

3RD QUARTERLY REPORT
March 31, 2019
(Un-audited)



FIRST AL-NOOR MODARABA

(An Islamic Financial Institution)

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المضارب

Corporate Information

BOARD OF DIRECTORS

Non Executive Directors

Chairman

Mr. Ismail H. Zakaria

Directors

Mr. Yusuf Ayoob

Mr. Suleman Ayoob

Mr. Aziz Ayoob

Mr. Abdul Rahim Suriya, Independent

Mr. Zia Zakaria

Mr. Zain Ayoob

Executive Directors

Chief Executive

Mr. Jalaluddin Ahmed

Company Secretary

Mr. Roofi Abdul Razzak

Board Audit Committee

Mr. Abdul Rahim Suriya - Chairman

Mr. Suleman Ayoob - Member

Mr. Zia Zakaria - Member

HR & Remuneration Committee

Mr. Zain Ayoob - Chairman

Mr. Aziz Ayoob - Member

Mr. Jalaluddin Ahmed - Member

Bankers

Al-Baraka Bank (Pakistan) Limited

Askari Bank Limited, Islamic Banking

Faysal Bank Limited, Baraka Islamic Banking

Habib Bank Limited, Islamic Banking

MCB Bank Limited, Islamic Banking

Meezan Bank Limited

National Bank of Pakistan

Auditors

RSM Avais Hyder Liaquat Nauman

Chartered Accountants

Shariah Advisor

Al-Hamd Shariah Advisory Services (Pvt) Ltd.

Legal Advisor

Mr. Sufiyan Zaman

Advocate High Court

Share Registrar

FAMCO Associates (Private) Limited

State life building, I-A, Ground Floor,

I.I.Chundrigar road, Karachi-74000

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

Fax: (92-21) 32428310

Email: info.shares@famco.com.pk

www.famco.com.pk

Registered Office

96-A, Sindhi Muslim Cooperative

Housing Society, Karachi

Contact Details

Telephone: 34558268;34552943;34553067

Fax: 34553137

Webpage: www.fanm.co

Email: info@fanm.co

Report Of The Directors Of Modaraba Company

For the Nine Months and 3rd Quarter Ended March 31, 2019

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, 2019:

Financial Results

Financial results are summarized as under

	Nine Months ended	
	March 31, 2019	March 31, 2018
Profit/(Loss) after taxation	(6,736,633)	(21,597,530)
Un-appropriated profit/(loss) brought forward	<u>(37,434,232)</u> (44,170,865)	<u>(10,319,964)</u> (20,752,030)
Share of associate's incremental depreciation	-	166,220
Un-appropriated profit/(loss) brought forward	<u>(44,170,865)</u>	<u>(20,585,810)</u>
Earning per certificate - basic and diluted	<u>(0.32)</u>	<u>(1.03)</u>

In comparison to the past year, the loss reflected in the corresponding period of the current financial year stands considerably reduced by over 68% from Rs. 21.597 million to Rs. 6.737 million. This is a fair reflection of the modaraba gradually getting back on its track. However, the continually depressed stocks and commodities market has acted as a huge constraint, otherwise the modaraba could have performed even better.



On behalf of the Board

sd/-

Jalaluddin Ahmed
Chief Executive

Place: Karachi
Date: April 20, 2019

ڈائریکٹر رپورٹ

برائے اختتام تیسری سہ ماہی / نو ماہی مدت ۳۱، مارچ ۲۰۱۹ (غیر ثانی شدہ)

بورڈ آف ڈائریکٹر انورمضاریہ بینجمنٹ (پرائیوٹ) لمیٹڈ مضاربہ انتظامی کمپنی برائے انورمضاریہ (ایف اے ایم) کی جانب سے انتہائی مسرت کے ساتھ مضاربہ کمپنی کی غیر ثانی شدہ رپورٹ بابت مارچ ۲۰۱۹، مالیاتی دستاویز پیش کر رہا ہوں۔

ختم ہونے والی تیسری سہ ماہی / نو ماہی

۳۱، مارچ ۲۰۱۹ ۳۱، مارچ ۲۰۱۸

(رقم پاکستانی روپوں میں)

