

3RD QUARTERLY REPORT
March 31, 2020



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	10-22

Corporate Information

BOARD OF DIRECTORS

Non Executive Directors

Chairman

Mr. Ismail H. Zakaria

Directors

Mr. Abdul Aziz Ayoob

Mr. Abdul Rahim Suriya, Independent

Mr. Zia Zakaria

Mr. Tauseef Ilyas, Independent

Dr. Irum Saba, Independent

Executive Directors

Chief Executive/Director

Mr. Zainuddin Aziz

Chief Financial Officer

Mr. Muhammad Arshad Khan Durrani

Company Secretary

Mr. Roofi Abdul Razzak

Board Audit Committee

Mr. Abdul Rahim Suriya - Chairman

Mr. Tauseef Ilyas - Member

Mr. Zia Zakaria - Member

HR & Remuneration Committee

Mr. Tauseef Ilyas - Chairman

Mr. Abdul Aziz Ayoob - Member

Mr. Zainuddin Aziz - Member

Bankers

Al-Baraka Bank (Pakistan) Limited.

Askari Bank Limited, Islamic Banking

Faysal Bank Limited, Barkat Islamic Banking

Habib Bank Limited, Islamic Banking

Meezan Bank Limited

National Bank of Pakistan

Auditors

RSM Avas Hyder Liaquat Nauman

Chartered Accountants

Shariah Advisor

AlHamd Shariah Advisory Services (Pvt) Limited.

Legal Advisor

Mr. Sufiyan Zaman

Advocate High Court

Share Registrar

M / s FAMCO Associates (Private) Limited

8-F, near Hotel Faran, Nursery, Block-6,

P.E.C.H.S, Shahra-e-Faisal, Karachi.

Tel: +92 21 3438 0103-5, 3438 4621-3

Fax: 34380106

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 & Quarter ended March 31, 2020

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, 2020.

Financial Results

Financial results are summarized as under

	Nine months ended	
	March 31 2020	March 31 2019
	Rupees	
Profit/(Loss) after taxation	1,951,670	(6,736,633)
Un-appropriated profit/(loss) brought forward	(55,786,673)	(37,434,232)
	(54,521,580)	(44,170,865)
Adjustment for Components of other comprehensive income	-	-
Un-appropriated profit/(loss) brought forward	(54,521,580)	(44,170,865)
Earning per certificate – basic and diluted	0.09	(0.32)

Compared to the corresponding period of last financial year, the modaraba reflected a profit of Rs. 1.952 million from the loss of Rs. 6.737 million, an improvement by over 128%. This showed that we had achieved growth trajectory in the current financial year. However, the COVID 19 pandemic emerged in last week of February, 2020 in Pakistan, has its negative impact on the overall country's economy. This may equally impact the individual businesses in the future.

On behalf of the Board

sd/-
Abdul Aziz Ayoob
Director

sd/-
Zainuddin Aziz
Chief Executive

Dated : April 22, 2020
Place : Karachi

ڈائریکٹر رپورٹ

برائے اختتام تیسری سہ ماہی /نومابی مدت مارچ 31 ، 2020 (غیر ثانی شدہ)

بورڈ آف ڈائریکٹر انور مضاربہ مینجمنٹ (پرائیوٹ) لمیٹڈ مضارب / انتظامی کمپنی برائے فرسٹ انور مضاربہ (ایف اے ایم) کی جانب سے انتہائی مسرت کے ساتھ مضاربہ کمپنی کی غیر ثانی شدہ رپورٹ بابت مارچ 31 2020 مالیاتی دستاویز پیش کر رہا ہوں۔

ختم ہونے والی تیسری سہ ماہی /نومابی	31 مارچ 2020	31 مارچ 2019
بعد از تیکس نفع / نقصان	1,951,670	(6,736,633)
پچھلے سالوں کا غیر تصرف شدہ نفع / نقصان	(55,786,673)	(37,434,232)
ملحقہ انکریمنٹ کی کمی پیشی کے شیئر	(54,521,580)	(44,170,865)
غیر تصرف شدہ نفع / نقصان	-	-
آمدنی فی سرٹیفکیٹ - بنیادی اور مقررہ	(0.09)	(0.32)

پچھلے سال کے اس عرصے کے 6.737 کے نقصان کے مقابلے میں مضاربہ نے 1.952 ملین کا منافع حاصل کیا۔ جو کہ 128 فیصد سے زیادہ ہے۔ یہ اس بات کی عکاسی کرتا ہے کہ مضاربہ موجودہ مالی سال میں بہتری کی طرف گامزن رہا تاہم کی ویا جو کہ پاکستان میں فروری کے آخری ہفتے میں وقوع پزیر ہوئی، ملک کی مجموعی معیشت پر منفی اثرات مرتب کئے۔ اس وبیکا پاکستان اثر مستقبل میں انفرادی کاروبار پر بھی رہے گا۔

مناجب بوڑد

عبدالعزیز ایوب
ڈائریکٹر

زین الدین عزیز
چیف ایگزیکٹو

مورخہ 22 اپریل 2020
مقام : کراچی

Condensed Interim Balance Sheet

As at March 31, 2020 (Un-audited)

