لئے اس کے سیونگ اکاؤنٹس صرف اسلامی بینکوں میں کھولے گئے ہیں۔

نئی ادائیگیاں

اثاثہ جات کے کھاتے میں، مضاربہ کمپنی نے اپنے گاہکوں کو اجارہ اور مساومہ کی بنیادوں پر ادائیگیاں کیں۔ میں اس کی توثیق کرتا ہوں مضاربہ کمپنی کی اختیار کردہ یہ متوبلی معاہدے شریعت کے مطابق ہیں اور یہ معاہدے شرعی بورڈ کے منظور کردہ ترتیب کے مطابق ہے اور تمام متعلقہ شرائط کی تعمیل کی گئی ہے۔

ایکویٹی شیئرز میں سرمایہ کاری

مضاربہ کمپنی کی ایکویٹی شیئرز میں سرمایہ کاری صرف NBF اور مضاربہ ایسوسی ایشن آف پاکستان کے منظور و ترمیم کردہ جائز مواقع میں ہی کی گئی ہے۔

ڈویڈنڈ کی صفائی

مضاربہ کمپنی نے ایکویٹی کے ڈویڈنڈ کی صفائی شرعی رہنما اصولوں کے مطابق کی اور خیرات کے لئے مختص رقم خیراتی فنڈ میں خیراتی مقصد کے لئے جمع کرا دی گئی۔

مکافل

انقصان کے خطرات کو کم کرنے کے لئے مضاربہ کمپنی فیکٹل کمپنیوں سے تحفظ حاصل کیا ہے اور اسی کا تسلسل جاری ہے۔ مضاربہ نے کسی بھی روایتی انشورنس کمپنی کی پالیسی حاصل نہیں کی ہے۔

تجارتی سامان کی تجارت

مضاربہ چاول اور دیگر سامان تجارت کی تجارت کر رہی ہے۔ میں توثیق کرتا ہوں کہ چاول اور دیگر سامان کی اس تجارت میں مضاربہ شرعی اصولوں کی پابندی کرتی ہے۔

ترہیت

راقم الحروف نے معاملات کے اندرونی جائزے کے دوران تسلسل کے ساتھ مخصوص تربیتی مذاکرے کرائے۔

خلاصہ

الحمد للہ سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی طرف سے شریعہ کمپلائنس اور آڈٹ مکیزم برائے مضاربہ کے اجراء بعد فرسٹ انور مضاربہ نے شرعی قواعد کی حقیقی روح کے مطابق شرعی تعمیل کے سلسلے میں اپنی بنجیدگی کا بھرپور مظاہرہ کیا ہے۔ لہذا میں اپنی معلومات کی حد تک اس امر کا اظہار کرتا ہوں کہ فرسٹ انور مضاربہ کے تمام تجارتی معاملات شریعت کے مطابق ہیں۔

محمد ابراہیم سیلی



مفتی ابراہیم سیلی
شرعی مشیر
تاریخ: 20 ستمبر 2016



THE TERMS OF REFERENCE OF THE AUDIT COMMITTEE

The Board has constituted a functional Audit Committee. The features of the terms of reference of the Committee in accordance with the Code of Corporate Governance are as follows:

- (a) Determination of appropriate measures to safeguard the listed company's assets.
- (b) to monitor the integrity of the financial statements of the company, and any formal announcements relating to the company's financial performance, reviewing significant financial reporting judgments contained in them. In particular to review the half-year and annual financial statements and associated report before submission to the Board focusing on:
 - any changes in accounting policies and practices
 - major judgmental and risk areas
 - significant adjustments resulting from the audit
 - the going concern assumption
 - compliance with accounting standards
 - compliance with International Financial Accounting Standards.
 - Compliance with listing regulations and other statutory and regulatory requirements
- (c) Facilitating the external audit and discussion with external auditors of major observations arising from interim and final audits and any matter that the auditors may wish to highlight (in absence of management, where necessary);
- (d) Review of management letter issued by external auditors and management's response thereto.
- (e) To make recommendations to the Board, for approval in respect of matters relating to:
 - the appointment or
 - re-appointment or
 - removal of the external auditor;
- (f) Ensuring coordination between the internal and external auditors of the company.
- (g) Review of the scope and extent of internal audit and ensuring that the internal audit function has adequate resources and is appropriately placed within the company.
- (h) Consideration of major finding of internal investigation and management's response thereto.
- (i) Ascertaining that the internal control system including financial and operational controls, accounting system and reporting structure are adequate and effective.
- (j) Review the company's statement of internal control system prior to endorsement by the board of directors.
- (k) Determination of compliance with relevant statutory requirements.
- (l) Monitoring compliance with the best practices of corporate governance and identification of any significant violations thereof and
- (m) Consideration of any other issue or matter as may be assigned by the board of directors.

THE TERMS OF REFERENCE OF HUMAN RESOURCE & REMUNERATION COMMITTEE (HR&R)

The Board adopted the responsibilities contained in clause (XXV) of the Code of Corporate Governance 2012 from (i) to (iv) as the Terms of Reference (TOR) of the HR&R Committee.

The Committee shall be responsible for :

- (i) recommending human resource management policies to the board;
- (ii) recommending to the board the selection, evaluation, compensation (including retirement benefits) and succession planning of the CEO.
- (iii) consideration and approval on recommendations for CEO on such matters for key management positions who report directly to CEO.



STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE FOR THE YEAR ENDED JUNE 30, 2016

This statement is being presented to comply with the Code of Corporate Governance contained in Regulation No. 5.19.23 of listing regulations of PSX Rule for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The company has applied the principles contained in the CCG in the following manner:

1. The company encourages representation of independent non-executive directors and directors representing minority interests on its board of directors. At present the board includes:

Category	Names
Independent Director	Mr. Mansoor Alam
Executive Director	1) Mr. Jalaluddin Ahmed 2) Mr. Zain Ayoob
Non-Executive Director	1) Mr. Ismail H. Zakaria 2) Mr. Yusuf Ayoob 3) Mr. Suleman Ayoob 4) Mr. A. Aziz Ayoob 5) Mr. Zia I. Zakaria

The independent directors meets the criteria of independence under clause 5.19.1.(b) of the CCG.

2. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company (excluding the listed subsidiaries of listed holding companies where applicable).
3. All the resident directors of the company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFI or, being a Broker of a stock exchange, has been declared as a defaulter by that stock exchange.
4. No casual vacancy occurred in the Board during the year.
5. The company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.
6. The board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
7. All the powers of the board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO, other executive and non-executive directors, have been taken by the board/shareholders.
8. The meetings of the board were presided over by the Chairman and, in his absence, by a director elected by the board for this purpose and the board met at least once in every quarter. Written notices of the board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.



STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE FOR THE YEAR ENDED JUNE 30, 2016

9. All the Directors meet the exemption requirement of the director's training program.
10. The directors' report for this year has been prepared in compliance with the requirements of the CCG and fully describes the salient matters required to be disclosed.
11. The financial statements of the company were duly endorsed by CEO and CFO before approval of the board.
12. The directors, CEO and executives do not hold any interest in the shares of the company other than that disclosed in the pattern of shareholding.
13. The company has complied with all the corporate and financial reporting requirements of the CCG.
14. The board has formed an Audit Committee. It comprises 3 (three) members, of whom 2 (two) are non-executive directors and one independent director and the chairman of the committee is non-executive director.
15. The meetings of the audit committee were held at least once every quarter prior to approval of interim and final results of the company and as required by the CCG. The terms of reference of the committee have been formed and advised to the committee for compliance.
16. The board has formed an HR and Remuneration Committee. It comprises 3(three) members, of whom two members including the chairman are non-executive members.
17. The board has set up an effective internal audit function who is considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company.
18. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.
19. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
20. The 'closed period', prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of company's securities, was determined and intimated to directors, employees and stock exchange(s).
21. Material/price sensitive information has been disseminated among all market participants at once through stock exchange(s).
22. We confirm that all other material principles enshrined in the CCG have been complied with.
23. The company has complied with the requirements relating to maintenance of register of persons having access to inside information by designated senior management officer in a timely manner and maintained proper records including basis for inclusion or exclusion of names of persons from the said list.

For and on behalf of the Board

Sd/-
Jalaluddin Ahmed
Chief Executive

Date : September 28, 2016



REVIEW REPORT TO THE MEMBERS ON STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

We have reviewed the enclosed statement of compliance with the best practices contained in the Code of Corporate Governance (the Code) prepared by the Board of Directors of Al-Noor Modaraba Management (Pvt.) Limited (the Management Company) for the year ended June 30, 2016 to comply with the requirements of clause 5.19 of chapter 5 of Pakistan Stock Exchange Rule Book issue by Pakistan Stock Exchange where the Modaraba is listed.

The responsibility for compliance with the Code is that of the Board of Directors of the Management Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Modaraba's compliance with the provision of the Code and report if it does not and to highlight any non-compliance with the requirements of the Code. A review is limited primarily to inquiries of the Management Company's personnel and review of various documents prepared by the Management Company to comply with the Code.

As a part of our audit of financial statements we are required to obtain an understanding of the accounting and internal control system sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risk and controls or to form an opinion on the effectiveness of such internal controls, the Management Company's corporate governance procedures and risks.

The Code requires the Management Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the board of Directors for their review and approval its related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Management Company's compliance, in all materials respects, which the best practices contained in the Code as applicable to the Modaraba, for the year ended June 30, 2016.

Karachi
Date: September 28, 2016

Sd/-
RSM Avais Hyder Liaquat Nauman
Chartered Accountants
Engagement Partner: **Adnan Zaman**



AUDITORS' REPORT TO THE CERTIFICATE HOLDERS OF FIRST AL-NOOR MODARABA

We have audited the annexed balance sheet of FIRST AL-NOOR MODARABA (The Modaraba) as at June 30, 2016 and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof (hereinafter referred to as the financial statements), for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit. These financial statements are the Modaraba Company's [Al-Noor Modaraba Management (Pvt.) Limited] responsibility who is also responsible to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards as applicable in Pakistan and the requirements of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance 1980 (XXXI of 1980), and the Modaraba Companies and Modaraba Rules, 1981. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of any material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting policies and significant estimates made by the Modaraba Company, as well as, evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

- (a) In our opinion, proper books of accounts have been kept by the Modaraba Company in respect of the Modaraba as required by the Modaraba Companies and Modaraba (Floatation and Control) Ordinance; 1980 (XXXI of 1980), and the Modaraba Companies and Modaraba Rules, 1981;
- (b) In our opinion:
 - (i) the balance sheet and profit and loss account together with notes thereon have been drawn up in conformity with the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 (XXXI of 1980), and the Modaraba Companies and Modaraba Rules 1981, and are in agreement with the books of accounts and are further in agreement with accounting policies consistently applied;
 - (ii) the expenditure incurred during the year was for the purpose of the Modaraba's business; and
 - (iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects, terms and conditions of the Modaraba;
- (c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and give the information required by the Modaraba Companies and Modaraba (Floatation and Control) ordinance 1980, (XXXI of 1980) and the Modaraba Companies and Modaraba Rules 1981, in the manner so required and respectively give as a true and fair view of the state of the Modaraba's affair as at June 30, 2016 and the profit, its cash flow, its total comprehensive income and change in equity for the year then ended; and
- (d) in our opinion, Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Modaraba and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

The financial statement of the Modaraba for the year ended June 30, 2015 were audited by another firm of chartered accountants who expressed unmodified opinion on the financial statements of the Modaraba for the year ended June 30, 2015 vide their audit report dated August 25, 2015.

Karachi
Date: September 28, 2016

Sd/-
RSM Avais Hyder Liaquat Nauman
Chartered Accountants
Engagement Partner: Adnan Zaman



STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2016

	Note	June 30 2016 Rupees	June 30 2015 Rupees
CURRENT ASSETS			
Cash and bank balances	4	24,206,892	42,319,170
Short term investments	5.1	22,948,587	50,556,745
Musawamah facility - secured	6	25,000,000	25,000,000
Profit receivable	7	1,169,330	525,385
Ijarah rental receivable	8	1,024,220	-
Trade Debtors-Considered good and unsecured		9,305,000	43,810,383
Stock in trade	9	-	24,793,445
Current portion of investment in sukuk certificates	10	1,428,572	714,286
Current portion of investment in diminishing musharakah (Syndicate)	14	3,750,000	-
Advances, deposits, prepayments and other receivables	11	15,747,368	14,175,379
Taxation	12	2,750,970	2,073,457
TOTAL CURRENT ASSETS		107,330,939	203,968,250
NON-CURRENT ASSETS			
Long term deposits	13	3,846,989	3,846,989
Long term portion of investment in sukuk certificates	10	2,499,999	3,928,571
Long term portion of investment diminishing musharakah (syndicate)	14	56,250,000	-
Long term investments	5.2	39,834,157	27,661,659
Ijarah assets	15	144,224,464	116,877,357
Fixed assets in own use	16	2,951,897	2,750,966
TOTAL NON-CURRENT ASSETS		249,607,506	155,065,542
TOTAL ASSETS		356,938,445	359,033,792
LIABILITIES			
CURRENT LIABILITIES			
Current maturity of security deposits	17	11,772,251	6,442,160
Creditors, accrued and other liabilities	18	16,691,997	12,271,257
Provision for custom duty & surcharge	19	4,398,842	4,398,842
Profit payable	20	474,587	227,526
TOTAL CURRENT LIABILITIES		33,337,677	23,339,785
NON CURRENT LIABILITIES			
Security deposits	17	24,609,050	23,426,751
Deferred liability - staff gratuity	21	6,764,935	6,729,031
TOTAL NON-CURRENT LIABILITIES		31,373,985	30,155,782
TOTAL LIABILITIES		64,711,662	53,495,567
NET ASSETS		292,226,783	305,538,225
REPRESENTED BY:			
CAPITAL AND RESERVES			
Certificate Capital			
40,000,000 (2015: 40,000,000) certificates of Rs 10/- each		400,000,000	400,000,000
Issued, subscribed & paid capital	22	210,000,000	210,000,000
Reserves	23	97,479,973	107,956,413
Unappropriated profit		(12,738,742)	(12,885,641)
Unrealised diminution on remeasurement of investment classified as available for sale'- net		(2,494,448)	467,453
Total capital and reserves		292,226,783	305,538,225
CONTINGENCIES AND COMMITMENTS			
	24	-	-

The annexed notes 1 to 46 form an integral part of these financial statements.

