

**3RD QUARTERLY REPORT**  
March 31, 2021  
(Un-audited)



**FIRST AL-NOOR MODARABA**

*(An Islamic Financial Institution)*

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# Corporate Information

## **BOARD OF DIRECTORS**

### **Non Executive Directors**

#### **Chairman**

Mr. Zia I. Zakaria

#### **Directors**

Mr. Aziz Ayoob

Mr. Noor Muhammad Zakaria

Mr. Abdul Rahim Suriya, Independent

Mr. Tauseef Ilyas, Independent

Dr. Irum Saba, Independent

### **Executive Directors**

#### **Chief Executive**

Mr. Zainuddin Aziz

### **Chief Financial Officer**

Mr. Umair Rafiq

### **Company Secretary**

Mr. Roofi Abdul Razzak

### **Board Audit Committee - Chairman**

Mr. Abdul Rahim Suriya - Chairman

Mr. Tauseef Ilyas - Member

Mr. Zia I. Zakaria - Member

### **HR & Remuneration Committee**

Mr. Tauseef Ilyas - Chairman

Mr. A. 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

MIB Bank Limited, Islamic Banking

Meezan Bank Limited

National Bank of Pakistan

### **Auditors**

Grant Thornton Anjum Rahman

Chartered Accountants

### **Shariah Advisor**

Al Hamd Shariah Advisory Services (Pvt.) Ltd.

### **Legal Advisor**

Mr. Sufyan Zaman

Advocate High Court

### **Share Registrar (Share Registration Office)**

M / s FAMCO Associates (Private) Limited

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

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

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

Fax: 3438 0106

### **Registered Office**

96-A, Sindhi Muslim Cooperative

Housing Society, Karachi

### **Contact Details**

Telephone: 34558268;34552943;34553067

Fax: 34553137

Webpage: [www.fanm.co](http://www.fanm.co)

Email: [info@fanm.co](mailto:info@fanm.co)

# Report Of The Directors Of Modaraba Company

For the Nine Months Ended March 31, 2021

I, on behalf of Board of Directors of Al-Noor Modaraba Management (Private) Limited, the "mudarib/management company" of First Al-Noor Modaraba (FAM), pleased to present the report together with the un-audited accounts for nine months ended March 31, 2021.

## Financial Results

Financial results are summarized as under

	Nine Months ended	
	March 31, 2021	March 31, 2020
	Rupees	
Profit/(Loss) after taxation	3,344,145	1,951,670
Components of Other comprehensive income/(Loss)	(638,012)	(686,573)
Un-appropriated profit/(loss) brought forward	(54,342,126)	(55,786,673)
	<u>(52,314,374)</u>	<u>(54,521,580)</u>
Earning per certificate - basic and diluted	<u>0.16</u>	<u>0.09</u>

The management is pleased to highlight that since the beginning of current financial year, the modaraba's net profit soared to Rs. 3.344 as compared to Rs. 1.952 in the corresponding period last year, an increase of over 71%. This is in spite of consistent low discount rates and the lingering effects of third wave of the pandemic.

The management expects better results by the end of current financial year with efficient engagement of its available resources, in order to maximize its returns for its certificate holders.

On behalf of the Board

sd/-

**Zainuddin Aziz**  
Chief Executive

Place: Karachi  
Date: April 26, 2021

## ڈائریکٹر رپورٹ

### برائے اختتام تیسری سہ ماہی / نو ماہی مدت مارچ 31، 2021 (جائزہ شدہ)

بورڈ آف ڈائریکٹرز انورڈنٹس (پرائیوٹ) لمیٹڈ مضاربہ اختتامی کمپنی برائے انورڈنٹس (ایف اے ایم) کی جانب سے انتہائی مسرت کے ساتھ مضاربہ کمپنی کی غیر حثانی شدہ رپورٹ بابت 31 مارچ 2021 دستاویز پیش کر رہا ہوں۔

ختم ہونے والی تیسری سہ ماہی / نو ماہی  
(رقم پاکستانی روپے میں)

31 مارچ 2020	31 مارچ 2021	
1,951,670	3,344,145	بعد از ٹیکس نفع / نقصان
(686,573)	(638,012)	دیگر جامع آمدنی کے اجزاء
(55,786,673)	(54,342,126)	پچھلے سالوں کا غیر تصرف شدہ نفع / نقصان
(54,521,580)	(52,314,374)	
0.09	0.16	آمدنی فی سرٹیفکیٹ - بنیادی اور مقررہ

میتھجٹ بہت مسرت کے ساتھ موجودہ تیسری سہ ماہی / نو ماہی مدت کے نتائج پیش کر رہا ہے۔ گزشتہ اسی عرصے میں 3.3 بلین کے خالص منافع کے مقابلے میں 1.9 بلین کا خالص منافع حاصل کیا۔ یہ منافع اسی عرصے میں وبائی مرض (Covid) تیسری لہر اور نہایت کم شرح منافع کے باوجود حاصل کیا گیا۔

ہم مسلسل کوششوں میں مشغول ہیں کہ تمام دستیاب ذرائع کو جلد مگر موثر اور محتاط انداز میں سرمایہ کاری کر کے سال کے اختتام تک بہتر نتائج حاصل کر سکیں

بورڈ کی جانب سے

sd/-

المصائب

زین الدین عزیز

چیف ایگزیکٹو

مورخہ 26 اپریل، 2021

## Condensed Interim Statement of Financial Position

As at March 31, 2021 (Unaudited)