		March 31, 2020	June 30, 2019
	Note	Rupees	
ASSETS			
CURRENT ASSETS			
Cash and bank balances	5	38,686,110	33,848,731
Short term investments	6	73,884,896	12,072,439
Musawamah facility - secured	7	-	-
Profit receivable		673,604	1,127,893
Ijarah rental receivable		1,674,503	1,772,553
Diminishing musharakah receivable		1,896,115	1,071,257
Trade Debtors - considered good and unsecured	8	3,492,435	3,710,823
Stock in trade	9	2,913,625	53,984,600
Current portion of investment in sukuk certificates	10	714,283	714,283
Current portion of investment in diminishing musharakah (Syndicate)	11	-	15,000,000
Current portion of investment in diminishing musharakah		36,727,032	19,105,977
Advances, deposits, prepayments and other receivables		27,438,974	16,101,954
Taxation	12	5,469,216	4,713,859
		193,570,793	163,224,369
NON-CURRENT ASSETS			
Long term deposits		3,846,989	3,846,989
Long term portion of investment in sukuk certificates		5,714,280	6,071,418
Long term portion of investment diminishing musharakah (syndicate)	11	-	11,250,000
Long term portion of investment diminishing musharakah		40,041,189	31,586,607
Long term investments	13	20,966,698	24,823,945
Ijarah assets	14	20,620,662	43,557,154
Fixed assets in own use	15	3,782,032	4,598,418
		94,971,850	125,734,538
		288,542,644	288,958,907
TOTAL ASSETS			
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Current maturity of security deposits		13,491,850	17,470,250
Creditors, accrued and other liabilities		14,291,478	9,813,079
Provision for custom duty & surcharge		4,398,842	4,398,842
Profit payable		48,487	556,898
		32,230,658	32,239,069
NON CURRENT LIABILITIES			
Security deposits		593,700	2,252,550
Deferred liability - staff gratuity		9,312,488	9,827,789
		9,906,188	12,080,339
		42,136,846	44,319,408
TOTAL LIABILITIES			
CERTIFICATE HOLDER'S EQUITY			
40,000,000 (2019: 40,000,000) certificates of Rs 10/- each		400,000,000	400,000,000
Issued, subscribed & paid up capital	16	210,000,000	210,000,000
Reserves	17	97,835,635	97,835,635
Unappropriated loss		(54,521,580)	(55,786,673)
Total capital and reserves		253,314,055	252,048,962
Unrealised diminution on remeasurement of investment classified as fairvalue through OCI- net	18	(6,908,257)	(7,409,463)
TOTAL LIABILITIES AND EQUITY			
		288,542,644	288,958,907
CONTINGENCIES AND COMMITMENTS			
	19		

The annexed notes from 1 to 25 form an integral part of these condensed interim financial information.

For Al-Noor Modaraba Management (Pvt.) Limited
(Management Company)

Place : Karachi
Date : April 22, 2020
FIRST AL-NOOR MODARABA

sd/-
Chief Executive

sd/-
Chief Financial Officer

sd/-
Director

sd/-
Director

Condensed Interim Profit and Loss Account

For the Nine Months & Quarter ended March 31, 2020 (Un-audited)

	Note	Nine months ended		Quarter ended	
		March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
		----- Rupees-----		----- Rupees-----	
Profit from trading operations	20	2,345,761	1,640,207	111,546	219,297
Income on diminishing musharakah (Syndicate)		1,990,861	2,977,141	258,823	1,000,080
Income on diminishing musharakah		8,473,001	3,923,780	2,643,668	1,178,823
Income from Ijarah		6,338,222	8,547,540	1,572,824	2,366,168
Income from investments	21	6,574,231	2,790,949	3,013,399	921,345
		25,722,075	19,879,618	7,600,261	5,685,713
Administrative and operating expenses		24,440,663	21,191,857	7,313,532	6,999,779
Financial and other charges		16,237	20,358	5,764	4,550
		24,456,901	21,212,215	7,319,296	7,004,328
Operating profit		1,265,175	(1,332,598)	280,964	(1,318,615)
Other income		5,009,356	1,108,623	3,536,124	325,543
		6,274,531	(223,974)	3,817,088	(993,073)
Unrealised (loss)/ gain on re-measurement of investments at fair value through profit or loss		(5,668,353)	(4,846,508)	(5,653,801)	(826,483)
Share of profit / (loss) from associates	13.1	1,605,714	(1,666,151)	303,659	(827,416)
		2,211,892	(6,736,633)	(1,533,054)	(2,646,971)
Management company's remuneration		(221,189)	-	153,305	-
		1,990,703	(6,736,633)	(1,379,749)	(2,646,971)
Provision for Sindh Worker's Welfare Fund		(39,033)	-	27,054	-
Profit/(loss) before taxation		1,951,670	(6,736,633)	(1,352,695)	(2,646,971)
Income tax expense		-	-	-	-
Profit/(loss) for the Period		1,951,670	(6,736,633)	(1,352,695)	(2,646,971)
Earnings/(loss) per certificate - Basic and Diluted		0.09	(0.32)	(0.06)	(0.13)

The annexed notes from 1 to 25 form an integral part of these condensed interim financial information

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

Place : Karachi
Date : April 22, 2020
FIRST AL-NOOR MODARABA

sd/-
Chief Executive

sd/-
Chief Financial Officer

sd/-
Director

sd/-
Director

Condensed Interim Statement of Other Comprehensive Income

For the Nine Months & Quarter ended March 31, 2020 (Un-audited)