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

Sd/-
Chief Executive

Sd/-
Director

Sd/-
Director



STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2016

	Note	June 30 2016 Rupees	June 30 2015 Rupees
(Loss)/Profit from trading operations	25	(3,216,428)	(19,666,905)
Income on musawamah facility		661,371	3,154,275
Income on diminishing musharakah (Syndicate)		1,047,123	-
Income from Ijarah	26	18,311,151	15,673,114
Income from investments	27	6,634,160	7,204,985
		<u>23,437,377</u>	<u>6,365,469</u>
Administrative and operating expenses	28	25,473,175	28,107,773
Financial and other charges	29	7,700	127,864
		<u>25,480,875</u>	<u>28,235,637</u>
Operating loss		(2,043,498)	(21,870,168)
Other income	30	2,573,672	2,107,219
		<u>530,174</u>	<u>(19,762,949)</u>
Unrealised (loss) / gain on re-measurement of investments at fair value through profit or loss	5.1.2	(670,474)	4,799,715
Share of profit from associates	5.2.1	273,859	603,736
		<u>133,559</u>	<u>(14,359,498)</u>
Modaraba management fee	31	(13,356)	-
		<u>120,203</u>	<u>(14,359,498)</u>
Workers welfare fund	32	(2,404)	-
		<u>(2,404)</u>	<u>-</u>
Profit / (loss) before taxation		117,799	(14,359,498)
Income tax expense	33	-	(173,523)
		<u>-</u>	<u>(173,523)</u>
Profit / (loss) for the year		117,799	(14,533,021)
Earnings per certificate - Basic and Diluted	34	<u>0.01</u>	<u>(0.69)</u>

The annexed notes 1 to 46 form an integral part of these financial statements.

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

Sd/-
Chief Executive

Sd/-
Director

Sd/-
Director



STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2016

	Note	June 30 2016 Rupees	June 30 2015 Rupees
Profit / (loss) for the year		117,799	(14,533,021)
Others comprehensive income			
Unrealized (loss) / gain on re-measurement of available for sale investment	5.3.3	(2,260,386)	2,071,274
Remeasurement of net defined benefit liability - loss	21.5	(723,017)	-
Shares of other comprehensive income of associate	5.2.1	21,502	22,023
		(2,961,901)	2,093,297
Other comprehensive income			
Total comprehensive income for the year - after tax		(2,844,102)	(12,439,724)

The annexed notes 1 to 46 form an integral part of these financial statements.

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

Sd/-
Chief Executive

Sd/-
Director

Sd/-
Director



STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 30, 2016

	Issued subscribed & paid capital	Capital *Statutory Reserve	Reserve			Total
	Certificate Capital		Revenue reserve	Unappropriated profit	Other comprehensive income	
	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	-	-	-	32,660	-	32,660
Total Comprehensive income for the year	-	-	-	117,799	(2,961,901)	(2,844,102)
Profit distribution in cash	-	-	-	(10,500,000)	-	(10,500,000)
Transfer to / from general reserve	-	-	(10,500,000)	10,500,000	-	-
Transfer statutory reserve	-	23,560	-	(23,560)	-	-
Balance as at June 30, 2016	210,000,000	96,979,973	500,000	(12,758,742)	(2,494,448)	292,226,783

* 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 46 form integral part of these financial statements.

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

Sd/-
Chief Executive

Sd/-
Director

Sd/-
Director



STATEMENT OF CASH FLOW FOR THE YEAR ENDED JUNE 30, 2016

	Note	June 30 2016 Rupees	June 30 2015 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash from operations after working capital changes	35	113,153,142	110,698,782
Increase/(Decrease) in long-term security deposits		6,512,390	10,315,930
Income on musawamah receivables		661,371	3,304,409
Income tax paid		(1,332,568)	(173,523)
Gratuity paid		(2,013,000)	-
Net cash generated from operating activities		116,981,335	124,145,598
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to fixed assets			
- Own		(1,925,299)	(214,150)
- Ijarah		(89,410,501)	(87,751,300)
Sale proceeds on disposal of fixed assets			
- Own		674,432	-
- Ijarah		4,108,960	11,065,343
Dividend received		3,764,497	2,525,883
Profit on Barkat Islamic Certificates		-	65,842
Profit on Al-Makhraj (MCB Islamic Banking)		-	108,712
Profit on bank deposit		1,746,178	1,984,898
Purchase of Sukuk Certificates		-	(5,000,000)
Repayment of Installment of Sukuk Certificates		714,286	640,546
Investment in diminishing musharakah		(60,000,000)	
Purchase of investments in mutual funds		(192,765)	(9,793,552)
Proceeds from sale of mutual funds units		10,046,200	7,809,853
Purchase of investments in listed securities		(72,044,008)	(43,271,687)
Proceeds from sale of investments in listed securities		77,932,107	33,546,898
Net cash (used in) investing activities		(124,585,913)	(88,282,714)
CASH FLOWS FROM FINANCING ACTIVITIES			
Profit paid to the certificate holders		(10,500,000)	(15,566,328)
Financial charges paid		(7,700)	(127,864)
Net cash (used in) financing activities		(10,507,700)	(15,694,192)
Net (decrease)/increase in cash and cash equivalents		(18,112,278)	20,168,692
Cash and cash equivalents at beginning of the year		42,319,170	22,150,478
Cash and cash equivalents at end of the year	36	24,206,892	42,319,170

The annexed notes 1 to 46 form an integral part of these financial statements.

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

Sd/-
Chief Executive

Sd/-
Director

Sd/-
Director



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

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, musharikhah, murabaha, musawamah, modaraba, equity investment, Ijarah and trading activities. The Modaraba is listed on the Pakistan Stock Exchange (Previously on the Karachi and Lahore Stock Exchanges).

2 BASIS OF PREPARATION

2.1 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, the requirements of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981 and directives issued by the Securities and Exchange Commission of Pakistan (SECP). Wherever the requirements of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981 and directives issued by SECP differ with the requirements of IFRS, the requirements of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981 or the directives issued by SECP prevail.

2.2 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING STANDARDS

2.2.1 Standards or interpretations that are effective in current year but not relevant to the Modaraba.

The following new standards have been issued by the International Accounting Standards Board (IASB) which have been adopted locally by the Securities and Exchange Commission of Pakistan vide SRO 633(I)/2014 dated July 10, 2014 with effect from following dates. The Modaraba has adopted these accounting standards which do not have significant on the Modaraba's financial statements other than certain disclosure requirements about fair value of financial instruments as per IFRS 13 "Fair Value Measurement" which have been disclosed in note # 5.

Accounting standards and interpretations:	Effective date (Annual period beginning on or after)
IFRS 10 Consolidated Financial Statements	January 01, 2015
IFRS 11 Joint Arrangements	January 01, 2015
IFRS 12 Disclosure of Interests in Other Entities	January 01, 2015
IFRS 13 Fair Value Measurement	January 01, 2015
IAS 27 Separate Financial Statements (Revised 2011)	January 01, 2015
IAS 28 Investments in Associates and Joint Ventures (Revised 2011)	January 01, 2015

2.2.2 Amendment no yet effective

The following amendments and interpretations with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretation:



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

Accounting standards and interpretations:	Effective date (Annual period beginning on or after)
IFRS 2 Share-based Payments - Amendments to clarify the classification and measurement of share-based payment transactions	January 01, 2018
IFRS 5 Non-current Assets Held for Sale and Discontinued Operations Amendments resulting from September 2014 Annual Improvements to IFRSs.	January 01, 2016
IFRS 7 Financial Instruments: Disclosures - Amendments resulting from September 2014 Annual Improvements to IFRSs (Servicing Contracts and Applicability of the offsetting amendments in condensed interim financial statements).	January 01, 2016
IFRS 9 Financial Instruments - Amendments for incorporating requirements for classification and measurement, impairment, general hedge accounting and derecognition	January 01, 2018
IFRS 10 Consolidated Financial Statements - Amendments regarding the application of the consolidation exception	January 01, 2016
IFRS 11 Joint Arrangements - Amendments regarding the accounting for acquisitions of an interest in a joint operation	January 01, 2016
IFRS 12 Disclosure of Interests in Other Entities - Amendments regarding the application of the consolidation exception	January 01, 2016
IFRS 14 Regulatory Deferral Accounts, To recognize Regulatory Deferred Accounts balances arise from rate-regulated activities	January 01, 2016
IFRS 15 Revenue from Contracts with Customers (Superseded IAS 11), To recognize revenue for the transfer of promised goods or services to the customer under the contract	January 01, 2018
IFRS 16 Leases (Superseding IAS 17), To report all lease assets and lease liabilities on the balance sheet, initially measured at the present value of future lease payments as it eliminated classification of leases as Operating or Finance Leases for lessee	January 01, 2019
IAS 1 Presentation of Financial Statements - Amendments resulting from the disclosure initiative	January 01, 2016
IAS 7 Statement of Cash Flows - Amendments resulting from the disclosure initiative	January 01, 2017
IAS 12 Income Taxes - Amendment regarding the recognition of deferred tax assets for unrealized losses	January 01, 2017
IAS 16 Property, Plant and Equipment - Amendments regarding the clarification of acceptable method of depreciation and bringing bearer plants into the scope of IAS 16	January 01, 2016
IAS 19 Employee Benefits - Amendments resulting from September 2014 Annual improvements to IFRS's	January 01, 2016
IAS 27 Consolidated and Separate Financial Statements - Amendment reinstating the equity method as an accounting option for investments in subsidiaries, joint ventures and associated in an entity separate financial statements	January 01, 2016
IAS 28 "Investment in Associates and Joint Ventures - Amendment regarding the application of consolidation exception"	January 01, 2016



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

IAS 34	Interim Financial Reporting - Amendments resulting from September 2014 Annual Improvements to IFRSs	January 01, 2016
IAS 38	Intangible Assets - Amendments regarding the clarification of acceptable methods of amortisation	January 01, 2016
IAS 41	"Agriculture - Amendments bringing bearer plant into the scope of IAS 16"	January 01, 2016

2.2.3 Standards or interpretation not yet effective

The following new standards and interpretations have been issued by the International Accounting Standards Board (IASB), which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

IFRS 1	First Time Adoption of International Financial Reporting Standards
IFRS 9	Financial Instruments
IFRS 14	Regulatory Deferral Accounts
IFRS 15	Revenue from Contracts with Customers
IFRS 16	Leases

The effects IFRS - 15 Revenue from Contract with Customers and IFRS 9 - Financial Instruments are still being assessed, as these new standards may have significant effect on the Modaraba's future financial statements.

The management anticipates that the adoption of the above standards and amendments in future periods will no material impact on the Modaraba's financial statements.

2.3 Applicability of International Accounting Standard 17 'Leases'

SECP vide its circular No.10 of 2004 dated February 13, 2004 has deferred, till further orders, the applicability of International Accounting Standard (IAS) 17 "Leases" on Modarabas with effect from July 1, 2003 and advised the management companies of Modarabas that they may continue to prepare the financial statements of the Modarabas without applying the requirements of the said IAS to the Modarabas. However, the requirements of the above IAS were considered for the purpose of preparation of these financial statements upto June 30, 2008. From July 1, 2008 all new leases are being accounted for in accordance with the requirements of IFAS 2 as explained in note 2.5. As allowed by the SECP, leases which were accounted for as finance lease in accordance with IAS 17 till June 30, 2008 continue to be accounted for as finance leases.

2.4 Islamic Financial Accounting Standard - 1

During the year ended June 30, 2005, the Securities and Exchange Commission of Pakistan notified the Islamic Financial Accounting Standard 1 issued by the Institute of Chartered Accountants of Pakistan relating to accounting for Murabaha transaction undertaken by a bank / financial institution, effective for financial periods beginning on or after January 1, 2006. The Modaraba adopted this standard effective from July 1, 2006

2.5 Islamic Financial Accounting Standard - 2

During the year ended June 30, 2008, Islamic Financial Accounting Standard 2 'Ijarah' issued by the Institute of Chartered Accountants of Pakistan which was notified by the Securities and Exchange Commission of Pakistan vide an SRO 431 (1) / 2007 dated May 5, 2007 was adopted. Under the above IFAS 2, the 'Ijarah' transactions are accounted for in the following manner:

- Mujir (lessors) shall present the assets subject to Ijarah in their balance sheet according to the nature of the asset, distinguished from the assets in own use.
- "Costs, including depreciation on the assets given on Ijarah, incurred in earning the Ijarah income shall be recognized as an expense."
- Ijarah income shall be recognized in income on an accrual basis as and when the rental becomes due, unless another systematic basis is more representative of the time pattern in which the benefit of the use derived from the leased asset is diminished.
- SECP, vide its letter No. SC/ M/ RW/ SCM /2009 dated March 9, 2009, allowed that in case of Modarabas, IFAS-2 shall be applied for Ijarah transactions executed on or after July 1, 2008.



