

**3RD QUARTERLY REPORT**  
March 31, 2018  
(Un-audited)



**FIRST AL-NOOR MODARABA**

*(An Islamic Financial Institution)*

# Contents

Corporate Information	2
Directors' Report	3
Directors' Report (Urdu)	4
Condensed Interim Balance Sheet	5
Condensed Interim Profit and Loss Account	6
Condensed Interim Statement of Other Comprehensive Income	7
Condensed Interim Cash Flow Statement	8
Condensed Interim Statement of Changes in Equity	9
Notes to the Condensed Interim Financial Statements	10-23

المضارب

# Corporate Information

## **BOARD OF DIRECTORS**

### **Non Executive Directors**

#### **Chairman**

Mr. Ismail H. Zakaria

#### **Directors**

Mr. Yusuf Ayoob

Mr. Suleman Ayoob

Mr. Aziz Ayoob

Mr. Abdul Rahim Suriya, Independent

Mr. Zia Zakaria

Mr. Zain Ayoob

### **Executive Directors**

#### **Chief Executive**

Mr. Jalaluddin Ahmed

### **Company Secretary**

Mr. Roofi Abdul Razzak

### **Board Audit Committee**

Mr. Abdul Rahim Suriya - Chairman

Mr. Suleman Ayoob - Member

Mr. Zia Zakaria - Member

### **HR & Remuneration Committee**

Mr. Zain Ayoob - Chairman

Mr. Aziz Ayoob - Member

Mr. Jalaluddin Ahmed - Member

### **Bankers**

Al-Baraka Bank (Pakistan) Limited

Askari Bank Limited, Islamic Banking

Faysal Bank Limited, Baraka Islamic Banking

Habib Bank Limited, Islamic Banking

MCB Bank Limited, Islamic Banking

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**

FAMCO Associates (Private) Limited

State life building, I-A, Ground Floor,

I.I.Chundrigar road, Karachi-74000

Tel: (92-21) 32422344,32467406,32424591

Fax: (92-21) 32428310

Email: info.shares@famco.com.pk

www.famco.com.pk

### **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

For the Nine Months and 3rd Quarter Ended March 31, 2018

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 unaudited accounts for the nine months ended March 31, 2018.

## Financial Results

Financial results are summarized as under

	Nine Months ended	
	March 31, 2018	March 31, 2017
(Loss)/Profit after taxation	(21,597,530)	10,319,874
Un-appropriated profit/(loss) brought forward	<u>(7,799,964)</u>	<u>(12,758,742)</u>
	(29,397,494)	(2,438,868)
Share of associate's incremental depreciation	90,640	10,620
Un-appropriated profit/(loss) carried forward	<u>(29,306,854)</u>	<u>(2,428,248)</u>
Earning per certificate - basic and diluted	<u>(1.03)</u>	<u>0.49</u>

Although the revised strategy proved quite effective but still the uncertain political condition has impacted the overall business environment. Moreover, the modaraba was also constrained to make a provision on a non performing loan, which resulted in a loss of Rs. 21.598 million in comparison to a profit of Rs. 10.320 million in the corresponding quarter. Hopefully things may improve by the end of the current financial year.

On behalf of the Board

sd/-

**Jalaluddin Ahmed**  
Chief Executive

Place: Karachi  
Date: April 26, 2018

## ڈائریکٹر رپورٹ

برائے اختتام تیسری سہ ماہی / نو ماہی مدت مارچ ۳۱، ۲۰۱۸ (غیر ثانی شدہ)

بورڈ آف ڈائریکٹرز انورمضارہ بینجمنٹ (پرائیوٹ) لمیٹڈ "مضارہ بینجمنٹ کمپنی" برائے فرسٹ انورمضارہ (ایف اے ایم) کی جانب سے میں انتہائی مسرت کے ساتھ مضارہ کمپنی کی غیر آڈٹ شدہ رپورٹ بابت مارچ ۳۱، ۲۰۱۸ مالیاتی دستاویز پیش کر رہا ہوں۔

ختم ہونے والی تیسری سہ ماہی / نو ماہی  
۳۱ مارچ ۲۰۱۸ ۳۱ مارچ ۲۰۱۷  
(رقم پاکستانی روپوں میں)

۱۰،۳۱۹،۸۷۴	(۲۱،۵۹۷،۵۳۰)
(۱۴،۷۵۸،۷۴۲)	(۷،۷۹۹،۹۶۴)
(۲،۴۳۸،۸۶۸)	(۴۹،۴۲۹،۳۹۷)
۱۰،۶۲۰	۹۰،۶۲۰
(۲،۴۲۸،۲۴۸)	(۲۹،۳۰۶،۸۵۴)
۰،۴۹	(۱،۰۳)

بعد از ٹیکس نقصان / منافع  
پچھلے سالوں کا غیر تصرف شدہ منافع / نقصان  
ماحقہ انکم بینٹ کی کمی بیشی کے شیئر  
غیر تصرف شدہ منافع / نقصان  
آمدنی فی سرٹیفکیٹ - بنیادی اور مقررہ

اگرچہ نظر ثانی شدہ حکمت عملی بہت موثر ثابت ہوئی لیکن پھر بھی غیر یقینی سیاسی صورتحال نے مجموعی کاروباری ماحول کو اثر انداز کیا۔ اس کے علاوہ مضارہ کو غیر فعال قرض کے عوض نقصان مہیا کرنے کے نتیجے میں ۲۱.۵۹۸ ملین کا نقصان پچھلے سال اسی عرصے کے منافع ۱۰.۳۲۰ کے مقابلے میں ہوا۔ امید کرتے ہیں کہ موجودہ مالی سال کے اختتام تک معاملات بہتر ہو جائیں۔

منجانب بورڈ

جلال الدین  
چیف ایگزیکٹو

منور خد ۲۶ اپریل ۲۰۱۸  
بمقام: کراچی

# Condensed Interim Balance Sheet

As at March 31, 2018 (Unaudited)

		(Unaudited) March 31, 2018	(Audited) June 30, 2017
	Note	Rupees	
<b>CURRENT ASSETS</b>			
Cash and bank balances	4	23,570,759	11,482,750
Short term investments	5.1	31,026,097	37,127,346
Musawah facility - secured	6	-	12,500,000
Profit receivable	7	753,307	1,184,304
Ijarah rental receivable	8	2,409,225	3,127,045
Trade Debtors - considered good and unsecured	9	7,789,645	8,546,082
Stock in trade	10	41,050,975	-
Current portion of investment in sukuk certificates	11	714,290	1,428,566
Current portion of investment in diminishing musharakah (Syndicate)	12	15,000,000	15,000,000
Current portion of investment in diminishing musharakah	16	1,558,133	3,080,843
Advances, deposits, prepayments and other receivables	13	8,192,126	28,802,204
Taxation	14	4,085,192	3,684,382
<b>TOTAL CURRENT ASSETS</b>		<b>136,149,749</b>	<b>125,963,522</b>
<b>NON-CURRENT ASSETS</b>			
Long term deposits	15	3,846,989	3,846,989
Long term portion of investment in sukuk certificates	11	6,785,708	1,785,722
Long term portion of investment diminishing musharakah (syndicate)	12	30,000,000	41,250,000
Long term portion of investment diminishing musharakah	16	-	666,667
Long term investments	5.2	25,419,654	30,535,814
Ijarah assets	17	115,710,663	142,207,110
Fixed assets in own use	18	6,326,628	5,205,149
<b>TOTAL NON-CURRENT ASSETS</b>		<b>188,089,642</b>	<b>225,497,451</b>
<b>TOTAL ASSETS</b>		<b>324,239,391</b>	<b>351,460,973</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Current maturity of security deposits	19	11,564,100	8,645,050
Creditors, accrued and other liabilities	20	9,663,032	11,423,199
Provision for custom duty & surcharge	21	4,398,842	4,398,842
Profit payable	22	535,878	482,030
<b>TOTAL CURRENT LIABILITIES</b>		<b>26,161,852</b>	<b>24,949,121</b>
<b>NON CURRENT LIABILITIES</b>			
Security deposits	19	22,422,550	27,752,950
Deferred liability - staff gratuity	23	6,716,774	6,223,540
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>29,139,324</b>	<b>33,976,490</b>
<b>TOTAL LIABILITIES</b>		<b>55,301,176</b>	<b>58,925,611</b>
<b>NET ASSETS</b>		<b>268,938,215</b>	<b>292,535,362</b>
<b>REPRESENTED BY:</b>			
<b>CAPITAL AND RESERVES</b>			
<b>Certificate Capital</b>			
40,000,000 (June 2017: 40,000,000) certificates of Rs 10/- each		400,000,000	400,000,000
Issued, subscribed & paid capital	24	210,000,000	210,000,000
Reserves	25	97,835,635	98,085,635
Unappropriated profit		(34,096,854)	(10,319,964)
Unrealised diminution on remeasurement of investment classified as available for sale- net		(4,800,566)	(5,230,309)
<b>Total capital and reserves</b>		<b>268,938,215</b>	<b>292,535,362</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	26	-	-

