

1ST QUARTERLY REPORT
September 31, 2022
(Un-audited)



FIRST AL-NOOR MODARABA
(An Islamic Financial Institution)

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COMPANY INFORMATION

BOARD OF DIRECTORS

Non Executive Directors

Chairman

Mr. Zia Zakaria

Directors

Mr. Abdul Aziz Ayoob

Mr. Noor Zakaria

Mr. Abdul Rahim Suriya, Independent

Mr. Tausif 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. Tausif Ilyas - Member

Mr. Zia Zakaria - Member

HR & Remuneration Committee

Mr. Tausif Ilyas - Chairman

Mr. Zainuddin Aziz - Member

Mr. A. Aziz Ayoob - 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, Shahra-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

Email : info@fanm.co

REPORT OF THE DIRECTORS OF MODARABA COMPANY For the 1st Quarter Ended September 30, 2022

On behalf of Board of Directors of Al-Noor Modaraba Management (Private) Limited, the "mudarib/management company" of First Al-Noor Modaraba (FAM), we are pleased to present the Un-Audited Financial Statements of the Modaraba for the first quarter ended September 30, 2022:

Financial Results	For the First Quarter Ended	
	September 30, 2022	September 30, 2021
	-----Amount in Pak. Rupees-----	
(Loss)/Profit after Taxation	3,410,682	(1,417,308)
Components of Other comprehensive income	-	-
Surplus/(Deficit) transferred to accumulated losses	-	-
Transfer to Statutory Reserve	-	-
Unappropriated profit/(loss) brought forward	<u>(52,413,130)</u>	<u>(53,476,994)</u>
	<u>(49,002,448)</u>	<u>(54,894,302)</u>

In the first quarter, we have achieved gross profit of Rs. 11.344 million compared to Rs. 8.234 million in the corresponding period. During the quarter compared to same period last year, the revenue increase by over 42% whereas the administrative and operating expenses reduced by over 30%. This has translated the net earnings to Rs. 3.411 million or 0.16 per certificate.

The management anticipates better after tax profit in the remainder period of the current financial year ending June 30, 2023.

On behalf of the Board

sd/-

Zainuddin Aziz
Chief Executive/Director

Dated : October 26, 2022

Place : Karachi

مضاربہ کمپنی کی ڈائریکٹر رپورٹ

برائے اختتام پہلی سہ ماہی مدت 30 ستمبر 2022ء (غیر نظر ثانی شدہ)

بورڈ آف ڈائریکٹر انورمنٹمنٹ (پرائیوٹ) لمیٹڈ مضاربہ/ انتظامی کمپنی برائے فرسٹ انور مضاربہ (ایف اے ایم) کی جانب سے انتہائی سترت کے ساتھ مضاربہ کمپنی کی غیر نظر ثانی شدہ رپورٹ بابت 30 ستمبر 2022ء مالیاتی دستاویز پیش کرتے ہیں۔

ختم ہونی والی پہلی سہ ماہی

30 ستمبر 2021

30 ستمبر 2022

(1,417,308)

3,410,682

-

-

-

-

(53,476,994)

(52,413,130)

(54,894,302)

(49,002,448)

بعد از ٹیکس نفع/ نقصان

دیگر جامع آمدنی کے اجزاء

پچھلے سالوں کا غیر تصرف شدہ نفع/ نقصان

آمدنی فی سرٹیفکیٹ - بنیادی اور مقررہ

اس سال کی پہلی سہ ماہی میں مضاربہ نے 11.344 ملین روپے کا کل منافع پچھلے سال کے اسی عرصے کے کل منافع 8.234 ملین روپے کے مقابلے میں حاصل کیا۔ پچھلے سال اسی عرصے کے مقابلے میں منافع کی شرح 42% سے زائد کا اضافہ ہوا جبکہ انتظامی اور آپریٹنگ اخراجات میں 30% سے زائد کی کمی واقع ہوئی۔ ان امور کے بعد خالص منافع 3.411 ملین روپے کا حاصل ہوا جو کہ 0.16 پیسے فی سرٹیفکیٹ بنتا ہے۔