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

2.6 Accounting convention

These financial statements have been prepared under the historical cost convention except that investments classified as financial assets 'at fair value through profit or loss' or 'available for sale' have been marked to market and certain staff retirement benefits are carried at present value of defined benefit obligation.

2.7 Functional and presentation currency

These financial statements are presented in Pak Rupees, which is Modaraba's functional currency.

2.8 Critical accounting estimates and judgments

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. The management makes estimates, judgments 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.

Significant accounting estimates and areas where judgments were made by management in the application of accounting policies are disclosed in note 3 & 41 to these financial statements.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented.

3.1 Cash and cash equivalents

Cash and cash equivalents in the statement of cash flows includes cash in hand, balance with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts / short term borrowings. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

3.2 Financial assets

3.2.1 Classification

The Modaraba classifies its financial assets in accordance with the requirements of International Accounting Standard 39 (IAS 39) Financial Instruments: Recognition and Measurement, except for the assets classified under Islamic Financial Accounting Standards, in the following categories: at fair value through profit or loss, loans and receivables, held to maturity and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this classification on a regular basis.

a) At fair value through profit or loss

Financial assets that are acquired principally for the purpose of generating profit from short term fluctuations in prices are classified as 'financial assets at fair value through profit or loss' category. The financial assets classified as at fair value through profit or loss included investments in listed equity securities.

b) Loans and receivables

These are non-derivatives financial assets with fixed or determinable payments that are not



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

quoted in an active market. The financial assets included in loans and receivables classification are cash and bank balances, Musawamah finance, Modaraba finance, net investment in finance lease and advances, deposits, prepayments and other receivables.

c) Held to maturity

These are investments with fixed or determinable payments and fixed maturity with the Modaraba having positive intent and ability to hold to maturity. These are measured at amortized cost.

d) Available for sale financial assets

Financial assets intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in equity prices, are classified as 'available for sale'. Available for sale financial instruments are those non-derivative financial assets that are designated as available for sale or are not classified as (a) loans and receivables (b) held to maturity (c) financial assets at fair value through profit or loss. The financial assets classified as 'available for sale' include investments in listed equity securities.

e) Investment in associates

The Modaraba considers its associate to be such in which the Modaraba have ownership of not less than twenty percent of the voting power and / or has significant influence through common directorship, but not control.

The Modaraba accounts for its investment in associate using the equity method. Under this method investment is initially recognized at cost, being the fair value of consideration given includes acquisition charges associated with such investments. Subsequently the investors' share in profit / loss of the Investee is recognized in profit and loss. Distributions received from the investee reduce the carrying amount of the investment. Adjustment to the carrying amount will also be made for changes in the investor's proportionate interest in the investee arising from changes in the investee's over comprehensive income.

Where Modaraba's share of loss of an associates equal or exceeds its interest in the associates, the Modaraba discontinue to recognize its shares of further losses except to the extent that Modaraba has incurred legal or constructive obligation or made payment on behalf of the associates. If the associates subsequently reports profits, the Company resumes recognizing its share of those profit only after its share of the profit equals the share of losses not recognized.

3.2.2 Initial recognition and measurement

Financial assets are initially recognised at fair value plus transaction costs except for financial assets carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs associated with these financial assets are taken directly to the profit and loss account.

3.2.3 Subsequent measurement

Subsequent to initial recognition, financial assets are valued as follows:

a) "Financial asset at fair value through profit or loss' & 'available for sale'

The investment in listed equity securities are marked to market using the closing market rates and are carried on the balance sheet at fair value.

Gains and losses arising from the difference between the carrying amount and the value determined in accordance with the criteria mentioned above in respect of financial assets at fair value through profit or loss are taken to the income statement.

Net gains and losses arising from the excess of value determined in accordance with the above mentioned criteria over the carrying amount in respect of 'available for sale' financial



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

assets are recognised in other comprehensive income until the 'available for sale' investment is derecognised. At this time, the cumulative gain or loss previously recognised in other comprehensive income is transferred to the profit and loss account.

The Modaraba accounts for its investment in associated undertakings using the equity method. Under this method Modaraba's share of the post acquisition profits and / or losses of the associate is recognised in the profit and loss accounts and its share of post acquisition movements in reserve is recognised in reserves. Where modaraba's share of losses of an associates equal or exceeds its interest in the associates, the modaraba discontinue to recognize its shares of further losses except to the extent that modaraba has incurred legal or constructive obligation or made payment on behalf of the associates. If the associates subsequently reports profits, the modaraba resumes recognizing its share of those profit only after its share of the profit equals the share of losses not recognised.

b) Loans and receivables' & 'held to maturity

Loans and receivables and held to maturity financial assets are carried at amortized cost.

3.2.4 Regular way contracts

All purchases and sales of securities that require delivery within the time frame established by regulation or market convention such as 'T+2' purchases and sales are recognised at the trade date. Trade date is the date on which the Modaraba commits to purchase or sell the assets.

3.2.5 Impairment

The management assesses at each balance sheet date whether there is objective evidence that the financial asset or a group of financial assets is impaired.

a) Financial assets classified as "held to maturity"

For loans and receivables, a provision for impairment is established when there is objective evidence that the Modaraba will not be able to collect all amounts due.

For financial assets carried at amortized cost, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The asset's carrying amount is reduced and the amount of the loss is recognised in the profit and loss account.

If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the profit and loss account.

b) Financial assets classified as 'available for sale'

In case of equity securities classified as 'available for sale', a significant or prolonged decline in the fair value of the security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for 'available for sale' financial assets, the cumulative loss measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss - is reclassified from equity and recognised in the profit and loss account. Impairment losses recognised on equity instruments are not reversed through profit and loss.

c) Financial assets classified under Islamic Financial Accounting Standards

In case of assets classified under Islamic Financial Accounting Standards, the assets shall be reviewed and provided for according to the time based criteria mentioned in the Prudential Regulations for Modarabas.



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

3.2.6 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial asset have expired or have been transferred and the Modaraba has transferred substantially all the risks and rewards of ownership.

3.2.7 Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the Statement of Assets and Liabilities when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the assets and settle the liabilities simultaneously.

3.2.8 Financial liabilities

All financial liabilities are recognised at the time when the Modaraba becomes a party to the contractual provisions of the instrument. They are initially recognised at fair value and subsequently stated at amortized cost.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired.

3.2.9 Receivable from terminated / matured contracts

These are stated net of impairment loss. Impairment loss is recognised for doubtful receivables on the basis of Prudential Regulations for Modarabas issued by the SECP or based on the judgment of management, whichever is higher. Bad debts are written off when identified.

3.2.10 Ijarah rentals , Musawamah finance and Modaraba finance

Ijarah rentals, musawamah finance and modaraba finance receivables are stated net of provisions and suspense income. Provision is recognised in accordance with Prudential Regulations for Modaraba. Bad debts are written off as and when identified.

3.3 Fixed assets - Tangible

3.3.1 Owned assets

Assets are stated at cost less accumulated depreciation except free hold land are stated at cost less any identified impairment. Cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the assets' carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Modaraba and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the profit and loss account during the period in which they are incurred.

Depreciation is charged to income applying the straight-line method whereby the cost of an asset is written-off over its estimated useful life. Depreciation is charged on additions from the month the asset is available for use and on disposals up to the month preceding the month of disposal.

Repairs and maintenance are charged to income as and when incurred.

3.3.2 Ijarah assets

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



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

3.3.3 Gain or loss on disposal

Gains / losses on disposal of fixed assets / ijarah assets are charged to the profit and loss account currently.

3.3.4 Impairment

The carrying values of assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists and where the carrying values exceeds the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount.

3.3.5 Intangible assets

Intangible assets having a finite useful life are stated at cost less accumulated amortization and accumulated impairment losses, if any. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only where it is probable that the future economic benefits associated with the asset will flow to the Modaraba and the cost of item can be measured reliably. Amortization is charged to income using the straight line method in accordance with the rates specified in note 1 3.1 to these financial statements after taking into account residual value, if any. The residual values, useful lives and amortization method are reviewed and adjusted, as appropriate, at each balance sheet date. Amortization is charged from the month the asset is available for use while in the case of assets disposed of, it is charged till the month preceding the month of disposal.

Intangible assets having an indefinite useful life are stated at cost less accumulated impairment losses, if any. These assets are not amortized as they are expected to have an indefinite life and are marketable.

Gain and loss on disposal of intangible assets, if any, are taken to the profit and loss account.

3.4 Loans, advances and other receivables

These are stated at cost less estimates made for doubtful receivables based on a review of all outstanding amounts at the balance sheet date. Balances considered bad and irrecoverable are written off when identified.

3.5 Taxation

3.5.1 Current

For items covered under final tax regime, provision is made according to the final tax rate provided in the Income Tax Ordinance, 2001 .

The income of modarabas, not being trading income, is exempt from tax provided that not less than 90% of their profits are distributed to the certificate-holders. The Modaraba has the policy to continue availing the tax exemption and hence no provision has been made in these financial statements for tax liability in the current year

3.5.2 Deferred

Deferred tax is recognised using the balance sheet liability method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts appearing in the financial statements. Deferred tax liability is recognised for all taxable temporary differences. Deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that the temporary differences will reverse in the future and taxable income will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax asset is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

The Modaraba has not recognised any amount in respect of deferred tax in these financial statements as the Modaraba intends to continue availing the tax exemption in future years by distributing at least 90% of its profits to its certificate holders.

3.6 Creditors, accrued and other liabilities

These are carried at cost, which is the fair value of the consideration to be paid in the future for goods and services.

3.6.1 Provisions

Provisions are recognised when the Modaraba has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

3.6.2 Staff retirement benefits

Unfunded gratuity scheme

The Modaraba operates an unfunded gratuity scheme for all eligible employees who have completed the minimum qualifying period of service. Annual contributions are made to the fund on the basis of actuarial recommendations. The actuarial valuations are carried out using The Projected Unit Credit method.

Contributions under the scheme are made to this fund on the basis of actuarial recommendation at per annum of basic salary and are charged to profit and loss account. The latest actuarial valuation for the scheme was carried out as at June 30, 2016. The amount recognized in balance sheet represents the present value of the defined benefit obligation using the Projected Unit Credit Method.

Following are the key assumptions of the actuarial valuation scheme:

-Discount rate	: 7.25% per annum (2015: 13 % per annum)
-Expected increase in eligible pay	: 6.25% per annum (2015: 12 % per annum)
-Average expected remaining working life time of employees	: 09 years (2015: 12 years)
-Number of employees	: 10 employees (2015: 11 employees)
-Expected mortality rates	: SLIC 2001 - 2005 Setback 1 year (2015: SLIC 2005 Setback 1 year)

Sensitivity analysis of key assumptions

	Impact on obligation of change in assumptions		
	Change in assumption	Increase in obligation	Decrease in obligation
Discount rate	1%	1,532,449	161,374
Salary increase rate	1%	1,542,911	141,123

3.6.3 Following risks are associated with unfunded gratuity scheme

Final salary risk (Linked to inflation risk) : The risk that final salary at the time of cessation of service is greater than what Modaraba assumed. Since the benefit is calculated on the final salary (which will closely reflect inflation and other macroeconomics factors), the benefit amount increases as salary increase.

Demographic risks

Mortality Risk : The risk that the actual mortality experience is different than the assumed mortality. This effect is more pronounced in scheme where the age and service distribution is on the higher side.



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

Withdrawal Risk : The risk of actual withdrawals experience is different from assumed withdrawal probability. The significance of the withdrawal risk varies with the age, service and the entitled benefits of the beneficiary.

3.7 Stock In trade

Stock of raw material, work in process and finished goods are valued principally at the lower of cost determined on the first in first out basis and net realizable value. Cost of raw materials and trading stock comprises the invoice values and other charges paid thereon. Cost of work in process and finished goods include prime cost and appropriate portion of manufacturing overheads. Items in transit are stated at invoice value plus other incidental charges paid thereon up to the balance sheet date.

Net realizable value signifies the estimated selling price in the ordinary course of business less estimated cost of completion and costs necessarily to be incurred to make the sales.

Packing materials are recorded at average cost.

3.8 Revenue recognition

3.8.1 Ijarah

Income on Ijarah is recognised on an accrual basis.

3.8.2 Non-performing ijarah lease

Unrealised income in respect of non-performing ijarah finance is held in suspense account, where necessary, in accordance with the requirements of Prudential Regulations for Modarabas issued by the SECP

3.8.3 Musharakah Finance

Profit on musharakah finance is recognised on the basis of pre-agreed profit / loss sharing ratio when actual gain / loss on transaction is computed upon termination / completion of transaction.

