

1ST QUARTERLY REPORT
September 30, 2017
(Un-audited)



FIRST AL-NOOR MODARABA

(An Islamic Financial Institution)

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Corporate Information

BOARD OF DIRECTORS

Non Executive Directors

Chairman

Mr. Ismail H. Zakaria

Directors

Mr. Yusuf Ayoob

Mr. Suleman Ayoob

Mr. Aziz Ayoob

Mr. Mansoor Alam, Independent

Mr. Zia Zakaria

Mr. Zainuddin 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. Zainuddin Ayoob - Chairman

Mr. Abdul Aziz Ayoob - Member

Mr. Jalaluddin Ahmed - 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 Avais Hyder Liaquat Nauman

Chartered Accountants

Shariah Advisor

Mufti Muhammad Ibrahim Essa

Legal Advisor

Muhammad Jamshid Malik

Barrister-at-Law

Share Registrar

M / s Technology Trade (Private) Limited

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

96-A, Sindhi Muslim Cooperative

Housing Society, Karachi

Contact Details

Telephone: 34558268;34552943;34553067

Fax: 34553137

Webpage: www.fanm.co

Email: info@fanm.co

Report Of The Directors Of Modaraba Company

As at September 30, 2017 (Unaudited)

I, on behalf of Board of Directors of Al-Noor Modaraba Management (Private) Limited, the "mudarib/management company" of First Al-Noor Modaraba (FAM), pleased to present the report together with the un-audited accounts for the first quarter ended September 30, 2017.

Financial Results

Financial results are summarized as under

	Quarter ended	
	September 30, 2017	September 30, 2016
	Rupees	
(Loss)/Profit after taxation	(6,890,722)	1,270,928
Un-appropriated profit/(loss) brought forward	(12,589,964) (19,480,686)	(12,758,742) (11,487,814)
Share of associate's incremental depreciation	16,620	6,220
Un-appropriated profit/(loss) brought forward	(19,464,066)	(11,481,594)
Earning per certificate - basic and diluted	(0.33)	0.06

The strategy the modaraba adopted proved quite effective since last year however, the unusual bearish cum uncertainty prevailed in Pakistan Stock Exchange due to various taxation and numerous factors, the modaraba is reporting a loss of Rs. 6.891 million in the first quarter ended September 30, 2017 as compared to a profit of Rs. 1.271 million in the same period last year. Moreover, it is interesting to note that the marked to market adjustments reflecting nearly 6.496 million loss that shows once the secondary market attains normal activity and get out of uncertainty turmoil, the results of the modaraba would yield better results as expected.

Hopefully, the modaraba will try to stay on the current growth trajectory and would be able to give better results in the future.

On behalf of the Board

sd/-

Jalaluddin Ahmed
Chief Executive

Place: Karachi
Date: October 26, 2017

ڈائریکٹر رپورٹ

برائے اختتام پہلی سہ ماہی مدت ستمبر ۳۰، ۲۰۱۷ (غیر نظر ثانی شدہ)

بورڈ آف ڈائریکٹر انور مضرارہ بیجمنٹ (پرائیویٹ) لمیٹڈ مضرارہ / انتظامی کمپنی برائے فرسٹ انور مضرارہ (ایف اے ایم) کی جانب سے انتہائی مسرت کے ساتھ مضرارہ کمپنی کی غیر نظر ثانی شدہ پہلی سہ ماہی رپورٹ بابت ستمبر ۳۰، ۲۰۱۷ کی مالیاتی دستاویز پیش کرتے ہیں۔

ختم ہونے والی سہ ماہی

۳۰ ستمبر ۲۰۱۶	۳۰ ستمبر ۲۰۱۷	
۱،۴۷۰،۹۲۸	(۶،۸۹۰،۷۲۲)	بعد از ٹیکس نفع / نقصان
(۱۴،۷۵۸،۷۴۲)	(۱۴،۵۸۹،۹۶۳)	پچھلے سالوں کا غیر تصرف شدہ نقصان
(۱۱،۴۸۷،۸۱۴)	(۱۹،۴۸۰،۶۸۶)	
۶،۴۲۰	۱۶،۶۲۰	حصہ برائے ماحقہ انکریمینٹ کی کمی بیشی
(۱۱،۴۸۱،۵۹۴)	(۱۹،۴۶۴،۰۶۶)	غیر تصرف شدہ نفع / نقصان
۰.۰۶	(.۳۳)	آمدنی فی شیئہ کیٹ - بنیادی اور مقررہ

پچھلے سال سے اختیار کی گئی حکمت عملی نے مثبت نتائج ظاہر کیئے، باوجود اس کے پاکستان اسٹاک ایکسچینج کی منفی اور غیر یقینی صورتحال جو کہ نئے ٹیکس اور دوسرے کئی عوامل کی وجہ سے سامنے آئی، مضرارہ پہلی سہ ماہی میں ۶.۸۹۱ ملین کا نقصان پچھلے سال اس عرصے کے منافع ۱.۴۷۱ ملین کے مقابلے میں رپورٹ کر رہا ہے۔ اس میں یہ بات کافی توجہ کا باعث ہے کہ مارک ٹو مارکیٹ کے ردوبدل کا ہی صرف ۶.۴۹۶ ملین کا نقصان ہے اور ظاہر کرتا ہے کہ جیسے ہی سیکنڈری مارکیٹ اپنی عام سرگرمی اور غیر یقینی صورتحال سے باہر آتی ہے، تو مضرارہ اپنی امیدوں کے مطابق بہتر نتائج حاصل کر سکے گا۔

ہمیں یقین لہے کہ مضرارہ اپنی اس روایت کو قائم رکھے گا اور موجودہ مالیاتی سال کے اختتام میں اطمینان بخش نتیجہ حاصل کر لے گا۔