		(Unaudited) March 31, 2021	(Audited) June 30, 2020
	Note	Rupees	
<b>CURRENT ASSETS</b>			
Cash and bank balances	4	11,506,034	9,174,848
Short term investments	5	93,452,113	121,791,096
Musawah facility - secured	6	-	-
Profit receivable		290,853	643,827
Ijarah rental receivable		73,055	602,434
Diminishing musharakah receivable		246,791	1,138,854
Current portion of investment in sukuk certificates		714,273	714,290
Current portion of diminishing musharaka financing		40,022,909	41,159,664
Advances, deposits, prepayments and other receivables		60,239,102	8,222,875
Taxation	9	5,230,538	5,778,678
		<b>211,775,668</b>	<b>189,226,566</b>
<b>Non - current assets</b>			
Long term deposits		899,989	3,839,989
Long term investments	10	20,355,546	27,679,886
Diminishing musharakah financing	11	36,273,095	38,750,998
Ijarah assets	12	5,764,896	6,181,881
Fixed assets	13	2,977,190	3,598,032
Intangible assets	14	15,002	28,502
		<b>66,285,718</b>	<b>80,079,288</b>
		<b>278,061,386</b>	<b>269,305,854</b>
<b>CERTIFICATE HOLDERS' EQUITY</b>			
Authorised certificate capital	15.1	400,000,000	400,000,000
Issued, subscribed, and paid - up certificate capital	15.2	210,000,000	210,000,000
Reserves		97,835,635	97,835,635
Accumulated losses		(51,635,993)	(54,342,126)
		256,199,642	253,493,509
Deficit on revaluation of investments	17	(3,181,118)	(5,371,057)
<b>LIABILITIES AND CERTIFICATE HOLDERS' EQUITY</b>			
<b>Non - current liabilities</b>			
Security deposits		557,400	443,700
Deferred liability - staff gratuity		6,732,816	7,465,837
		7,290,216	7,909,537
<b>Current liabilities</b>			
Current maturity of security deposits		22,000	2,711,600
Creditors, accrued and other liabilities	18	13,117,378	6,110,835
Provision for custom duty & surcharge	19	4,398,842	4,398,842
Charity Payable		214,426	52,588
		17,752,646	13,273,865
		<b>25,042,862</b>	<b>21,183,402</b>
<b>TOTAL LIABILITIES AND CERTIFICATE HOLDERS' EQUITY</b>			
		<b>278,061,386</b>	<b>269,305,854</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	20	-	-

The annexed notes 1 to 27 form an integral part of these condensed interim financial information.

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

Place : Karachi  
Date : April 20, 2021

sd/- Chief Executive      sd/- Chief Financial Officer      sd/- Director      sd/- Director

## Condensed Interim Statement of Profit and Loss Account

For the Nine Months and Three months Period Ended March 31, 2021 (Unaudited)

	Note	Nine Months Ended		Quarter Ended	
		Mar 31, 2021	Mar 31, 2020	Mar 31, 2021	Mar 31, 2020
		Rupees		Rupees	
Income from trading operations	21	-	2,345,761	-	111,564
Income on Diminishing Musharakah (Syndicate)		-	1,990,861	-	258,823
Income on Diminishing Musharakah		<b>9,782,133</b>	8,473,001	<b>3,153,331</b>	2,643,668
Income from Ijarah		<b>2,301,759</b>	6,338,222	<b>338,030</b>	1,572,824
Income from investments	22	<b>12,968,275</b>	6,574,231	<b>3,635,757</b>	3,013,398
		<b>25,052,167</b>	25,722,076	<b>7,127,118</b>	7,600,277
Administrative and operating expenses		<b>(20,907,248)</b>	(24,440,663)	<b>(5,776,253)</b>	(7,313,532)
Financial and other charges		<b>(9,423)</b>	(16,237)	-	(5,764)
		<b>(20,916,671)</b>	(24,456,900)	<b>(5,776,253)</b>	(7,319,296)
<b>Operating profit / (loss)</b>		<b>4,135,496</b>	1,265,176	<b>1,350,865</b>	280,981
Other income		<b>2,654,937</b>	5,009,356	<b>1,746,321</b>	3,536,124
		<b>6,790,433</b>	6,274,532	<b>3,097,186</b>	3,817,105
Unrealised (loss) / gain on re-measurement of investments at fair value through profit or loss		<b>(4,312,057)</b>	(5,668,353)	<b>(1,947,666)</b>	(5,653,801)
Share of profit from associates		<b>1,319,810</b>	1,605,714	<b>224,364</b>	303,659
		<b>3,798,186</b>	2,211,893	<b>1,373,884</b>	(1,533,037)
Management company's remuneration		<b>(379,819)</b>	(221,189)	<b>(137,389)</b>	153,305
Workers welfare fund		<b>(74,222)</b>	(39,033)	<b>(26,587)</b>	27,054
Profit before taxation		<b>3,344,145</b>	1,951,671	<b>1,209,908</b>	(1,352,695)
Income tax expense		-	-	-	-
<b>Profit after taxation</b>		<b>3,344,145</b>	1,951,671	<b>1,209,908</b>	(1,352,695)
<b>Earning per certificate - basic and diluted</b>		<b>0.16</b>	0.09	<b>0.06</b>	(0.06)

The annexed notes 1 to 27 form an integral part of these condensed interim financial information.

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

Place : Karachi  
Date : April 20, 2021

sd/- Chief Executive  
sd/- Chief Financial Officer  
sd/- Director  
sd/- Director

## Condensed Interim Statement of Other Comprehensive Income

For the Nine Months and Three months Period Ended March 31, 2021 (Unaudited)

	Nine Months Ended		Quarter Ended	
	Mar 31, 2021	Mar 31, 2019	Mar 31, 2021	Mar 31, 2019
	Rupees		Rupees	
<b>Profit after taxation</b>	<b>3,344,145</b>	<b>1,951,671</b>	<b>1,209,908</b>	<b>(1,713,396)</b>
<b>Components of other comprehensive income reflected in equity</b>				
<b>Items that will not be reclassified subsequently profit and loss account</b>				
Remeasurement of net defined benefit liability	(655,368)	(764,301)	(918,246)	(1,146,451)
Share of other comprehensive income of associate -incremental depreciation	17,356	39,040	(894)	19,220
Gain realised from sale of available for sale investments	-	402,544	(579,348)	-
Other Comprehensive loss	(638,012)	(322,717)	(1,498,488)	(1,127,231)
<b>Total comprehensive income / (loss) for the period transferred to equity</b>	<b>2,706,133</b>	<b>1,628,954</b>	<b>(288,580)</b>	<b>2,840,627</b>
Equity investments at FVOCI - change in fair value	(2,612,499)	3,143,111	(3,462,839)	2,706,781
<b>Items that will be reclassified subsequently into profit and loss account</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Total comprehensive income	<b>93,634</b>	<b>4,772,065</b>	<b>3,751,419</b>	<b>133,846</b>

The annexed notes from 1 to 27 form an integral part of these financial statements.