3.8.4 Musawamah Finance

Profit on musawamah finance is recognized on an accrual basis, whereas unrealized musawamah income is excluded from profit.

3.8.5 Dividend Income

Dividend income is recognised when the Modaraba's right to receive the dividend is established.

3.8.6 Return on deposit with bank

Return on deposit with bank is recognized on an accrual basis.

3.8.7 Segment reporting

As per IFRS 8, operating segments are reported in a manner consistent with the internal reporting used by the chief operating decision-maker. The Chief Executive of the Management Company has been identified as the chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments.

The Chief Executive is responsible for the Modaraba's entire product portfolio and considers the business to have a single operating segment. The Modaraba's asset allocation decisions are based on a single integrated investment strategy and the Modaraba's performance is evaluated on an overall basis.

Based on internal management reporting structure, services provided and products produced and sold, the Modaraba is organised into the following four operating segments:

- Trading
- Financing
- Investments
- ijarah



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

	Note	June 30, 2016 Rupees	June 30, 2015 Rupees
4. CASH AND BANK BALANCES			
With Cash in Hand		-	30,500
With banks in current accounts			
- Islamic Banks /Islamic Window operations		166,029	1,095,590
- Conventional Banks		948,438	645,284
With banks in PLS accounts			
- Islamic Banks /Islamic Window operations	4.1	23,092,425	40,547,796
- Conventional Banks		-	-
		<u>22,206,892</u>	<u>42,319,170</u>

4.1 These deposits accounts carry profit at rates ranging from 2.05% to 4.48% (2015:2.05% to 6.48%).

5. INVESTMENTS

5.1 SHORT TERM INVESTMENTS

At fair value through profit and loss

Shariah compliant

- Equity securities - listed	5.1.1	15,837,640	36,974,175
- Mutual funds - listed	5.1.2	7,110,947	13,582,570

Non - Shariah compliant

- Equity securities - listed		-	-
- Mutual funds - listed		-	-
		<u>22,948,587</u>	<u>50,556,745</u>

5.1.1 At the fair value through Profit & Loss Equity Securities-Listed

Name of investee company	Number of shares					Balance as at June 30, 2016		
	As at July 1, 2015	Purchases during the year	Bonus / right issue	Sales /write-offs during the year	As at June 30, 2016	Carrying cost	Market value	Appreciation/ (diminution)
Construction and Materials								
Attock Cement Pakistan Limited	-	5,000	-	5,000	-	-	-	-
Maple Leaf Cement Company Limited	-	5,000	-	5,000	-	-	-	-
Fauji Cement Company Limited	-	40,000	-	35,000	5,000	182,756	179,000	(3,756)
Pioneer Cement Limited	5,000	22,500	-	27,500	-	-	-	-
D.G. Khan Cement Limited	-	9,500	-	9,500	-	-	-	-
Cheart Cement Company Limited	-	2,000	-	2,000	-	-	-	-
Kohat Cement Company Limited	-	4,100	-	2,100	2,000	512,601	523,840	11,239
Sub total	5,000	88,100	-	86,100	7,000	695,357	702,840	7,483



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

Name of investee company	Number of shares				Balance as at June 30, 2016			
	As at July 1, 2015	Purchases during the year	Bonus / right issue	Sales /write-offs during the year	As at June 30, 2016	Carrying cost	Market value	Appreciation/ (diminution)
Oil & Gas Producers								
Attock Refinery Limited	3,000	-	-	3,000	-	-	-	-
Pakistan State Oil Limited	-	7,500	-	7,500	-	-	-	-
Pakistan Refinery Limited	1,500	-	12,000	1,500	12,000	318,728	494,160	175,432
National Refinery Limited	7,000	-	-	7,000	-	-	-	-
Hascol Petroleum Ltd.	-	52,500	-	52,500	-	-	-	-
Oil & Gas Development Co	-	2,000	-	2,000	-	-	-	-
Pakistan Petroleum Limited	20,500	2,000	-	9,200	13,300	2,114,014	2,062,165	(51,849)
Sub total	32,000	64,000	12,000	82,700	25,300	2,432,742	2,556,325	123,583
Gas Water & Multiutilities								
Sui Northern Gas Pipelines Limited	40,500	-	-	40,500	-	-	-	-
Sub total	40,500	-	-	40,500	-	-	-	-
General Industries								
Thal Limited	2,500	2,000	-	2,500	2,000	573,857	566,040	(7,817)
Packages Limited	-	400	-	400	-	-	-	-
Sub total	2,500	2,400	-	2,900	2,000.00	573,857	566,040	(7,817)
Power Generation & Distribution								
The Hub Power Company Limited	-	-	-	-	-	-	-	-
K-Electric Limited	70,000	120,000	-	190,000	-	-	-	-
Kot Addu Power Company Limited	2,500	5,000	-	7,500	-	-	-	-
Sub total	72,500	125,000	-	197,500	-	-	-	-
Automobile and Parts								
Ghandara Nissan Limited	-	4,500	-	4,500	-	-	-	-
Pak Suzuki Motors Company Limited	-	1,000	-	1,000	-	-	-	-
Honda Atlas Car (Pakistan) Limited	5,000	-	-	5,000	-	-	-	-
Sub total	5,000	5,500	-	10,500	-	-	-	-
Fixed Line Telecommunication								
Pakistan Telecommunication Company Limited	40,000	10,000	-	-	50,000	1,066,007	751,500	(314,507)
Sub total	40,000	10,000	-	-	50,000	1,066,007	751,500	(314,507)
Cable and Electrical Goods								
Pakistan Elecktronic Limited	-	12,500	-	5,000	7,500	668,017	484,875	(183,142)
Sub total	-	12,500	-	5,000	7,500	668,017	484,875	(183,142)
Engineering								
Crescent Steel & Allied Products	15,000	-	-	15,000	-	-	-	-
Mughal Iran & Steel Industries Limited	-	2,500	-	-	2,500	173,767	167,975	(5,792)
Sub total	15,000	2,500	-	15,000	2,500	173,767	167,975	(5,792)



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

Name of investee company	Number of shares				Balance as at June 30, 2016			
	As at July 1, 2015	Purchases during the year	Bonus / right issue	Sales /write-offs during the year	As at June 30, 2016	Carrying cost	Market value	Appreciation/ (diminution)
Chemicals								
Fauji Fertilizer Bin Qasim Limited	130,000	25,000	-	155,000	-	-	-	-
Fatima Fertilizer Company Limited	-	5,000	-	5,000	-	-	-	-
Fauji Fertilizer Company Limited	98,000	88,500	-	124,500	62,000	6,889,198	7,112,640	223,442
Lotte Pakistan PTA Limited	200,000	10,000	-	168,500	41,500	442,977	249,415	(193,562)
Engro Corporation Ltd.	-	28,000	-	28,000	-	-	-	-
Engro Fertilizer Limited	5,000	48,500	-	10,000	43,500	3,022,067	2,804,715	(217,352)
Ghani Gases Limited	20,000	5,000	-	25,000	-	-	-	-
Tariq Glass Limited	-	1,500	-	1,500	-	-	-	-
Dawood Hercules Chemicals Ltd.	-	5,000	-	5,000	-	-	-	-
Sub total	453,000	216,500	-	522,500	147,000	10,354,242	10,166,770	(187,472)
Pharma and Bio Tech								
Searle Company Limited	-	3,100	-	3,000	100	41,545	53,615	12,070
Sub total	-	3,100	-	3,000	100	41,545	53,615	12,070
Sugar and Allied								
Faran Sugar Mills Ltd.	-	10,000	-	10,000	-	-	-	-
Sub total	-	10,000	-	10,000	-	-	-	-
Personal Goods(Textiles)								
Nishat Mills Limited	7,500	8,000	-	15,000	500	60,091	53,950	(6,141)
Artistic Denim Mills Limited	5,000	-	-	-	5,000	595,823	333,750	(262,073)
Sub total	12,500	8,000	-	15,000	5,500	655,914	387,700	(268,214)
	678,000	547,600	12,000	990,700	246,900	16,661,448	15,837,640	(823,808)

5.1.2 Mutual funds - listed

Units of Mutual Funds								
Meezan Islamic Fund - Growth Units	69,180	2,654	-	70,000	1,834	42,173	121,447	79,274
Meezan Balance Fund	174,134	-	-	174,134	-	-	-	-
Al-Ameen Islamic Active Allocation Plan-1	9,232	162	-	-	9,394	972,178	1,016,520	44,341
First Habib Islamic Balanced Fund	57,712	-	-	-	57,712	4,673,100	5,972,980	1,299,880
	310,258	2,816	-	244,134	68,940	5,687,451	7,110,947	1,423,495

Total Listed securities

- At Fair value through Profit & Loss	988,258	550,416	12,000	1,234,834	315,840	22,348,899	22,948,587	599,687
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5.1.3 Unrealised gain / (loss) on re-measurement of investments at fair value through profit or loss

	June 30, 2016 Rupees	June 30, 2015 Rupees
Market Value as at	22,948,587	50,556,745
Cost of investment	22,348,899	44,455,858
Unrealised gain on investment as at year ended	599,688	6,100,888
Unrealised gain on investment at the beginning of the year	6,100,888	2,559,531
Loss realised on disposal during the year	(4,830,726)	(1,258,358)
Unrealised gain on investment for the year ended	(670,474)	4,799,715



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

		June 30, 2016 Rupees	June 30, 2015 Rupees
5.2 Long-term investments			
Investment in Associates	5.2.1	8,256,651	8,328,828
Available for Sale			
Equity securities - listed AFS			
Shariah compliant			
- Equity securities - listed	5.2.2	27,585,291	12,415,841
- Mutual funds - listed	5.2.3	3,992,215	6,916,990
Non - shariah compliant			
- Equity securities - listed		-	-
- Mutual funds - listed		-	-
		<u>39,834,157</u>	<u>27,661,659</u>

5.2.1 Investment in Associate

Opening balance	8,328,828	7,493,454
Share of incremental depreciation	32,660	330,890
Share of comprehensive income	21,502	22,023
Share of profit/loss of associate	273,859	603,736
	328,021	956,649
Dividend income	(400,198)	(121,275)
	<u>8,256,651</u>	<u>8,328,828</u>

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

June 30 2016	June 30 2015
Al-Noor Sugar Mills Ltd	Al-Noor Sugar Mills Ltd
Rupees in '000	Rupees in '000
204,737	204,737
10,333,313	10,670,613
7,702,193	8,029,646
2,631,120	2,640,967
3,315,849	2,471,588
76,614	197,155
Rupees	Rupees
121,275	121,275
1,623,000	1,623,000
0.59%	0.59%
5,688,000	6,048,000
1,617,312	(4,425,000)
31-Mar-16	31-Mar-15
30-Sep	30-Sep



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

5.2.2 Available for sale Equity securities - listed

Name of investee company	Number of shares				Balance as at June 30, 2016			
	As at July 1, 2015	Purchases during the year	Bonus / right issue	Sales /write-offs during the year	As at June 30, 2016	Carrying cost	Market value	Appreciation/ (diminution)
Fully paid ordinary shares of Rs 10 each unless stated otherwise								
Equity Investment Instruments								
First National Bank Modaraba	5,000	-	-	5,000	-	-	-	-
First Habib Modaraba	4,500	-	-	-	4,500	36,646	47,250	10,604
First Imrooz Modaraba	500	1,000	-	-	1,500	143,179	172,500	29,321
Allied Rental Modaraba	3,000	6,367	-	-	9,367	286,875	229,241	(57,634)
Standard Chartered Modaraba	11,550	-	-	11,550	-	-	-	-
Sub total	24,550	7,367	-	16,550	15,367	466,700	448,991	(17,709)
Construction and Materials								
Fauji Cement Company Limited	-	107,000	-	-	107,000	3,816,955	3,830,600	13,645
Power Cement Company Limited	-	29,500	-	-	29,500	270,027	260,750	(9,277)
Sub total	-	136,500	-	-	136,500	4,086,982	4,091,350	4,368
Fixed Line Telecommunication								
Worldcall Telecommunication Limited	15,000	-	-	15,000	-	-	-	-
Sub total	15,000	-	-	15,000	-	-	-	-
Automobile and Parts								
Al-Ghazi Tractors Limited	-	2,800	-	-	2,800	1,254,299	1,181,684	(72,615)
Hinopak Motors Limited	-	150	-	-	150	162,043	143,855	(18,189)
Sub total	-	2,950	-	-	2,950	1,416,343	1,325,539	(90,804)
Food Industries								
Fauji Foods Limited	-	2,000	-	-	2,000	212,181	210,120	(2,061)
Sub total	-	2,000	-	-	2,000	212,181	210,120	(2,061)
General Industries								
Cherat Packages Limited	-	4,100	-	-	4,100	1,405,278	1,401,257	(4,021)
Sub total	-	4,100	-	-	4,100	1,405,278	1,401,257	(4,021)
Engineering								
Crescent Steel & Allied Products	-	5,000	-	-	5,000	577,458	573,050	(4,408)
Sub total	-	5,000	-	-	5,000	577,458	573,050	(4,408)
Chemicals								
Fauji Fertilizer Bin Qasim Limited	102,500	-	-	55,500	47,000	1,933,325	2,491,470	558,145
Engro Fertilizer Company Limited	-	6,000	-	-	6,000	433,723	386,880	(46,843)
Engro Corporation Limited	-	15,000	-	-	15,000	5,124,132	4,994,550	(129,582)
Fauji Fertilizer Company Limited	10,000	-	28,000	-	38,000	4,349,014	4,359,360	10,346
Sub total	112,500	21,000	28,000	55,500	106,000	11,840,194	12,232,260	392,066
Oil & Gas Producers								
Pakistan Petroleum Limited	11,000	1,000	-	-	12,000	2,362,593	1,859,519	(503,074)
Pakistan Oilfield Limited	7,000	6,000	-	-	13,000	4,921,675	4,517,240	(404,435)
Attock Petroleum Limited	-	1,000	-	-	1,000	434,223	437,540	3,317
Harsco Petroleum Limited	-	2,500	-	-	2,500	328,358	488,425	160,067
Sub total	18,000	10,500	-	-	28,500	8,046,849	7,302,724	(744,125)
	170,050	189,417	28,000	87,050	300,417	28,051,985	27,585,291	(466,695)
Mutual funds - listed								
Units of Mutual Funds								
Al-Ameen Islamic Principal Preservation Fund-IV Class A	24,915	664	-	-	25,579	2,530,587	2,761,072	230,485
Meezan Balance Fund	223,840	227	-	215,866	8,200	110,449	129,884	19,435
UBL AL-Ameen Islamic Active Allocation Plan - 1	10,001	176	-	-	10,177	1,053,194	1,101,259	48,065
	258,756	1,067	-	215,866	43,956	3,694,230	3,992,215	297,985
Total Listed securities - AFS	428,806	190,484	28,000	302,916	344,373	31,746,215	31,577,506	(168,710)