منجانب بورڈ

مورخہ ۲۶ اکتوبر ۲۰۱۷

جلال الدین

چیف ایگزیکٹو

Balance Sheet

As at September 30, 2017 (Unaudited)

	Note	(Unaudited) September 30,2017	(Audited) June 30, 2017
		Rupees	
CURRENT ASSETS			
Cash and bank balances	4	31,269,648	11,482,750
Short term investments	5.1	24,920,420	37,127,346
Musawamah facility - secured	6	12,500,000	12,500,000
Profit receivable	7	1,067,504	1,184,304
Ijarah rental receivable		3,759,062	3,127,045
Trade Debtors - considered good and unsecured		8,350,507	8,546,082
Stock in trade		-	-
Current portion of investment in sukuk certificates	8	2,142,856	1,428,566
Current portion of investment in diminishing musharakah (Syndicate)	9	15,000,000	15,000,000
Current portion of investment in diminishing musharakah		2,891,471	3,080,843
Advances, deposits, prepayments and other receivables	10	7,286,079	28,802,204
Taxation	11	3,813,684	3,684,382
TOTAL CURRENT ASSETS		113,001,231	125,963,522
NON-CURRENT ASSETS			
Long term deposits		3,846,989	3,846,989
Long term portion of investment in sukuk certificates	8	5,714,287	1,785,722
Long term portion of investment diminishing musharakah (syndicate)	9	37,500,000	41,250,000
Long term portion of investment diminishing musharakah		-	666,667
Long term investments	5.2	28,893,335	30,535,814
Ijarah assets	12	146,636,815	142,207,110
Fixed assets in own use	13	7,069,170	5,205,149
TOTAL NON-CURRENT ASSETS		229,660,596	225,497,451
TOTAL ASSETS		342,661,827	351,460,973
LIABILITIES			
CURRENT LIABILITIES			
Current maturity of security deposits	14	11,734,050	8,645,050
Creditors, accrued and other liabilities	15	12,120,580	11,423,199
Provision for custom duty & surcharge	16	4,398,842	4,398,842
Profit payable	17	517,873	482,030
TOTAL CURRENT LIABILITIES		28,771,345	24,949,121
NON CURRENT LIABILITIES			
Security deposits	14	25,006,050	27,752,950
Deferred liability - staff gratuity	18	6,482,891	6,223,540
TOTAL NON-CURRENT LIABILITIES		31,488,941	33,976,490
TOTAL LIABILITIES		60,260,286	58,925,611
NET ASSETS		282,401,541	292,535,362
REPRESENTED BY:			
CAPITAL AND RESERVES			
Certificate Capital			
40,000,000 (June 2017: 40,000,000) certificates of Rs 10/- each		400,000,000	400,000,000
Issued, subscribed & paid capital	19	210,000,000	210,000,000
Reserves	20	97,835,635	98,085,635
Unappropriated profit		(19,464,066)	(10,319,964)
Unrealised diminution on remeasurement of investment classified as available for sale- net		(5,970,028)	(5,230,309)
Total capital and reserves		282,401,541	292,535,362
CONTINGENCIES AND COMMITMENTS	21	-	-

The annexed notes 1 to 28 form an integral part of these condensed interim financial information.

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

Place : Karachi	sd- Chief Executive	sd- Director	sd- Director
Date : October 26, 2017			

Profit and Loss Account

For the Period and 1st Quarter Ended September 30, 2017 (Un-audited)

	Note	September 30, 2017	September 30, 2016
Rupees			
Income from trading operations	22	-	1,181,000
Income on musawamah facility		-	621,096
Income on Diminishing Musharakah (Syndicate)		1,179,830	1,275,490
Income on Diminishing Musharakah		64,448	-
Income from Ijarah		4,962,733	3,477,851
Income from investments		1,328,130	2,811,414
		<u>7,535,141</u>	<u>9,366,851</u>
Administrative and operating expenses		<u>8,138,777</u>	<u>6,594,182</u>
Financial and other charges		413	34
		<u>8,139,190</u>	<u>6,594,216</u>
Operating (Loss)/ profit		(604,049)	2,772,635
Other income		<u>209,498</u>	<u>182,293</u>
		<u>(394,551)</u>	<u>2,954,928</u>
Unrealised (loss) on re-measurement of investments at fair value through profit or loss	5.1.4	(5,507,861)	(1,125,482)
Share of (loss) from associates	5.2.1	(988,311)	(388,485)
		<u>(6,890,722)</u>	<u>1,440,961</u>
Management company's remuneration		-	(144,096)
		<u>(6,890,722)</u>	<u>1,296,865</u>
Workers welfare fund		-	(25,937)
Profit before taxation		(6,890,722)	1,270,928
Income tax expense		-	-
(Loss)/Profit for the period		(6,890,722)	1,270,928
Earnings per certificate - Basic and Diluted	23	<u>(0.33)</u>	<u>0.06</u>

The annexed notes 1 to 28 form an integral part of these condensed interim financial information.

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

Place : Karachi
Date : October 26, 2017

sd-
Chief Executive

sd-
Director

sd-
Director

Statement of Other Comprehensive Income

For the Period and 1st Quarter Ended September 30, 2017 (Un-audited)

	Note	September 30, 2017	September 30, 2016
Rupees			
(Loss)/Profit for the period		(6,890,722)	1,270,928
Others comprehensive income			
"Unrealized (loss) on re-measurement of available for sale investment"	5.2.5	(739,719)	(932,511)
Other comprehensive income		(739,719)	(932,511)
Total comprehensive income		(7,630,441)	338,417

The annexed notes 1 to 28 form an integral part of these condensed interim financial information.