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

Place : Karachi  
Date : April 20, 2021

sd/-  
Chief Executive

sd/-  
Chief Financial Officer

sd/-  
Director

sd/-  
Director



## Condensed Interim Statement of Changes in Equity

For the Nine Months Ended March 31, 2021 (Unaudited)

	Issued, Subscribed & Paidup Certificate Capital		Reserve				Total
	*Statutory Reserve refer note 16	General reserve	Accumulated Loss	Others Comprehensive Income			
Rupees							
Balance as at June 30, 2019	210,000,000	97,585,635	250,000	(55,786,673)	42,048,962	252,048,962	
Profit for the period	-	-	-	3,304,364	3,304,364	3,304,364	
Other comprehensive loss	-	-	-	(322,717)	(322,717)	(322,717)	
<b>Balance as at December 31, 2019</b>	<b>210,000,000</b>	<b>97,585,635</b>	<b>250,000</b>	<b>(52,805,026)</b>	<b>45,030,609</b>	<b>255,030,609</b>	
Balance as at June 30, 2020	210,000,000	97,585,635	250,000	(54,342,126)	43,493,509	253,493,509	
Profit for the period	-	-	-	3,344,145	3,344,145	3,344,145	
Other comprehensive loss	-	-	-	(638,012)	(638,012)	(638,012)	
<b>Balance as at March 31, 2021</b>	<b>210,000,000</b>	<b>97,585,635</b>	<b>250,000</b>	<b>(51,635,993)</b>	<b>46,199,642</b>	<b>256,199,642</b>	

The annexed notes from 1 to 27 form an integral part of these financial statements.

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

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Place : Karachi  
Date : April 20, 2021

sd/-  
Chief Executive

sd/-  
Chief Financial Officer

sd/-  
Director

sd/-  
Director

# Condensed Interim Cash Flow Statement

For the Nine Months Ended March 31, 2021 (Unaudited)

	Note	(Unaudited) March 31, 2021	(Audited) March 31, 2020
		Rupees	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash from operations after working capital changes	24	<b>(62,588,427)</b>	47,192,395
Increase/ (decrease) in long-term security deposits		<b>653,536</b>	(5,637,250)
Income on Diminishing Musharakah (Syndicate)		-	-
Income on Diminishing Musharakah		<b>9,782,133</b>	11,181,544
Income from islamic certificates		<b>1,247,731</b>	1,770,882
Income from sukuk certificates		<b>350,711</b>	772,023
Income tax paid		<b>548,140</b>	(755,357)
Financial charges paid		<b>(9,423)</b>	(3,037)
Gratuity paid		<b>(2,053,509)</b>	(2,700,000)
<b>Net cash (used in) / generated from operating activities</b>		<b>(52,069,108)</b>	51,821,200
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Additions			
- Fixed assets		<b>(187,656)</b>	(1,976,930)
Sale proceeds on disposal			
- Fixed assets		<b>719,755</b>	4,610,000
- Ijarah assets		-	6,044,568
Dividend received		<b>755,738</b>	734,677
Profit received		<b>1,755,056</b>	1,934,864
Long term investment			
Redemption of installment of Sukuk Certificates		-	357,145
Investment in diminishing musharakah- net		<b>3,614,658</b>	(27,680,438)
Investment in barkat islamic certificates		<b>(60,000,000)</b>	(82,000,000)
Maturity on barkat islamic certificates		<b>100,000,000</b>	32,000,000
Proceeds from sale of mutual funds units		<b>8,889,466</b>	2,827,617
Purchase of investments in listed securities		<b>(249,406,478)</b>	(20,034,390)
Proceeds from sale of investments in listed securities		<b>248,259,755</b>	22,653,773
<b>Net cash generated from / (used in) operations</b>		<b>54,400,294</b>	(60,529,114)
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>2,331,186</b>	(8,707,914)
<b>Cash and cash equivalents at the beginning of the period</b>		<b>9,174,848</b>	33,848,731
<b>Cash and cash equivalents at the end of the period</b>	4	<b>11,506,034</b>	25,140,817

The annexed notes from 1 to 27 form an integral part of these financial statements.

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

Place : Karachi  
Date : April 20, 2021

sd/- Chief Executive  
sd/- Chief Financial Officer  
sd/- Director  
sd/- Director

# Notes to the Condensed Interim Financial Statements

For the Nine Months and 1st Quarter Ended March 31, 2021 (Unaudited)

## 1 LEGAL STATUS AND NATURE OF BUSINESS

The First Al-Noor Modaraba (the 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 perpetual, multi purpose and multi dimensional Modaraba and is primarily engaged in providing Ijarah financing, Musharikah, Diminishing musharkah, Murabaha, Musawamah, Equity investment and other Shari"ah compliant trading activities. The Modaraba is listed on the Pakistan Stock Exchange (PSX).

## 2 BASIS OF PREPARATION

### 2.1 Statement of compliance

"These condensed interim financial statements of the Modaraba for the six months period ended 31 December 2020 has been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Accounting Standard (IAS)-34, 'Interim Financial Reporting' issued by the International Accounting Standard Board (IASB) as notified under the Companies Act 2017;
- Provisions of and directions issued under the Companies Act 2017;
- Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981 and Prudential Regulation for Modarabas; and
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP) as notified under the Companies Act 2017.

The SECP has issued directive (vide SRO 431 (I) / 2007 dated May 22, 2007) that Islamic Financial Accounting Standard 2 (IFAS 2) shall be followed in preparation of the financial statements by Companies and Modarabas while accounting for Lease Financing transactions as defined by the said standard. The Modaraba has adopted the said standard.

Where the provisions of and directives issued under the Companies Act 2017, the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules 1981 and Prudential Regulations for Modarabas differ with the requirements of IAS 34 and IFAS, the provisions of and directives issued under the Companies Act 2017, the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules 1981 and Prudential Regulations for Modarabas have been followed.

Where the provisions and directives issued under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981 and Prudential Regulation for Modarabas differ from Companies Act 2017, the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981 and Prudential Regulation for Modarabas shall prevail.

**2.1.1** The interim financial statements do not include all the information and disclosures required for full annual financial statements and should be read in conjunction with the annual audited financial statements of the Modaraba as at and for the year ended June 30, 2020.

**2.1.2** These condensed interim financial statements comprises of the condensed interim balance sheet as at March 31, 2021 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, 2021.