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

	Note	June 30, 2016 Rupees	June 30, 2015 Rupees
5.2.4 Unrealized gain/(loss) on re-measurement of available of sale investment			
Market Value as at		31,577,506	19,332,831
Cost of investment		31,746,215	17,287,657
Unrealised gain / (loss) on investment as at year ended		(168,709)	2,045,174
Unrealised loss on investment at the beginning of the year		2,045,174	(26,100)
Gain realised on disposal during the year		46,503	-
Unrealised gain on investment for the year ended		(2,260,386)	2,071,274
6 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
6.1 Musawamah facility (Classified portfolio)			
	June 30, 2016 Balance outstanding	June 30, 2015 Balance outstanding	June 30, 2015 Provision held
			Provision held
			------(Rupees)-----
OAEM	25,000,000	-	-
Substandard	-	-	-
Doubtful	-	-	-
Loss	-	-	-
	25,000,000	-	-
6.2	This represent musawamah principal amount updated for the period of 90 days carried profit rate of 10% (June 2015: 10%) per annum. secured against hypothecation of current assets, demand promissory notes, personal guarantee of directors and pledge of stocks(raw cotton) . During the year, M/s Quetta Textile Mills Limited has defaulted and the Modaraba has filed a suit for recovery of principal and profit in banking court No. II. The legal advisor of the Modaraba are of the opinion that Modaraba has reasonable chances of recovery of the defaulted amounts.		
7 PROFIT RECEIVABLE		June 30, 2016 Rupees	June 30, 2015 Rupees
Musawamah facility	6.2 & 7.1	-	312,603
Diminishing Musharakah		1,047,123	-
Sukuk		53,348	99,395
PLS bank account		68,859	113,387
		1,169,330	525,385
7.1	Provision against potential losses		
Musawamah facility		678,083	312,603
Less: Income suspended		(678,083)	-
		-	312,603
8. IJARAH RENTALS RECEIVABLE			
Ijarah rentals receivable - considered good		1,024,220	-
Less: allowance for potential Ijarah losses		-	-
		1,024,220	-
9. Stock in Trade			
Finished goods		-	24,793,445
In transit		267,790	267,790
less: Provision for slow moving stock		(267,790)	(267,790)
		-	24,793,445



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

	Note	June 30, 2016 Rupees	June 30, 2015 Rupees
10 INVESTMENT IN SUKUK CERTIFICATES - Held to Maturity			
Investment in Sukuk Certificates	10.1	4,642,857	5,000,000
Less: Principal Repaid		(714,286)	(357,143)
Less: Current portion of Investment in Sukuk Certificates		(1,428,572)	(714,286)
		<u>2,499,999</u>	<u>3,928,571</u>
10.1	This represent sukuk certificates of Albaraka Bank (Pakistan) Limited carrying profit similar to base rate of six months of KIBOR + 1.25% (June 2015: KIBOR + 1.25%) receivable in 14 equal installments maturity September, 2021.		
11 ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES			
Advances - considered good			
- Suppliers		500,000	7,187,499
- Employees		647,000	965,000
Prepayments		4,690,541	4,845,928
Others		8,420,703	134,915
Dividend receivable		242,552	450,520
Sales tax receivable	18.1	1,246,572	591,517
		<u>15,747,368</u>	<u>14,175,379</u>
12 TAXATION			
12.1	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 has taxable losses in previous years, income tax expense of 2015 amounting to Rs.173,523 were the tax deducted as final on the remittance received from the import / export of goods.		
	Note	June 30, 2016 Rupees	June 30, 2015 Rupees
12.2	Income tax refundable	1,065,719	2,314,738
	Income tax adjusted / deducted at source	1,685,251	(241,281)
		<u>2,750,970</u>	<u>2,073,457</u>
13 LONG TERM DEPOSITS			
National Commodities Exchange Limited		2,500,000	2,500,000
Security Deposit-N.C.E.L.-Office Space		850,000	850,000
Guarantee Margin - MCB		440,000	440,000
Mobile Phone - Pakistan Mobile Comm.		12,489	12,489
Mobile Phone - Warid Telecom		7,000	7,000
Security Deposit- CDC Pakistan Ltd.		37,500	37,500
		<u>3,846,989</u>	<u>3,846,989</u>



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

	Note	June 30, 2016 Rupees	June 30, 2015 Rupees
14 LONG TERM PORTION OF INVESTMENT IN DIMINISHING MUSHARAKAH (Syndicate)			
Diminishing Musharakah	14.1	60,000,000	-
Less: Current portion of investment in diminishing musharakah		(3,750,000)	-
Long term portion of investment in diminishing musharakah		<u>56,250,000</u>	
14.1	This represents Syndicate diminishing musharakah facility to Spud Energy PTY Limited through Albaraka Bank (Pakistan) Limited being the lead arranger, advisor and participant during the year carrying profit equal to the rate of three months KIBOR + 1.25% (June 2015: nil) receivable in 16 quarterly equal installments from April 2017 to till January, 2021. with one year grace period.		
15 IJARAH ASSETS			
Machinery		269,562	2,355,431
Vehicles		131,744,489	95,552,513
Others		12,210,413	18,969,413
	15.1	<u>144,224,464</u>	<u>116,877,357</u>

15.1 The following is a statement of ijarah assets:

	-----Year ended June 30, 2016-----			
	Ijarah Assets			
	Machinery & Equipments	Motor Vehicles	Others	Total
At July 01, 2015				
Cost	7,233,400	138,481,900	30,040,000	175,755,300
Accumulated depreciation	(4,877,969)	(42,929,387)	(11,070,587)	(58,877,943)
Net book value	<u>2,355,431</u>	<u>95,552,513</u>	<u>18,969,413</u>	<u>116,877,357</u>
Additions	-	93,646,500	-	93,646,500
Disposals				
Cost	(5,674,600)	(37,161,000)	-	(42,835,600)
Depreciation	5,088,324	30,618,358	-	35,706,682
	(586,276)	(6,542,642)	-	(7,128,918)
Depreciation / amortisation charge for the year	(1,499,593)	(50,911,882)	(6,759,000)	(59,170,475)
Closing net book value	<u>269,562</u>	<u>131,744,489</u>	<u>12,210,413</u>	<u>144,224,464</u>
At June 30, 2016				
Cost	1,558,800	194,967,400	30,040,000	226,566,200
Accumulated depreciation	(1,289,238)	(63,222,911)	(17,829,587)	(82,341,736)
Net book value	<u>269,562</u>	<u>131,744,489</u>	<u>12,210,413</u>	<u>144,224,464</u>



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

-----Year ended June 30, 2015-----				
Ijarah Assets				
	Machinery & Equipments	Motor Vehicles	Others	Total
At July 01, 2014				
Cost	11,064,836	83,156,400	42,500,000	136,721,236
Accumulated depreciation	(6,831,464)	(30,466,080)	(6,387,180)	(43,684,724)
Net book value	4,233,372	52,690,320	36,112,820	93,036,512
Additions	1,558,800	77,190,500	12,540,000	91,289,300
Disposals				
Cost	(5,390,236)	(21,865,000)	(25,000,000)	(52,255,236)
Depreciation	4,513,852	17,851,383	18,758,333	41,123,568
	(876,384)	(4,013,617)	(6,241,667)	(11,131,668)
Depreciation / amortisation charge for the year	(2,560,357)	(30,314,690)	(23,441,740)	(56,316,787)
Closing net book value	2,355,431	95,552,513	18,969,413	116,877,357
At June 30, 2015				
Cost	7,233,400	138,481,900	30,040,000	175,755,300
Accumulated depreciation	(4,877,969)	(42,929,387)	(11,070,587)	(58,877,943)
Net book value	2,355,431	95,552,513	18,969,413	116,877,357

	Note	June 30, 2016 Rupees	June 30, 2015 Rupees
16. FIXED ASSETS IN OWN USE			
Tangible assets		2,951,895	2,745,538
Intangible assets		2	5,428
		2,951,897	2,750,966

16.1 The following is a statement of fixed assets:

-----Year ended June 30, 2016-----							
-----Tangible assets-----					Total Tangible Assets	Intangible	Total fixed Assets in use
Computer equipment	Office equipment and appliances	Furniture and Fixtures	Motor Vehicles	Computer software			
-----Rupees-----							
At July 01, 2015							
Cost	937,560	365,615	93,494	4,788,415	6,185,084	253,000	6,438,084
Accumulated depreciation / amortisation	(898,516)	(180,917)	(66,451)	(2,293,662)	(3,439,546)	(247,572)	(3,687,118)
Net book value	39,044	184,698	27,043	2,494,753	2,745,538	5,428	2,750,966
Additions	159,320	273,458	628,110	864,411	1,925,299	-	1,925,299
Disposals							
Cost	-	(97,400)	-	(994,300)	(1,091,700)	-	(1,091,700)
Depreciation	-	83,346	-	761,744	845,090	-	845,090
	-	(14,054)	-	232,556	(246,010)	-	(246,610)
Depreciation / amortisation charge for the year	(49,583)	(131,898)	(34,382)	(1,256,469)	(1,472,332)	(5,426)	(1,477,758)
Closing net book value	148,718	312,204	620,771	1,870,139	2,951,895	2	2,951,897
At June 30, 2015							
Cost	1,096,880	541,673	721,604	4,658,526	7,018,683	253,000	7,271,683
Accumulated depreciation / amortisation	(948,099)	(229,469)	(100,833)	(2,788,387)	(4,066,788)	(252,998)	(4,319,786)
Net book value	148,781	312,204	620,771	1,870,139	2,951,895	2	2,951,897
Depreciation rate % per annum	30	30	10	20		30	



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

----- Year ended June 30, 2015 -----							
	----- Tangible assets -----				Total Tangible Assets	Intangible	Total fixed Assets in use
	Computer equipment	Office equipment and appliances	Furniture and Fixtures	Motor Vehicles		Computer software	
----- Rupees -----							
At July 01, 2014	-						
Cost	1,267,200	983,227	564,356	4,788,415	7,603,198	253,000	7,856,198
Accumulated depreciation / amortisation	(1,205,898)	(671,095)	(335,060)	(1,179,097)	(3,391,150)	(221,172)	(3,612,322)
Net book value	61,302	312,132	229,296	3,609,318	4,212,048	31,828	4,243,876
Additions	26,100	161,550	26,500	-	214,150	-	214,150
Disposals							
Cost	(355,740)	(779,162)	(497,362)	-	(1,632,264)	-	(1,632,264)
Depreciation	355,726	641,703	313,597	-	1,311,026	-	1,311,026
	(14)	(137,459)	(183,765)	-	(321,238)	-	(321,238)*
Depreciation / amortisation charge for the year	(48,344)	(151,525)	(44,988)	(1,114,565)	(1,359,422)	(26,400)	(1,385,822)
Closing net book value	39,044	184,698	27,043	2,494,753	2,745,538	5,428	2,750,966
At June 30, 2015							
Cost	937,560	365,615	93,494	4,788,415	6,185,084	253,000	6,438,084
Accumulated depreciation / amortisation	(898,516)	(180,917)	(66,451)	(2,293,662)	(3,439,546)	(247,572)	(3,687,118)
Net book value	39,044	184,698	27,043	2,494,753	2,745,538	5,428	2,750,966
Depreciation rate % per annum	30	30	10	20		30	

16.2 Disposals of Fixed Assets

The following assets were disposed of during the year:

	Cost	Accumulated depreciation	Net book value	Sale Proceeds	Gain / Loss on disposal	Mode of Disposal	Particulars of Buyers
	(Rupees)						
2 units of splits Air-Conditions Car AXX-569	97,400	83,346	14,054	24,432	10,378	Negotiation	Mr. Ahmed Ali
	994,300	761,744	232,556	650,000	417,444	Negotiation	Mr. Shakir Ismail
June 30, 2016	1,091,700	845,090	246,610	674,432	427,822		
June 30, 2015	-	-	-	-	-		

* Items having carrying value Rs. 321,238 were written off during the year.