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

Place : Karachi

Date : October 26, 2017

sd-
Chief Executive

sd-
Director

sd-
Director

Cash Flow Statement

For the Period and 1st Quarter Ended September 30, 2017 (Un-audited)

		September 30, 2017	September 30, 2016
	Note	Rupees	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash from operations after working capital changes	25	33,944,562	(6,417,679)
Increase in long-term security deposits		342,100	(240,761)
Income on Diminishing Musharakah		1,333,853	1,331,342
Income tax paid		(129,302)	(20,112)
Gratuity paid		-	-
Net cash generated from operating activities		35,491,213	(5,347,210)
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to fixed assets			
- Own		(4,556,500)	(20,700)
- Ijarah		(22,045,500)	(7,554,000)
Sale proceeds on disposal of fixed assets			
- Own		2,243,000	-
- Ijarah		933,000	2,162,861
Dividend received		7,896	56,717
Profit on bank deposit		181,843	189,945
Redemption of Installment of Sukuk Certificates		357,145	492,785
Repayment of diminishing musharakah		4,606,039	-
Purchase of investments in Sukuk Certificates		(5,000,000)	-
Purchase of investments in listed securities		(4,672,461)	(38,047,019)
Proceeds from sale of investments in listed securities		12,241,636	36,846,873
Net cash (used in) investing activities		(15,703,902)	(5,872,538)
CASH FLOWS FROM FINANCING ACTIVITIES			
Financial charges paid		(413)	(34)
Net cash (used in) financing activities		(413)	(34)
Net (decrease) in cash and cash equivalents		19,786,898	(11,219,782)
Cash and cash equivalents at beginning of the year		11,482,750	24,206,892
Cash and cash equivalents at end of the period	4	31,269,648	12,987,110

The annexed notes 1 to 28 form an integral part of these condensed interim financial information.

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

Place : Karachi
Date : October 26, 2017

sd-
Chief Executive

sd-
Director

sd-
Director

Statement of Changes in Equity

For the Period and 1st Quarter Ended September 30, 2017 (Un-audited)

	Certificate Capital	*Statutory Reserve	Reserve		Total	
			General reserve	Unappropriated profit (loss)/Gain on remeasurement of available for sale investment		
Rupees						
Balance as at June 30, 2016	210,000,000	96,979,973	500,000	(12,758,742)	(2,494,448)	292,226,783
Share of associate's incremental depreciation on account of revaluation of fixed assets				16,130	-	16,130
Total Comprehensive income for the year				3,028,310	(2,735,861)	292,449
Profit distribution in cash	-	-	-	-	-	-
Transfer to general reserve	-	-	-	-	-	-
Transfer to statutory reserve		605,662	-	(605,662)	-	-
Balance as at June 30, 2017	210,000,000	97,585,635	500,000	(10,319,964)	(5,230,309)	292,535,362
Share of associate's incremental depreciation on account of revaluation of fixed assets		-	-	16,620	-	16,620
Total Comprehensive income for the year				(6,890,722)	(739,719)	(7,630,441)
Profit distribution in cash				(2,520,000)	-	(2,520,000)
Transfer to general reserve			(250,000)	250,000	-	-
Transfer to statutory reserve			-	-	-	-
Balance as at September 30, 2017	210,000,000	97,585,635	250,000	(19,464,066)	(5,970,028)	282,401,541

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

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

Place : Karachi
Date : October 26, 2017

sd-
Chief Executive

sd-
Director

sd-
Director

Notes to the Condensed Interim Financial Statements

For the Period and 1st Quarter Ended September 30, 2017 (Un-audited)

1 LEGAL STATUS AND NATURE OF BUSINESS

The First Al-Noor Modaraba was formed under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 and the rules framed thereunder and is managed by Al-Noor Modaraba Management (Pvt.) Limited, a company incorporated in Pakistan. The address of its registered office is 96-A, Sindhi Muslim Housing Society. The Modaraba was floated on October 19, 1992 and commenced its business on November 02, 1992.

The Modaraba is a multipurpose perpetual modaraba and is primarily engaged in ijarah financing, musharikah, 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 STATEMENTS OF COMPLIANCE

These financial statements have been prepared in accordance with the 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 Act, 2017, 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.

"The figures of the condensed interim profit and loss of account for the quarter ended September 30, 2016 and 2017 are unaudited and the information do not include all the information and disclosures required in the annual financial information, and should be read in conjunction with the Company's annual financial statements for the year ended 30 June 2017.

2.1. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted for the preparation of these condensed interim financial information are consistent with those followed in the preparation of the Modaraba's annual financial statement for the year ended 30 June 2017.

3. ACCOUNTING ESTIMATES AND JUDGMENTS

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

The preparation of the interim financial information, the significant judgments made by management in the applying the company's accounting policies and the key sources of estimation of uncertainty were the same as those that applied to the preceding published annual financial statements of the Company for the year ended June 2017.