(۶،۷۳۶،۶۳۳)	(۲۱،۵۹۷،۵۳۰)
(۳۷،۳۳۴،۲۳۲)	(۱۰،۳۱۹،۹۶۴)
(۲۴،۱۷۰،۸۶۵)	(۴۰،۷۵۴،۰۳۰)
۰	۱۶۶،۲۴۰
(۲۴،۱۷۰،۸۶۵)	(۴۰،۵۸۵،۸۱۰)
(۰،۳۲)	(۱،۰۳)

بعد از ٹیکس نفع / نقصان

پچھلے سالوں کا غیر تصرف شدہ نفع / نقصان

ملحقہ انکریمینٹ کی کمی پیشی کے شیئر

غیر تصرف شدہ نفع / نقصان

آمدنی فی سرٹیفکیٹ - بنیادی اور مقررہ

پچھلے سال کے مقابلے میں اس سال کے مالیاتی عرصے میں مالیاتی نقصان کا کمی ہو گیا ہے۔ جو کہ ۶۸ فیصد کم ہو کر ۲۱،۵۹۷ سے ۶،۷۳۷ رہ گیا ہے۔ یہ مضاربہ کی بہتر عکاسی کر رہا ہے کہ وہ اپنے مقررہ مقاصد کی طرف لوٹ رہا ہے البتہ مسلسل گرتے چھٹے اور اجناس بازار میں بہت رکاوٹیں پیدا ہوئیں وگرنہ مضاربہ بہتر کارکردگی کا مظاہرہ کر سکتا تھا۔

منجانب بورڈ

جلال الدین
چیف ایگزیکٹو

مورخہ ۲۰، اپریل ۲۰۱۹
بہ مقام: کراچی

Condensed Interim Balance Sheet

As at March 31, 2019 (Unaudited)

		(Unaudited) March 31, 2019	(Audited) June 30, 2018
	Note	Rupees	
CURRENT ASSETS			
Cash and bank balances		14,786,989	24,281,195
Short term investments	5	15,054,463	25,689,143
Musawah facility - secured	6	-	-
Profit receivable		925,361	1,014,099
Ijarah rental receivable		1,962,802	2,610,777
Diminishing musharakah receivable		1,071,257	1,196,806
Trade Debtors - considered good and unsecured		10,931,967	12,959,168
Stock in trade	7	61,462,410	31,164,138
Current portion of investment in sukuk certificates		714,283	714,283
Current portion of investment in diminishing musharakah (Syndicate)	8	15,000,000	15,000,000
Current portion of investment in diminishing musharakah	9	11,093,283	7,262,912
Advances, deposits, prepayments and other receivables		7,530,042	8,409,480
Taxation		4,620,141	4,240,860
		145,152,998	134,542,861
NON-CURRENT ASSETS			
Long term deposits		3,846,989	3,846,989
Long term portion of investment in sukuk certificates		6,071,425	6,785,715
Long term portion of investment diminishing musharakah (syndicate)	8	15,000,000	26,250,000
Long term portion of investment diminishing musharakah	9	41,771,367	14,262,219
Long term investments	10	26,999,994	27,161,535
Ijarah assets	11	54,052,111	97,608,224
Fixed assets in own use	12	4,947,946	5,922,709
		152,689,832	181,837,397
		297,842,830	316,380,258
TOTAL ASSETS			
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Current maturity of security deposits		6,698,700	9,054,050
Creditors, accrued and other liabilities		7,758,030	9,189,017
Provision for custom duty & surcharge		4,398,842	4,398,842
Profit payable		548,840	542,598
		19,404,412	23,184,507
NON CURRENT LIABILITIES			
Security deposits		14,760,350	21,217,800
Deferred liability - staff gratuity		8,106,161	7,564,856
		22,866,511	28,782,656
		42,270,923	51,967,164
TOTAL LIABILITIES			
CERTIFICATE HOLDER'S EQUITY			
40,000,000 (June 2018: 40,000,000) certificates of Rs 10/- each		400,000,000	400,000,000
Issued, subscribed & paid capital		210,000,000	210,000,000
Reserves		97,835,635	97,835,635
Unappropriated profit		(44,170,865)	(37,434,232)
Unrealised loss on OCI Component reflected in equity		(3,429,040)	(3,300,737)
Total capital and reserves		260,235,730	267,100,671
Unrealised appreciation on remeasurement of investment classified as available for sale - net		(4,663,823)	(2,687,577)
		297,842,830	316,380,258
TOTAL LIABILITIES AND EQUITY			