Note	Nine months ended		Three months ended	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
	----- Rupees-----		----- Rupees-----	
Profit/(loss) for the period	1,951,670	(6,736,633)	(1,352,695)	(2,646,971)
Components of other comprehensive income reflected in equity				
Items that will not be reclassified subsequently profit or loss account				
Remeasurement of net defined benefit liability - loss	(1,146,451)	284,950	(382,150)	19,820
Share of others comprehensive income of associate - incremental depreciation	57,330	-	18,290	-
Equity investments at FVOCI - realised portion directly transferred into equity	402,544	(413,253)	-	(137,751)
Other Comprehensive loss	(686,577)	(128,303)	(363,860)	(117,931)
Total comprehensive income / (loss) for the Period transferred to equity	1,265,093	(6,864,936)	(1,716,554)	(2,764,902)
Components of other comprehensive income reflected below equity*				
Items that will not be reclassified subsequently profit or loss account				
Equity investments at FVOCI - change in fair value	676,278	-	(2,466,833)	-
Items that will be reclassified subsequently into profit or loss account				
Reversal of realised on disposal during the Period				
Unrealized (loss) on re-measurement of available for sale investment*	-	(2,029,678)	-	(1,556,488)
	-	(2,029,678)	-	(1,556,488)
Total Comprehensive income / (loss)	1,941,371	(8,894,614)	(4,183,387)	(4,321,390)

*Deficit on re-measurement of available for sale investment & gain realised on disposal of investments is presented separately below equity as 'Surplus on revaluation of investments' been shown in order to comply with the amended "Prudential Regulations for Modarabas" issued by SECP vide SC/M/PRDD/PRs Circular no. 259 of 2017 on December 11, 2017.

The annexed notes from 1 to 25 form an integral part of these condensed interim financial information

For Al-Noor Modaraba Management (Pvt.) Limited
(Management Company)

Place : Karachi
Date : April 22, 2020
FIRST AL-NOOR MODARABA

sd/-
Chief Executive

sd/-
Chief Financial Officer

sd/-
Director

sd/-
Director

Condensed Interim Statement of Cash Flow

For the Nine Months & Quarter ended March 31, 2020 (Un-audited)

		March 31, 2020	March 30, 2019
	Note	Rupees	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash from operations after working capital changes	23	47,192,396	(4,252,896)
Increase in long-term security deposits		(5,637,250)	(8,812,800)
Income on diminishing musharakah		11,181,544	7,026,470
Income from islamic certificates		1,770,882	-
Income from sukuk certificates		772,023	586,572
Income tax paid		(755,357)	(379,281)
Financial charges		(3,037)	(7,158)
Gratuity paid		(2,700,000)	(650,000)
Net cash generated from operating activities		51,821,201	(6,489,093)
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to fixed assets			
- Own		(1,976,930)	(332,500)
- Ijarah		-	-
Sale proceeds on disposal of fixed assets			
- Own		4,610,000	10,000
- Ijarah		6,044,568	11,426,424
Dividend received		734,677	1,177,453
Profit on bank deposit		1,934,864	874,544
Redemption of Installment of Sukuk Certificates		357,145	714,290
Investment in diminishing musharakah		(54,140,000)	(43,582,000)
Repayment of diminishing musharakah		54,122,331	23,442,210
Investment in barkat islamic certificates		(202,000,000)	-
Maturity on barkat islamic certificates		142,000,000	-
Purchase of investments in mutual funds		-	(5,000,000)
Proceeds from sale of mutual funds units		2,827,617	5,686,935
Purchase of investments in listed securities		(48,134,716)	(12,095,278)
Proceeds from sale of investments in listed securities		46,636,622	14,672,809
Net cash used in investing activities		(46,983,822)	(3,005,113)
CASH FLOWS FROM FINANCING ACTIVITIES			
Financial charges paid		-	-
Net cash (used in) financing activities		-	-
Net increase / (decrease) in cash and cash equivalents		4,837,379	(9,494,206)
Cash and cash equivalents at beginning of the year		33,848,731	24,281,195
Cash and cash equivalents at end of the year	5	38,686,110	14,786,989

The annexed notes from 1 to 25 form an integral part of these condensed interim financial information

For Al-Noor Modaraba Management (Pvt.) Limited
(Management Company)

Place : Karachi
Date : April 22, 2020
FIRST AL-NOOR MODARABA

sd/-
Chief Executive

sd/-
Chief Financial Officer

sd/-
Director

sd/-
Director

Condensed Interim Statement of Changes in Equity

For the Nine Months & Quarter ended March 31, 2020 (Un-audited)

	Issued subscribed & paid up capital	Capital Reserve Statutory Reserve	Reserve General reserve	Revenue reserve Unappropriated profit	Total
			Rupees		
Balance as at June 30, 2018	210,000,000	97,585,635	250,000	(37,434,232)	267,100,666
Total comprehensive loss for the year	-	-	-	(6,864,936)	(6,864,936)
Profit distribution in cash	-	-	-	-	-
Transfer from general reserve	-	-	-	-	-
Transfer to statutory reserve	-	-	-	-	-
Balance as at March 31, 2019	210,000,000	97,585,635	250,000	(44,299,168)	260,235,730
Balance as at June 30, 2019	210,000,000	97,585,635	250,000	(55,786,673)	252,048,962
Total Comprehensive income for the Period	-	-	-	1,265,093	1,265,093
Profit distribution in cash	-	-	-	-	-
Transfer to general reserve	-	-	-	-	-
Transfer to statutory reserve	-	-	-	-	-
Balance as at March 31, 2020	210,000,000	97,585,635	250,000	(54,521,580)	253,314,055