The annexed notes 1 to 39 form an integral part of these condensed interim financial information.

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

	sd/-	sd/-	sd/-
Place : Karachi	Chief Executive	Director	Director
Date: April 26, 2018			

## Condensed Interim Profit and Loss Account

For the Nine Months and 3rd Quarter Ended March 31, 2018 (Unaudited)

	Note	Nine Months Ended		Quarter Ended	
		Mar 31, 2018	Mar 31, 2017	Mar 31, 2018	Mar 31, 2017
		Rupees		Rupees	
Profit from trading operations	27	465,290	1,181,000	465,290	-
Income on diminishing musharakah ( Syndicate)	28	3,158,072	4,001,950	889,537	1,297,906
Income on diminishing musharakah	29	194,990	-	65,271	-
Income from Ijarah	29	11,864,072	11,636,020	3,806,890	3,856,942
Income from investments	30	3,534,484	10,196,677	871,324	4,481,389
		<u>19,216,908</u>	<u>27,015,647</u>	<u>6,098,313</u>	<u>9,636,238</u>
Administrative and operating expenses	31	22,331,989	19,318,344	7,165,565	6,434,198
Provision against non-performing assets		12,500,000	-	12,500,000	-
Financial and other charges		7,340	27,089	3,584	18,322
		<u>34,839,329</u>	<u>19,345,433</u>	<u>19,669,149</u>	<u>6,452,520</u>
<b>Operating loss</b>		<b>(15,622,421)</b>	<b>7,670,214</b>	<b>(13,570,836)</b>	<b>3,183,719</b>
Other income	32	796,260	2,330,075	150,839	1,938,351
		<u>(14,826,161)</u>	<u>10,000,290</u>	<u>(13,419,997)</u>	<u>5,122,070</u>
Unrealised (loss) / gain on re-measurement of investments at fair value through profit or loss	5.1.4	(4,498,372)	770,380	3,673,451	(619,635)
Share of loss from associates	5.2.1	(2,272,998)	929,868	(1,418,919)	428,379
		<u>(21,597,530)</u>	<u>11,700,538</u>	<u>(11,165,464)</u>	<u>4,930,814</u>
Management company's remuneration	33	-	(1,170,054)	-	(493,081)
		<u>(21,597,530)</u>	<u>10,530,484</u>	<u>(11,165,464)</u>	<u>4,437,733</u>
Workers welfare fund	35	-	(210,610)	-	(88,755)
<b>(Loss)/Profit before taxation</b>		<b>(21,597,530)</b>	<b>10,319,874</b>	<b>(11,165,464)</b>	<b>4,348,978</b>
Income tax expense		-	-	-	-
<b>(Loss)/Profit for the Period</b>		<b>(21,597,530)</b>	<b>10,319,874</b>	<b>(11,165,464)</b>	<b>4,348,978</b>
Earnings per certificate - Basic and Diluted	35	(1.03)	0.49	(0.53)	0.21

The annexed notes 1 to 39 form an integral part of these condensed interim financial information.

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

Place : Karachi  
Date: April 26, 2018

sd/-  
Chief Executive

sd/-  
Director

sd/-  
Director

## Condensed Interim Statement of Other Comprehensive Income

For the Nine Months and 3rd Quarter Ended March 31, 2018 (Unaudited)

	Nine Months Ended		Quarter Ended	
	Mar 31, 2018	Mar 31, 2017	Mar 31, 2018	Mar 31, 2017
	Rupees		Rupees	
<b>(Loss) / Profit for the period</b>	<b>(21,597,530)</b>	10,319,874	<b>(11,165,464)</b>	4,348,978
<b>Others comprehensive income</b>				
Unrealized (loss) / gain on re-measurement of available for sale investment	429,743	389,777	(66,537)	1,322,288
Shares of other comprehensive income of associate	-	(2,480)	-	517
Others comprehensive income	429,743	387,297	(66,537)	1,321,771
Total comprehensive income	<u>(21,167,787)</u>	<u>10,707,171</u>	<u>(11,232,001)</u>	<u>5,670,749</u>

The annexed notes from 1 to 39 form an integral part of these financial statements.

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

المضارب

Place : Karachi  
Date: April 26, 2018

sd/-  
Chief Executive

sd/-  
Director

sd/-  
Director



# Condensed Interim Cash Flow Statement

For the Nine Months and 3rd Quarter Ended March 31, 2018 (Unaudited)

		March 31, 2018	March 31, 2017
	Note	Rupees	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash from operations after working capital changes	37	<b>22,071,989</b>	40,944,211
Increase in long-term security deposits		<b>(2,411,350)</b>	(3,465,861)
Income on Diminishing Musharakah		<b>3,734,401</b>	3,986,991
Income tax paid		<b>(400,810)</b>	(445,087)
Gratuity paid		<b>(398,000)</b>	(1,986,800)
<b>Net cash generated from operating activities</b>		<b>22,596,230</b>	39,033,455
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Additions to fixed assets			
- Own		<b>(4,689,300)</b>	(2,109,650)
- Ijarah		<b>(28,325,500)</b>	(42,816,000)
Sale proceeds on disposal of fixed assets			
- Own		<b>2,243,000</b>	-
- Ijarah		<b>4,537,450</b>	11,209,353
Dividend received		<b>1,111,110</b>	2,062,437
Profit on bank deposit		<b>589,842</b>	504,160
Redemption of Installment of Sukuk Certificates		<b>714,290</b>	966,286
Repayment of diminishing musharakah		<b>13,439,377</b>	
Purchase of investments in sukuk Certificates		<b>(5,000,000)</b>	
Purchase of investments of mutual funds		-	(3,000,000)
Sales of investments of mutual funds		-	2,530,587
Purchase of investments in listed securities		<b>(15,592,775)</b>	(99,680,339)
Proceeds from sale of investments in listed securities		<b>23,018,640</b>	101,248,456
<b>Net cash (used in) investing activities</b>		<b>(7,953,866)</b>	(29,084,710)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Profit paid to the certificate holders		<b>(2,547,015)</b>	-
Financial charges paid		<b>(7,340)</b>	(27,089)
<b>Net cash (used in) financing activities</b>		<b>(2,554,355)</b>	(27,089)
<b>Net (decrease) in cash and cash equivalents</b>		<b>12,088,009</b>	9,921,656
Cash and cash equivalents at beginning of the year		<b>11,482,750</b>	24,206,892
<b>Cash and cash equivalents at end of the period ended</b>	4	<b>23,570,759</b>	34,128,548

The annexed notes from 1 to 39 form an integral part of these financial statements.