## Notes to the Condensed Interim Financial Statements

For the Nine Months and 1st Quarter Ended March 31, 2021 (Unaudited)

**2.1.3** These interim financial statements are unaudited but subject to limited scope review by the external auditors as required by the Code of Corporate Governance and are being submitted to the certificate holders as required under Rule 10 of the Modaraba Companies and Modaraba Rules, 1981.

### 2.2 Basis of measurement

These condensed interim financial statements have been prepared under the historical cost convention except as stated otherwise in these condensed interim financial statements.

### 2.3 Functional and presentation currency

These condensed interim financial statements are presented in Pakistani Rupees which is also the Modaraba's functional and presentation currency. All amounts have been rounded to the nearest rupee, unless otherwise indicated.

### 2.4 Significant accounting estimates and judgements

In preparing these condensed financial statements management has made judgements, estimates and assumptions that affect the application of the Modaraba's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by the management in applying the Modaraba's accounting policies and the key sources of estimating the uncertainty were the same as those that apply to the audited annual financial statements as at and for the year ended June 30, 2020.

## 3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted for the preparation of these condensed interim financial statements are the same as those applied in the preparation of annual audited financial statements for the year ended June 30, 2020 except for the adoption of the following new and amended standards, which became effective for the current period:

Standards	Effective date (Annual periods beginning on or after)
IFRS 3 Definition of a Business (Amendment to IFRS 3)	January 1, 2020
IAS 1 and IAS 8 Definition of Material (Amendment to IAS 1 and IAS 8)	January 1, 2020
IFRS 9, IAS 39 and IFRS 7 Investment rate benchmark Reform (Amendment to IFRS 9 IAS 39 and IFRS 7)	January 1, 2020
IFRS 16 - Covid-19 Related rent concessions (Amendments to IFRS 16)	June 1, 2020

The adoption of the above standards and amendments are not expected to have any material impact on the Modaraba's condensed interim financial statements.

	Note	(Unaudited) March 31, 2021	Audited June 30, 2020
Rupees			
<b>4 CASH AND BANK BALANCES</b>			
- Islamic Banks /Islamic Window operations		317,471	472,270
- Conventional Banks		531,678	818,851
<b>With banks in PLS accounts</b>			
- Islamic Banks /Islamic Window operations	4.1	<u>10,626,599</u>	<u>7,883,727</u>
		<u>11,475,748</u>	<u>9,174,848</u>
Cash in hand		<u>30,286</u>	-
		<u>11,506,034</u>	<u>9,174,848</u>

**4.1** These deposits accounts carry profit at rates ranging from 2.99% to 3.99 % (June 30, 2020: 2.88% to 5.75%) per annum.

## Notes to the Condensed Interim Financial Statements

For the Nine Months and 1st Quarter Ended March 31, 2021 (Unaudited)

	Note	(Unaudited) March 31, 2021	Audited June 30, 2020
<b>Rupees</b>			
<b>5 SHORT TERM INVESTMENTS</b>			
At fair value through profit or loss			
<b>Shariah compliant</b>			
Listed equity securities	5.1.1	33,332,054	20,405,213
Listed Mutual funds	5.1.2	120,059	90,753
<b>Non-Shariah compliant</b>			
Listed equity securities	5.1.3	-	1,295,130
Investment in Islamic Certificates		-	100,000,000
Investment In TDR		60,000,000	
		<b>93,452,113</b>	<b>121,791,096</b>

### 5.1.1 Shariah Compliant listed equity securities - as at fair value through profit or loss

Ordinary shares have a face value of Rs. 10/- each unless stated otherwise).

Name of investee company	As at March 31, 2021	Carrying Value as at Mar. 31, 2021 (Rupees)	Market Value as at Mar. 31, 2021 (Rupees)	Net Assets
<b>Chemicals</b>				
Engro Fertilizer Limited	2,000	160,256	156,000	0.1%
Fatima Fertilizer Co. Limited	35,000	1,041,665	1,028,300	0.4%
Siddiq Sons Tin Plate Limited	40,000	741,420	665,600	0.3%
Synthetic Paper	2,337	102,283	89,810	0.0%
		2,045,624	1,939,710	
<b>Construction and Materials</b>				
D.G. Khan Cement Limited	13,966	1,821,094	1,683,043	1%
Maple Leaf Cement Limited	17,699	812,836	792,915	0.3%
Dewan Cement Limited	52,000	653,476	506,480	0%
Power Cement Company Limited	100,000	988,345	921,000	0.4%
Power Cement Company Limited (Pref share)	7,130	71,300	80,997	0.0%
Gharibwal Cement Limited	40,000	1,750,265	1,649,600	0.7%
		6,097,315	5,634,035	
<b>Oil &amp; Gas Producers</b>				
Pakistan State Oil	18,000	4,325,344	4,151,340	1.6%
Pakistan Oilfield Limited	1,000	405,164	379,890	0.2%
Pakistan Petroleum Limited	5,500	533,529	480,315	0.2%
Oil And Gas Development Company Limited	22,500	2,554,733	2,286,225	0.9%
Hascal Petroleum Limited	13,782	247,066	141,266	0.1%
		8,065,836	7,439,036	
<b>Gas Water &amp; Multiutilities</b>				
Sui Southern Gas Limited	10,000	149,946	128,400	0.05%
Sui Northern Gas Pipeline Limited	127,000	6,463,800	4,980,940	1.97%
		6,613,746	5,109,340	
<b>Automobile and Parts</b>				
Exide Pakistan Limited	1,500	575,525	553,500	0.22%
Honda Atlas Cars (Pakistan) Limited	2,000	606,694	545,560	0.22%
Sazgar Engineering Works Limited	12,500	2,281,229	2,224,500	0.88%
		3,463,449	3,323,560	
<b>Textiles</b>				
Interloop Limited	5,500	399,430	363,660	0.14%
		399,430	363,660	
<b>Electricity</b>				
K-Electric	265,000	1,094,340	1,054,700	0.42%
<b>Pharmaceuticals</b>				
The Searle Company Limited	4,500	1,200,843	1,111,635	0.44%
Ferozsons Laboratories Limited	540	180,714	164,403	0.06%
Glaxo Smithkline Pakistan Limited	3,200	599,404	502,656	0.20%
		1,980,961	1,778,694	

## Notes to the Condensed Interim Financial Statements

For the Nine Months and 1st Quarter Ended March 31, 2021 (Unaudited)