* The statutory reserve represents profit set aside as required under the Prudential Regulations for Modarabas as issued by the Securities and Exchange Commission of Pakistan (SECP)

The annexed notes from 1 to 25 form an integral part of these condensed interim financial information

For Al-Noor Modaraba Management (Pvt.) Limited
(Management Company)

Place : Karachi
Date : April 22, 2020
FIRST AL-NOOR MODARABA

sd/-
Chief Executive

sd/-
Chief Financial Officer

sd/-
Director

sd/-
Director

Notes to the Condensed Interim Financial Statements

For the Nine Months & Quarter ended March 31, 2020 (Un-audited)

1. LEGAL STATUS AND NATURE OF BUSINESS

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

The Modaraba is a multipurpose perpetual modaraba and is primarily engaged in ijarah, diminishing musharakah, musharikah, murabaha, musawamah, modaraba, equity investment and trading activities. The Modaraba is listed on the Pakistan Stock Exchange.

2. BASIS OF PREPARATION

2.1 STATEMENT OF COMPLIANCE

These condensed interim financial statements have been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting', the requirements of Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981 and directives issued by the Securities & Exchange Commission of Pakistan (SECP). In case where requirements differ, the requirements of Modaraba Companies and Modaraba (Floatation & Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981 or the directives issues by SECP prevail.

2.2

These condensed interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the financial statements of the Modaraba for the year ended June 30, 2019.

The figures for the nine months ended March 31, 2020 have been subjected to limited scope review by the auditors as required by the Code of Corporate Governance.

2.3

This condensed interim financial statements comprises of the condensed interim balance sheet as at March 31, 2020 and the condensed interim profit and loss account & condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity and the notes forming part thereof for the nine months ended March 31, 2020 which have been subjected to a review but not audited.

2.4

The comparative condensed balance sheet, presented in this condensed interim financial statements, as at June 30, 2019 has been extracted from the annual audited financial statements of the Modaraba for the year ended June 30, 2019 whereas the comparative condensed interim profit and loss account & condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity for the nine months ended March 31, 2020 have been extracted from the condensed interim financial statements for the nine months ended March 31, 2019 which were subjected to a review but not audited.

2.5

These interim financial statements have been presented in pak rupees which is the functional currency of the modaraba.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1

The accounting policies and methods of computation adopted in the preparation of these condensed interim financial statements are consistent with those applied in the preparation of the annual audited financial statements for the year ended June 30, 2019 except those stated in note 3.2 (a) below.

3.2

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

Notes to the Condensed Interim Financial Statements

For the Nine Months & Quarter ended March 31, 2020 (Un-audited)

(a) Standards and amendments to published accounting and reporting standards which were effective during the nine months ended March 31, 2020.

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

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

The amendments that were mandatory for the nine months ended March 31, 2020 are considered not to be relevant for the Modaraba's financial reporting process and hence have not been disclosed here.

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

There is a new standard and certain amendments and interpretation to the accounting and reporting standards that will be mandatory for the Modaraba's annual accounting periods beginning on or after July 1, 2020. However, these standard, amendments and interpretation will not have any significant impact on the financial reporting of the Modaraba and, therefore, have not been disclosed in these condensed interim financial statements.

4. SIGNIFICANT ACCOUNTING ESTIMATES , JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts. Actual results may differ from these judgements, estimates and assumptions.

However, the management believes that the change in outcome of judgements, estimates and assumptions would not have a material impact on the amounts disclosed in these condensed interim financial statements.

		March 31, 2020	June 30, 2019
	Note	Rupees	
5. CASH AND BANK BALANCES			
With Cash in Hand		44,808	-
With banks in current accounts			
- Islamic Banks /Islamic Window operations		492,210	492,204
- Conventional Banks		488,554	2,467,857
With banks in PLS accounts			
- Islamic Banks /Islamic Window operations	5.1	37,660,539	30,888,670
- Conventional Banks		-	-
		<u>38,686,110</u>	<u>33,848,731</u>

5.1 These deposits accounts carry profit at rates ranging from 4.25% % to 6.74 % (June 2019: 2.88% to 5.75%).

Notes to the Condensed Interim Financial Statements

For the Nine Months & Quarter ended March 31, 2020 (Un-audited)

	Note	March 31, 2020	June 30, 2019
		Rupees	
6. INVESTMENTS			
SHORT TERM INVESTMENTS			
At fair value through profit and loss			
Shariah compliant			
- Equity securities - listed	6.1	13,806,905	11,333,638
- Mutual funds - listed	6.2	77,991	93,051
Non - Shariah compliant			
- Equity securities - listed	6.3	-	645,750
- Mutual funds - listed		-	-
At amortised cost			
Investment in Islamic Certificates	6.4	60,000,000	-
		<u>73,884,896</u>	<u>12,072,439</u>

- 6.1** At fair value through profit and loss
Shariah compliant
Equity securities - listed

Name of investee company	Balance as at March 31, 2020	Balance as at June 30, 2019
	Market value	
Construction and Materials		
Fauji Cement Company Limited	-	70,785
Dewan Cement Limited	236,950	-
D.G. Khan Cement Limited	-	141,350
Lucky Cement Company Limited	-	1,255,551
Maple Leaf Cement Limited	4,428	47,780
Best Way Cement Co. Limited	-	51,535
Power cement Limited	289,000	70,730
AKZO nobel Pakistan Limited	540,000	50,025
Kohat Cement Company Limited	-	278,409
Sub total	<u>1,070,378</u>	<u>1,966,165</u>
Oil & Gas Producers		
National Refinery Limited	-	226,940
Pakistan Petroleum Limited	1,183,780	-
Oil & Gas Development Corporation Limited	723,680	65,745
Hascal Petroleum Limited.	246,281	252,865
Sub total	<u>2,153,741</u>	<u>545,550</u>
Gas Water & Multiutilities		
Sui Southern Gas Limited	128,900	620,400
TPL Corporation Limited	-	97,600
Sui Northern Gas Pipeline Limited	835,000	799,135
Sub total	<u>963,900</u>	<u>1,517,135</u>