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

	sd/-	sd/-	sd/-
Place : Karachi	Chief Executive	Director	Director
Date: April 26, 2018			

## Condensed Interim Statement of Changes in Equity

For the Nine Months and 3rd Quarter Ended March 31, 2018 (Unaudited)

	Certificate Capital	*Statutory Reserve	Reserve		Others Comprehensive Income	Total
			General reserve	Unappropriated profit		
Rupees						
<b>Balance as at June 30, 2016</b>	<b>210,000,000</b>	<b>96,979,973</b>	<b>500,000</b>	<b>(12,758,742)</b>	<b>(2,494,448)</b>	<b>292,226,783</b>
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)	-	-
<b>Balance as at June 30, 2017</b>	<b>210,000,000</b>	<b>97,585,635</b>	<b>500,000</b>	<b>(10,319,964)</b>	<b>(5,230,309)</b>	<b>292,535,362</b>
Share of associate's incremental depreciation on account of revaluation of fixed assets	-	-	-	90,640	-	90,640
Total Comprehensive loss for the year	-	-	-	(21,597,530)	429,743	(21,167,787)
Profit distribution in cash	-	-	-	(2,520,000)	-	(2,520,000)
Transfer from revenue reserve	-	-	(250,000)	250,000	-	-
Transfer to statutory reserve	-	-	-	-	-	-
<b>Balance as at March 31, 2018</b>	<b>210,000,000</b>	<b>97,585,635</b>	<b>250,000</b>	<b>(34,096,854)</b>	<b>(4,800,566)</b>	<b>268,938,215</b>

\* 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 from 1 to 39 form an integral part of these financial statements.

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

Place : Karachi  
Date: April 26, 2018

sd/-  
Chief Executive

sd/-  
Director

sd/-  
Director

# Notes to the Condensed Interim Financial Statements

For the Nine Months and 3rd Quarter Ended March 31, 2018 (Unaudited)

## 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 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 repealed 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.

The interim financial information contained in this interim financial report is unaudited and has been presented in condensed form. Information does not include all information and disclosures as is required to be provided in a full set of annual financial statements. This condensed interim financial information should be read in conjunction with the company's annual financial statements for the year ended June 30, 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 preparing the interim financial information, the significant judgments made by management in the applying the company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the preceding published annual financial statements of the Company as at and for the year ended June 2017.

## Notes to the Condensed Interim Financial Statements

For the Nine Months and 3rd Quarter Ended March 31, 2018 (Unaudited)

	Note	March 31, 2018	June 30, 2017
Rupees			
<b>4. CASH AND BANK BALANCES</b>			
With Cash in Hand		10,607	-
With banks in current accounts			
- Islamic Banks /Islamic Window operations		542,585	375,747
- Conventional Banks		361,556	750,612
With banks in PLS accounts			
- Islamic Banks /Islamic Window operations	4.1	22,656,010	10,356,391
		<b>23,570,759</b>	<b>11,482,750</b>

4.1 These deposits accounts carry profit at rates ranging from 2.00% to 4.08% (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	24,910,972	30,252,407
- Mutual funds - listed	5.1.2	6,115,125	6,874,939
Non - Shariah compliant			
- Equity securities - listed	5.1.3	-	-
- Mutual funds - listed		-	-
		<b>31,026,097</b>	<b>37,127,346</b>

At fair value through profit and loss Equities securities listed

Name of investee company	Number of Shares / Units					Balance as at March 31, 2018		
	As at July 1, 2017	Purchases during the period	Bonus / right issue	Sales / write-offs during the period	As at March 31, 2018	Carrying cost	Market value	Appreciation / (diminution)
<b>Construction and Materials</b>								
Fauji Cement Company Limited	10,000	2,500	-	-	12,500	569,007	365,625	(203,382)
D.G. Khan Cement Co. Limited.	-	3,000	-	-	3,000	536,554	489,330	(47,224)
Lucky Cement Limited.	3,400	1,000	-	-	4,400	3,768,417	3,034,328	(734,089)
Maple Leaf Cement Factory Limited	10,000	63	937	2,500	8,500	1,040,046	602,055	(437,991)
Bestway Cement Limited.	500	-	-	-	500	159,256	79,090	(80,166)
Safe Mix Concrete Limited.	4,500	16,500	-	10,000	11,000	102,682	99,000	(3,682)
Akzo Nobel Pakistan	500	-	-	-	500	126,856	109,490	(17,366)
Kohat Cement Company Limited	1,500	-	-	-	1,500	384,451	240,735	(143,716)
<b>Sub total</b>	<b>30,400</b>	<b>23,063</b>	<b>937</b>	<b>12,500</b>	<b>41,900</b>	<b>6,687,268</b>	<b>5,019,653</b>	<b>(1,667,615)</b>
<b>Oil &amp; Gas Producers</b>								
Attock Refinery Limited	10,000	1,000	-	10,000	1,000	378,538	249,790	(128,748)
National Refinery Limited	2,000	1,000	-	2,000	1,000	630,063	424,090	(205,973)
Oil & Gas Development Company Limited	-	1,000	-	-	1,000	-	-	-
Hascol Petroleum Limited.	900	6,000	280	4,300	2,880	780,973	764,467	(16,505)
<b>Sub total</b>	<b>12,900</b>	<b>9,000</b>	<b>280</b>	<b>17,300</b>	<b>4,880</b>	<b>1,789,573</b>	<b>1,438,347</b>	<b>(351,226)</b>
<b>Gas Water &amp; Multiutilities</b>								
Sui Southern Gas Limited	11,000	4,000	-	10,000	5,000	179,964	182,300	2,336
TPL Trakker Limited	55,000	-	-	10,000	45,000	682,166	389,250	(292,916)
Sui Northern Gas Pipelines Limited.	5,000	4,500	-	2,500	7,000	891,717	788,970	(102,747)
<b>Sub total</b>	<b>71,000</b>	<b>8,500</b>	<b>-</b>	<b>22,500</b>	<b>57,000</b>	<b>1,753,846</b>	<b>1,360,520</b>	<b>(393,326)</b>
<b>General Industries</b>								
Thal Limited	1,500	-	-	500	1,000	552,130	515,650	(36,480)
Pakistan Paper Products Limited.	2,000	-	-	-	2,000	333,418	204,000	(129,418)
Packages Limited	2,500	-	-	-	2,500	2,169,516	1,471,550	(697,966)
<b>Sub total</b>	<b>6,000</b>	<b>-</b>	<b>-</b>	<b>500</b>	<b>5,500</b>	<b>3,055,064</b>	<b>2,191,200</b>	<b>(863,864)</b>

## Notes to the Condensed Interim Financial Statements

For the Nine Months and 3rd Quarter Ended March 31, 2018 (Unaudited)