انتظامیہ کو موجودہ مالی سال کی بقیہ عرصے میں بعد از ٹیکس جو کہ جون 30، 2023 کو ختم ہو رہا ہے میں بہتر بعد از ٹیکس خالص منافع کی توقع ہے۔

بورڈ کی جانب سے

sd/-

زین الدین عزیز

چیف ایگزیکٹو

تاریخ: 26 اکتوبر، 2022

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT
For the 1st Quarter Ended September 30, 2022 (Un-audited)

		Sep 30, 2022	Sep 30, 2021
	Note Rupees	
Income on Diminishing Musharakah		4,009,683	5,350,077
Income from Ijarah		-	615,710
Income from investments	14	<u>6,712,307</u>	<u>2,268,062</u>
		<u>10,721,990</u>	<u>8,233,849</u>
Administrative and operating expenses		<u>(6,610,104)</u>	<u>(6,180,439)</u>
Reversal of provision against non performing loan	6	<u>1,650,000</u>	<u>-</u>
Financial and other charges		<u>(176)</u>	<u>(13,200)</u>
		<u>(4,960,280)</u>	<u>(6,193,639)</u>
Operating profit / (loss)		5,761,710	2,040,210
Other income		<u>622,109</u>	<u>189,998</u>
		<u>6,383,819</u>	<u>2,230,208</u>
Unrealised (loss) / gain on re-measurement of investments at fair value through profit or loss		<u>(1,498,004)</u>	<u>(3,518,694)</u>
Share of profit from associates		<u>-</u>	<u>-</u>
		<u>4,885,815</u>	<u>(1,288,487)</u>
Management company's remuneration		<u>(488,581)</u>	<u>-</u>
Sales tax on management company's remuneration		<u>(63,516)</u>	<u>-</u>
Workers welfare fund		<u>(97,716)</u>	<u>-</u>
Profit before taxation		<u>4,236,002</u>	<u>(1,288,487)</u>
Income tax expense		<u>(825,320)</u>	<u>(128,821)</u>
Profit after taxation		<u>3,410,682</u>	<u>(1,417,308)</u>
Earning per certificate - basic and diluted		<u>0.16</u>	<u>(0.07)</u>

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

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

Place: Karachi
Date: October 26, 2022

sd/-
Chief Executive Officer

sd/-
Chief Executive Officer

sd/-
Director

sd/-
Director

**CONDENSED INTERIM STATEMENT OF
OTHER COMPREHENSIVE INCOME**
For the 1st Quarter Ended September 30, 2022 (Un-audited)

	Note	Sep 30, 2022	Sep 30, 2021
	 Rupees	
Profit/(Loss) after taxation		3,410,682	(1,417,308)
Components of other comprehensive income reflected in equity			
Items that will not be reclassified subsequently profit and loss account			
Remeasurement of net defined benefit liability		-	-
Share of other comprehensive income of associate -incremental depreciation		-	-
Gain realised from sale of available for sale investments		-	-
Other comprehensive loss		-	-
Total comprehensive income / (loss) for the period transferred to equity		3,410,682	(1,417,308)
Equity investments at FVOCI - change in fair value during the period		(75,087)	(2,612,499)
Impact of deferred tax	12	177,998	
Total comprehensive (Loss) / Income		3,335,595	(4,029,807)

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

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

Place: Karachi
Date: October 26, 2022

sd/-
Chief Executive Officer

sd/-
Chief Executive Officer

sd/-
Director

sd/-
Director

CONDENSED INTERIM STATEMENT OF CASH FLOW
For the 1st Quarter Ended September 30, 2022 (Un-audited)