Notes to the Condensed Interim Financial Statements

For the Nine Months & Quarter ended March 31, 2020 (Un-audited)

Name of investee company	Balance as at March 31, 2020	Balance as at June 30, 2019
Market value		
General Industries		
Thal Limited	-	364,060
Pakistan Paper Products	97,500	146,900
Packages Limited	1,568,828	1,502,800
Sub total	1,666,328	2,013,760
Power Generation & Distribution		
K-Electric Limited	467,250	790,200
The Hub Power	1,065,460	-
Kot Addu Power Company Limited	20,420	36,380
Sub total	1,553,130	826,580
Automobile and Parts		
Ghandhara Industrieis Limited	-	87,370
Pak Suzuki Motors Co. Limited	-	228,960
Millat Tractors Limited	18,169	577,795
Exide Battery Limited	-	16,620
Sub total	18,169	910,745
Cable and Electrical Goods		
Pak Elektron Limited	1,114,745	464,464
Waves Singer Pakistan Limited	164,500	-
Sub total	1,279,245	464,464
Engineering		
Amerli Steels Limited	-	172,620
International Industries	82,920	-
International Steels Limited	-	79,420
Mughal Iran & Steel Industries Limited.	36,050	176,120
Sub total	118,970	428,160
Chemicals		
Lotte Pakistan PTA Limited	1,183,350	221,125
Engro Corporation Limited.	353,307	584,320
Engro Fertilizer Limited	575,400	543,745
ICI Pakistan Limited	174,396	117,143
Engro Polymer & Chemical Limited	413,540	-
Siddiq Son Tin Plate Limited	488,800	-
Sitara Peroxide Limited	-	38,360
Ittehad Chemicals Limited	23,100	29,656
Sub total	3,211,893	1,534,349
Pharma and Bio Tech		
The Searle Company Limited	359,002	321,846
AGP Limited	569,450	-
Glaxo Smithkline Pakistan Limited.	-	428,985
Sub total	928,452	750,831

Notes to the Condensed Interim Financial Statements

For the Nine Months & Quarter ended March 31, 2020 (Un-audited)

Name of investee company	Balance as at March 31, 2020	Balance as at June 30, 2019
	Market value	
Food Industries		
Al-Shaher Corporaiton Limited	-	220,500
Sub total	-	220,500
Banks		
BankIslamic Pakistan Limited.	717,600	-
Sub total	717,600	-
Transport		
Pakistan National Shipping Corporation Limited		
Pakistan Int' Bulk Terminal Limited	125,100	-
Sub total	125,100	-
Personal Goods(Textiles)		
Nishat Mills Limited	-	140,010
Kohinoor Textile Mills Limited	-	-
Sub total	-	140,010
Miscellaneous		
Synthetic Products Limited	-	15,533
Sub total	-	15,533
	13,806,905	11,333,638
6.2 Mutual funds - listed		
Units of Mutual Funds		
Meezan Islamic Fund - Growth Units	77,991	93,051
	77,991	93,051
6.3 Non - Shariah compliant		
Food Industries		
Fauji Foods Limited	-	79,140
Sub total	-	79,140
Automobile and Parts		
General Tyre & Rubber Co. of Pakistan Limited.	-	566,610
Sub total	-	566,610
	-	645,750
Total Listed securities		
- At Fair value through Profit & Loss	13,884,896	12,072,439
6.4	This represent investment in Islamic Certificates having maturity of 3 months carry profit at rates ranging from 11.50% % to 12.00 % (June 2019: Nil).	

Notes to the Condensed Interim Financial Statements

For the Nine Months & Quarter ended March 31, 2020 (Un-audited)

	Note	March 31, 2020	June 30, 2019
		Rupees	
7. MUSAWAMAH FACILITY - SECURED			
Musawamah facility - secured considered doubtful		25,000,000	25,000,000
Less: provision against potential losses		<u>(25,000,000)</u>	<u>(25,000,000)</u>
		-	-
7.1 Musawamah facility (Classified portfolio)			

	March 31, 2020		June 30, 2019	
	Balance outstanding	Provision held	Balance outstanding	Provision held
	Rupees			
OAEM	-	-	-	-
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	<u>25,000,000</u>	<u>(25,000,000)</u>	<u>25,000,000</u>	<u>(25,000,000)</u>
	<u>25,000,000</u>	<u>(25,000,000)</u>	<u>25,000,000</u>	<u>(25,000,000)</u>

- 7.2 This represents musawamah principal amount overdue by more than one year carried profit rate of 10% (June 2019: 10%) per annum secured against hypothecation of current assets, demand promissory notes, personal guarantee of directors and pledge of stocks(raw cotton). M/s Quetta Textile Mills Limited has defaulted in payment at its maturity therefore the Modaraba has filed a suit for recovery of principal and profit in Honorable Banking Court No.II. The legal advisor of the Modaraba is of the opinion that Modaraba has reasonable chances of recovery of the defaulted amounts. However, in compliance to prudential regulation # 5 for modarabas, the modaraba has provided the provision against the said default.