Name of investee company	Number of Shares / Units					Balance as at March 31, 2018		
	As at July 1, 2017	Purchases during the period	Bonus / right issue	Sales / write-offs during the period	As at March 31, 2018	Carrying cost	Market value	Appreciation / (diminution)
<b>Power Generation &amp; Distribution</b>								
K-Electric Limited	155,000	129,500	-	20,000	264,500	2,131,056	1,854,145	(276,911)
Kot Addu Power Company Limited	13,000	-	-	5,000	8,000	680,714	515,840	(164,874)
<b>Sub total</b>	<b>168,000</b>	<b>129,500</b>	<b>-</b>	<b>25,000</b>	<b>272,500</b>	<b>2,811,770</b>	<b>2,369,985</b>	<b>(441,785)</b>
<b>Automobile and Parts</b>								
Sazgar Engineering Works Limited	-	5,300	-	5,300	-	-	-	-
Ghandhara Nissan Ltd.	-	1,400	-	1,400	-	-	-	-
Pak Suzuki Motor Co. Limited.	1,000	-	-	-	1,000	860,221	477,680	(382,541)
Millat Tractors Limited.	800	50	-	280	570	798,821	730,945	(67,876)
General Tyre & Rubber Co. of Pakistan Limited.	3,500	1,500	-	-	5,000	1,308,217	958,350	(349,867)
Exide Pakistan Limited.	120	-	-	-	120	115,648	47,400	(68,248)
Atlas Battery Limited.	200	-	-	-	200	183,378	80,530	(102,848)
<b>Sub total</b>	<b>5,620</b>	<b>8,250</b>	<b>-</b>	<b>6,980</b>	<b>6,890</b>	<b>3,266,285</b>	<b>2,294,905</b>	<b>(971,380)</b>
<b>Cable and Electrical Goods</b>								
Pak Elektron Limited.	1,000	200	-	500	700	70,593	31,647	(38,946)
<b>Sub total</b>	<b>1,000</b>	<b>200</b>	<b>-</b>	<b>500</b>	<b>700</b>	<b>70,593</b>	<b>31,647</b>	<b>(38,946)</b>
<b>Engineering</b>								
Amerli Steels Limited	-	5,000	-	-	5,000	547,555	460,150	(87,405)
International Steels Limited.	3,000	2,500	-	2,500	3,000	348,157	347,730	(427)
Mughal Iron & Steel Industries Limited	500	6,000	-	1,500	5,000	306,457	367,000	60,543
<b>Sub total</b>	<b>3,500</b>	<b>13,500</b>	<b>-</b>	<b>4,000</b>	<b>13,000</b>	<b>1,202,169</b>	<b>1,174,880</b>	<b>(27,289)</b>
<b>Chemicals</b>								
Lotte Chemical Pakistan Limited.	15,000	10,000	-	15,000	10,000	98,538	105,100	6,562
Engro Corporation Limited.	5,500	-	-	2,500	3,000	1,145,933	928,950	(216,983)
Engro Fertilizer Limited	36,500	52,500	-	39,000	50,000	3,450,345	3,454,500	4,155
I. C. I. Pakistan Limited.	200	20	-	-	220	231,379	187,301	(44,078)
Bawany Air Products Limited.	14,000	5,000	-	19,000	-	-	-	-
Linde Pakistan Limited.	700	-	-	700	-	-	-	-
Fatima Fertilizer Company Ltd	-	5,000	-	2,500	2,500	80,133	82,100	1,967
Itehad Chemicals Limited.	11,253	-	-	6,000	5,253	234,254	189,948	(44,306)
Dawood Hercules Corporation Limited	12,000	-	-	-	12,000	1,708,917	1,571,280	(137,637)
<b>Sub total</b>	<b>95,153</b>	<b>72,520</b>	<b>-</b>	<b>84,700</b>	<b>82,973</b>	<b>6,949,500</b>	<b>6,519,180</b>	<b>(430,321)</b>
<b>Pharma and Bio Tech</b>								
The Searle Company Limited.	1,500	70	340	-	1,910	875,440	671,575	(203,865)
GlaxoSmithKline Pakistan Limited	4,700	500	-	700	4,500	951,676	853,245	(98,431)
<b>Sub total</b>	<b>6,200</b>	<b>570</b>	<b>340</b>	<b>700</b>	<b>6,410</b>	<b>1,827,115</b>	<b>1,524,820</b>	<b>(302,295)</b>
<b>Food Industries</b>								
Fauji Foods Limited	4,000	3,000	13,500	7,500	13,000	410,733	587,550	176,817
Al Shaheer Corporation Limited.	11,750	-	-	-	11,750	597,598	359,785	(237,813)
<b>Sub total</b>	<b>15,750</b>	<b>3,000</b>	<b>13,500</b>	<b>7,500</b>	<b>24,750</b>	<b>1,008,330</b>	<b>947,335</b>	<b>(60,995)</b>
<b>Personal Goods(Textiles)</b>								
Nishat Mills Limited	2,000	8,000	-	10,000	-	-	-	-
<b>Sub total</b>	<b>2,000</b>	<b>8,000</b>	<b>-</b>	<b>10,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Miscellaneous</b>								
Synthetic Products Limited	692	-	8	-	700	36,214	38,500	2,287
<b>Sub total</b>	<b>692</b>	<b>-</b>	<b>8</b>	<b>-</b>	<b>700</b>	<b>36,214</b>	<b>38,500</b>	<b>2,287</b>
	<b>418,215</b>	<b>276,103</b>	<b>15,065</b>	<b>192,180</b>	<b>517,203</b>	<b>30,457,728</b>	<b>24,910,972</b>	<b>(5,546,756)</b>
<b>5.1.2 Mutual funds - listed</b>								
<b>Units of Mutual Funds</b>								
Meezan Islamic Fund - Growth Units	1,941	-	-	-	1,941	50,427	135,222	84,795
First Habib Islamic Balanced Fund	64,573	-	-	-	64,573	5,387,515	5,979,904	592,389
<b>Sub total</b>	<b>66,515</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>66,515</b>	<b>5,437,942</b>	<b>6,115,126</b>	<b>677,184</b>
<b>5.1.3 Non - Shariah compliant</b>								
<b>Sub total</b>								
Total Listed securities	-	-	-	-	-	-	-	-
- At Fair value through Profit & Loss	484,730	276,103	15,065	192,180	583,718	35,895,670	31,026,097	(4,869,572)

## Notes to the Condensed Interim Financial Statements

For the Nine Months and 3rd Quarter Ended March 31, 2018 (Unaudited)

	Note	March 31, 2018	June 30, 2017
Rupees			
5.1.4 Unrealised gain / (loss) on re-measurement of investments at fair value through profit or loss			
Market Value as at	5.1.3	<b>31,026,097</b>	37,127,348
Cost of investment		<b>35,895,670</b>	39,919,743
Unrealised (loss) / gain on investment as at period/ year ended		<b>(4,869,573)</b>	(2,792,396)
Unrealised gain on investment at the beginning of the year		<b>(2,792,396)</b>	599,689
Gain / (Loss) realised on disposal during the period / year		<b>2,421,197</b>	798,496
Unrealised loss on investment for the period / year ended		<b>(4,498,372)</b>	(4,190,581)
<b>5.2 LONG TERM INVESTMENTS</b>			
<b>Investment in Associates Available for Sale</b>	5.2.1	<b>6,115,511</b>	8,297,829
Equity securities - listed AFS			
<b>Shariah compliant</b>			
- Equity securities - listed	5.2.2	<b>10,983,549</b>	13,950,634
- Mutual funds - listed	5.2.3	<b>5,922,319</b>	6,180,031
<b>Non - shariah compliant</b>			
- Equity securities - listed		<b>2,398,275</b>	2,107,320
		<b>25,419,654</b>	30,535,814

### 5.2.1 Investment in Associates

Opening balance	<b>8,297,869</b>	8,256,651
Share of incremental depreciation	<b>90,640</b>	16,130
Share of (loss) / profit of associate	<b>(2,272,998)</b>	1,191,525
	<b>(2,182,358)</b>	1,207,655
Reversal of Sale of Shares	-	(711,377)
Dividend income	-	(455,100)
	<b>6,115,511</b>	8,297,829

**Name of Associate**  
Al-Noor Sugar Mills Limited

Basis of significant influence  
Common directorship

### 5.2.2 Available for sale

Equity securities - listed

Name of investee company	Number of Shares / Units				Balance as at March 31, 2018		
	As at July 1, 2017	Purchases during the period	Bonus / right issue	Sales / write-offs during the period	As at March 31, 2018	Carrying cost	Market value

Fully paid ordinary shares of Rs 10 each unless stated otherwise

#### Equity Investment Instruments

First Habib Modaraba	4,500	-	-	-	4,500	36,646	49,500	12,854
First Imrooz Modaraba	3,000	-	-	-	3,000	479,843	630,000	150,157
Habib Metro Modaraba	-	500	-	-	500	5,000	5,020	20
Allied Rental Modaraba	10,000	5,000	-	-	15,000	385,856	275,250	(110,606)
Orix Modaraba	11,000	-	-	-	11,000	283,258	213,510	(69,748)
<b>Sub total</b>	<b>28,500</b>	<b>5,500</b>	-	-	<b>34,000</b>	<b>1,190,604</b>	<b>1,173,280</b>	<b>(17,324)</b>