		(Un-Audited) Sep 30, 2022	(Un-Audited) Sep 30, 2021
	Note Rupees	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash from operations after working capital changes	4	(9,599,565)	10,520,693
Long term deposits		4,395	-
Reversal of provision against non performing loan		1,650,000	
Income tax paid		(825,320)	(432,568)
Financial charges paid		(13,024)	(13,200)
Gratuity paid		-	-
		<hr/>	<hr/>
Net cash generated from operating activities		(8,783,515)	10,074,925
CASH FLOWS FROM INVESTING ACTIVITIES			
Sale proceeds on Investments		30,756,261	-
Maturity of TDR's Placements		90,000,000	-
TDR Placements		(75,000,000)	-
Sale proceeds on disposal		613,166	-
		<hr/>	<hr/>
Net cash generated from / (used in) operations		46,369,427	-
		<hr/>	<hr/>
Net increase in cash and cash equivalents		83,955,338	10,074,925
Cash and cash equivalents at the beginning of the period		14,076,069	4,001,144
		<hr/>	<hr/>
Cash and cash equivalents at the end of the period	4	98,031,408	14,076,069
		<hr/> <hr/>	<hr/> <hr/>

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

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

Place: Karachi
Date: October 26, 2022

sd/-
Chief Executive Officer

sd/-
Chief Executive Officer

sd/-
Director

sd/-
Director

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
For the 1st Quarter Ended September 30, 2022 (Un-audited)

	Issued, subscribed, and paid-up certificate capital	Reserve				Total
		Statutory reserve	General reserve	Accumulated losses	Total	
----- Rupees -----						
Balance as at June 30, 2021	210,000,000	97,716,506	250,000	(53,476,994)	(53,226,994)	254,739,512
Profit for the period	-	-	-	2,306,122	2,306,122	2,306,122
Other comprehensive loss	-	-	-	(902,655)	(902,655)	(902,655)
Surplus transferred to accumulated loss				121,621	121,621	121,621
Transfer to statutory reserve				461,224	(461,224)	(461,224)
Balance as at June 30, 2022	210,000,000	98,177,730	250,000	(52,413,130)	(52,163,130)	256,014,600
Balance as at June 30, 2022	210,000,000	98,177,730	250,000	(52,413,130)	(52,163,130)	256,014,600
Profit for the period	-	-	-	3,410,682	3,410,682	-
Balance as at Sep 30, 2022	210,000,000	98,177,730	250,000	(49,002,448)	(48,752,448)	256,014,600

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

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

Place: Karachi
Date: October 26, 2022

sd/-
Chief Executive Officer

sd/-
Chief Executive Officer

sd/-
Director

sd/-
Director

NOTES TO THE QUARTERLY FINANCIAL STATEMENTS

For the 1st Quarter Ended September 30, 2022 (Un-audited)

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 quarterly financial statements of the Modaraba for the three months period ended 30 September 2021 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.

NOTES TO THE QUARTERLY FINANCIAL STATEMENTS

For the 1st Quarter Ended September 30, 2022 (Un-audited)

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, 2022.

2.2 Basis of measurement

All financial assets and liabilities are initially measured at cost which is the fair value of the consideration given or received. These are subsequently measured at fair value, amortised cost of cost as the case may be.

2.3 Functional and presentation currency

These quarterly 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 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, 2022.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted for the preparation of these quarterly financial statements are the same as those applied in the preparation of annual audited financial statements for the year ended June 30, 2022 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)
Fees in '10 percent' Test for Derecognition of Financial Liabilities (Amendment to IFRS 9)	January 1, 2022
Subsidiary as First-time Adopter (Amendment to IFRS 1)	January 1, 2022
Onerous Contracts--Cost of Fulfilling a contract (Amendments to IAS 16)	January 1, 2023
Taxation in Fair Value Measurements (Amendment to IAS 41)	January 1, 2022
Definition of Accounting Estimates (Amendments to IAS 8)	January 1, 2022
Deferred Tax related to Assets and Liabilities arising from a Single Transactions (Amendment to IAS 12)	January 1, 2022

NOTES TO THE QUARTERLY FINANCIAL STATEMENTS
For the 1st Quarter Ended September 30, 2022 (Un-audited)

		(Un-audited) September 30, 2022	Audited June 30, 2022
	Note	-----Rupees-----	
4 CASH AND BANK BALANCES			
With banks in pls accounts			
- Islamic Banks /Islamic Window operations		21,630,730	3,562,835
With banks in current accounts			
- Conventional Bank		1,367,471	1,473,624
With banks in term deposit accounts			
- Term deposit receipts (TDRs)	4.1	75,000,000	90,000,000
Cash in hand		33,207	-
		<u>98,031,407</u>	<u>95,036,459</u>

4.1 These represents TDRs carrying profit rates ranging from 11.25% to 14.90% (June 30, 2022: 6.00% to 6.75%) and having maturities upto 3 months.