Further, Modaraba has also filed for registration of criminal complaint against M/s Quetta Textile Mills Limited.

M/s Quetta Textile has filed a suit against Modaraba for the recovery of Rs. 76,898,349/- along with damages, rendition of accounts, reconciliation of documents, cancellation of documents and other reliefs under section 9 of the Financial Institutions (Recovery of Finances) Ordinance 2001. The notice against said suit was served in July 2017. In the given facts and circumstances of the case, the outcome of the matter cannot be predicted with any degree of certainty. However, in the opinion of Modaraba's legal advisor, the Modaraba has reasonable chance to prevail.

	Note	March 31, 2020	June 30, 2019
		Rupees	
8. TRADE DEBTORS - unsecured considered good			
Trade Debtors	8.1	<u>3,492,435</u>	<u>3,710,823</u>
8.1 Considered good - unsecured			
Less: provision for doubtful	8.2	<u>7,203,258</u> <u>(3,710,823)</u>	<u>7,421,646</u> <u>(3,710,823)</u>
		<u>3,492,435</u>	<u>3,710,823</u>
8.2 Reconciliation of provisions against trade debtors			
Opening balance		-	-
Provision for the period/ year		<u>3,710,823</u>	<u>3,710,823</u>
Closing balance		<u>3,710,823</u>	<u>3,710,823</u>

Notes to the Condensed Interim Financial Statements

For the Nine Months & Quarter ended March 31, 2020 (Un-audited)

		March 31, 2020	June 30, 2019
	Note	Rupees	
9. STOCK IN TRADE			
Finished goods		2,913,625	53,984,600
In transit		267,790	267,790
less: Provision for slow moving stock		(267,790)	(267,790)
		<u>2,913,625</u>	<u>53,984,600</u>
10. INVESTMENT IN SUKUK CERTIFICATES - Amortised Cost			
Investment in Sukuk Certificates	10.1	5,357,142	6,071,425
Less: Principal Repaid		(357,145)	(714,290)
Add: Current portion of Investment in Sukuk Certificates		714,283	714,283
		<u>5,714,280</u>	<u>6,071,418</u>

10.1 Two separate Sukuk investment were made in Tier II Albaraka Bank (Pakistan Limited., this represent sukuk I certificates carrying profit to base rate of six months of KIBOR + 1.25% & terms of principal repayment bi-annual receivable in 14 equal installments till September, 2021.(June 2019: KIBOR + 1.25%) and II sukuk certificates carrying profit to base rate of six months of KIBOR + 0.75% & terms of repayment principal on maturity August 21, 2024 (June 2019: KIBOR + 0.75%)

11. LONG TERM PORTION OF INVESTMENT IN DIMINISHING MUSHARAKAH (Syndicate)

		March 31, 2020	June 30, 2019
	Note	Rupees	
Diminishing Musharakah	11.1	-	26,250,000
Less: Current portion of investment in diminishing musharakah		-	(15,000,000)
Long term potion of investment in diminishing musharakah		<u>-</u>	<u>11,250,000</u>

11.1 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 + 2.75% (June 2019: KIBOR + 2.75%) receivable in 16 quarterly equal installments from April 2017 to till January, 2021. With one year grace period. However, the client during the period settled the facility prematurely.

12. TAXATION

The non trading income of the Modaraba 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 certificate holders.

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. Further, no provision on trading income of the modaraba is recorded due to taxable loss on the trading income.

Notes to the Condensed Interim Financial Statements

For the Nine Months & Quarter ended March 31, 2020 (Un-audited)

		March 31, 2020	June 30, 2019
	Note	Rupees	
13. LONG TERM INVESTMENTS			
Investment in Associates	13.1	8,001,821	6,671,102
FVTOCI			
Equity securities - listed FVTOCI			
Shariah compliant			
- Equity securities - listed	13.2.1	2,188,150	5,034,862
- Mutual funds - listed	13.2.2	7,947,976	10,271,679
Non - shariah compliant			
- Equity securities - listed	13.2.3	2,828,751	2,846,302
		<u>20,966,698</u>	<u>24,823,945</u>
13.1 Investment in Associates			
Opening balance		6,671,102	7,648,874
Share of incremental depreciation - OCI Component		57,330	304,770
Share of profit/(loss) of associate		<u>1,605,714</u>	<u>(1,116,380)</u>
		1,663,044	(811,610)
Dividend income		<u>(332,325)</u>	<u>(166,163)</u>
		<u>8,001,821</u>	<u>6,671,102</u>
13.2 Fair Value through OCI			
Shariah compliant			
13.2.1 Equity securities - listed			
		Balance as at March 31, 2020	Balance as at June 30, 2019
Name of Investee Company		Market Value	
Fully paid ordinary shares of Rs 10 each unless stated otherwise			
Equity Investment Instruments			
First Habib Modaraba			
(Habib Modaraba Management (Private) Limited)		40,950	42,345
First Imrooz Modaraba			
(AR Management Services (Private) Limited)		249,390	466,770
Habib Metro Modaraba			
(Habib Metropolitan Modaraba Mangement Company (Private) Limited)		3,755	5,000
Allied Rental Modaraba			
(Allied Engineering Management Company (Private) Limited)		160,875	214,500
Orix Modaraba			
(Orix Services Pakistan (Private) Limited)		<u>173,800</u>	<u>170,500</u>
Sub total		<u>628,770</u>	<u>899,115</u>
Construction and Materials			
Power Cement Company Limited		<u>34,680</u>	<u>38,580</u>
Sub total		<u>34,680</u>	<u>38,580</u>
Automobile and Parts			
Ghandhara Nissan Limited		148,053	172,652
Ghandhara Industries Limited		299,082	366,954
Millat Tractors Limited		357,695	543,299
Hinopak Motors Limited		<u>3,150</u>	<u>3,220</u>
Sub total		<u>807,980</u>	<u>1,086,125</u>