Notes to the Condensed Interim Financial Statements

For the Period and 1st Quarter Ended September 30, 2017 (Un-audited)

	Note	September 30, 2017	June 30, 2017
Rupees			
4. CASH AND BANK BALANCES			
With Cash in Hand		44,034	-
With banks in current accounts			
- Islamic Banks /Islamic Window operations		590,191	375,747
- Conventional Banks		813,404	750,612
With banks in PLS accounts			
- Islamic Banks /Islamic Window operations	4.1	29,822,018	10,356,391
- Conventional Banks		-	-
		31,269,648	11,482,750

4.1 These deposits accounts carry profit at rates ranging from 2.05% to 4.08% (June 2017: 2.05% to 4.48%).

5. INVESTMENTS

5.1 Short term Investments

At fair value through profit and loss

Shariah compliant

- Equity securities - listed	5.1.1	19,087,583	30,252,407
- Mutual funds - listed	5.1.2	5,832,837	6,874,939

Non - Shariah compliant

- Equity securities - listed	5.1.3	-	-
- Mutual funds - listed		-	-

24,920,420 **37,127,346**

5.1.1 At fair value through profit and loss Equities securities listed

Name of investee company	Number of Shares / Units				Balance as at Sept. 30, 2017			
	As at July 1, 2017	Purchases during the period	Bonus / right issue	Sales / write-offs during the period	As at Sept. 30, 2017	Carrying cost	Market value	Appreciation / (diminution)
Construction and Materials								
Fauji Cement Company Limited	10,000	2,500	-	-	12,500	569,007	406,500	(162,507)
D.G. Khan Cement Co. Limited.	-	3,000	-	-	3,000	536,554	440,580	(95,974)
Lucky Cement Limited.	3,400	1,000	-	-	4,400	3,768,417	2,487,725	(1,280,692)
Maple Leaf Cement Factory Limited	10,000	-	-	2,500	7,500	973,660	629,775	(343,885)
Bestway Cement Limited.	500	-	-	-	500	159,256	81,745	(77,511)
Safe Mix Concrete Limited.	4,500	-	-	-	4,500	72,357	48,960	(23,397)
Akzo Nobel Pakistan	500	-	-	-	500	126,856	99,305	(27,551)
Kohat Cement Company Limited	1,500	-	-	-	1,500	384,451	224,940	(159,511)
Sub total	30,400	6,500	-	2,500	34,400	6,590,557	4,419,530	(2,171,027)
Oil & Gas Producers								
Attock Refinery Limited	10,000	-	-	9,500	500	237,151	206,605	(30,546)
National Refinery Limited	2,000	-	-	2,000	-	-	-	-
Oil & Gas Development Company Limited	-	1,000	-	-	1,000	156,016	148,640	(7,376)
Hascol Petroleum Limited..	900	500	-	-	1,400	461,164	393,526	(67,638)
Sub total	12,900	1,500	-	11,500	2,900	854,331	748,771	(105,560)
Gas Water & Multiutilities								
Sui Southern Gas Limited	11,000	1,500	-	8,500	4,000	154,420	144,920	(9,500)
TPL Trakker Limited	55,000	-	-	10,000	45,000	682,166	407,700	(274,466)
Sui Northern Gas Pipelines Limited.	5,000	-	-	2,500	2,500	363,864	334,650	(29,214)
Sub total	71,000	1,500	-	21,000	51,500	1,200,450	887,270	(313,180)
General Industries								
Thal Limited	1,500	-	-	500	1,000	552,130	551,100	(1,030)
Pakistan Paper Products Limited.	2,000	-	-	-	2,000	333,418	196,800	(136,618)
Packages Limited	2,500	-	-	-	2,500	2,169,516	1,442,525	(726,991)
Sub total	6,000	-	-	500	5,500	3,055,064	2,190,425	(864,639)
Power Generation & Distribution								
K-Electric Limited	155,000	26,000	-	10,000	171,000	1,530,064	1,072,170	(457,894)
Kot Addu Power Company Limited	13,000	-	-	5,000	8,000	680,714	612,800	(67,914)
Sub total	168,000	26,000	-	15,000	179,000	2,210,778	1,684,970	(525,808)

Notes to the Condensed Interim Financial Statements

For the Period and 1st Quarter Ended September 30, 2017 (Un-audited)