		(Un-audited) September 30, 2022	Audited June 30, 2022
	Note	-----Rupees-----	
5 SHORT TERM INVESTMENTS			
At fair value through profit or loss			
Shariah compliant			
Listed Equity Securities	5.1.1	21,247,081	22,859,176
Listed Mutual funds	5.1.2	39,205,708	27,415,258
Non-Shariah compliant			
Listed Equity Securities		-	2,444,125
		<u>60,452,789</u>	<u>52,718,559</u>

NOTES TO THE QUARTERLY FINANCIAL STATEMENTS
For the 1st Quarter Ended September 30, 2022 (Un-audited)

5.1.1 Shahriah Compliant listed equity securities - 'at fair value through profit or loss'
(Oordinary shares have a face value of Rs.10/- each unless stated otherwise).

Name of investee company	Number of share's As at Sep 30, 2022	Carrying value as at Sep 30, 2022 (Rupees)	Market value as at Sep 30, 2022 (Rupees)
Chemicals and Fertilizer's			
Engro Fertilizer Limited	5,000	420,450	390,100
Engro Corporation Limited	6,800	1,620,848	1,571,480
Ghani Global Holdings Limited	80,000	1,327,470	1,312,800
Fauji Fertilizers Bin Qasim Limited	12,000	244,320	231,600
		3,613,088	3,655,980
Cement			
Lucky Cement Company Limited	200	100,222	99,312
Maple Leaf Cement Limited	15,000	429,750	417,900
Power Cement Company Limited	42,500	217,175	206,125
Power Cement Company Limited (Pref share)	7,130	47,914	47,914
		795,061	871,251
Power Generation & Distribution			
Hub-Power Co. Limited	12,000	788,772	838,920
Oil & Gas Producers			
Pakistan State Oil	3,000	510,930	487,290
Cnergyico Pk Limited	120,000	641,050	636,800
Pakistan Petroleum Limited	8,000	543,020	541,600
Shell Pakistan Limited	500	64,420	63,000
Oil And Gas Development Company Limited	3,500	287,875	265,020
Sui Southern Gas Company Limited	170,000	1,760,330	1,751,700
Sui Northern Gas Pipeline Limited	30,000	1,015,800	1,072,990
		4,823,425	4,818,400
Technology and Communication			
Telecard Limited	42,000	466,030	435,960
Cable and Electrical goods			
Pak Electron Limited	90,000	1,485,900	1,422,000
Waves Corporation Limited	75,000	918,000	936,500
		2,403,900	2,358,500
balance carried forward		12,890,276	13,079,011

NOTES TO THE QUARTERLY FINANCIAL STATEMENTS
For the 1st Quarter Ended September 30, 2022 (Un-audited)

Name of investee company	Number of share's As at Sep 30, 2022	Carrying value as at Sep 30, 2022 (Rupees)	Market value as at Sep 30, 2022 (Rupees)
balance brought forward		12,890,276	13,079,011
Commercial Banks			
Meezan Bank Limited	1,000	121,080	109,750
Electricity			
K-Electric	222,000	723,720	661,560
Engineering			
International Steels Limited	16,000	963,570	882,080
Gandhara Nissan Limited	23,500	1,419,870	1,327,515
		2,383,440	2,209,595
Pharmaceuticals			
The Searle Company Limited	25,000	1,825,290	2,541,500
Glaxo Smithkline Pakistan Ltd.	11,500	1,369,880	1,288,115
		3,195,170	3,829,615
Glass and Ceramics			
Shabbir Tiles & Ceramics Limited	15,000	217,155	206,700
Balochistan Glass Limited	40,000	389,200	360,000
		606,355	616,700
Textile and Weaving			
Yousuf Weaving Mills Ltd	30,000	156,000	141,600
Automobile Assembler			
Sazgar Engineering Limited	1,500	96,855	89,250
Food & Personal Care Products			
National Foods Limited	3,750	584,775	510,000
Total		20,757,671	21,247,081