	Note	June 30, 2016 Rupees	June 30, 2015 Rupees
17 SECURITY DEPOSITS			
Security deposits		36,381,301	29,868,911
Less: Repayable / adjustable after one year		(24,609,050)	(23,426,751)
Current maturity of security deposits		11,772,251	6,442,160



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

	Note	June 30, 2016 Rupees	June 30, 2015 Rupees
18 CREDITORS, ACCRUED AND OTHER LIABILITIES			
Creditors		4,394,227	1,275,742
Accrued expenses		1,772,691	3,207,366
Payable to management company	18.1	15,092	-
Clearing and forwarding charges		458,900	458,900
Takaful / Insurance		451,260	-
Advances from customers		3,636,524	3,242,874
Provision for Worker's Welfare Fund		393,771	391,367
Advance Ijarah rentals		4,431,380	2,609,652
Unclaimed profit distributions		1,138,152	1,085,356
		<u>16,691,997</u>	<u>12,271,257</u>
18.1	<p>"This includes Sindh sales tax on management fee payable amounting to Rs. 4,920/- (2015: Rs. Nil) as per the provisions of Sindh Sales Tax on Services Act, 2011. The said Act has been published as an Act of the Legislature of Sindh vide notification dated June 10, 2011. As per the advice obtained from the Tax consultant, the levy is effective from the date of amendment made in the Second Schedule through the Amendment Ordinance dated November 1, 2011. Due to the enforceability of the Act, the management fee payable to the Modaraba Management Company has come under the ambit of the Act."</p> <p>The levy has been recorded as Sales tax refundable on the basis of opinion received from the tax consultant advising that the excess input tax shall be adjustable against the output tax on other services subject to levy under Sindh Sales Tax on Services Act, 2011 and any excess input tax shall be refundable.</p>		
	Note	June 30, 2016 Rupees	June 30, 2015 Rupees
19 PROVISION FOR CUSTOM DUTY & SURCHARGE			
Custom duty / surcharges	18.1	<u>4,398,842</u>	<u>4,398,842</u>
19.1	<p>In a suit filed with the Honorable High Court of Sindh in the year 1994 - 95, Modaraba has disputed the amount of duty and surcharge levied by the Collector of Customs on import of 1,901.472 metric tons of edible oil imported from Singapore. The Honorable High Court rejected the appeal and ordered to deposit amount for the disputed amount of duty. The Modaraba has filed an appeal in the Honorable Supreme Court against the decision of the Honorable High Court. The Honorable Supreme Court in its interim order allowed the Modaraba to get release of goods for which Modaraba has provided bank guarantee of Rs. 4.4 million against 10% cash margin and hypothecation charge on current assets until the matter is decided. The Modaraba, however, has fully provided for the duty and surcharge of Rs. 4,398,842, as claimed by the Collector of Customs.</p>		
	Note	June 30, 2016 Rupees	June 30, 2015 Rupees
20 PROFIT PAYABLE			
Late payment & cheques return	20.1	267,268	113,864
Charity on dividend	20.2	207,319	113,662
		<u>474,587</u>	<u>227,526</u>
20.1	<p>This represents surcharge applied to customers due to late payment and cheques returned during the year. The management is required to donate the same for charitable purposes.</p>		
20.2	<p>This represents charity calculated on dividend income based on charity rate for shariah compliant shares under the directives as per circular 8 of 2012 issued by the Securities and Exchange Commission of Pakistan.</p>		



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

21 DEFERRED LIABILITY - STAFF GRATUITY

21.1 Staff Gratuity Scheme

As disclosed in note 3.6.2, the Modaraba operates an unfunded gratuity scheme for its permanent employees. The latest actuarial valuation was carried out as at June 30, 2016, using the Projected Unit Credit Method.

	Note	June 30, 2016 Rupees	June 30, 2015 Rupees
21.2 Liability recognised in the balance sheet:			
Present value of the defined benefit obligation		6,764,935	6,729,031
Less: Fair value of planned assets		-	-
Defined benefit liability recognized in the accounts		<u>6,764,935</u>	<u>6,729,031</u>
21.3 Changes in present value of defined benefit obligation:			
Obligation as at 1 July		6,729,031	5,423,164
Current service cost		581,958	600,856
Interest cost		743,929	705,011
Actuarial loss for the year		(91,134)	-
Experience adjustments		814,151	-
Benefits paid		(2,013,000)	-
Obligation as at 30 June		<u>6,764,935</u>	<u>6,729,031</u>
21.4 Amounts recognized in profit and loss account			
Current service cost		581,958	600,856
Interest cost		743,929	705,011
Expense recognized in P&L		<u>1,325,887</u>	<u>1,305,867</u>
21.5 Total remeasurements chargeable in other comprehensive income			
Actuarial loss for the year		(91,134)	-
Experience adjustments		814,151	-
Total remeasurement chargeable in other comprehensive income		<u>723,017</u>	<u>-</u>
21.6 Changes in Net Liability			
Balance as on 1 July		6,729,031	5,423,164
Expense recognized	21.4	1,325,887	1,305,867
Remeasurement chargeable in other comprehensive income	21.5	723,017	-
Payments during the year	21.3	(2,013,000)	-
Balance payable transferred to short term liability		-	-
Company's liability at 30 June		<u>6,764,935</u>	<u>6,729,031</u>

21.7 Five years comparison

	June 30.....				
	2016	2015	2014	2013	2012
Present value of defined benefit obligation	6,764,935	6,729,031	5,423,164	3,980,581	2,842,051
	For the year ended June 30.....				
	2016	2015	2014	2013	2012
Experience Adjustments arising on plan liabilities (gain) / losses	723,017	-	(672,041)	229,131	32,552



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

22. CERTIFICATE CAPITAL

Authorised certificate capital 2016	2015		June 30, 2016	June 30, 2015
No. of Certificates			Rupees	Rupees
<u>40,000,000</u>	<u>40,000,000</u>	Modaraba certificate of Rs. 10 each	<u>400,000,000</u>	<u>400,000,000</u>
Issued, subscribed & paid-up capital				
		"Modaraba certificates of Rupees 10 each		
<u>20,000,000</u>	<u>20,000,000</u>	fully paid-up in cash"	<u>200,000,000</u>	<u>200,000,000</u>
<u>1,000,000</u>	<u>1,000,000</u>	"Modaraba certificates of Rs.10 each	<u>10,000,000</u>	<u>10,000,000</u>
<u>21,000,000</u>	<u>21,000,000</u>	issued as fully paid bonus certificates	<u>210,000,000</u>	<u>210,000,000</u>

- 22.1 As at 30 June 2016, Al-Noor Modaraba Management (Private) Limited (the Management Company) held 4,200,000 certificates (2014: 4,200,000 certificates), as required under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980.

23 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 23,506 (2015: Rs Nil as Modaraba has incurred loss.)

24 CONTINGENCIES AND COMMITMENTS

There are no known contingencies at the balance sheet date.

25	(LOSS)/PROFIT FROM TRADING OPERATIONS	Note	June 30, 2016 Rupees	June 30, 2015 Rupees
	Sales	25.1	47,958,677	191,710,423
	Cost of Sales	25.2	51,175,105	211,377,328
	(Loss)		(3,216,428)	(19,666,905)
25.1	Sales			
	Local		47,958,677	185,352,679
	Export		-	6,357,744
	Sales		47,958,677	191,710,423
25.2	Cost of Sales			
	Opening stock		25,061,235	124,593,784
	Purchases		26,381,660	111,291,208
			51,442,895	235,884,992
	Export expenses		-	553,571
			51,442,895	236,438,563
	Less: closing stock		(267,790)	(25,061,235)
	Cost of sales		51,175,105	211,377,328



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

26	INCOME FROM IJARAH	Note	June 30, 2016 Rupees	June 30, 2015 Rupees
	Ijarah income		77,481,626	71,989,901
	Less: Depreciation of ijarah assets		(59,170,475)	(56,316,787)
			<u>18,311,151</u>	<u>15,673,114</u>
27	INCOME FROM INVESTMENTS			
	Gain on sale of marketable securities - net		2,763,374	3,671,230
	Dividend income	27.1	3,572,267	2,976,403
	Gain on Sukuk Certificates		298,519	382,798
	Profit on COII -(Meezan Bank Ltd.)		-	65,842
	Profit on Barkat Islamic Certificates-Faysal Bank		-	108,712
			<u>6,634,160</u>	<u>7,204,985</u>
27.1	Dividend income			
	Dividend income - Equity securities listed	27.1.1	3,258,974	2,976,403
	Dividend income - Mutual Fund	27.1.2	313,293	-
			<u>3,572,267</u>	<u>2,976,403</u>
27.1.1	Dividend income - Equity securities listed			
	Engro Fertilizer Company Limited		37,175	-
	Pakistan State Oil Company Limited		-	1,457,264
	Fauji Cement Company Limited		69,435	-
	Fauji Fertilizer Company Limited		1,090,208	2,495
	Meezan Bank Limited		-	9,083
	Maple Leaf Cement Company Limited		-	33,292
	Kot Addu Power Company Limited		11,875	88,200
	Kohat Cement Company Limited		12,274	-
	Attock Cement Pakistan Limited		51,324	-
	Pioneer Cement Limited		88,344	-
	Cherat Cement Company Limited		-	39,460
	Pakistan Oilfields Company Limited		392,850	-
	Oil & Gas Development Limited		3,000	-
	Nishat Mills Limited		66,278	40,000
	Artistic Denim Mills Limited		20,000	-
	Faran Sugar Mills Limited		67,357	-
	Pakistan Telecommunication Company Limited		97,660	13,706
	Archroma Pakistan Limited		-	867,197
	Indus Motor Company Limited		-	265,192
	Fauji Fertilizer Bin Qasim Limited		696,679	-
	Pakistan Petroleum Limited		194,107	24,898
	Hascol Petroleum Limited		43,566	-
	Al-Ghazi Tractors Limited		24,053	-
	Hinopak Motors Limited		13,413	-
	Engro Corporation Limited		34,559	-
	Dawood Hercules Corporation Limited		92,163	-
	Honda Atlas Cars (Pakistan) Limited		-	12,493
	Pak - Electron Limited		6,246	-
	First Habib Bank Modaraba		4,980	29,592
	First National Bank Modaraba		-	18,452
	Agriauto Industries Company Limited		-	11,990
	Thal Limited		21,276	39,600
	Ghani Glass Limited		-	1,998
	Standard Chartered Modaraba		38,115	9,993
	Ferozsons Laboratories Limited		-	2,500
	Hub Power Company Limited		-	9,000
	First Imrooz Modaraba		4,500	-
	Allied Rental Modaraba		7,200	-
	Crescent Steel & Allied Product Limited		750	-
	National Refinery Limited		69,587	-
			<u>3,258,974</u>	<u>2,976,403</u>



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

27.1.2 Dividend income - Mutual Fund

Meezan Balance Fund	4,784	-
Meezan Islamic Fund Growth Limited	5,202	-
UBL Al Ameen Islamic Principal Preservation Fund IV	80,975	-
UBL Al Ameen Islamic Active Allocation Plan	28,997	-
First Habib Islamic Balanced Fund	193,335	-
	<u>313,293</u>	<u>-</u>

28 ADMINISTRATIVE AND OPERATING EXPENSES

Salaries and other staff benefits	28.1	11,135,600	12,776,707
Rent, rates and taxes		761,814	1,780,647
Postage and telephone		265,649	292,093
Printing and stationery		365,592	345,313
Fee and subscription		1,066,847	1,449,196
Legal and professional charges		1,267,135	735,409
Traveling and conveyance		48,445	82,186
Entertainment		201,323	190,186
Repair and maintenance		2,130,625	2,016,375
Electricity and other utility charges		600,000	656,000
Depreciation		1,477,758	1,385,822
Auditor's remuneration	28.3	507,200	396,600
Advertisement and publicity		182,963	137,300
Zakat		3,000	925
Storage and transportation charges		78,501	425,776
Takaful	28.2	4,984,137	4,454,471
Commission		195,407	119,655
Others expenses		201,179	863,113
		<u>25,473,175</u>	<u>28,107,773</u>

28.1 This includes Rs. 1,325,887 (2015: Rs. 1,305,867) in respect of staff retirement benefits.

28.2 This includes Rs. 4,689,246/- (2015: Rs. 3,626,686/-) in respect Takaful for Ijarah assets

28.3 Auditors remuneration

Audit fee	320,500	250,000
Half yearly review	132,250	75,000
Out-of-pocket expenses	54,450	63,475
	<u>507,200</u>	<u>388,475</u>

29 FINANCIAL AND OTHER CHARGES

Bank charges	7,700	47,042
Guarantee commission	-	80,822
	<u>7,700</u>	<u>127,864</u>

30 OTHER INCOME

Profit on bank deposits	30.1	1,746,178	1,861,697
Foreign exchange difference		-	(516)
Profit on disposal of fixed asset	16.2	427,822	-
Takaful		198,416	-
Documentation charges		110,264	108,282
Termination charges		25,385	133,664
Miscellaneous income		65,607	4,092
		<u>2,573,672</u>	<u>2,107,219</u>



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

30.1 This represents profit from PLS accounts, maintained with Islamic banks at the rates ranging from 2.05% to 4.48% (2015: 2.09% to 6.48%).