The annexed notes 1 to 23 form an integral part of these condensed interim financial information.

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

Place : Karachi
Date : April 20, 2019

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

Condensed Interim Profit and Loss Account

For the Nine Months and 3rd Quarter Ended March 31, 2019 (Unaudited)

	Note	Nine Months Ended		Quarter Ended	
		Mar 31, 2019	Mar 31, 2018	Mar 31, 2019	Mar 31, 2018
		Rupees		Rupees	
Profit from trading operations	13	1,640,207	465,290	219,297	465,290
Income on musawamah receivables		-	-	-	-
Income on diminishing musharakah (Syndicate)		2,977,141	3,158,072	1,000,080	889,537
Income on diminishing musharakah		3,923,780	194,990	1,178,823	65,271
Income from Ijarah		8,547,540	11,864,072	2,366,168	3,806,890
Income from investments	14	2,790,949	3,534,484	921,345	871,324
		19,879,618	19,216,908	5,685,713	6,098,313
Administrative and operating expenses		21,191,857	22,331,989	6,999,779	7,165,565
Provision against non-performing assets		-	12,500,000	-	12,500,000
Financial and other charges		20,358	7,340	4,550	3,584
		21,212,215	34,839,329	7,004,328	19,669,149
Operating profit		(1,332,597)	(15,622,421)	(1,318,615)	(13,570,836)
Other income		1,108,623	796,260	325,543	150,839
		(223,974)	(14,826,161)	(993,072)	(13,419,997)
Unrealised gain / (loss) on re-measurement of investments at fair value through profit or loss		(4,846,508)	(4,498,372)	(826,483)	3,673,451
Share of loss from associates	10.1	(1,666,151)	(2,272,998)	(827,416)	(1,418,919)
		(6,736,633)	(21,597,530)	(2,646,971)	(11,165,464)
Management company's remuneration	15	-	-	-	-
		(6,736,633)	(21,597,530)	(2,646,971)	(11,165,464)
Workers welfare fund	16	-	-	-	-
Profit before taxation		(6,736,633)	(21,597,530)	(2,646,971)	(11,165,464)
Income tax expense	17	-	-	-	-
Profit for the Period		(6,736,633)	(21,597,530)	(2,646,971)	(11,165,464)
Earnings per certificate - Basic and Diluted		(0.32)	(1.03)	(0.13)	(0.53)

The annexed notes 1 to 23 form an integral part of these condensed interim financial information.

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

Place : Karachi
Date : April 20, 2019

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

Condensed Interim Statement of Other Comprehensive Income

For the Nine Months and 3rd Quarter Ended March 31, 2019 (Unaudited)

	Nine Months Ended		Quarter Ended	
	Mar 31, 2019	Mar 31, 2018	Mar 31, 2019	Mar 31, 2018
	Rupees		Rupees	
Loss for the period	(6,736,633)	(21,597,530)	(2,646,971)	(11,165,464)
Others comprehensive loss				
Not to be reclassified to profit and loss account in subsequent periods				
Share of associate's incremental depreciation on account of revaluation of fixed assets	284,950	429,743	19,820	(66,537)
Remeasurement of net defined benefit liability-loss	(413,253)	-	(137,751)	-
Comprehensive (loss)/ income transferred to equity	(128,303)	429,743	(117,931)	(66,537)
Components of comprehensive income not reflected in equity				
"Unrealized (loss) on re-measurement of available for sale investment**"	(2,029,678)	(806,256)	(1,556,488)	(66,537)
Total Comprehensive (loss)	(8,894,614)	(21,974,043)	(4,321,390)	(11,298,538)

*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 23 form an integral part of these financial statements.