5.1.2 Shariah Compliant Listed Mutual Funds - at fair value through profit and loss'

Meezan Rozana Amadni Fund	212,053	7,241,702	7,241,702
Alhamra Islamic Money Market Find	214,665	21,361,341	21,361,341
Atlas Islamic Money Market Fund	14,483	10,602,665	10,602,665
Total		39,205,708	39,205,708

NOTES TO THE QUARTERLY FINANCIAL STATEMENTS
For the 1st Quarter Ended September 30, 2022 (Un-audited)

	(Un-audited) September 30, 2022	Audited June 30, 2022
	-----Rupees-----	
6 MUSAWAMAH FACILITY - SECURED		
Musawah facility - secured considered doubtful	25,000,000	25,000,000
Reversal of provision against non performing loan	(1,650,000)	(25,000,000)
Less: provision against potential losses	<u>(23,350,000)</u>	<u>-</u>
	<u>-</u>	<u>-</u>
6.1 Musawah facility (Classified portfolio)	September 30, 2022	June 30, 2022
	Balance Outstanding	Balance Outstanding
	Provision held	Provision held
	-----Rupees-----	
Loss	<u>23,350,000</u>	<u>(23,350,000)</u>
	<u>25,000,000</u>	<u>(25,000,000)</u>

6.2 This represents musawah principal amount overdue by more than one year carried profit rate of 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 amounting to Rs 25.79 Million.

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.

During the financial year ended June 30, 2022, Quetta Textiles Mills Limited approached Modaraba for out of court settlement and reached a settlement agreement. The settlement agreement submitted to Hon'ble Banking Court and court passed an order on August 16, 2022 with repayment schedule. Effectively modaraba received repayments from Quetta Textile Mills Limited and accordingly reflected in these financial statements.

NOTES TO THE QUARTERLY FINANCIAL STATEMENTS
For the 1st Quarter Ended September 30, 2022 (Un-audited)

(Un-audited) Audited
September 30, **June 30,**
2022 **2022**
-----Rupees-----

7 LONG TERM INVESTMENTS

Investment in Associates	7.1	10,258,083	10,258,083
At fair value through other comprehensive income Shariah compliant			
Equity securities-listed	7.2	2,623,878	2,065,424
Mutual funds-listed	7.3	4,333,672	-
Non-shariah compliant		6,957,550	2,065,424
Equity securities-listed	7.4	123,673	1,031,427
At Amortised Cost			
Investment in Sukuk Certificates		5,000,000	5,000,000
Less: Current maturity		-	-
		5,000,000	5,000,000
		22,339,306	18,354,934

7.1 Investment in Associates

Opeing Balance		9,963,741	9,963,741
Share of incremental depreciation - OCI Component		-	-
Share of profit/(loss) of associate		-	-
		-	-
Dividend income		-	-
		9,963,741	9,963,741

Name of Associate	Basis of significant influence		
	Common directorship		
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		8,658,174	5,333,816

NOTES TO THE QUARTERLY FINANCIAL STATEMENTS
For the 1st Quarter Ended September 30, 2022 (Un-audited)

7.2 Shariah Compliant listed equity securities - 'at fair value through other comprehensive income'

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

Name of investee company	Number of share's As at Sep 30, 2022	Carrying value as at Sep 30, 2022 (Rupees)	Market value as at Sep 30, 2022 (Rupees)
Modarabas			
First Habib Modaraba	4,500	32,760	21,910
Orix Modarba (Formerly: Orix Modaraba)	11,000	176,000	176,000
Habib Metro Modaraba	500	3,780	9,250
Allied Rental Modaraba	6,000	370,425	142,200
First Imrooz Modaraba	3,000	400,560	626,910
		983,525	976,270
Oil & Gas Producers			
Attock Petroleum Limited	120	60,439	38,557
Automobile Assembler			
Ghandhara Nissan Limited	4,610	1,616,533	1,077,849
Ghandhara Industries Limited	4,200	711,799	173,115
		2,328,332	1,250,964
Pharmaceuticals			
The Searle Company Limited	1,398	152,410	339,184
Total		3,543,609	2,623,878