31 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.

32 WORKERS 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 year, the management has made a provision of Rs. 2,404 (2015: Rs. Nil) in respect of this liability."

	Note	June 30, 2016 Rupees	June 30, 2015 Rupees
33 INCOME TAX EXPENSES			
Current tax	12.1	-	173,523
33.1 Relation between tax expenses and accounting profit			
Accounting profit for the current year		117,799	-
Tax on income @ 25% (2015: 25%)		29,450	-
Tax effect off - exempt income		(177,048)	-
		-	-
34 EARNING PER CERTIFICATE - Basic and Diluted			
Profit for the year		117,799	(14,533,021)
Weighted average number of certificates		Numbers 21,000,000	Numbers 21,000,000
Earning per certificate - basic and diluted		0.01	(0.69)

There is no dilutive effect on the basic earnings per share of the Modaraba, since there are no convertible instruments in issue as at June 30, 2015 and June 30, 2016 which would have any effect on the earnings per share if the option to convert is exercised.



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

	Note	June 30, 2016 Rupees	June 30, 2015 Rupees
35 CASH FROM OPERATIONS AFTER WORKING CAPITAL CHANGES			
Profit/(Loss) before taxation		117,799	(14,359,458)
Adjustments for:			
Gain on sale of investment in listed securities	27	(2,763,374)	(3,671,230)
Dividend income	27	(3,572,267)	(2,976,403)
Income on musawamah facility		(661,371)	(3,154,275)
Income on diminishing musharakah		(1,047,123)	-
Gain on Sukuk Certificates	27	(298,519)	(382,798)
Loss/(Profit) on disposal of fixed assets	16	(427,822)	-
Assets written off		-	321,238
Profit on bank deposits	30.1	(1,746,178)	(1,861,697)
Profit on COII -(Meezan Bank Ltd.)		-	(65,842)
Profit on Barkat Islamic Certificates-Faysal Bank		-	(108,712)
Financial charges		7,700	127,864
Depreciation - owned assets	16.1	1,472,332	1,359,422
Depreciation - Ijarah assets	15.1	59,170,475	56,316,787
Amortization of intangible assets	16.1	5,426	26,400
Provision for gratuity		1,325,887	1,305,867
Share of profit from Associate	5.3.1	(273,859)	(603,736)
Unrealized loss/(gain) on re measurement of investments in listed securities	5.1.2	670,474	(4,799,715)
		51,861,781	41,833,170
Operating profit before working capital changes		51,979,580	27,473,672
(Increase)/Decrease in current assets			
Stock in trade	9	24,793,445	99,532,549
Bill receivable		-	1,697,587
Profit receivable	7	(643,945)	173,941
Ijarah Rental receivable		(1,024,220)	108,789
Trade Debtors-considered good and unsecured		34,505,383	(12,212,633)
Advances, deposits, prepayments and other receivables	11	(1,124,902)	(5,075,440)
		56,505,761	84,224,793
Increase/(Decrease) in current liabilities			
Creditors, accrued and other liabilities	18	4,420,740	(885,805)
Profit payable	20	247,061	(113,878)
		4,667,801	(999,683)
Cash flow from operating activities		113,153,142	110,698,782
36 CASH AND CASH EQUIVALENTS			
Cash and bank balances	4	24,206,892	42,319,170
		24,206,892	42,319,170



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

37 FINANCIAL INSTRUMENTS BY CATEGORY

	As at June 30, 2016				
	Loans and receivables	Assets at fair value through profit & loss	Available for sale	Held to maturity	Total
FINANCIAL ASSETS					
Cash and cash equivalent	24,206,892	-	-	-	24,206,892
Investments	-	22,948,587	-	-	22,948,587
Long term deposits	3,846,989	-	-	-	3,846,989
	28,053,881	22,948,587	-	-	51,002,468

	June 30, 2016			
	----Rupees----			
FINANCIAL LIABILITIES				
Security deposits				36,381,301
Creditors, accrued and other liabilities				16,298,226
Profit payable				474,587
Deferred liabilities - staff gratuity				6,764,935
				59,919,049

	As at June 30, 2015				
	Loans and receivables	Assets at fair value through profit & loss	Available for sale	Held to maturity	Total
FINANCIAL ASSETS					
Cash and cash equivalent	42,319,170	-	-	-	42,319,170
Investments	-	50,556,745	19,332,831	-	69,889,576
Bills receivable	-	-	-	-	-
Long term deposits	3,846,989	-	-	-	3,846,989
	46,166,159	50,556,745	19,332,831	-	116,055,735

	June 30, 2015			
	----Rupees----			
FINANCIAL LIABILITIES				
Security deposits				29,868,911
Creditors, accrued and other liabilities				11,879,890
Profit payable				227,526
Deferred liabilities - staff gratuity				6,729,031
				48,705,358



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

38 FINANCIAL RISK MANAGEMENT

The Modaraba financed its operations entirely through equity during the year ended June 30, 2016. The Modaraba utilizes funds in ijarah financing, modaraba financing and musawamah financing and equity securities of listed entities. These activities are exposed to a variety of financial risks: market risk, credit risk and liquidity risk.

The Board of Directors of the Management Company has overall responsibility for the establishment and oversight of the Modaraba's risk management framework.

38.1 Market Risk

Market risk is the risk that the fair value or the future cash flows of a financial instrument may fluctuate as a result of changes in market interest rates or the market prices of securities due to change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market.

Market risk comprises of three types of risk: currency risk, interest rate risk and other price risk.

38.2 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Modaraba is not exposed to currency risk at the balance sheet date as there is no receivable balance in foreign currency (2015: Rs. Nil).

38.3 Profit rate risk

	Effective yield / profit rate	2016					Not exposed to yield / profit risk
		Total	Up to one month	Up to one month to 3 months	Over three months to one year	Over one year to five years	
	%						
Assets							
Bank balances	2.05% to 4.48%	23,258,454	23,092,425	-	-	-	166,029
Investments		55,671,797	-	-	-	-	55,671,797
Musawamah receivables - secured	10.00%	25,000,000	25,000,000	-	-	-	-
Diminishing Musharaka (Syndicate)		60,000,000	-	-	3,750,000	56,250,000	-
Investment in Sukuk certificates		-	-	-	-	-	-
Profit receivable	2.05% to 10.00%	1,169,330	68,859	53,348	1,047,123	-	-
Investment in Ijarah finance	14.5 % - 38.47 %	144,224,464	4,623,645	742,617	20,601,597	118,256,605	-
Ijarah rental receivable		1,024,220	1,024,220	-	-	-	-
Advances, deposits, prepayments and other receivables		15,747,368	-	-	-	-	15,747,368
Long-term Deposit		3,846,989	-	-	-	-	3,846,989
Total Financial Assets as at June 30, 2016		329,942,622	53,809,149	795,965	25,398,720	174,506,605	75,432,183
Liabilities							
Security deposits		36,381,301	-	-	-	-	36,381,301
Creditors, accrued and other liabilities		16,691,997	-	-	-	-	16,691,997
Profit payable		474,587	-	-	-	-	474,587
Deferred Liabilities - staff gratuity		6,764,935	-	-	-	-	6,764,935
Total Financial Liabilities as at June 30, 2016		60,312,820	-	-	-	-	60,312,820
Total yield / profit risk sensitivity gap			53,809,149	795,965	25,398,720	174,306,605	
Cumulative yield / profit risk sensitivity gap			53,809,149	54,605,114	80,003,835	254,510,440	



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

	Effective yield / profit rate	2015					Not exposed to yield / profit risk
		Total	Up to one month	Up to one month to 3 months	Over three months to one year	Over one year to five years	
					(Rupees)		
Assets							
Bank balances	2.05% to 6.48%	41,673,886	40,547,796	-	-	-	1,126,090
Investments		64,635,834	-	-	-	-	64,635,834
Musawamah receivables - secured	10% to 14%	25,000,000	25,000,000	-	-	-	-
Musharakah receivables - secured		-	-	-	-	-	-
Investment in Sukuk certificates		-	-	-	-	-	-
Profit receivable	2.05% to 14%	525,385	113,387	156,930	255,068	-	-
Investment in Ijarah finance	14.5 % - 38.47 %	116,877,367	2,079,797	1,965,775	6,924,613	105,907,182	-
Ijarah rental receivable		-	-	-	-	-	-
Advances, deposits, prepayments and other receivables		14,175,379	-	-	-	-	14,175,379
Long-term Deposit		3,846,989	-	-	-	-	3,846,989
Total Financial Assets as at June 30, 2015		266,734,840	67,740,980	2,122,705	7,179,681	105,907,182	83,784,292
Liabilities							
Security deposits		29,868,911	-	-	-	-	29,868,911
Creditors, accrued and other liabilities		12,271,257	-	-	-	-	12,271,257
Profit payable		227,526	-	-	-	-	227,526
Deferred Liabilities - staff gratuity		6,729,031	-	-	-	-	6,729,031
Total Financial Liabilities as at June 30, 2015		49,096,725	-	-	-	-	49,096,725
Total yield / profit risk sensitivity gap		67,740,980		2,122,705	7,179,681	105,907,182	
Cumulative yield / profit risk sensitivity gap		67,740,980		69,863,685	77,043,366	182,950,548	

Sensitivity analysis for financial instruments

The sensitivity of the net income for the year is the effect of the assumed changes in interest rates on the floating rate financial instruments held at the year end. Since the Modaraba has no floating rate financial instruments held at the year end, therefore it is not exposed to profit risk due to change in market profit rates.

38.4 Price Risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Modaraba is exposed to equity securities price risk because of investments held by the Modaraba and classified as 'available for sale' and "At fair value through profit and loss". To manage its price risk arising from investments in equity securities, the Modaraba diversifies its portfolio.

In case of 5% increase / decrease in KSE 100 index on June 30, 2016, other comprehensive income for the year would be affected by Rs. 1,578,875(2015: Rs 958,479) as a result of gains / losses on equity securities classified as 'available for sale' and profit and loss for the year would be affected by Rs. 1,147,429/- (2015: 2,525,752/-) as a result of gains / losses on equity securities classified as 'At fair value through profit and loss'.

The analysis is based on the assumption that the equity index had increased / decreased by 5% with all other variables held constant and all the Modaraba's equity instruments moved according to the historical correlation with the index. This represents management's best estimate of a reasonable possible shift in the KSE 100 Index, having regard to the historical volatility of the index. The composition of the Modaraba's investment portfolio and the correlation thereof to the KSE 100 index, is expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2016 is not necessarily indicative of the effect on the Modaraba's net assets of future movements in the level of the KSE 100 Index.



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

38.5 Credit risk

38.5.1 Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Modaraba is exposed to credit risk in respect of Musharakah, musawamah, modaraba and term deposit modaraba's.

Concentrations of credit risk arise when a number of counterparties are engaged in similar business activities, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of an entity's performance to developments affecting a particular industry.

The Modaraba attempts to control credit risk by diversification of financing activities to avoid undue concentration of credit risk with individuals or groups of customers in specific locations or businesses, monitoring credit exposures, limiting transactions to specific counterparties and continually assessing the credit worthiness of counterparties. It also obtains securities when appropriate.

The Modaraba follows two sets of guidelines. It has its own operating policy and the management of the Modaraba also adheres to the regulations issued by the SECP. The operating policy defines the extent of fund and non-fund based exposures with reference to a particular sector or group.

Out of the total financial assets of Rs. 354,643,129 (2015: Rs 356,160,363) the financial assets which are subject to credit risk amounted to Rs. 155,631,297 (2015: Rs 98,668,933). The management believes that the Modaraba is not exposed to major concentration of credit risk.

38.5.2 The analysis below summarises the credit quality of the Modaraba's financial assets:

	June 30, 2016 Rupees	June 30, 2015 Rupees
Bank balances		
A	-	14,757,494
AA	20,590,089	20,278,671
AA+	522,914	27,471
AAA	3,093,889	7,225,034

38.5.3 An analysis of the age of significant financial assets that are past due but not required to be impaired by applicable laws

	30 June 2016		30 June 2015	
	outstanding	overdue	outstanding	over due
Ijarah rental receivable	1,024,220	-	-	-
Trade debtors - unsecured	9,305,000	-	43,810,383	-

38.5.4 An analysis of the financial assets that are individually impaired as per the requirements of the Prudential Regulations for Modarabas are as under:

	As at 30 June 2016				
	OAEM	Substandard	Doubtful	Loss	Total
Musawamah receivable	25,000,000	-	-	-	25,000,000
	As at 30 June 2015				
	OAEM	Substandard	Doubtful	Loss	Total
Musawamah receivable	-	-	-	-	-



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

- Payments of Ijarah and Sukuk are not exposed to overdue because they are meeting their maturity dates of payments and payments are received as per schedule.