Name of investee company	As at March 31, 2021	Carrying Value	Market Value	Net Assets
		as at Mar. 31, 2021 (Rupees)	as at Mar. 31, 2021 (Rupees)	
<b>Transport</b>				
Pakistan National Shipping Corporation	1,000	90,050	74,800	0.03%
		90,050	74,800	
<b>Cable and Electrical goods</b>				
Pak electron limited	92,500	3,885,955	3,056,200	1%
		3,885,955	3,056,200	
<b>Glass &amp; Ceramics</b>				
Ghani Global Glass Limited	20,000	308,158	291,000	0%
		308,158	291,000	
<b>Food &amp; Personal Care Products</b>				
AT-Tahir Limited	20,000	412,000	334,400	0%
National Foods Limited	10,000	2,298,500	2,084,800	1%
		2,710,500	2,419,200	
<b>Banks</b>				
Bank Islamic Pakistan Ltd.	44,500	544,962	523,320	0.21%
		544,962	523,320	
<b>Synthetic Products Ent. Ltd</b>				
<b>Telecommunication</b>				
P.T.C.L	35,000	343,786	324,800	0%
Total		37,644,111	33,332,054	

### 5.1.2 Listed Mutual Funds - 'at fair value through profit or loss'

Name of investee company	As at March 31, 2021	Carrying Value	Market Value	Net Assets
		as at Mar. 31, 2021 (Rupees)	as at Mar. 31, 2021 (Rupees)	
Meezan Islamic Fund - Growth Units	2,030	90,753	120,059	0.0%
Total		90,753	120,059	

(Unaudited) Audited  
Note March June 30,  
31, 2021 2020

Rupees

<b>6 MUSAWAMAH FACILITY - SECURED</b>				
Musawamah facility - secured considered doubtful		25,000,000	25,000,000	
Less: provision against potential losses		(25,000,000)	(25,000,000)	
<b>6.1 MUSAWAMAH FACILITY (CLASSIFIED PORTION)</b>				

	March 31, 2021		June 30 2020	
	Balance Outstanding	Provision held	Balance Outstanding	Provision held
OAEM	-	-	-	-
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	25,000,000	(25,000,000)	25,000,000	(25,000,000)
	25,000,000	(25,000,000)	25,000,000	(25,000,000)

**6.2** 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

## Notes to the Condensed Interim Financial Statements

For the Nine Months and 1st Quarter Ended March 31, 2021 (Unaudited)

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 Mills Limited 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	(Unaudited) March 31, 2021	Audited June 30, 2020
Rupees			
<b>7 TRADE DEBTORS</b>			
Trade debts - unsecured		6,890,496	6,890,496
Less: provision for doubtful	7.1	(6,890,496)	(6,890,496)
		-	-
<b>7.1 Reconciliation of provisions for doubtful debts</b>			
Opening balance		6,890,496	3,710,823
Provision for the period		-	3,179,673
Closing balance		6,890,496	6,890,496
<b>8 STOCK IN TRADE</b>			
Import L/C		267,790	267,790
Provision for slow moving stock		(267,790)	(267,790)
		-	-
<b>9 TAXATION</b>			
<b>9.1</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 condensed interim 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 30, 2020: Nil).			
	Note	(Unaudited) March 31, 2021	Audited June 30, 2020
Rupees			
<b>9.2 Income tax refundable</b>		5,778,678	4,713,859
Income tax adjusted / deducted at source		(548,140)	1,064,819
		5,230,538	5,778,678
<b>10. LONG TERM INVESTMENTS</b>			
Investment in Associates	10.1	8,531,619	7,476,930
<b>At fair value through other comprehensive income</b>			
<b>Shariah compliant</b>			
Equity securities-listed	10.3	4,661,195	2,710,089
Mutual funds-listed	10.4	144,079	8,607,167
Non-shariah compliant		4,805,274	11,317,256
Equity securities-listed	10.5	2,018,654	3,528,572
<b>At Amortised Cost</b>			
Investment in Sukuk Certificates	10.2	5,714,273	6,071,418
Less: Current maturity		(714,273)	(714,290)
		5,000,000	5,357,128
		20,355,546	27,679,886

## Notes to the Condensed Interim Financial Statements

For the Nine Months and 1st Quarter Ended March 31, 2021 (Unaudited)

	Note	(Unaudited) March 31, 2021	Audited June 30, 2020
<b>Rupees</b>			
<b>10.1 Investment in Associates</b>			
Opening Balance		7,476,930	6,671,102
Share of incremental depreciation - OCI Component		17,356	75,620
Share of profit/(loss) of associate		1,319,810	1,062,534
		1,337,166	1,138,154
Dividend income		(282,476)	(332,326)
		<b>8,531,619</b>	<b>7,476,930</b>
<b>10.1.1 Name of Associate</b>			
<b>Basis of significant influence</b>			
<b>Common directorship</b>			
Al-Noor Sugar Mills Limited			
Number of shares held		110,775	110,775
Cost of investment		1,482,481	1,482,481
Ownership interest		0.54%	0.54%
Market value of shares		5,594,138	5,431,298
<b>Net Book Value</b>		<b>(4,111,657)</b>	<b>(3,948,817)</b>

**10.2** Two separate Sukuk investment were made in Tier II Albaraka Bank (Pakistan Ltd., 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 30, 2020: 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 30, 2020: KIBOR + 0.75%)

**10.3 Shariah Compliant listed equity securities - as at fair value through profit or loss**

Ordinary shares have a face value of Rs. 10/- each unless stated otherwise).