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

Place : Karachi
Date : April 20, 2019

sd/-
Chief Executive

sd/-
Chief Financial Officer

sd/-
Director

sd/-
Director

Condensed Interim Cash Flow Statement

For the Nine Months and 3rd Quarter Ended March 31, 2019 (Unaudited)

		March 31, 2019	March 31, 2018
	Note	Rupees	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash from operations after working capital changes	21	(4,252,896)	22,071,989
Increase in long-term security deposits		(8,812,800)	(2,411,350)
Income on diminishing musharakah		7,026,470	3,734,401
Income on sukuk certificates		586,572	-
Income tax paid		(379,281)	(400,810)
Gratuity paid		(650,000)	(398,000)
Net cash (used in)/ generated from operating activities		(6,481,935)	22,596,230
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to fixed assets			
- Own		(332,500)	(4,689,300)
- Ijarah		-	(28,325,500)
Sale proceeds on disposal of fixed assets			
- Own		10,000	2,243,000
- Ijarah		11,426,424	4,537,450
Dividend received		1,177,453	1,111,110
Profit on bank deposit		874,544	589,842
Redemption of Installment of Sukuk Certificates		714,290	714,290
Investment in Sukuk Certificates		-	(5,000,000)
Investment in diminishing musharakah		(43,582,000)	-
Repayment of diminishing musharakah		23,442,210	13,439,377
Purchase of investments in mutual funds		(5,000,000)	-
Proceeds from sale of mutual funds units		5,686,935	-
Purchase of investments in listed securities		(12,095,278)	(15,592,775)
Proceeds from sale of investments in listed securities		14,672,809	23,018,640
Net cash used in investing activities		(3,005,113)	(7,953,866)
CASH FLOWS FROM FINANCING ACTIVITIES			
Profit paid to the certificate holders		-	(2,547,015)
Financial charges paid		(7,158)	(7,340)
Net cash used in financing activities		(7,158)	(2,554,355)
Net (decrease)/ increase in cash and cash equivalents		(9,494,206)	12,088,009
Cash and cash equivalents at beginning of the year		24,281,195	11,482,750
Cash and cash equivalents at end of the period/year		14,786,989	23,570,759

The annexed notes from 1 to 23 form an integral part of these financial statements.

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

Place : Karachi	sd/-	sd/-	sd/-	sd/-
Date : April 20, 2019	Chief Executive	Chief Financial Officer	Director	Director

Condensed Interim Statement of Changes in Equity

For the Nine Months and 3rd Quarter Ended March 31, 2019 (Unaudited)

	Certificate Capital	*Statutory Reserve	Reserve		Others Comprehensive Income	Total
			General reserve	Unappropriated profit		
Rupees						
Balance as at June 30, 2017	210,000,000	97,585,635	500,000	(10,319,964)	(2,588,314)	295,177,357
Share of associate's incremental depreciation on account of revaluation of fixed assets				166,220		166,220
Total Comprehensive income for the year				(25,010,488)	(712,423)	(25,722,911)
Profit distribution in cash				(2,520,000)	-	(2,520,000)
Transfer to general reserve			(250,000)	250,000	-	-
Transfer to statutory reserve			-	-	-	-
Balance as at June 30, 2018	210,000,000	97,585,635	250,000	(37,434,232)	(3,300,737)	267,100,666
Total Comprehensive income for the year	-	-	-	(6,736,633)	(128,303)	(6,864,936)
Profit distribution in cash	-	-	-	-	-	-
Transfer to general reserve	-	-	-	-	-	-
Transfer to statutory reserve	-	-	-	-	-	-
Balance as at March 31, 2019	210,000,000	97,585,635	250,000	(44,170,865)	(3,429,040)	260,235,730

* In accordance with the Prudential Regulations for Modarabas, the Modaraba is required to transfer an amount not less than 20% and not more than 50% of its after tax profits to statutory reserve until the reserve funds equals the paid-up capital. Thereafter, a sum not less than 5% of the after tax profits is required to be transferred to the statutory reserve.