#### Construction and Materials

Power Cement Company Limited	5,676	324	-	-	6,000	73,931	56,280	(17,651)
<b>Sub total</b>	<b>5,676</b>	<b>324</b>	-	-	<b>6,000</b>	<b>73,931</b>	<b>56,280</b>	<b>(17,651)</b>

## Notes to the Condensed Interim Financial Statements

For the Nine Months and 3rd Quarter Ended March 31, 2018 (Unaudited)

Name of investee company	Number of Shares / Units				Balance as at March 31, 2018			
	As at July 1, 2017	Purchases during the period	Bonus / right issue	Sales / write-offs during the period	As at March 31, 2018	Carrying cost	Market value	Appreciation / (diminution)
<b>Automobile and Parts</b>								
Ghandhars Nissan Limited	1,800	1,000	-	200	2,600	642,499	673,166	30,667
Ghandhars Industries Limited	500	1,000	-	400	1,100	771,269	918,104	146,835
Millat Tractors Limited	750	-	-	120	630	822,135	807,887	(14,248)
Sazgar Engineering Works Limited	500	1,100	-	1,400	200	14,446	50,976	36,530
Hinopak Motors Limited	90	-	-	80	10	10,204	11,603	1,399
<b>Sub total</b>	<b>3,640</b>	<b>3,100</b>	<b>-</b>	<b>2,200</b>	<b>4,540</b>	<b>2,260,553</b>	<b>2,461,736</b>	<b>201,183</b>
<b>General Industries</b>								
Cherat Packages Limited	5,300	700	715	-	6,715	2,163,324	1,146,653	(1,016,670)
<b>Sub total</b>	<b>5,300</b>	<b>700</b>	<b>715</b>	<b>-</b>	<b>6,715</b>	<b>2,163,324</b>	<b>1,146,653</b>	<b>(1,016,670)</b>
<b>Power Generation &amp; Distribution</b>								
K-Electric Limited	-	45,000	-	45,000	-	-	-	-
<b>Sub total</b>	<b>5,300</b>	<b>45,000</b>	<b>-</b>	<b>45,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Pharma and Bio Tech</b>								
The Searle Company Limited	1,000	-	190	-	1,190	610,286	418,416	(191,870)
<b>Sub total</b>	<b>1,000</b>	<b>-</b>	<b>190</b>	<b>-</b>	<b>1,190</b>	<b>610,286</b>	<b>418,416</b>	<b>(191,870)</b>
<b>Engineering</b>								
Crescent Steel & Allied Products Limited	200	-	-	-	200	38,894	25,302	(13,592)
International Steels Limited	5,000	-	-	-	5,000	807,581	579,550	(228,031)
<b>Sub total</b>	<b>5,200</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,200</b>	<b>846,475</b>	<b>604,852</b>	<b>(241,623)</b>
<b>Chemicals</b>								
Engro Fertilizer Company Limited	11,500	-	-	6,500	5,000	340,264	345,450	5,186
Engro Corporation Limited	7,100	-	-	-	7,100	2,421,697	2,198,515	(223,182)
Lotte Chemical Pakistan Limited	7,500	-	-	-	7,500	74,007	78,825	4,818
<b>Sub total</b>	<b>26,100</b>	<b>-</b>	<b>-</b>	<b>6,500</b>	<b>19,600</b>	<b>2,835,968</b>	<b>2,622,790</b>	<b>(213,178)</b>
<b>Oil &amp; Gas Producers</b>								
Pakistan Petroleum Limited	22,600	-	-	14,600	8,000	1,485,534	1,702,720	217,186
Pakistan Oilfield Limited	900	-	-	800	100	38,772	65,056	26,284
Oil & Gas Development Company Limited	3,500	-	-	3,000	500	69,954	87,040	17,086
Attock Petroleum Limited	500	-	-	400	100	60,439	57,455	(2,984)
Mari Petroleum Company Limited	120	120	-	80	160	247,031	236,890	(10,141)
Hascol Petroleum Limited	1,100	-	220	-	1,320	374,439	350,381	(24,058)
<b>Sub total</b>	<b>28,720</b>	<b>120</b>	<b>220</b>	<b>18,880</b>	<b>10,180</b>	<b>2,276,168</b>	<b>2,499,541</b>	<b>223,373</b>
<b>104,136</b>	<b>9,744</b>	<b>1,125</b>	<b>27,580</b>	<b>87,425</b>	<b>12,257,309</b>	<b>10,983,549</b>	<b>(1,273,760)</b>	
<b>Mutual funds - listed</b>								
Units of Mutual Funds								
UBL Al Ameen Islamic Allocation Plan Plan - VI Class B Preservation Fund - B	29,680	-	-	-	29,680	3,061,111	2,863,336	(197,775)
UBL Al Ameen Islamic Allocation Plan -IX Meezan Balance Fund	29,016	-	-	-	29,016	3,000,000	2,918,170	(81,830)
	8,651	-	-	-	8,651	118,136	140,812	22,676
	67,347	-	-	-	67,347	6,179,248	5,922,319	(256,929)
Non - Shariah compliant								
<b>Chemicals</b>								
Fauji Fertilizer Company Limited	25,500	-	-	-	25,500	2,918,417	2,398,275	(520,142)
<b>Sub total</b>	<b>25,500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>25,500</b>	<b>2,918,417</b>	<b>2,398,275</b>	<b>(520,142)</b>
<b>25,500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>25,500</b>	<b>2,918,417</b>	<b>2,398,275</b>	<b>(520,142)</b>	
<b>Total Listed securities - AFS</b>	<b>196,983</b>	<b>9,744</b>	<b>1,125</b>	<b>27,580</b>	<b>180,272</b>	<b>21,354,974</b>	<b>19,304,142</b>	<b>(2,050,831)</b>

### Unrealised gain / (loss) on re-measurement of investments at fair value through profit or loss

Market Value as at	5.2.2	<b>19,304,142</b>	22,237,945
Cost of investment		<b>21,354,974</b>	24,879,940
Unrealised gain / (loss) on investment as at year ended		<b>(2,050,831)</b>	(2,641,995)
Unrealised loss on investment at the beginning of the year		<b>(2,641,995)</b>	(168,709)
Gain realised on disposal during the year		<b>161,421</b>	(288,439)
Unrealised gain on investment for the period/year ended		<b>429,743</b>	(2,184,847)

## Notes to the Condensed Interim Financial Statements

For the Nine Months and 3rd Quarter Ended March 31, 2018 (Unaudited)

	Note	March 31, 2018	June 30, 2017
Rupees			
<b>6 MUSAWAMAH FACILITY - SECURED</b>			
Musawamah facility - secured considered doubtful		12,500,000	25,000,000
Less: provision against potential losses		(12,500,000)	(12,500,000)
		-	12,500,000
<b>6.1 Musawamah facility (Classified portfolio)</b>			
		March 31, 2018	June 30, 2017
		(Rupees)	
		Balance Outstanding	Provision Held
		Balance Outstanding	Provision Held
OAEM		-	-
Substandard		-	-
Doubtful		-	-
Loss		-	-
		12,500,000	(12,500,000)
		12,500,000	(12,500,000)
		25,000,000	(12,500,000)
		25,000,000	(12,500,000)
<b>6.2</b>	"This represents musawamah principal amount overdue by more than one year carried profit rate of 10% (June 2017: 10%) per annum secured against hypothecation of current assets, demand promissory notes, personal guarantee of directors and pledge of stocks(raw cotton). M/s Quetta Textile Mills Limited has defaulted in payment at its maturity therefore the Modaraba has filed a suit for recovery of principal and profit in Honorable Banking Court No. II. The legal advisor of the Modaraba is of the opinion that Modaraba has reasonable chances of recovery of the defaulted amounts. According to the prudential regulation # 5 for modarabas non performing assets will be classified as loss, where rental, markup/ interest/profit or principal is overdue beyond two years or more from the due date, provision of 100% of the difference resulting from the outstanding balance of principal against the facility less the amount of liquid assets. However, the outstanding balance against the facility doesnot fall under the category of loss (Refer Note No. 6.1) and therefore no provision is required against the said facility as at the reporting date.		
	Further, Modaraba has also registered criminal complaint as well as filed civil suit against M/s Quetta Textile Mills Ltd.for recovery of the defaulted facility in Honorable Banking Court No. II,Karachi."		
<b>7 PROFIT RECEIVABLE</b>			
Musawamah facility	6.2 & 7.1	-	-
Diminishing Musharakah		674,151	1,055,490
Sukuk certificate		38,707	60,058
PLS bank account		40,449	68,757
		753,307	1,184,304
<b>7.1 Provision against potential losses</b>			
Musawamah facility		678,083	678,083
Less: Income suspended		(678,083)	(678,083)
		-	-
<b>8 IJARAH RENTALS RECEIVABLES</b>			
Ijarah rentals receivable - considered good		2,409,225	3,127,045
Less: allowance for potential ijarah losses		-	-
		2,409,225	3,127,045
<b>9 TRADE DEBTORS - unsecured considered good</b>			
Haji Sikander		7,789,645	8,546,082
		7,789,645	8,546,082
<b>10 STOCK IN TRADE</b>			
Finished goods		41,050,975	-
In transit		267,790	267,790
less: Provision for slow moving stock		(267,790)	(267,790)
		41,050,975	-