Notes to the Condensed Interim Financial Statements

For the Nine Months & Quarter ended March 31, 2020 (Un-audited)

Name of Investee Company	Balance as at March 31, 2020	Balance as at June 30, 2019
Market Value		
Pharma and Bio Tech		
Searle Company Limited	228,545	204,891
Sub total	<u>228,545</u>	<u>204,891</u>
Engineering		
Crescent Steel & Allied Products	235,716	196,456
International Steels Limited	194,950	198,550
Sub total	<u>430,666</u>	<u>395,006</u>
Chemicals		
Engro Corporation Limited	-	2,074,336
Sub total	<u>-</u>	<u>2,074,336</u>
Oil & Gas Producers		
Attock Petroleum Limited	32,371	34,621
Mari Petroleum Limited	-	177,642
Hascol Petroleum Limited	25,138	124,545
Sub total	<u>57,509</u>	<u>336,808</u>
	<u>2,188,150</u>	<u>5,034,862</u>
13.2.2 Mutual funds - listed		
Units of Mutual Funds		
UBL Al Ameen Islamic Allocation Plan		
Plan -VI Class B Preservation Fund -B	-	2,591,420
UBL Al Ameen Islamic Allocation Plan -IX	2,522,334	2,597,787
Meezan Balance Fund	112,969	116,432
HBL-IFPF-Islamic Capital Preservation Plan	5,312,673	4,966,040
	<u>7,947,976</u>	<u>10,271,679</u>
13.2.3 Non - Shariah compliant		
Chemicals		
Fauji Fertilizer Company Limited	2,072,530	2,223,600
Sub total	<u>2,072,530</u>	<u>2,223,600</u>
General Industries		
Cherat Packages Limited	756,221	622,702
Sub total	<u>756,221</u>	<u>622,702</u>
	<u>2,828,751</u>	<u>2,846,302</u>
Total Listed securities - FVTOCI	<u>12,964,877</u>	<u>18,152,843</u>

Notes to the Condensed Interim Financial Statements

For the Nine Months & Quarter ended March 31, 2020 (Un-audited)

	Note	March 31, 2020	June 30, 2019	
		Rupees		
14. IJARAH ASSETS				
Opening balance		43,557,154	97,608,224	
Add: Addition during the period/year		-	-	
		43,557,154	97,608,224	
Less: Disposals during the period/year - book value		(6,000,060)	(13,625,053)	
Depreciation during the period/year		(16,936,432)	(40,426,017)	
		20,620,662	43,557,154	
Disposals during the period at book value - period/year				
Motor vehicles		6,000,060	12,371,053	
Others		-	1,254,000	
		6,000,060	13,625,053	
15. FIXED ASSETS IN OWN USE				
Opening balance		4,598,418	5,922,709	
Add: Addition during the period/year		1,976,930	406,825	
		6,575,348	6,329,534	
Less: Disposals during the period/year - book value		(2,553,065)	(2)	
Depreciation during the period/year		(240,251)	(1,731,115)	
		3,782,032	4,598,418	
Addition during the period/year				
Computer equipment		46,860	97,500	
Office equipment and appliances		-	184,825	
Furniture and Fixtures		26,620	64,500	
Motor vehicles		1,903,450		
Computer software		-	60,000	
		1,976,930	406,825	
Disposals during the period at book value - period/year				
Office equipment and appliances		-	1	
Motor vehicles		1,554,121	1	
		1,554,121	2	
16. CERTIFICATE CAPITAL				
Authorised certificate capital				
		March 31, 2020	June 30, 2019	
		(Rupees)		
		March 31, 2020	June 30, 2019	
		(Rupees)		
40,000,000	40,000,000	Modaraba Certificates of Rs 10 each	400,000,000	400,000,000
Issued, subscribed and paid capital				
20,000,000	20,000,000	Modaraba Certificates of Rs 10 each fully paid in cash	200,000,000	200,000,000
1,000,000	1,000,000	Modaraba Certificates of Rs 10 each issued as fully paid bonus certificates	10,000,000	10,000,000
21,000,000	21,000,000		210,000,000	210,000,000

Notes to the Condensed Interim Financial Statements

For the Nine Months & Quarter ended March 31, 2020 (Un-audited)

16.1 As at March 31, 2020, First Al-Noor Modaraba Management (Private) Limited (the Management Company) held 4,200,000 certificates (June 2019: 4,200,000 certificates), as required under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980.

17. 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 2019: Rs Nil).