The annexed notes from 1 to 23 form an integral part of these financial statements.

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

Place : Karachi
Date : April 20, 2019

sd/-
Chief Executive

sd/-
Chief Financial Officer

sd/-
Director

sd/-
Director

Notes to the Condensed Interim Financial Statements

For the Nine Months and 3rd Quarter Ended March 31, 2019 (Unaudited)

1 LEGAL STATUS AND NATURE OF BUSINESS

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

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

2 BASIS OF PREPARATION

2.1 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 issued 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, 2018.

2.3 This condensed interim financial statements comprises of the condensed interim balance sheet as at March 31, 2019 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, 2019.

2.4 The comparative condensed balance sheet, presented in this condensed interim financial statements, as at June 30, 2018 has been extracted from the annual audited financial statements of the Modaraba for the year ended June 30, 2018 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, 2018 have been extracted from the condensed interim financial statements for the nine months ended March 31, 2018.

2.5 These condensed interim financial statements have been presented in Pak Rupees, which is the functional currency of Modaraba.

2 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, 2018 except those stated in note 3.2 (a) below.

3.2 Change in accounting standards, interpretations and amendments to published approved accounting and reporting standards

a) New standards, amendments to approved accounting standards and interpretations that are effective during the nine months and quarter ended March 31, 2019

There are certain amendments and an interpretation to approved accounting and reporting standards which are mandatory for the modaraba's annual accounting period which began on July 1, 2018. However, these do not have any significant impact on the modaraba's financial reporting and, therefore, have not been detailed in these condensed interim financial statements.

Notes to the Condensed Interim Financial Statements

For the Nine Months and 3rd Quarter Ended March 31, 2019 (Unaudited)

In addition to new standards IFRS 15 have become applicable to the modaraba effective July 1, 2018. Because of these new standards certain changes to the modaraba's accounting policies have been made in light of the following paragraphs:

- IFRS 15 'Revenue from contracts with customers' - IFRS 15 replaces the previous revenue standards: IAS 18 Revenue, IAS 11 Construction Contracts, and the related interpretations on revenue recognition.

IFRS 15 introduces a single five-step model for revenue recognition and establishes a comprehensive framework for recognition of revenue from contracts with customers based on a core principle that an entity should recognise revenue representing the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The changes laid down by these standard do not have any significant impact on these condensed interim financial statements of the modaraba.

3.3 New standards, amendments to approved accounting standards and interpretations that are not yet effective

There is a new standard, certain amendments and an interpretation to the approved accounting and reporting standards that will be mandatory for the modaraba's annual accounting periods beginning on or after July 1, 2019. However, these 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.

	Note	Unaudited March 31, 2019	Audited June 30, 2018
Rupees			
5. SHORT TERM INVESTMENTS			
At fair value through profit and loss			
Shariah Compliant			
-Equity securities-listed		14,944,267	19,926,693
-Mutual funds-listed		110,196	5,762,450
		15,054,463	25,689,143
		15,054,463	25,689,143
6 MUSAWAMAH FACILITY- SECURED			
Musawamah facility - secured considered doubtful		25,000,000	25,000,000
Less: provision against potential losses		(25,000,000)	(25,000,000)
		-	-
6.1 MUSAWAMAH FACILITY (CLASSIFIED PORTION)			

	March 31, 2019		June 30 2018	
	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)

Notes to the Condensed Interim Financial Statements

For the Nine Months and 3rd Quarter Ended March 31, 2019 (Unaudited)

6.2 This represents musawamah principal amount overdue by more than one year carried profit rate of 10% (June 2017: 10%) per annum secured against hypothecation of current assets, demand promissory notes, personal guarantee of directors and pledge of stocks(raw cotton). M/s Quetta Textile Mills Limited has defaulted in payment at its maturity therefore the Modaraba has filed a suit for recovery of principal and profit in Hon'ble 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 Ltd.