## Notes to the Condensed Interim Financial Statements

For the Nine Months and 3rd Quarter Ended March 31, 2018 (Unaudited)

	Note	March 31, 2018	June 30, 2017
<u>Rupees</u>			
<b>11 INVESTMENT IN SUKUK CERTIFICATES - Held to Maturity</b>			
Investment in I- Sukuk Certificates	11.1	3,214,288	3,928,571
Investment in II- Sukuk Certificates		5,000,000	-
Less: Principal Repaid		(714,290)	(714,283)
Less: Current portion of Investment in Sukuk Certificates		(714,290)	(1,428,566)
		<u>6,785,708</u>	<u>1,785,722</u>
<b>11.1</b>	This represent sukuk certificates of Albaraka Bank (Pakistan) Limited carrying profit similar to base rate of six months of KIBOR + 1.25% (June 2017: KIBOR + 1.25%) receivable in 14 equal installments till September, 2021.		
<b>12 LONG TERM PORTION OF INVESTMENT IN DINIMISHING MUSHARAKAH (Syndicate)</b>			
Diminishing Musharakah	12.1	45,000,000	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>30,000,000</u>	<u>41,250,000</u>
<b>12.1</b>	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 .		
<b>13 ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES</b>			
Advances - considered good			
- Suppliers		500,000	13,880,500
- Employees		699,910	366,220
Prepayments		5,496,352	6,167,923
Others		301,188	7,371,221
Dividend receivable		213,550	30,096
Sales tax receivable		981,126	986,244
		<u>8,192,126</u>	<u>28,802,204</u>
<b>14 TAXATION</b>			
<b>14.1</b>	The income of the Modaraba, not being trading income, is exempt from tax subject to the condition that not less than ninety per cent of its total profits in the year as reduced by the amount transferred to a mandatory reserve, required under the provisions of Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 (XXXI of 1980) are distributed amongst the shareholders.		
	No provision for current taxation has been made in these financial statements as the Modaraba intends to distribute at least 90 percent of its total income for the year after transfer to mandatory reserve, Income tax expense during the year amounting to Rs. Nil (June 2017: Nil ) are the tax deducted as final on the remittance received from the import / export of goods.		
<b>14.2 Income tax refundable</b>		3,684,382	2,750,970
Income tax adjusted / deducted at source		400,810	933,412
		<u>4,085,192</u>	<u>3,684,382</u>
<b>15 LONG TERM DEPOSITS</b>			
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 the Condensed Interim Financial Statements

For the Nine Months and 3rd Quarter Ended March 31, 2018 (Unaudited)

	Note	March 31, 2018	June 30, 2017
Rupees			
<b>16 LONG TERM PORTION OF INVESTMENT IN DINIMISHING MUSHARAKAH</b>			
Diminishing Musharakah		5,000,000	5,000,000
Less: Principal Repaid		(3,441,867)	(1,252,490)
Less: Current portion of investment in diminishing musharakah		(1,558,133)	(3,080,843)
Long term portion of investment in diminishing musharakah		-	666,667

The profit rate on these diminishing musharaka arrangement is at the rate of 13.5% (2017:13.5%). Diminishing musharaka arrangements are secured by way of Modaraba's charge over underlying assets and demand promisory notes.

### 17 IJARAH ASSETS

Machinery		-	-
Vehicles		111,775,588	136,156,560
Others		3,935,075	6,050,550
	17.1	115,710,663	142,207,110

#### 17.1 The following is a statement of Ijarah assets:

-----Nine months ended March 31, 2018-----				
Ijarah Assets				
	Machinery &	Motor Vehicles	Others	Total
<b>At July 01, 2017</b>				
Cost	-	211,181,876	12,540,000	223,721,876
Accumulated depreciation	-	(75,025,316)	(6,489,450)	(81,514,766)
<b>Net book value</b>	-	136,156,560	6,050,550	142,207,110
<b>Additions</b>	-	28,325,500	-	28,325,500
<b>Disposals</b>				
Cost	-	(31,114,500)	-	(31,114,500)
Depreciation	-	26,009,922	-	26,009,922
	-	(5,104,578)	-	(5,104,578)
Depreciation / amortization charge for the period	-	(47,801,894)	(2,115,475)	(49,717,369)
<b>Closing net book value</b>	-	111,775,588	3,935,075	115,710,663
<b>At March 31, 2018</b>				
Cost	-	208,392,876	12,540,000	220,932,876
Accumulated depreciation	-	(96,617,288)	(6,604,925)	(103,222,213)
<b>Net book value</b>	-	111,775,588	3,935,075	115,710,663
-----Year ended June 30, 2017-----				
Ijarah Assets				
	Machinery &	Motor Vehicles	Others	Total
<b>At July 01, 2016</b>				
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)
<b>Net book value</b>	269,562	131,744,489	12,210,413	144,224,464
<b>Additions</b>	-	70,511,692	-	70,511,692
<b>Disposals</b>				
Cost	(1,558,800)	(54,297,216)	(17,500,000)	(73,356,016)
Depreciation	1,402,920	43,941,419	15,750,000	61,094,339
	(155,880)	(10,355,797)	(1,750,000)	(12,261,677)
Depreciation / amortization charge for the period	(113,682)	(55,743,824)	(4,409,863)	(60,267,369)
<b>Closing net book value</b>	-	136,156,560	6,050,550	142,207,110
<b>At June 30, 2017</b>				
Cost	-	211,181,876	12,540,000	223,721,876
Accumulated depreciation	-	(75,025,316)	(6,489,450)	(81,514,766)
<b>Net book value</b>	-	136,156,560	6,050,550	142,207,110

## Notes to the Condensed Interim Financial Statements

For the Nine Months and 3rd Quarter Ended March 31, 2018 (Unaudited)

	Note	March 31, 2018	June 30, 2017
<b>18 FIXED ASSETS IN OWN USE</b>			
Tangible assets		<b>6,326,626</b>	5,205,147
Intangible assets		<b>2</b>	2
		<b>6,326,628</b>	5,205,149