	Note	March 31, 2020 Rupees	June 30, 2019 Rupees
18. SURPLUS ON REVALUATION OF INVESTMENTS CLASSIFIED AS 'FVTOCI'			
Market value of investments		12,964,877	18,152,843
Less: cost of investments		(8,118,136)	(25,851,120)
		<u>4,846,741</u>	<u>(7,698,277)</u>
Deficit on revaluatoun at the beginning of the year		(7,409,463)	(2,687,577)
Gain / (loss) realised on disposal and tranferred to profit loss account	-	-	-
Gain / (deficit) realised on disposal and transferred into equity directly		(175,072)	288,812
Gain/(deficit) on revaluation during the year		<u>676,278</u>	<u>(5,010,698)</u>
		501,206	(4,721,886)
(Deficit) / Surplus on revaluatoun at the ending of the year		<u>(6,908,257)</u>	<u>(7,409,463)</u>

19. CONTINGENCIES AND COMMITMENTS

There are no known contingencies and commitments at the balance sheet date. (June 30,2019 : NIL)

20. PROFIT FROM TRADING OPERATIONS

	For the period ended		For the quarter ended	
	March 31, 2020	March, 31 2019	March, 31 2020	March 31, 2019
	------(Rupees)-----		------(Rupees)-----	
Local	59,711,877	41,081,027	6,424,099	8,495,979
Export	-	-	-	-
Sales - Net	<u>59,711,877</u>	<u>41,081,027</u>	<u>6,424,099</u>	<u>8,495,979</u>
Cost of Sales	(57,366,116)	(39,440,820)	(6,312,553)	(8,276,682)
Export expenses	-	-	-	-
	<u>2,345,761</u>	<u>1,640,207</u>	<u>111,546</u>	<u>219,297</u>

Notes to the Condensed Interim Financial Statements

For the Nine Months & Quarter ended March 31, 2020 (Un-audited)

	For the period ended		For the quarter ended	
	March 31, 2020	March, 31 2019	March, 31 2020	March 31, 2019
	------(Rupees)-----		------(Rupees)-----	
21. INCOME FROM INVESTMENTS				
Gain on sale of listed securities	2,966,482	1,168,718	1,265,904	415,310
Dividend Income	668,917	1,086,577	92,900	297,039
Gain on Sukuk Certificates	733,155	535,655	228,566	208,996
Profit on Islamic certificates	<u>2,205,677</u>	<u>-</u>	<u>1,426,028</u>	<u>-</u>
	<u>6,574,231</u>	<u>2,790,949</u>	<u>3,013,399</u>	<u>921,345</u>

22. RELATED PARTIES TRANSACTIONS

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

	Note	March 31, 2020 Rupees	June 30, 2019 Rupees
22.1 Balance outstanding at Period end			
Modaraba Management Company			
- Management fee		<u>249,944</u>	<u>-</u>
Associated undertakings			
- Sharing of common expense charged during the period with AI-Noor Sugar Mills Limited.		<u>-</u>	<u>-</u>
Other related parties (other than key management personnel)			
- Contribution to staff gratuity fund		<u>9,312,488</u>	<u>9,827,789</u>
22.2 Transaction during the year			
Modaraba Management Company			
- Management fee		<u>221,189</u>	<u>-</u>
Associated undertakings			
- Sharing of common expense charged during the period with AI-Noor Sugar Mills Limited.			
Other related parties (other than key management personnel)			
- Contribution to staff gratuity fund		<u>1,038,249</u>	<u>518,702</u>

Notes to the Condensed Interim Financial Statements

For the Nine Months & Quarter ended March 31, 2020 (Un-audited)

	March 31, 2020	March 31, 2019
Note	Rupees	
23. CASH FROM OPERATIONS AFTER WORKING CAPITAL CHANGES		
Profit/(Loss) before taxation	1,951,670	(6,736,633)
Adjustments for:		
Gain on sale of investment in listed securities	(2,966,482)	(1,168,718)
Dividend income	(668,917)	(1,086,577)
Income from islamic certificates	(2,205,677)	-
Income on diminishing musharakah	(10,463,862)	(6,900,921)
Gain on sukuk certificates	(733,155)	(535,655)
Profit on disposal of fixed assets	(3,055,878)	(9,999)
Profit on bank deposits	(1,802,330)	(818,190)
Financial charges	16,237	20,358
Depreciation - owned assets	1,239,194	1,307,262
Depreciation - Ijarah assets	16,936,432	32,430,487
Management company's remuneration	221,189	-
Provision for gratuity	1,038,249	778,023
Workers welfare fund	39,033	-
Share of (profit)/loss from Associate	(1,605,714)	1,666,151
Unrealized loss on re measurement of investments in listed securities	5,668,353	4,846,508
	<u>1,656,673</u>	<u>30,528,730</u>
Operating profit before working capital changes (Increase)/Decrease in current assets	3,608,343	23,792,097
Stock in trade	51,070,975	(30,298,272)
Profit receivable	454,289	88,738
Ijarah Rental receivable	98,050	647,975
Diminishing musharakah receivable	(824,858)	125,549
Trade Debtors - considered good and unsecured	218,388	2,027,201
Advances, deposits, prepayments and other receivables	(11,402,780)	788,561
	<u>39,614,064</u>	<u>(26,620,248)</u>
Increase/(Decrease) in current liabilities		
Creditors, accrued and other liabilities	4,478,399	(1,430,987)
Profit payable	(508,410)	6,242
	<u>3,969,989</u>	<u>(1,424,745)</u>
Cash flow from operating activities	<u>47,192,396</u>	<u>(4,252,896)</u>

24. 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 22, 2020 .

25. GENERAL

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

For Al-Noor Modaraba Management (Pvt.) Limited
(Management Company)

Place : Karachi
Date : April 22, 2020

sd/-
Chief Executive

sd/-
Chief Financial Officer

sd/-
Director

sd/-
Director