Name of investee company	As at March 31, 2021	Carrying Value as at Mar. 31, 2021 (Rupees)	Market Value as at Mar. 31, 2021 (Rupees)	Net Assets
<b>Modarabas</b>				
First Habib Modaraba	4,500	44,775	44,550	0.02%
Orix Modarba	11,000	198,000	193,050	0.08%
Habib Metro Modaraba	500	4,000	4,620	0.00%
Allied Rental Modaraba	16,500	202,275	173,250	0.07%
First Imrooz Modaraba	3,000	479,843	287,010	0.11%
		928,893	702,480	
<b>Oil &amp; Gas Producers</b>				
Hascol Petroleum Limited	1,815	24,684	26,662	0.01%
Attock Petroleum Limited	120	30,520	40,156	0.02%
		55,204	66,818	
<b>Cement</b>				
Power Cement Limited	6,000	37,200	59,280	0.02%
		37,200	59,280	
<b>Automobile Assembler</b>				
Ghandhara Nissan Limited	3,293	206,636	409,089	0.16%
Ghandhara Industries Limited	4,200	508,200	1,862,103	0.74%
Millat Tractors Limited	630	444,881	689,277	0.27%
		1,159,717	2,960,469	
<b>Pharmaceuticals</b>				
The Searle Company Limited	1,398	278,524	872,148	0.34%
<b>Total</b>		<b>2,459,537</b>	<b>4,661,195</b>	

**10.4 Listed Mutual Funds - 'at fair value through other comprehensive income'**

Meezan Balanced Fund - Growth Units	9,104	124,347	144,079	0.06%
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**10.5 Non-Shariah compliant Listed equity securities - 'at fair value through profit or loss'**

<b>Chemicals</b>				
Fauji Fertilizer Company Limited	-	-	-	0%
<b>Paper And Board</b>				
Cherat Packaging Limited	8,495	995,189	2,014,607	0.80%
<b>Automobile and Parts</b>				
Hino Pak Motor Limited	10	3,730	4,047	0.00%
<b>Total</b>		<b>998,919</b>	<b>2,018,654</b>	



## Notes to the Condensed Interim Financial Statements

For the Nine Months and 1st Quarter Ended March 31, 2021 (Unaudited)

	Note	(Un-audited) March 31, 2021	Audited June 30, 2020
<b>Rupees</b>			
<b>11. DIMINISHING MUSHARAKAH FINANCING</b>			
Diminishing musharka financing		<b>76,296,004</b>	79,910,662
Less: Provision in respect of Diminishing Musharaka		-	-
		<b>76,296,004</b>	79,910,662
Less: Current portion		<b>(40,022,909)</b>	(41,159,664)
		<b>36,273,095</b>	38,750,998

11.1 These carry profit rate ranging from 11.00% to 15.49% (June 30, 2020: 8.52% to 14.00%) per annum and are repayable on monthly basis over a maximum period of five years. The financing is secured by way of personal guarantees of the parties.

	Note	(Un-audited) March 31, 2021	Audited June 30, 2020
<b>Rupees</b>			
<b>12. IJARAH ASSETS</b>		<b>5,764,896</b>	6,181,881

### 12.1 Statement of Ijarah Assets

	Motor vehicles	Others	Total
<b>-----Rupees-----</b>			
<b>Cost</b>			
Balance as at July 01, 2019	120,882,000	-	120,882,000
Additions	-	-	-
Disposal	(91,290,500)	-	(91,290,500)
Balance as at June 30, 2020	29,591,500	-	29,591,500
Balance as at July 01, 2020	29,591,500	-	29,591,500
Disposal as of March 2021	(23,017,500)	-	(23,017,500)
<b>Balance as at March 31, 2020</b>	<b>6,574,000</b>	<b>-</b>	<b>6,574,000</b>
<b>Accumulated depreciation</b>			
Balance as at July 01, 2019	(77,324,846)	-	(77,324,846)
Charge for the period	(21,093,728)	-	(21,093,728)
Disposal	76,008,955	-	76,008,955
Balance as at June 30, 2020	(22,409,619)	-	(22,409,619)
Balance as at July 01, 2020	(22,409,619)	-	(22,409,619)
Charge for the period	1,812,451	-	1,812,451
Disposal	19,788,064	-	19,788,064
<b>Balance as at March 31, 2020</b>	<b>(809,104)</b>	<b>-</b>	<b>(809,104)</b>
Net book value as at June 30, 2020	6,181,881	-	6,181,881
<b>Net book value as at March 31, 2021</b>	<b>5,764,896</b>	<b>-</b>	<b>5,764,896</b>

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

## Notes to the Condensed Interim Financial Statements

For the Nine Months and 1st Quarter Ended March 31, 2021 (Unaudited)

### 13. FIXED ASSETS

	Computer equipment	Office equipment and appliances	Furniture and Fixtures	Motor Vehicles	Total
-----Rupees-----					
<b>Cost</b>					
Balance as at July 1, 2019	643,537	655,476	831,330	8,660,066	10,790,409
Additions	230,160	-	26,620	1,903,450	2,160,230
Disposal	-	(72,000)	-	(4,452,755)	(4,524,755)
Balance as at June 30, 2020	<u>873,697</u>	<u>583,476</u>	<u>857,950</u>	<u>6,110,761</u>	<u>8,425,884</u>
<b>Balance as at July 01, 2020</b>	<b>873,697</b>	<b>583,476</b>	<b>857,950</b>	<b>6,110,761</b>	<b>8,425,884</b>
Additions	104,000	-	83,656	-	187,656
Disposal	-	-	-	(1,034,779)	(1,034,779)
<b>Balance as at Mar 31, 2021</b>	<b><u>977,697</u></b>	<b><u>583,476</u></b>	<b><u>941,606</u></b>	<b><u>5,075,982</u></b>	<b><u>7,578,761</u></b>
<b>Accumulated depreciation</b>					
Balance as at July 01, 2019	(531,918)	(449,210)	(266,228)	(4,991,131)	(6,238,487)
Charge for the period	(72,610)	(86,048)	(83,280)	(1,307,304)	(1,549,242)
Disposal	-	61,243	-	2,898,634	2,959,877
Balance as at June 30, 2020	<u>(604,528)</u>	<u>(474,015)</u>	<u>(349,508)</u>	<u>(3,399,801)</u>	<u>(4,827,852)</u>
<b>Balance as at July 01, 2020</b>	<b>(604,528)</b>	<b>(474,015)</b>	<b>(349,508)</b>	<b>(3,399,801)</b>	<b>(4,827,852)</b>
Charge for the period	(91,649)	(49,821)	(63,181)	60,278	(144,373)
Disposal	-	-	-	370,654	370,654
<b>Balance as at March 31, 2021</b>	<b><u>(696,177)</u></b>	<b><u>(523,836)</u></b>	<b><u>(412,689)</u></b>	<b><u>(2,968,869)</u></b>	<b><u>(4,601,571)</u></b>
<b>Net Book Value as at 31-Mar-21</b>	<b><u>281,520</u></b>	<b><u>59,640</u></b>	<b><u>528,917</u></b>	<b><u>2,107,113</u></b>	<b><u>2,977,190</u></b>
<b>Annual Rate of depreciation</b>	<b><u>30%</u></b>	<b><u>30%</u></b>	<b><u>10%</u></b>	<b><u>20%</u></b>	