### Nine Months ended March 31, 2018

	Computer equipment	Office equipment and appliances	Furniture and Fixtures	Motor Vehicles	Total Tangible Assets	Intangible Computer Software	Total
<b>At July 01, 2017</b>							
Cost	817,723	537,873	755,824	5,181,489	7,292,909	253,000	7,545,909
Accumulated depreciation / amortization	(704,936)	(329,068)	(167,069)	(886,689)	(2,087,762)	(252,998)	(2,340,760)
<b>Net book value</b>	<b>112,787</b>	<b>208,805</b>	<b>588,755</b>	<b>4,294,800</b>	<b>5,205,147</b>	<b>2</b>	<b>5,205,149</b>
<b>Additions</b>	<b>14,000</b>	<b>73,300</b>	<b>59,500</b>	<b>4,542,500</b>	<b>4,689,300</b>	<b>-</b>	<b>4,689,300</b>
<b>Disposals</b>							
Cost	-	-	-	(2,243,000)	(2,243,000)	-	(2,243,000)
Depreciation	-	-	-	(2,243,000)	(2,243,000)	-	(2,243,000)
Depreciation / amortization charge for the year	(46,232)	(117,663)	(53,138)	(1,107,788)	(1,324,821)	-	(1,324,821)
<b>Closing net book value</b>	<b>80,555</b>	<b>164,442</b>	<b>595,117</b>	<b>5,486,512</b>	<b>6,326,626</b>	<b>2</b>	<b>6,326,628</b>
<b>At March 31, 2018</b>							
Cost	831,723	611,173	815,324	7,480,989	9,739,209	253,000	9,992,209
Accumulated depreciation / amortization	(751,168)	(446,731)	(220,207)	(1,994,477)	(3,412,583)	(252,998)	(3,665,581)
<b>Net book value</b>	<b>80,555</b>	<b>164,442</b>	<b>595,117</b>	<b>5,486,512</b>	<b>6,326,626</b>	<b>2</b>	<b>6,326,628</b>
Depreciation rate % per annum	30	30	10	20	30		

### Year ended June 30, 2017

	Computer equipment	Office equipment and appliances	Furniture and Fixtures	Motor Vehicles	Total Tangible Assets	Intangible Computer Software	Total
<b>At July 01, 2016</b>							
Cost	1,096,880	541,673	721,604	4,658,526	7,018,683	253,000	7,271,683
Accumulated depreciation / amortization	(948,099)	(229,469)	(100,833)	(2,788,387)	(4,066,788)	(252,998)	(4,319,786)
<b>Net book value</b>	<b>148,781</b>	<b>312,204</b>	<b>620,771</b>	<b>1,870,139</b>	<b>2,951,895</b>	<b>2</b>	<b>2,951,897</b>
<b>Additions</b>	<b>28,500</b>	<b>39,700</b>	<b>34,220</b>	<b>4,607,185</b>	<b>4,709,605</b>	<b>-</b>	<b>4,709,605</b>
<b>Disposals</b>							
Cost	(307,657)	(43,500)	-	(4,084,222)	(4,435,379)	-	(4,435,379)
Depreciation	307,639	43,499	-	3,352,851	3,703,991	-	3,703,991
	(18)	(1)	-	(731,371)	(731,388)	-	(731,388)
Depreciation / amortization charge for the year	(64,476)	(143,098)	(66,236)	(1,451,153)	(1,724,963)	-	(1,724,963)
<b>Closing net book value</b>	<b>112,787</b>	<b>208,805</b>	<b>588,755</b>	<b>4,294,800</b>	<b>5,205,147</b>	<b>2</b>	<b>5,205,149</b>
<b>At June 30, 2017</b>							
Cost	817,723	537,873	755,824	5,181,489	7,292,909	253,000	7,545,909
Accumulated depreciation / amortization	(704,936)	(329,068)	(167,069)	(886,689)	(2,087,762)	(252,998)	(2,340,760)
<b>Net book value</b>	<b>112,787</b>	<b>208,805</b>	<b>588,755</b>	<b>4,294,800</b>	<b>5,205,147</b>	<b>2</b>	<b>5,205,149</b>
Depreciation rate % per annum	30	30	10	20	30		

## Notes to the Condensed Interim Financial Statements

For the Nine Months and 3rd Quarter Ended March 31, 2018 (Unaudited)

	March 31, 2018	March 31, 2017
	<u>Rupees</u>	
<b>19 SECURITY DEPOSITS</b>		
Security deposits	<b>33,986,650</b>	36,398,000
Less: Repayable / adjustable after one year	<b>(22,422,550)</b>	(27,752,950)
Current maturity of security deposits	<b>11,564,100</b>	8,645,050
<b>20 CREDITORS, ACCRUED AND OTHER LIABILITIES</b>		
Creditors	-	-
Accrued expenses	<b>1,026,488</b>	1,292,593
Payable to management company	-	371,212
Dividend Payables	<b>13,564</b>	-
Takaful / Insurance	<b>28,750</b>	57,750
Advances from customers	<b>3,802,243</b>	3,964,178
Provision for Worker's Welfare Fund	<b>455,573</b>	455,573
Advance Ijarah rentals	<b>3,240,179</b>	4,145,079
Unclaimed profit distributions	<b>1,096,235</b>	1,136,814
	<b>9,663,032</b>	11,423,199
<b>21 PROVISION FOR CUSTOM DUTY &amp; SURCHARGE</b>		
Custom duty / surcharges	21.1 <b>4,398,842</b>	4,398,842
<b>21.1</b> 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.		
<b>22 PROFIT PAYABLE</b>		
Late payment & cheques return	<b>267,268</b>	267,268
Shares Dividend	<b>232,767</b>	214,762
Others	<b>35,843</b>	-
	<b>535,878</b>	482,030
<b>23 DEFERRED LIABILITY - STAFF GRATUITY</b>		
<b>23.1 Staff Gratuity Scheme</b>		
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.		
<b>23.2 Liability recognised in the balance sheet:</b>		
Present value of the defined benefit obligation	<b>6,716,774</b>	6,223,540
Less: fair value of planned assets	<b>-</b>	-
Defined benefit liability recognized in the accounts	<b>6,716,774</b>	6,223,540

## Notes to the Condensed Interim Financial Statements

For the Nine Months and 3rd Quarter Ended March 31, 2018 (Unaudited)

### 24 CERTIFICATE CAPITAL

Authorised certificate capital

March 31, 2018	June 30, 2017		March 31, 2018	June 30, 2017
----Number of certificates----			------(Rupees)-----	
40,000,000	40,000,000	Modaraba Certificates of Rs 10 each	400,000,000	400,000,000
20,000,000	20,000,000	Modaraba Certificates of Rs 10 each fully paid in cash	200,000,000	200,000,000
1,000,000	1,000,000	Modaraba Certificates of Rs 10 each issued as fully paid bonus certificates	10,000,000	10,000,000
<u>21,000,000</u>	<u>21,000,000</u>		<u>210,000,000</u>	<u>210,000,000</u>

24.1 As at 31 March 2018, 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.

### 25 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 688,901).

### 26 CONTINGENCIES AND COMMITMENTS

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

### 27. PROFIT FROM TRADING OPERATIONS

	for the Nine Months ended		for the quarter ended	
	Mar 31, 2018	Mar 31, 2017	Mar 31, 2018	Mar 31, 2017
Local	5,095,924	21,181,000	5,095,924	-
Export	-	-	-	-
Sales - Net	5,095,924	21,181,000	5,095,924	-
Cost of Sales	(4,630,634)	(20,000,000)	(4,630,634)	-
Export expenses	-	-	-	-
	<u>465,290</u>	<u>1,181,000</u>	<u>465,290</u>	<u>-</u>

### 28. INCOME ON DIMINISHING MUSHARAKAH INVESTMENTS

Income on diminishing musharakah ( Syndicate)	3,158,072	4,001,950	889,537	1,297,906
Income on diminishing musharakah	194,990	-	65,271	-
	<u>3,353,062</u>	<u>4,001,950</u>	<u>954,808</u>	<u>1,297,906</u>

### 29 INCOME FROM IJARAH

Ijarah income	61,546,416	58,560,201	20,195,909	18,160,276
Less: Depreciation of ijarah assets	(49,682,344)	(46,924,181)	(16,389,019)	(14,303,334)
	<u>11,864,072</u>	<u>11,636,020</u>	<u>3,806,890</u>	<u>3,856,942</u>