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	Unaudited March 31, 2019	Audited June 30, 2018
Rupees			
7 STOCK IN TRADE			
Finished goods		61,462,410	31,164,138
In transit		267,790	267,790
less: Provision for slow moving stock		(267,790)	(267,790)
		<u>61,462,410</u>	<u>31,164,138</u>
8 INVESTMENT IN DIMINISHING MUSHARAKAH (SYNDICATE)			
Diminishing Musharaka		30,000,000	41,250,000
less: Long term portion of investment in diminishing musharaka		(15,000,000)	(26,250,000)
		<u>15,000,000</u>	<u>15,000,000</u>
8.1	This represents Syndicate diminishing musharaka facility to Spud Energy PTY Limited through Albaraka Bank (Pakistan) Limited being the lead arranger, advisor and participant during the year carrying profit equal to the rate of three months KIBOR + 1.25% (June 2016: KIBOR + 1.25%) receivable in 16 quarterly equal installments from April 2017 to till January, 2021 with one year grace period.		
9 INVESTMENT IN DIMINISHING MUSHARAKAH			
Diminishing Musharaka		73,021,000	29,489,271
Principal repaid		(20,156,350)	(7,964,140)
less: Long term portion of investment in diminishing musharaka		(41,771,367)	(14,262,219)
		<u>11,093,283</u>	<u>7,262,912</u>
10 LONG TERM INVESTMENT			
Investment in associates	10.1	6,101,511	7,648,874
Available for sale			
Equity securities - listed AFS			
Shariah compliant			
- Equity securities - listed		7,419,277	11,132,900
- Mutual funds - listed		10,815,476	5,858,066
Non - shariah compliant			
- Equity securities - listed		2,663,730	2,521,695
		<u>26,999,994</u>	<u>27,161,535</u>

Notes to the Condensed Interim Financial Statements

For the Nine Months and 3rd Quarter Ended March 31, 2019 (Unaudited)

	Note	Unaudited March 31, 2019	Audited June 30, 2018
Rupees			
10.1 INVESTMENT IN ASSOCIATES			
Opening balance		7,648,874	8,297,869
Share of incremental depreciation		284,950	166,220
Share of profit/loss of associate		(1,666,151)	(815,215)
		(1,381,201)	(648,995)
Less: Dividend income		(166,162)	-
		<u>6,101,511</u>	<u>7,648,874</u>
11 IJARAH ASSETS			
Opening balance		97,608,224	142,207,110
Add: Addition during the period		-	28,325,500
		97,608,224	170,532,610
Less: Disposal during the period		(10,980,863)	(8,854,404)
Depreciation charge for the period		(32,575,250)	(64,069,982)
		<u>54,052,111</u>	<u>97,608,224</u>
12 FIXED ASSETS IN OWN USE			
Opening balance		5,922,709	5,205,149
Add: Addition during the period		332,500	4,727,600
		6,255,209	9,932,749
Less: Disposal during the period		(1)	(2,243,007)
Depreciation charge for the period		(1,307,262)	(1,767,033)
		<u>4,947,946</u>	<u>5,922,709</u>
13. PROFIT FROM TRADING OPERATIONS			

	for the period ended		for the quarter ended	
	Mar 31, 2019	Mar 31, 2018	Mar 31, 2019	Mar 31, 2018
Local	41,081,027	5,095,924	8,495,979	5,095,924
Export	-	-	-	-
Sales - net	<u>41,081,027</u>	5,095,924	<u>8,495,979</u>	5,095,924
Cost of sales	(39,440,820)	(4,630,634)	(8,276,682)	(4,630,634)
Export expenses	-	-	-	-
	<u>1,640,207</u>	465,290	<u>219,297</u>	465,290
14 INCOME FROM INVESTMENTS				
Gain on sale of listed securities	1,168,718	1,862,643	415,310	565,158
Dividend income	1,086,577	1,294,564	297,039	241,500
Gain on sukuk certificates	535,655	377,277	208,996	64,666
	<u>2,790,949</u>	3,534,484	<u>921,345</u>	871,324

15 MODARABA COMPANY'S REMUNERATION

In accordance with the Modaraba Companies and Modaraba Rules, 1981, remuneration at the rate of 10% of annual profits before Income tax & Workers Welfare Fund is payable to the Management Company.