### 14. INTANGIBLE ASSETS

	(Un-audited) March 31, 2021	Audited June 30, 2020
Rupees		
<b>Cost</b>		
Opening Balance	313,000	313,000
Additions	-	-
Disposal	-	-
	<u>313,000</u>	<u>313,000</u>
<b>Amortization</b>		
Opening balance	(284,498)	(266,498)
Charge for the period	(13,500)	(18,000)
Disposal	-	-
	<u>(297,998)</u>	<u>(284,498)</u>
<b>Net Book Value</b>	<b>15,002</b>	28,502
<b>Annual rate of ammortization</b>	<b>30%</b>	30%

## Notes to the Condensed Interim Financial Statements

For the Nine Months and 1st Quarter Ended March 31, 2021 (Unaudited)

### 15 CERTIFICATE CAPITAL

#### 15.1 Authorised certificate capital

(Un-audited) March 31, 2021	Audited June 30, 2020		(Un-audited) March 31, 2021	Audited June 30, 2020
----Number of certificates----			------(Rupees)-----	
<u>40,000,000</u>	<u>40,000,000</u>	Modaraba Certificates of Rs 10 each	<u>400,000,000</u>	<u>400,000,000</u>

#### 15.2 Issued, subscribed and paid-up certificate capital

<u>20,000,000</u>	20,000,000	Modaraba Certificates of Rs 10 each fully	<u>200,000,000</u>	200,000,000
<u>1,000,000</u>	<u>1,000,000</u>	paid in cash	<u>10,000,000</u>	<u>10,000,000</u>
<u>21,000,000</u>	<u>21,000,000</u>		<u>210,000,000</u>	<u>210,000,000</u>

15.3 As at March 31, 2021, First Al-Noor Modaraba Management (Private) Limited (the Management Company and a related party) held 4,200,000 certificates (June 2020: 4,200,000 certificates), as required under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980.

### 16 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 certificate 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 30, 2020: Rs Nil).

	Note	(Un-audited) March 31, 2021	Audited June 30, 2020
<b>Rupees</b>			
<b>17 DEFICIT ON REVALUATION OF INVESTMENTS</b>			
- Classified As 'FVTOCI'			
Market value of investments		<b>6,823,927</b>	14,845,828
Less: cost of investments		<b>(9,696,655)</b>	(19,840,177)
		<b>(2,872,728)</b>	(4,994,349)
Deficit on revaluation at the beginning of the period		<b>(5,371,057)</b>	(7,409,463)
Gain realised on disposal and transferred into equity directly		-	513,978
Deficit on revaluation during the period		<b>(2,612,499)</b>	1,524,428
		<b>(2,612,499)</b>	2,038,406
<b>Deficit on revaluation at the end of the period</b>		<b>(2,872,728)</b>	(5,371,057)

### 18 CREDITORS, ACCRUED AND OTHER LIABILITIES

Accrued expenses	<b>684,126</b>	967,362
Takaful / Insurance	<b>18,369</b>	123,784
Advances from customers	<b>10,815,676</b>	2,990,546
Provision for Worker's Welfare Fund	<b>382,612</b>	382,612
Advance Ijarah rentals	<b>107,450</b>	537,385
Unclaimed profit distributions	<b>1,109,146</b>	1,109,146
	<b>13,117,378</b>	6,110,835

18.1 The Finance Act 2008, introduced an amendment to the Worker's Welfare Fund Ordinance, 1971 (WWF Ordinance). Through these amendments Workers Welfare Fund (WWF) was payable @ 2% of the profit before taxation or taxable income whichever is higher. The legality of the above amendments were challenged in Sindh, Lahore and Peshawar High Courts. Due to variable judgments from the aforesaid Courts, the matter was forwarded to the Honorable Supreme Court of Pakistan. The Honorable Supreme Court has decided the matter on November 10, 2016, and Para 21 of its judgment states that the levy of WWF is in the nature of fee and the law could not be amended by the money bill and as such amendments made in

## Notes to the Condensed Interim Financial Statements

For the Nine Months and 1st Quarter Ended March 31, 2021 (Unaudited)

the year 2006 and 2008 are unlawful ultravires to the Constitution. In terms of judgment by the Honorable Supreme Court of Pakistan, WWF under WWF Ordinance, is no more payable by the Modaraba and provision made against WWF up till June 30, 2014 is reversed during the period.

Subsequently the Sindh Assembly passed a bill on May 4, 2015 and notified Sindh Worker's Welfare Act 2014 on June 4, 2015. As per the said Act the applicability of the Sindh Workers Welfare Fund is effective from the financial year of the entities ended on or after December 31, 2013. Accordingly, provision has been made at the rate of 2% of profit before taxation or taxable income, whichever is higher, effective after June 30, 2014.

	Note	(Un-audited) March 31, 2021	Audited June 30, 2020
<b>Rupees</b>			
<b>19 PROVISION FOR CUSTOM DUTY &amp; SURCHARGE</b>			
Custom duty / surcharges	19.1	4,398,842	4,398,842

**19.1** In a suit filed with the Honorable High Court of Sindh in the year 1994 - 95, Modaraba has disputed the amount of duty and surcharge levied by the Collector of Customs on import of 1,901.472 metric tons of edible oil imported from Singapore. The Honorable High Court rejected the appeal and ordered to deposit amount for the disputed amount of duty. The Modaraba has filed an appeal in the Honorable Supreme Court against the decision of the Honorable High Court. The Honorable Supreme Court in its interim order allowed the Modaraba to get release of goods for which Modaraba has provided bank guarantee of Rs. 4.4 million against 10% cash margin and hypothecation charge on current assets until the matter is decided. The Modaraba, however, has fully provided for the duty and surcharge of Rs. 4,398,842, as claimed by the Collector of Customs.

### 20 CONTINGENCIES AND COMMITMENTS

#### 20.1 Contingencies

Details of contingencies regarding Provision for Sindh Workers' Welfare Fund, Musawamah facility litigation against Quetta Textile Mills Limited and Provision for Custom Duty and Surcharge are disclosed in notes 18.1, 6.2 and 19.1 respectively.