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

Al Hamra Islamic Mutual Fund	43,550	4,333,672	4,333,672
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7.4 Non-Shariah compliant Listed equity securities - 'at fair value through profit or loss'

Oil & Gas Producers			
Hascol Petroleum Limited	1,815	7,659	11,489
Cement			
Power cement Limited	6,000	73,931	29,100
Paper And Board			
Cherat Packaging Limited	8,495	18,903	18,903
Automobile and Parts			
Hino Pak Motor Limited	10	75,424	64,180
Total		175,917	123,673

NOTES TO THE QUARTERLY FINANCIAL STATEMENTS
For the 1st Quarter Ended September 30, 2022 (Un-audited)

		(Un-audited) September 30, 2022	Audited June 30, 2022
		-----Rupees-----	
8	DIMINISHING MUSHARAKAH FINANCING		
	Diminishing musharka financing	8.1 73,135,995	86,025,520
	Less: Provision in respect of Diminishing Musharaka	-	-
		<u>73,135,995</u>	<u>86,025,520</u>
	Less: Current portion	<u>(49,876,654)</u>	<u>(50,179,344)</u>
		<u>23,259,341</u>	<u>35,846,176</u>
8.1	These carry profit rate ranging from 9.22% to 15.50% (June 30, 2022: 9% to 15.88%) per annum and are repayable on monthly basis over a maximum period of four years. The financing is secured by way of personal guarantees of the parties and ownership of vehicles		
		(Un-audited) September 30, 2022	Audited June 30, 2022
		-----Rupees-----	
9	FIXED ASSETS		
	Cost		
	Opening Balance	7,622,121	7,622,121
	Additions during the period	-	724,000
	Disposals during the period	-	(379,993)
	Balance as at Sep 30, 2022	<u>7,622,121</u>	<u>7,966,128</u>
	Accumulated depreciation		
	Balance as at July 01, 2021	(4,975,724)	(4,975,729)
	Charge for the period	-	(1,187,687)
	Disposal	-	368,510
	Balance as at June 30, 2022	<u>(4,975,724)</u>	<u>(5,794,906)</u>
	Balance as at July 01, 2022	<u>2,171,222</u>	<u>2,171,222</u>
	Charge for the period	<u>(177,363)</u>	<u>-</u>
	Disposal	<u>-</u>	<u>-</u>
	Balance as at Sep 30, 2022	<u>1,993,859</u>	<u>2,171,222</u>
	Net Book Value	<u>1,993,859</u>	<u>2,171,222</u>
	Annual Rate of depreciation	<u>10-30%</u>	

NOTES TO THE QUARTERLY FINANCIAL STATEMENTS
For the 1st Quarter Ended September 30, 2022 (Un-audited)

10 CERTIFICATE CAPITAL

10.1 Authorised certificate capital

(Un-audited) September 30, 2022	Audited June 30, 2022		(Un-audited) September 30, 2022	Audited June 30, 2022
----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>

10.2 Issued, subscribed and paid - up certificate capital

(Un-audited) September 30, 2022	Audited June 30, 2021		(Un-audited) September 30, 2022	Audited June 30, 2021
----Number of certificates----			-----Rupees-----	
<u>20,000,000</u>	<u>20,000,000</u>	Modaraba certificates of Rs. 10 each	<u>200,000,000</u>	<u>200,000,000</u>
<u>1,000,000</u>	<u>1,000,000</u>	fully 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>

10.3 As at September 30, 2022, First Al-Noor Modaraba Management (Private) Limited (the Management Company and a related party) held 4,200,000 certificates (June 2022: 4,200,000 certificates), as required under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980.

11 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, 2022: Rs Nil).