Name of investee company	Number of Shares / Units				Balance as at Sept. 30, 2017			
	As at July 1, 2017	Purchases during the period	Bonus / right issue	Sales / write-offs during the period	As at Sept. 30, 2017	Carrying cost	Market value	Appreciation / (diminution)
Automobile and Parts								
Sazgar Engineering Works Limited	-	2,000	-	-	2,000	398,910	322,680	(76,230)
Pak Suzuki Motor Co. Limited	1,000	-	-	-	1,000	860,221	457,670	(402,551)
Millat Tractors Limited	800	-	-	280	520	732,314	649,111	(83,203)
General Tyre & Rubber Co. of Pakistan Limited	3,500	-	-	-	3,500	963,183	704,550	(258,633)
Exide Pakistan Limited	120	-	-	-	120	115,648	63,780	(51,868)
Atlas Battery Limited	200	-	-	-	200	183,378	141,802	(41,576)
Sub total	5,620	2,000	-	280	7,340	3,253,654	2,339,593	(914,061)
Cable and Electrical Goods								
Pak Elektron Limited	1,000	200	-	500	700	70,593	53,165	(17,428)
Sub total	1,000	200	-	500	700	70,593	53,165	(17,428)
Engineering								
Amerli Steels Limited	-	5,000	-	-	5,000	547,555	509,850	(37,705)
International Steels Limited	3,000	-	-	2,500	500	69,629	60,565	(9,064)
Mughal Iron & Steel Industries Limited	500	-	-	-	500	37,504	28,610	(8,894)
Sub total	3,500	5,000	-	2,500	6,000	654,688	599,025	(55,663)
Chemicals								
Lotte Chemical Pakistan Limited	15,000	10,000	-	7,500	17,500	172,442	142,800	(29,642)
Engro Corporation Limited	5,500	-	-	2,500	3,000	1,145,933	909,270	(236,663)
Engro Fertilizer Limited	36,500	-	-	26,500	10,000	624,641	629,100	4,459
I. C. I. Pakistan Limited	200	20	-	-	220	231,379	134,996	(96,383)
Bawany Air Products Limited	14,000	5,000	-	9,000	10,000	121,936	112,500	(9,436)
Linde Pakistan Limited	700	-	-	700	-	-	-	-
Ittehad Chemicals Limited	11,253	-	-	-	11,253	501,821	325,099	(176,722)
Dawood Hercules Corporation Limited	12,000	-	-	-	12,000	1,708,917	1,480,320	(228,597)
Sub total	95,153	15,020	-	46,200	63,973	4,507,070	3,734,086	(772,984)
Pharma and Bio Tech								
The Searle Company Limited	1,500	-	-	-	1,500	849,082	624,864	(224,218)
GlaxoSmithKline Pakistan Limited	4,700	500	-	-	5,200	1,099,714	971,724	(127,990)
Sub total	6,200	500	-	-	6,700	1,948,796	1,596,588	(352,208)
Food Industries								
Fauji Foods Limited	4,000	500	-	-	4,500	458,938	126,225	(332,713)
Al Shaheer Corporation Limited	11,750	-	-	-	11,750	597,598	371,535	(226,063)
Sub total	15,750	500	-	-	16,250	1,056,536	497,760	(558,776)
Personal Goods(Textiles)								
Nishat Mills Limited	2,000	8,000	-	8,000	2,000	330,209	290,200	(40,009)
Sub total	2,000	8,000	-	8,000	2,000	330,209	290,200	(40,009)
Miscellaneous								
Synthetic Products Limited	692	-	-	-	692	36,214	46,200	9,987
Sub total	692	-	-	-	692	36,214	46,200	9,987
	418,215	66,720	-	107,980	376,955	25,768,940	19,086,650	(6,682,290)
5.1.2 Mutual funds - listed								
Units of Mutual Funds								
Meezan Islamic Fund - Growth Units	1,941	-	-	-	1,941	50,427	130,695	80,268
First Habib Islamic Balanced Fund	64,573	-	-	-	64,573	5,387,515	5,702,142	314,627
	66,515	-	-	-	66,515	5,437,941	5,832,837	394,895
5.1.3 Non - Shariah compliant								
Sub total	-	-	-	-	-	-	-	-
Total Listed securities	-	-	-	-	-	-	-	-
- at Fair value through Profit & Loss	484,730	66,720	-	107,980	443,470	31,206,882	24,920,420	(6,286,462)

Notes to the Condensed Interim Financial Statements

For the Period and 1st Quarter Ended September 30, 2017 (Un-audited)

	Note	September 30, 2017	June 30, 2017
Rupees			
5.1.4 Unrealised gain / (loss) on re-measurement of investment at fair value through profit or loss			
Market Value as at	5.1.3	24,920,420	37,127,346
Cost of investment		31,206,882	39,919,743
Unrealised (loss) / gain on investment as at period/ year ended		(6,286,462)	(2,792,396)
Unrealised gain on investment at the beginning of the year		(2,792,396)	599,689
Gain / (Loss) realised on disposal during the period / year		2,013,795	798,496
Unrealised loss on investment for the period / year ended		(5,507,861)	(4,190,581)
5.2 LONG TERM INVESTMENTS			
Investment in Associates	5.2.1	7,326,178	8,297,869
Available for Sale			
Equity securities - listed AFS			
Shariah compliant			
- Equity securities - listed	5.2.2	13,541,137	13,950,634
- Mutual funds - listed	5.2.3	5,905,650	6,179,991
Non - shariah compliant			
- Equity securities - listed	5.2.4	2,120,370	2,107,320
- Mutual funds - listed		-	-
		28,893,335	30,535,814
5.2.1 Investment in Associates			
Opening balance		8,297,869	8,256,651
Share of incremental depreciation		16,620	16,130
Share of comprehensive income		-	-
Share of profit/loss of associate		(988,311)	1,191,525
		(971,691)	1,207,655
Reversal of Sale of Shares		-	(711,377)
Dividend income		-	(455,100)
		7,326,178	8,297,829
Name of Associate		Basis of significant influence	
Al-Noor Sugar Mills Limited		Common directorship	

**5.2.2 Available for sale
Shariah compliant
Equity securities - listed**

Name of investee company	Number of Shares / Units					Balance as at Sept. 30, 2017		
	As at July 1, 2017	Purchases during the period	Bonus / right issue	Sales / write-offs during the period	As at Sept. 30, 2017	Carrying cost	Market value	Appreciation / (diminution)
Fully paid ordinary shares of Rs 10 each unless stated otherwise								
Equity Investment Instruments								
First Habib Modaraba	4,500	-	-	-	4,500	36,646	51,255	14,609
First Imrooz Modaraba	3,000	-	-	-	3,000	479,843	630,000	150,157
Habib Metro Modaraba	-	500	-	-	500	5,000	5,000	-
Allied Rental Modaraba	10,000	-	-	-	10,000	287,653	225,000	(62,653)
Orix Modaraba	11,000	-	-	-	11,000	283,258	229,380	(53,878)
Sub total	28,500	500	-	-	29,000	1,092,400	1,140,635	48,235
Construction and Materials								
Power Cement Company Limited	5,676	-	-	-	5,676	70,950	61,301	(9,649)
Sub total	5,676	-	-	-	5,676	70,950	61,301	(9,649)
Automobile and Parts								
Ghandhars Nissan Limited	1,800	1,000	-	-	2,800	691,922	550,172	(141,750)
Ghandhars Industries Limited	500	-	-	-	500	418,917	249,330	(169,587)
Millat Tractors Limited	750	-	-	120	630	822,135	786,423	(35,713)
Sazgar Engineering Works Limited	500	-	-	-	500	113,156	80,670	(32,486)
Hinopak Motors Limited	90	-	-	-	90	91,845	97,875	6,030
Sub total	3,640	1,000	-	120	4,520	2,137,976	1,764,470	(373,506)