16 WORKERS' WELFARE FUND

The Finance Act 2008 made certain changes to the Workers' Welfare Fund Ordinance, 1971. Through these amendments Workers' Welfare Fund (WWF) is payable @ 2% on the higher of the profit before taxation as per the financial statements or return of income.

Notes to the Condensed Interim Financial Statements

For the Nine Months and 3rd Quarter Ended March 31, 2019 (Unaudited)

	for the period ended		for the quarter ended	
	Mar 31, 2019	Mar 31, 2018	Mar 31, 2019	Mar 31, 2018
17 Income tax expenses				
Current tax	-	-	-	-
18 Earning per certificate - Basic and Diluted				
Profit for the period	(6,736,633)	(21,597,530)	(2,646,971)	(11,165,464)
	Number	Number	Number	Number
Average number of certificates	21,000,000	21,000,000	21,000,000	21,000,000
(Loss) / Earning per certificate - basic and diluted	(0.32)	(1.03)	(0.13)	(0.53)

19. Contingencies and commitments

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

20 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:

20.1 Balance outstanding at Period end

	March 31 2019	March 31 2018
Modaraba Management Company		
- Management fee	-	-
Associated undertakings		
- Sharing of common expense charged during the period with Al-Noor Sugar Mills Ltd.	-	-
Other related parties (other than key management personnel)		
- Contribution to staff gratuity fund	8,106,161	8,718,774

20.2 Transactions during the period

Modaraba Management Company		
- Management fee	-	-
Associated undertakings		
- Sharing of common expense charged during the period with Al-Noor Sugar Mills Ltd.	-	-
Other related parties (other than key management personnel)		
- Contribution to staff gratuity fund	778,023	891,234

No. of shares

Associated undertakings		
- Bonus shares of Al-Noor Sugar Mills Limited	-	-

Notes to the Condensed Interim Financial Statements

For the Nine Months and 3rd Quarter Ended March 31, 2019 (Unaudited)

21 CASH FROM OPERATIONS AFTER WORKING CAPITAL CHANGES

	March 31 2019	March 31 2018
Profit / (loss) before taxation	(6,736,633)	(21,597,530)
Adjustments for:		
Gain on sale of investment in listed securities	(1,168,718)	(1,862,643)
Dividend income	(1,086,577)	(1,294,564)
Income on diminishing musharakah	(6,900,921)	(3,353,062)
Gain on sukuk certificates	(535,655)	(377,277)
Profit on bank deposits	(818,190)	(561,535)
Provision for Doubtful	-	12,500,000
Profit on disposal of fixed asset (own)	(9,999)	-
Financial charges	20,358	7,340
Depreciation - owned assets	1,307,262	1,324,821
Depreciation - Ijarah assets	32,430,487	49,682,344
Provision for gratuity	778,023	891,234
Share of profit from Associate	1,666,151	2,272,998
Unrealized loss/(gain) on re measurement of investments in listed securities	4,846,508	4,498,372
	30,528,730	63,728,028
Operating profit before working capital changes	23,792,097	42,130,497
Increase in current assets		
Stock in trade	(30,298,272)	(41,050,975)
Profit receivable	88,738	430,997
Ijarah Rental receivable	647,975	717,820
Diminishing musharakah receivable	125,549	-
Trade Debtors - considered good and unsecured	2,027,201	756,437
Advances, deposits, prepayments and other receivables	788,561	20,793,532
	(26,620,248)	(18,352,189)
Decrease in current liabilities		
Creditors, accrued and other liabilities	(1,430,987)	(1,760,167)
Profit payable	6,242	53,848
	(1,424,745)	(1,706,319)
Cash flow from operating activities	(4,252,896)	22,071,989

22 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 20, 2019 .

23 General

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

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

Place : Karachi	sd/- Chief Executive	sd/- Chief Financial Officer	sd/- Director
Date : April 20, 2019			sd/- Director

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FIRST AL-NOOR MODARABA

(An Islamic Financial Institution)

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

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

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