NOTES TO THE QUARTERLY FINANCIAL STATEMENTS
For the 1st Quarter Ended September 30, 2022 (Un-audited)

	(Un-audited) September 30, 2022	Audited June 30, 2022
	-----Rupees-----	
12 DEFICIT ON REVALUATION OF INVESTMENTS		
- Classified As 'FVTOCI'		
Market value of investments	3,976,960	3,096,850
Less: cost of investments	(8,104,517)	(7,327,318)
Impact of deferred tax	177,998	177,998
	<u>(3,949,559)</u>	<u>(4,052,470)</u>
Deficit on revaluation at the beginning of the period	(4,052,470)	(2,316,639)
(Deficit)/Surplus transferred to accumulated losses	-	(121,621)
Deficit on revaluation during the period	(75,087)	(1,792,208)
	<u>(75,087)</u>	<u>(1,913,829)</u>
Impact of deferred tax	177,998	177,998
Deficit on revaluation at the end of the period	<u>(3,949,559)</u>	<u>(4,052,470)</u>
13 CONTINGENCIES AND COMMITMENTS		
13.1 Contingencies and Commitments		
There are no commitments as at Sep 30, 2022 (June 30, 2022: NIL)		
14 INCOME FROM INVESTMENTS		
Gain on sale of securities - net	2,087,506	636,807
Dividend income	208,400	231,940
Dividend income on daily dividend fund's	1,322,512	-
Gain on sukuk certificates	287,121	-
Profit on Islamic Certificates	2,806,768	1,399,315
	<u>6,712,307</u>	<u>2,268,062</u>
15 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:

NOTES TO THE QUARTERLY FINANCIAL STATEMENTS
For the 1st Quarter Ended September 30, 2022 (Un-audited)

(Un-audited) Audited
September 30, September 30,
2022 2021

-----Rupees-----

16 CASH FROM OPERATIONS AFTER WORKING CAPITAL CHANGES

Profit / (Loss) Before Taxation	4,236,002	(1,288,487)
Adjustments for:		
Gain on sale of investments	(6,712,307)	(636,807)
Depreciation on:		
Ijarah assets	-	285,530
Fixed assets	177,363	39,367
Ammortization on intangibles	-	4,500
Unrealized loss on re-measurement of:		
Equity securities	1,498,004	3,518,694
Financial and other charges	176	13,200
Provision for management's remuneration	552,097	-
Provision for sindh worker's welfare fund	166,436	-
Provision for WWF adjusted	124,391	-
Provision for deferred tax	3,130,176	-
Provision for gratuity	382,150	-
	(681,513)	3,224,484
Operating profit before working capital changes	3,554,489	1,935,997
(Increase)/Decrease in current assets		
Maturity of ijarah assets	6,002	(32,947)
Maturity of ijarah receivables	726,628	-
Diminishing musharakah receiveable	(44,141,638)	3,383,928
Maturity of sukuk investments	5,357,128	-
Profit receivable	(1,126,952)	(643,039)
Investments- net	23,928,942	(12,623,812)
Advance, deposits, prepayments and other receivables	(452,565)	19,743,053
	(15,702,455)	9,827,182
Increase/(Decrease) in current liabilities		
Creditors, accrued and other liabilities	1,018,167	(1,221,252)
Provision for gratuity	2,087,634	-
Maturity of Security deposits	(557,400)	-
Charity payable	-	(21,235)
	2,548,401	(1,242,487)
Cash flow from operating activities	(9,599,565)	10,520,693

NOTES TO THE QUARTERLY FINANCIAL STATEMENTS **For the 1st Quarter Ended September 30, 2022 (Un-audited)**

17. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were approved and authorized for issue on October 26, 2022 by the Board of Directors of the Management Company.

18. GENERAL

These Financial Statements have been presented in Pakistani Rupee which is the functional presentation currency of modaraba. These figures have been rounded off to the nearest rupee.

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

Place: Karachi
Date: October 26, 2022

sd/-
Chief Executive Officer

sd/-
Chief Executive Officer

sd/-
Director

sd/-
Director



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FIRST AL-NOOR MODARABA

(An Islamic Financial Institution)

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