Notes to the Condensed Interim Financial Statements

For the Period and 1st Quarter Ended September 30, 2017 (Un-audited)

Name of investee company	Number of Shares / Units				Balance as at Sept. 30, 2017			
	As at July 1, 2017	Purchases during the period	Bonus / right issue	Sales / write-offs during the period	As at Sept. 30, 2017	Carrying cost	Market value	Appreciation / (diminution)
General Industries								
Cherat Packages Limited	5,300	-	-	-	5,300	1,940,803	1,060,000	(880,803)
Sub total	5,300	-	-	-	5,300	1,940,803	1,060,000	(880,803)
Pharma and Bio Tech								
The Searle Company Limited	1,000	-	-	-	1,000	610,286	403,920	(206,366)
Sub total	1,000	-	-	-	1,000	610,286	403,920	(206,366)
Engineering								
Crescent Steel & Allied Products Limited	200	-	-	-	200	38,894	31,638	(7,256)
International Steels Limited	5,000	-	-	-	5,000	807,581	605,650	(201,931)
Sub total	5,200	-	-	-	5,200	846,475	637,288	(209,187)
Chemicals								
Engro Fertilizer Company Limited	11,500	-	-	-	11,500	782,583	723,465	(59,118)
Engro Corporation Limited	7,100	-	-	-	7,100	2,421,697	2,151,939	(269,758)
Lotte Chemical Pakistan Limited	7,500	-	-	-	7,500	74,007	61,200	(12,807)
Sub total	26,100	-	-	-	26,100	3,278,288	2,936,604	(341,684)
Oil & Gas Producers								
Pakistan Petroleum Limited	22,600	-	-	-	22,600	4,196,634	3,947,994	(248,640)
Pakistan Oilfield Limited	900	-	-	400	500	193,858	266,020	72,162
Oil & Gas Development Company Limited	3,500	-	-	-	3,500	489,679	520,240	30,561
Attock Petroleum Limited	500	-	-	-	500	302,193	312,865	10,672
Mari Petroleum Company Limited	120	-	-	-	120	192,107	180,601	(11,505)
Hascol Petroleum Limited	1,100	-	-	-	1,100	338,139	309,199	(28,940)
Sub total	28,720	-	-	400	28,320	5,712,610	5,536,919	(175,691)
	104,136	1,500	-	520	105,116	15,689,787	13,541,137	(2,148,650)
5.2.3 Mutual funds - listed								
Units of Mutual Funds								
-VI Class B Preservation Fund -B	29,680	-	-	-	29,680	3,061,111	2,872,715	(188,396)
UBL Al Ameen Islamic Allocation Plan -IX	29,016	-	-	-	29,016	3,000,000	2,896,597	(103,403)
Meezan Balance Fund	8,651	-	-	-	8,651	118,136	136,337	18,201
Sub total	67,347	-	-	-	67,347	6,179,248	5,905,650	(273,598)
5.2.4 Non - Shariah compliant								
Chemicals								
Fauji Fertilizer Company Limited	25,000	-	-	-	25,000	2,918,417	2,120,370	(798,047)
Sub total	25,000	-	-	-	25,000	2,918,417	2,120,370	(798,047)
Total Listed securities - AFS	196,483	1,500	-	520	197,463	24,787,451	21,567,157	(3,220,295)

5.2.5 Unrealised (loss) on re-measurement of available for sale investment	Note	September 30, 2017	June 30, 2017
		Rupees	
Market Value as at	5.2.2	21,567,157	22,237,945
Cost of investment		24,787,451	24,879,940
Unrealised gain / (loss) on investment as at year ended		(3,220,295)	(2,641,995)
Unrealised loss on investment at the beginning of the period/year		(2,641,995)	(168,709)
Gain realised on disposal during the period/year		161,419	(288,439)
Unrealised gain on investment for the period/year ended		(739,719)	(2,184,847)

Notes to the Condensed Interim Financial Statements

For the Period and 1st Quarter Ended September 30, 2017 (Un-audited)

	Note	September 30, 2017	June 30, 2017
6 MUSAWAMAH FACILITY - SECURED			
Musawamah facility - secured considered doubtful		12,500,000	25,000,000
Less: provision against potential losses		-	(12,500,000)
		<u>12,500,000</u>	<u>12,500,000</u>
7 PROFIT RECEIVABLE			
Musawamah facility	7.1	-	-
Diminishing Musharakah		965,915	1,055,490
Sukuk		50,689	60,058
PLS bank account		50,900	68,757
		<u>1,067,504</u>	<u>1,184,304</u>
7.1 Provision against potential losses			
Musawamah facility		678,083	678,083
Less: Income suspended		(678,083)	(678,083)
		<u>-</u>	<u>-</u>
8 INVESTMENT IN SUKUK CERTIFICATES - Held to Maturity			
Investment in Sukuk Certificates	8.1	8,928,571	3,928,571
Less: Principal Repaid		(1,071,428)	(714,283)
Less: Current portion of Investment in Sukuk Certificates		(2,142,856)	(1,428,566)
		<u>5,714,287</u>	<u>1,785,722</u>
9 LONG TERM PORTION OF INVESTMENT IN DINIMISHING MUSHARAKAH (Syndicate)			
Diminishing Musharakah	9.1	52,500,000	56,250,000
Less: Current portion of investment in diminishing musharakah		(15,000,000)	(15,000,000)
Long term portion of investment in diminishing musharakah		<u>37,500,000</u>	<u>41,250,000</u>
9.1 This represents Syndicate diminishing musharakah facility to Spud Energy PTY Limited through Albaraka Bank (Pakistan) Limited being the lead arranger, advisor and participant during the year carrying profit equal to the rate of three months KIBOR + 1.25% (June 2017: KIBOR + 1.25%) receivable in 16 quarterly equal installments from April 2017 to till January, 2021. with one year grace period .			
10 ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES			
Advances - considered good			
- Suppliers		-	13,880,500
- Employees		323,440	366,220
Prepayments		5,400,411	6,167,923
Others		307,970	7,371,221
Dividend receivable		268,014	30,096
Sales tax receivable		986,244	986,244
		<u>7,286,079</u>	<u>28,802,204</u>
11 TAXATION			
11.1 The income of the Modaraba, not being trading income, is exempt from tax subject to the condition that not less than ninety per cent of its total profits in the year as reduced by the amount transferred to a mandatory reserve, required under the provisions of Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 (XXXI of 1980) are distributed amongst the shareholders.			
No provision for current taxation has been made in these financial statements as the Modaraba intends to distribute at least 90 percent of its total income for the year after transfer to mandatory reserve, Income tax expense during the period/year amounting to Rs. Nil (June 2017: Nil) are the tax deducted as final on the remittance received from the import / export of goods.			
11.2 Income tax refundable		3,684,382	2,750,970
Income tax adjusted / deducted at source		129,302	933,412
		<u>3,813,684</u>	<u>3,684,382</u>