38.5.5 Concentration of credit risk

	2016		2015	
	Rupees	%	Rupees	%
Textile composite	25,000,000	16.53	25,779,550	23.07
Fuel and energy	66,109,049	43.72	6,572,995	5.88
Chemical and pharmaceutical	22,452,645	14.85	31,392,711	28.10
Food and allied industries	210,120	0.14	27,322,478	24.45
Others miscellaneous	37,431,400	24.76	20,664,865	18.49
	151,203,214	100.00	111,732,599	100.00

The Carrying amount of financial assets represents the maximum credit exposure before any credit enhancements. The maximum exposure to credit risk at the reporting date is:

	June 30, 2016 Rupees	June 30, 2015 Rupees
Musawamah facility - secured	25,000,000	25,000,000
Diminishing Musharakah - (Syndicate)	56,250,000	-
Profit receivable	1,169,330	525,385
Ijarah rental receivable	1,024,220	-
	83,443,550	25,525,385

38.6 Liquidity risk

Liquidity risk is the risk that the Modaraba will encounter difficulty in meeting its financial obligations as they fall due. Liquidity risk arises because of the possibility that the Modaraba will be required to pay its liabilities earlier than expected or will face difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. The Modaraba's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stress conditions, without incurring unacceptable losses or risking damage to the Modaraba's reputation.

The table below analyses the Modaraba's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

As at 30 June 2016			
Total	Upto three months	More than three months & upto one year	
----- Rupees -----			
Current liabilities			
Current maturity of security deposits	11,772,251	-	11,772,251
Creditors, accrued and other liabilities	16,691,997	8,067,904	8,624,093
Total Current liabilities	28,464,248	8,067,904	20,396,344
Total	Upto three months	More than three months and upto one year	More than one year
----- Rupees -----			
Non-Current liabilities			
Security deposits	24,609,050	-	24,609,050
Deferred liabilities - staff gratuity	6,764,935	-	6,764,935
Total Non-Current liabilities	31,373,985	-	31,373,985
59,838,233	8,067,904	20,396,344	31,373,985



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

	As at 30 June 2015		
	Total	Upto three months	More than three months & upto one year
	----- Rupees-----		
Current liabilities			
Current maturity of security deposits	6,442,160	-	6,442,160
Creditors, accrued and other liabilities	12,271,257	5,852,526	6,418,731
Total Current liabilities	18,713,417	5,852,526	12,860,891
	----- Rupees-----		
Non-Current liabilities			
Security deposits	23,426,751	-	23,426,751
Deferred liabilities - staff gratuity	6,729,031	-	6,729,031
Total Non-Current liabilities	30,155,782	-	30,155,782
	48,869,199	5,852,526	12,860,891
	30,155,782		

38.7 Fair value of financial assets and liabilities

The carrying value of all financial assets and liabilities reflected in the financial statements approximate their fair values.

Effective July 1, 2009, the Modaraba adopted the amendments to IFRS 7 for financial instruments that are measured in the balance sheet at fair value. This requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly
(that is, as prices) or indirectly (that is, derived from prices) (level 2)
- Inputs for the assets or liability that are not based on observable market data (that is, unobservable input) (level 3).

Presently, the modaraba have equity instruments which are disclosed at level 1 of fair value hierarchy.

39 CAPITAL RISK MANAGEMENT

The Modaraba's prime objective when managing capital is to safeguard its ability to continue as a going concern in order to provide adequate returns for certificate-holders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

Consistent with others in the industry, the Modaraba monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total Certificate of Musharakah and borrowings less cash and bank balances. Total capital is calculated as equity as shown in the balance sheet plus net debt. The Modaraba has no borrowing at the year end.

40 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	June 30, 2016 Rupees	June 30, 2015 Rupees
40.1 Balance outstanding at year end			
Modaraba Management Company			
- Management fee	18.1	15,092	-
Associated undertakings			
- Guarantee commission accrued to MCB Bank Limited		-	105,380
- Sharing of common expense charged during the year with AI-Noor Sugar Mills Ltd.		300,000	150,000
Other related parties (other than key management personnel)			
- Contribution to staff gratuity fund	21.2	6,764,935	6,729,031
40.2 Transactions during the year			
Modaraba Management Company			
- Management fee	31	13,356	-
Associated undertakings			
- Guarantee commission accrued to MCB Bank Limited		-	77,440
- Sharing of common expense charged during the year with AI-Noor Sugar Mills Limited.		600,000	600,000
Other related parties (other than key management personnel)			
- Contribution to staff gratuity fund	21.4	1,305,867	1,305,867
Associated undertakings		No. of Shares	
- Bonus shares of AI-Noor Sugar Mills Limited		-	-



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

41 INFORMATION ABOUT BUSINESS SEGMENTS

	2016				
	Trading	Financing	Investment	Ijarah	Total
Segment revenue	47,958,677	1,708,494	6,634,160	77,481,626	133,782,957
Segment results	(3,216,428)	1,708,494	5,963,686	18,311,151	22,766,903
Unallocated corporate expenses					(25,480,875)
Other income					2,573,672
Share of profit from associate					273,859
Modaraba company's management fee					(13,356)
Provision for worker's welfare fund					(2,404)
Income taxes	-				-
Profit for the year					117,799
OTHER INFORMATION					
Capital expenditure	-	-	-	93,646,500	93,646,500
Depreciation and amortization	-	-	-	(59,170,475)	(59,170,475)
ASSETS AND LIABILITIES					
Segment assets		82,419,330	62,782,744	145,248,684	290,450,758
Unallocated corporate assets					66,487,687
Consolidated total assets					356,938,445
Segment liabilities	4,394,227	-	-	44,449,205	48,843,432
Unallocated corporate liabilities					15,868,230
Consolidated total liabilities					64,711,662

	2015				
	Trading	Financing	Investment	Ijarah	Total
Segment revenue	191,710,423	3,154,275	7,204,986	71,989,901	274,059,585
Segment results	(19,666,905)	3,154,275	12,004,700	15,673,114	11,165,184
Unallocated corporate expenses					(28,235,637)
Other income					2,107,219
Share of profit from associate					603,736
Modaraba company's management fee					-
Provision for worker's welfare fund					-
Income taxes	(173,523)				(173,523)
Profit for the year					(14,533,021)
OTHER INFORMATION					
Capital expenditure	-	-	-	91,289,300	91,289,300
Depreciation and amortization	-	-	-	(56,316,787)	(56,316,787)
ASSETS AND LIABILITIES					
Segment assets	24,793,445	25,411,998	78,218,404	116,877,357	245,414,591
Unallocated corporate assets					113,619,201
Consolidated total assets					359,033,792
Segment liabilities	1,275,742	22,021	-	35,721,437	37,019,200
Unallocated corporate liabilities					16,476,367
Consolidated total liabilities					53,495,567

The Above mentioned segments do not necessary match with the organization structure the Modaraba



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

42 ACCOUNTING ESTIMATES AND JUDGMENTS

The Modaraba reviews its loan portfolio of Ijarah, Musawamah and Modaraba financing to assess amount of non-performing contracts and provision required there against on a regular basis. The provision is made in accordance with the prudential regulations issued by the SECP (if any). The areas where various assumptions and estimates are significant to the Modaraba's financial statements or where judgment was exercised in application of accounting policies are as follows:

	Note
i) Musawamah finance	3.8.4 & 6
ii) Modaraba finance	3.8.3
iii) Determination and measurement of useful life and residual value of fixed assets and ijarah assets	3.3.2, 14 & 15

43 DISCLOSURE REQUIREMENTS FOR ALL SHARE ISLAMIC INDEX

Following information has been disclosed with reference to circular No.14 of 2016 dated April 21, 2016, issued by the Securities and Exchange Commission of Pakistan relating to "All Shares Islamic Index."

Description

- i) Loans and advances
- ii) Long term deposits
- iii) Segment revenue
- iv) Relationship with banks

Explanation

Non-interest bearing
Non-interest bearing
Product wise revenue disclosed
note no 41 Modaraba maintains
profit based banking relationships
with Islamic Banks/Bank Islamic
window operations.

- v) Bank balances

All profit yielding bank accounts
are maintained with Islamic Banks
/Bank Islamic window operations
whereas few of the current
accounts are also maintained with
conventional banking system
(note # 4)

- vi) Profit on bank deposits

This represents Profit, only from
Islamic Banks/Bank Islamic
window operations.

- vii) Breakup of dividend income-Company wise

Disclosed in note 27.1

- viii) All sources of their income

Disclosed in note 30

- ix) Exchange gain

Not applicable

- x) Gain/loss, regardless of realized or unrealized, from investments in shares/mutual funds.

Disclosed in note5



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

44 NON-ADJUSTING EVENT AFTER THE BALANCE SHEET DATE

The Board of Directors of the Management Company in their meeting held on September 28, 2016 have approved distribution at the rate of Nil percent (2015 : 5%) per certificate of Rs. 10 each.

45 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 28, 2016.

46 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/-
Director

Sd/-
Director



PATTERN OF HOLDINGS OF THE CERTIFICATES HELD BY THE CERTIFICATE HOLDERS AS AT JUNE 30, 2016

Number of Certificate Holders	Certificate Holding		Total Certificates Held
	From	To	
111	1	100	4,053
93	101	500	36,337
116	501	1,000	87,429
168	1,001	5,000	457,743
45	5,001	10,000	353,074
20	10,001	15,000	247,641
9	15,001	20,000	172,100
18	20,001	25,000	413,103
10	25,001	30,000	293,523
3	30,001	35,000	93,600
4	35,001	40,000	151,150
3	40,001	45,000	133,631
6	45,001	50,000	293,500
1	50,001	55,001	52,000
1	55,001	60,000	60,000
3	60,001	65,000	194,000
2	65,001	70,000	134,000
1	70,001	75,000	70,500
1	80,001	85,000	82,000
2	90,001	95,000	184,753
4	95,001	100,000	400,000
1	100,001	105,000	105,000
1	120,001	125,000	125,000
1	155,001	160,000	159,000
1	190,001	195,000	194,000
1	255,001	260,000	258,500
1	260,001	265,000	260,500
1	285,001	290,000	288,500
1	295,001	300,000	300,000
1	335,001	340,000	340,000
1	375,001	380,000	376,993
1	385,001	390,000	386,600
1	400,001	415,000	414,000
1	520,001	525,000	521,220
1	565,001	570,000	569,900
1	570,001	575,000	573,500
1	605,001	610,000	608,440
1	760,001	765,000	762,000
1	1,585,001	1,590,000	1,589,880
1	2,005,001	2,010,000	2,005,830
1	3,045,001	3,050,000	3,047,000
1	4,195,001	4,200,000	4,200,000
642			21,000,000



CATEGORIES OF CERTIFICATE HOLDING AS AT JUNE 30, 2016

Categories of Certificate Holders	Numbers	Certificate Held	Percentage %
BANKS DEVELOPMENT FINANCIAL INSTITUTIONS, NON BANKING FINANCIAL INSTITUTIONS			
National Development Finance Corporation Investar	1	2,400	
National Bank of Pakistan	1	580	
Bankers Equity Ltd (U/L)	1	2,005,830	
Sub Total		<u>2,008,810</u>	9.57
INSURANCE COMPANIES			
State Life Insurance Corporation of Pakistan	1	386,600	
The Premier Insurance Company of Pakistan Limited	1	500	
EFU General Insurance Limited	1	130	
Sub Total		<u>387,230</u>	1.84
ASSOCIATED COMPANIES, UNDERTAKING & RELATED PARTIES			
Reliance Insurance Company Limited	1	521,220	
Al-Noor Modaraba Management (Pvt) Ltd	1	4,200,000	
Sub Total		<u>4,721,220</u>	22.48
MODARABAS AND MUTUAL FUNDS			
CDC - Trustee National Investment (Unit)	1	608,440	
Sub Total		<u>608,440</u>	2.90
NIT AND ICP			
Investment Corporation of Pakistan	1	500	
Sub Total		<u>500</u>	0.00
FOREIGN INVESTORS			
Syed Munir Akbar	1	1,025	
Sub Total		<u>1,025</u>	0.00
OTHERS	18		
Saudi Pak Industrial and Agricultural		2500	
O.A. Managements		500	
Maple Leaf Capital Limited		1	
Pak Kuwait Investment Company (Pvt) Limited		100	
R.A. Managements		500	
Trustee National Bank of Pakistan Employ		94,573	
Trustee National Bank of Pakistan EMP BE		3,319	
Yasir Mahmood Securities (Pvt.) Limited		70,500	
O.A. Industries		500	
Ibrahim Garments		500	
Taurus Securities Limited		500	
Trust Securities and Brokerage Limited		100	
Rogasa holding		500	
Pakistan Services		500	
Darson Securities (Pvt) Limited		5000	
Sarfaraz Mahmood (Pvt) Limited		605	
Trustees Resource Development Foundation		10,000	
Pyramid Investments (Pvt) Limited		525	
Sub Total		<u>190,723</u>	0.91
INDIVIDUALS	613		
Local Individuals		13,082,052	
Sub Total		<u>13,082,052</u>	62.30
TOTAL:	642	21,000,000	100.00%

CERTIFICATES HOLDERS HOLDING FIVE PERCENT OR MORE VOTING INTEREST IN THE LISTED COMPANY

Al-Noor Modaraba Management (Pvt.) Ltd	---	4,200,000	20.00%
Atiqa Begum	---	3,047,000	14.51%
Bankers Equity (U/L)	---	2,005,830	9.55%
Ferozuddin A. Cassim	---	1,589,880	7.57%

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