### 30 INCOME FROM INVESTMENTS

Gain on sale of listed securities	1,862,643	8,050,687	565,158	4,042,886
Dividend Income	1,294,564	1,944,210	241,500	388,859
Gain on Sukuk Certificates	377,277	201,780	64,666	49,644
	<u>3,534,484</u>	<u>10,196,677</u>	<u>871,324</u>	<u>4,481,389</u>

## Notes to the Condensed Interim Financial Statements

For the Nine Months and 3rd Quarter Ended March 31, 2018 (Unaudited)

	for the Nine Months ended		for the quarter ended	
	Mar 31, 2018	Mar 31, 2017	Mar 31, 2018	Mar 31, 2017
<b>31 ADMINISTRATIVE AND OPERATING EXPENSES</b>				
Salaries and others staff benefits	10,534,432	9,182,636	3,257,767	2,754,824
Rent, rates and taxes	371,155	77,117	204,818	25,706
Postage and telephone	303,844	258,099	110,364	70,518
Printing and stationary	449,944	238,239	62,500	97,889
Fee & subscription	921,596	602,249	454,124	230,530
Legal and professional charges	1,310,614	539,374	556,367	235,858
Travelling and conveyance	103,143	5,940	45,165	2,550
Entertainment	201,546	178,000	65,420	67,498
Repair and maintenance	2,001,454	2,053,339	676,673	813,722
Electricity and others utility charges	-	200,000	-	-
Depreciation	1,324,821	1,225,580	442,756	464,945
Auditor's remuneration	142,850	173,100	95,525	46,600
Advertisement and publicity	78,000	68,400	59,000	68,400
Zakat	-	625	-	-
Storage charges	23,072	-	23,072	-
Takaful /Insurance	4,362,743	4,149,945	1,068,251	1,394,552
Commission	50,668	164,134	21,273	70,032
Others	152,107	201,568	22,490	90,575
	<b>22,331,989</b>	<b>19,318,344</b>	<b>7,165,565</b>	<b>6,434,198</b>
<b>32 OTHER INCOME</b>				
Documentation and other service charges	68,965	106,192	17,700	51,768
Profit on bank deposits	561,535	492,715	133,139	220,341
Miscellaneous income	165,761	1,731,169	-	1,666,242
	<b>796,260</b>	<b>2,330,075</b>	<b>150,839</b>	<b>1,938,352</b>
<b>33 MODARABA COMPANY'S REMUNERATION</b>				
In accordance with the Modaraba Companies and Modaraba Rules, 1981, remuneration at the rate of 10% of annual profits before Income tax & Workers Welfare Fund is payable to the Management Company.				
<b>34 WORKERS WELFARE FUND</b>				
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.				
<b>35 EARNING PER CERTIFICATE - Basic and Diluted</b>				
(Loss) / Profit for the period	(21,597,530)	10,319,874	(11,165,464)	4,348,978
	<b>Number</b>	<b>Number</b>	<b>Number</b>	<b>Number</b>
Average number of certificates	21,000,000	21,000,000	21,000,000	21,000,000
(Loss) / Earning per certificate - basic and diluted	(1.30)	0.49	(0.53)	0.21
<b>36 RELATED PARTIES TRANSACTIONS</b>				
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:				

## Notes to the Condensed Interim Financial Statements

For the Nine Months and 3rd Quarter Ended March 31, 2018 (Unaudited)

	31 Mar 2018	31 Mar 2017
<b>36.1 Balance outstanding at Period end</b>		
Modaraba Management Company		
- Management company's remuneration	-	1,322,161
Associated undertakings		
- Sharing of common expense charged during the year with Al-Noor Sugar Mills Ltd.	-	200,000
Other related parties (other than key management personnel)		
- Contribution to staff gratuity fund	6,716,774	5,772,550
<b>36.2 Transactions during the period</b>		
Modaraba Management Company		
- Management company's remuneration	33 -	1,170,054
Associated undertakings		
- Sharing of common expense charged during the year with Al-Noor Sugar Mills Ltd.	-	200,000
Other related parties (other than key management personnel)		
- Contribution to staff gratuity fund	891,234	994,415
<b>37 CASH FROM OPERATIONS AFTER WORKING CAPITAL CHANGES</b>		
<b>(Loss) / Profit before taxation</b>	<b>(21,597,530)</b>	<b>10,319,874</b>
Adjustments for:		
Gain on sale of investment in listed securities	(1,862,643)	(8,050,687)
Dividend income	(1,294,564)	(1,944,210)
Income on diminishing musharakah	(3,353,062)	(4,001,950)
Gain on sukuk certificates	(377,277)	(201,780)
Profit on bank deposits	(561,535)	(492,715)
Provision for Doubtful	12,500,000	-
Financial charges	7,340	27,089
Depreciation - owned assets	1,324,821	1,225,580
Depreciation - Ijarah assets	49,682,344	46,924,181
Provision for gratuity	891,234	994,415
Share of (loss) / profit from Associate	2,272,998	(929,868)
Unrealized loss/(gain) on re measurement of investments in listed securities	4,498,372	(770,380)
	<b>63,728,028</b>	<b>32,779,676</b>
<b>Operating profit before working capital changes</b>	<b>42,130,497</b>	<b>43,099,550</b>
<b>(Increase)/Decrease in current assets</b>		
Stock in trade	(41,050,975)	-
Profit receivable	430,997	46,706
Ijarah Rental receivable	717,820	(430,468)
Trade Debtors - considered good and unsecured	756,437	350,000
Advances, deposits, prepayments and other receivables	20,793,532	(3,790,733)
	<b>(18,352,189)</b>	<b>(3,824,495)</b>
<b>(Decrease) in current liabilities</b>		
Creditors, accrued and other liabilities	(1,760,167)	1,661,960
Profit payable	53,848	7,196
	<b>(1,706,319)</b>	<b>1,669,156</b>
<b>Cash flow from operating activities</b>	<b>22,071,989</b>	<b>40,944,211</b>

## Notes to the Condensed Interim Financial Statements

For the Nine Months and 3rd Quarter Ended March 31, 2018 (Unaudited)

### 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.

### 38 DATE OF AUTHORISATION

These financial statements were authorised for issue by the Board of Directors of the Management Company in their meeting held on April 26, 2018.

### 39 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

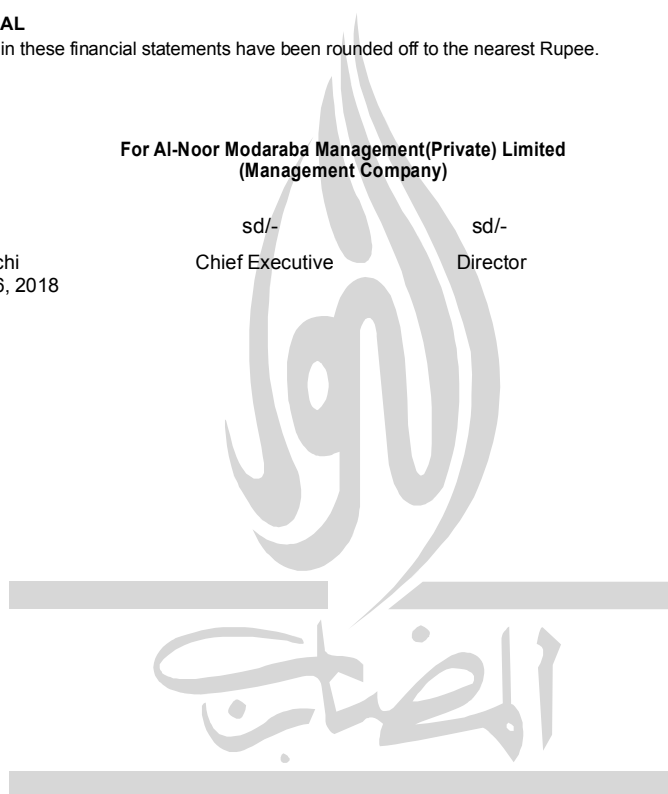
sd/-

Director

sd/-

Director

Place : Karachi  
Date: April 26, 2018





## 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