Notes to the Condensed Interim Financial Statements

For the Period and 1st Quarter Ended September 30, 2017 (Un-audited)

	Note	September 30, 2017	June 30, 2017
12 IJARAH ASSETS			
Opening balance		142,207,110	144,224,464
Addition during the period	12.1	22,045,500	70,511,692
Disposal during the period	12.1	(933,000)	(12,261,677)
Depreciation for the period		(16,682,795)	(60,267,369)
Net book Value		<u>146,636,815</u>	<u>142,207,110</u>

12.1 Detail of addition/deletion in tangible assets

	Unaudited September 30, 2017		Audited June 30, 2017	
	Additions	Deletions	Additions	Deletions
Machinery	-	-	-	(155,880)
Vehicles	22,045,500	(933,000)	70,511,692	(10,355,797)
Others	-	-	-	(1,750,000)
Total	<u>22,045,500</u>	<u>(933,000)</u>	<u>70,511,692</u>	<u>(12,261,677)</u>

13 FIXED ASSETS IN OWN USE

Tangible assets	13.1	7,069,168	5,205,147
Intangible assets	13.2	2	2
		<u>7,069,170</u>	<u>5,205,149</u>

13.1 Tangible assets

Opening balance		5,205,149	2,951,897
Addition during the period	13.1.1	4,556,500	4,709,605
Disposal during the period	13.1.1	(2,243,000)	(731,390)
Depreciation for the period		(449,481)	(1,724,965)
Net book Value		<u>7,069,168</u>	<u>5,205,147</u>

13.1.1 Detail of addition/deletion in tangible assets

	Unaudited September 30, 2017		Audited June 30, 2017	
	Additions	Deletions	Additions	Deletions
Computer equipments	14,000	-	28,500	(18)
Office equipments and appliances	-	-	39,700	(1)
Furniture and fixtures	-	-	34,220	-
Motor Vehicles	4,542,500	(2,243,000)	4,607,185	(731,371)
Total	<u>4,556,500</u>	<u>(2,243,000)</u>	<u>4,709,605</u>	<u>(731,390)</u>

13.2 Intangible assets

Opening balance		2	2
Amortization for the period		-	-
Closing balance		<u>2</u>	<u>2</u>

14 SECURITY DEPOSITS

Security deposits	36,740,100	36,398,000
Less: Repayable / adjustable after one year	(25,006,050)	(27,752,950)
Current maturity of security deposits	<u>11,734,050</u>	<u>8,645,050</u>

15 CREDITORS, ACCRUED AND OTHER LIABILITIES

Creditors	53,623	-
Accrued expenses	646,172	1,292,593
Payable to management company	-	371,212
Dividend Payables	2,520,000	-
Takaful / Insurance	57,750	57,750
Advances from customers	3,631,030	3,964,178
Provision for Worker's Welfare Fund	455,573	455,573
Advance Ijarah rentals	3,655,461	4,145,079
Unclaimed profit distributions	1,100,972	1,136,814
	<u>12,120,580</u>	<u>11,423,199</u>

Notes to the Condensed Interim Financial Statements

For the Period and 1st Quarter Ended September 30, 2017 (Un-audited)