#### 20.1.1 PROVISION FOR SERVICE SALES TAX ON MANAGEMENT COMPANY'S REMUNERATION

The Sindh Revenue Board (SRB) has imposed Sindh Sales Tax (SST) on the Modaraba Management Company's remuneration with effect from 01 November 2011. However, certain modaraba management companies have approached the Honorable Sindh High Court (the Court) and Appellate Tribunal of SRB, challenging the levy of SST on management company's remuneration. The Modaraba Management Company has not received any demand notice from SRB for payment of SST on Management Company's remuneration and accordingly, based on legal advisor's opinion, can neither file any petition challenging the levy of SST on Management Company's remuneration nor can join the proceedings of pending petition in the Court. As a matter of abundant caution the management is accruing SST on Management Company's remuneration and will discharge the liability on direction of the Court based on outcome of the petition filed by other modaraba management companies.

#### 20.2 Commitments

There are no commitments as at March 31, 2021 (June 30, 2020: Nil).

### 21. INCOME FROM TRADING OPERATIONS

	For Nine Months Ended		For the Quarter Period Ended	
	Mar 31, 2021	Mar 31, 2020	Mar 31, 2021	Mar 31, 2020
Local	-	59,711,877	-	6,424,099
Cost Of Sales	-	(57,366,116)	-	(6,312,533)
	-	2,345,761	-	111,546

### 22 INCOME FROM INVESTMENTS

Gain on sale of securities - net	10,614,095	2,966,482	4,676,514	1,265,904
Dividend income	755,738	668,917	442,138	92,900
Gain on Sukuk Certificates	350,711	733,155	(576,018)	228,566
Profit on Islamic Certificates certificates	1,247,731	2,205,677	1,070,770	1,426,028
	12,968,275	6,574,231	5,613,404	3,013,398

## Notes to the Condensed Interim Financial Statements

For the Nine Months and 1st Quarter Ended March 31, 2021 (Unaudited)

### 23 RELATED PARTY 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	(Un-audited) March 31, 2021	Audited June 30, 2020
------(Rupees)-----		
<b>23.1 Balance outstanding at period end</b>		
<b>Modaraba Management Company</b>		
Management remuneration	<u>379,819</u>	<u>-</u>
<b>Other related parties (other than key management personnel)</b>		
Contribution to staff gratuity fund	<u>688,680</u>	<u>692,166</u>
<b>23.2 Transactions during the period</b>		
<b>Modaraba Management Company</b>		
Management fee	<u>379,819</u>	<u>-</u>
<b>Other related parties (other than key management personnel)</b>		
Contribution to staff gratuity fund	<u>688,680</u>	<u>692,166</u>
<b>24 CASH FROM OPERATIONS AFTER WORKING CAPITAL CHANGES</b>	(Un-audited)	Audited
	<b>March 31</b>	<b>March 31</b>
	<b>2021</b>	<b>2020</b>
<b>Profit Before Taxation</b>	<b>3,344,145</b>	<b>1,951,670</b>
Adjustments for:		
Gain on sale of investment in listed securities	<b>(10,614,095)</b>	(2,966,482)
Dividend income	<b>(755,738)</b>	(668,917)
Income on Investment in Islamic Certificates	<b>(1,247,731)</b>	(2,205,677)
Income on diminishing musharakah	<b>(9,782,133)</b>	(10,463,862)
Gain on sukuk certificates	<b>(350,711)</b>	(733,155)
Profit on disposal of fixed assets	<b>(55,630)</b>	(3,055,878)
Profit on bank deposits	<b>(2,065,317)</b>	(1,802,330)
Financial and other charges	<b>9,423</b>	16,237
Depreciation - owned assets	<b>144,373</b>	1,239,194
Ammortization- intangibles	<b>13,500</b>	
Depreciation - Ijarah assets	<b>(1,812,451)</b>	16,936,432
Management remuneration	<b>379,819</b>	221,189
Provision for gratuity	<b>665,120</b>	1,038,249
Share of profit from associate	<b>(1,319,810)</b>	(1,605,714)
Worker's welfare fund		39,033
Unrealized loss on re-measurement of investments in listed securities	<b>4,312,057</b>	5,668,353
<b>Operating profit before working capital changes</b>	<b>(22,479,324)</b>	<b>1,656,672</b>
	<b>(19,135,179)</b>	<b>3,608,342</b>
<b>(Increase)/Decrease in current assets</b>		
Stock in trade	-	51,070,975
Profit receivable	<b>352,974</b>	454,289
Ijarah Rental receivable	<b>529,379</b>	98,050
Diminishing musharakah receivable	<b>892,063</b>	(824,858)
Trade Debtors - considered good and unsecured	-	218,388
Advances, deposits, prepayments and other receivables	<b>(52,016,227)</b>	(11,402,780)
	<b>(50,241,811)</b>	<b>39,614,064</b>
Balance carried forward	<u><b>(69,376,990)</b></u>	<u><b>43,222,406</b></u>

## Notes to the Condensed Interim Financial Statements

For the Nine Months and 1st Quarter Ended March 31, 2021 (Unaudited)

	Note	(Un-audited) March 31, 2021	Audited June 30, 2020
		------(Rupees)-----	
<i>Balance brought forward</i>		(69,376,990)	43,222,406
<b>Increase/(Decrease) in current liabilities</b>			
Creditors, accrued and other liabilities		6,626,725	4,478,399
Charity payable		161,838	(508,410)
		6,788,563	3,969,989
<b>Cash flow from operating activities</b>		<b>(62,588,427)</b>	<b>47,192,395</b>

### 25. FINANCIAL RISK MANAGEMENT, OBJECTIVES AND POLICIES

The Modaraba's activities expose it to a variety of financial risks. These condensed interim financial statements do not include all financial risk management information and disclosure which are required in the annual audited financial statements and should be read in conjunction with the annual audited financial statements of the Modaraba as at June 30, 2020. There has been no change in any risk management policies since the period end.

### 26. FAIR VALUE OF ASSETS AND LIABILITIES

The carrying value of all financial assets and liabilities are estimated to approximate their fair values. There were no transfers amongst levels during the period.

### 27. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were approved and authorized for issue on \_\_\_\_\_ by the Board of Directors of the Management Company.

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

Place : Karachi      sd/-      sd/-      sd/-      sd/-  
 Date : April 26, 2021      Chief Executive      Chief Financial Officer      Director      Director

المضاب

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