	Note	September 30, 2017	June 30, 2017
Rupees			
16 PROVISION FOR CUSTOM DUTY & SURCHARGE			
Custom duty / surcharges	16.1	<u>4,398,842</u>	<u>4,398,842</u>
16.1	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.		
17 PROFIT PAYABLE			
Late payment & cheques return		<u>267,268</u>	267,268
Shares Dividend		<u>214,762</u>	214,762
Others		<u>35,843</u>	
		<u>517,873</u>	<u>482,030</u>
18 DEFERRED LIABILITY - STAFF GRATUITY			
18.1 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, 2017, using the Projected Unit Credit Method.		
18.2 Liability recognised in the balance sheet:			
Present value of the defined benefit obligation		<u>6,482,891</u>	6,223,540
Less: fair value of planned assets		-	-
Defined benefit liability recognized in the accounts		<u>6,482,891</u>	<u>6,223,540</u>
19 CERTIFICATE CAPITAL			
Authorised certificate capital			
September 30, 2017	June 30, 2017	September 30, 2017	June 30, 2017
----Number of certificates----		-----Rupees-----	
40,000,000	40,000,000	400,000,000	400,000,000
	Modaraba Certificates of Rs 10 each		
20,000,000	20,000,000	200,000,000	200,000,000
	Modaraba Certificates of Rs 10 each fully paid in cash		
1,000,000	1,000,000	10,000,000	10,000,000
	Modaraba Certificates of Rs 10 each issued as fully paid bonus certificates		
<u>21,000,000</u>	<u>21,000,000</u>	<u>210,000,000</u>	<u>210,000,000</u>
19.1	As at June 30, 2017, First Al-Noor Modaraba Management (Private) Limited (the Management Company) held 4,200,000 certificates (June 2017: 4,200,000 certificates), as required under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980.		
20 RESERVES			
Statutory reserve			
Statutory reserve represents profits set aside to comply with the Prudential Regulations for modarabas issued by the SECP. These regulations require a modaraba to transfer not less than 20% and not more than 50% of its after tax profit till such time that reserves equal 100% of the paid up capital. Thereafter, a sum not less than 5% of the after tax profit is to be transferred.			
During the current period the Modaraba has transferred an amount of Rs. Nil (June 2017: Rs 605,662).			
21 CONTINGENCIES AND COMMITMENTS			
There are no known contingencies and commitments at the balance sheet date.			

Notes to the Condensed Interim Financial Statements

For the Period and 1st Quarter Ended September 30, 2017 (Un-audited)

	September 30, 2017	September 30, 2016
	------(Rupees)-----	
22 PROFIT / LOSS FROM TRADING OPERATIONS		
Sales	-	21,181,000
Cost of Sales	-	20,000,000
Profit	-	1,181,000
23 EARNINGS PER CERTIFICATE - BASIC AND DILUTED		
(loss) / Profit for the period	(6,890,722)	1,270,928
	------(Numbers)-----	
Weighted average number of certificates	21,000,000	21,000,000
	------(Rupees)-----	
Earning per certificate - basic and diluted	(0.33)	0.06

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, 2016 and June 30, 2017 which would have any effect on the earnings per share if the option to convert is exercised.

24 RELATED PARTIES TRANSACTIONS

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

	September 30, 2017	September 30, 2016
	------(Rupees)-----	
24.1 Balance outstanding at period end		
Modaraba Management Company		
- Management fee Associated undertakings	-	37,657
- Sharing of common expense charged during the year with Al-Noor Sugar Mills Ltd. Other related parties (other than key management personnel)	-	450,000
- Contribution to staff gratuity fund	6,482,891	7,096,407
24.2 Transactions during the period		
Modaraba Management Company		
- Management remuneration Associated undertakings	-	22,565
- Sharing of common expense charged during the period with Al-Noor Sugar Mills Ltd. Other related parties (other than key management personnel)	-	150,000
- Contribution to staff gratuity fund	259,351	331,472
Associated undertakings	No. of shares	
- Bonus shares of Al-Noor Sugar Mills Limited	-	-

Notes to the Condensed Interim Financial Statements

For the Period and 1st Quarter Ended September 30, 2017 (Un-audited)

25 CASH FROM OPERATIONS AFTER WORKING CAPITAL CHANGES	September 30, 2017	September 30, 2016
	Rupees	
(loss)/Profit before taxation	(6,890,722)	1,270,928
Adjustments for:		
Gain on sale of investment in listed securities	(972,103)	(2,120,545)
Dividend income	(245,814)	(605,825)
Income on diminishing musharakah	(1,244,278)	(1,275,490)
Gain on sukuk certificates	(110,213)	(85,044)
Profit on bank deposits	(163,986)	(166,806)
Financial charges	413	34
Depreciation - owned assets	449,479	336,778
Depreciation - Ijarah assets	16,682,795	17,639,601
Provision for gratuity	259,351	331,472
Share of profit from Associate	988,311	388,485
Unrealized loss/(gain) on re measurement of investments in listed securities	5,507,861	1,125,482
	<u>21,151,816</u>	<u>15,568,142</u>
Operating profit before working capital changes	<u>14,261,093</u>	<u>16,839,070</u>
(Increase)/Decrease in current assets		
Stock in trade	-	-
Profit receivable	116,800	129,588
Ijarah Rental receivable	(632,017)	256,761
Trade Debtors - considered good and unsecured	195,575	(21,181,000)
Advances, deposits, prepayments and other receivables	21,754,043	431,985
	<u>21,434,401</u>	<u>(20,362,666)</u>
Increase/(Decrease) in current liabilities		
Creditors, accrued and other liabilities	(1,786,775)	(2,894,083)
Profit payable	35,843	-
	<u>(1,750,932)</u>	<u>(2,894,083)</u>
Cash flow from operating activities	<u>33,944,562</u>	<u>(6,417,679)</u>
	September 30, 2017	June 30, 2017
	Rupees	
26 CASH AND CASH EQUIVALENTS		
Cash and bank balances	4 <u>31,269,648</u>	11,482,750
	<u>31,269,648</u>	<u>11,482,750</u>

FINANCIAL RISK MANAGEMENT

The Modaraba's financial risk management objectives and policies are consistent with those disclosed in the preceding annual published financial statements of the Modaraba for the year ended June 30, 2017.

27 DATE OF AUTHORISATION

These financial statements were authorised for issue by the Board of Directors of the Management Company in their meeting held on October 26, 2017.

28 GENERAL

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

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

Place : Karachi
Date : October 26, 2017

sd-
Chief Executive

sd-
Director

sd-
Director

Book Post



If undelivered, please return to:

FIRST AL-NOOR MODARABA

(An Islamic Financial Institution)

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

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