

3RD QUARTERLY REPORT
March 31, 2016
(Un-audited)



FIRST AL-NOOR MODARABA

(An Islamic Financial Institution)

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Corporate Information

BOARD OF DIRECTORS

Non Executive Directors

Chairman

Mr. Ismail H. Zakaria

Directors

Mr. Yusuf Ayoob

Mr. Suleman Ayoob

Mr. Aziz Ayoob

Mr. Mansoor Alam, Independent

Mr. Zia Zakaria

Mr. Zain Ayoob

Executive Directors

Chief Executive

Mr. Jalaluddin Ahmed

Company Secretary

Mr. Roofi Abdul Razzak

Board Audit Committee

Mr. Suleman Ayoob - Chairman

Mr. Mansoor Alam - Member

Mr. Zia Zakaria - Member

HR & Remuneration Committee

Mr. Aziz Ayoob - Chairman

Mr. Jalaluddin Ahmed - Member

Mr. Roofi Abdul Razzak - Member

Bankers

Al-Baraka Bank (Pakistan) Limited
Askari Bank Ltd, Islamic Banking
Faysal Bank Ltd, Islamic Banking
Habib Bank Limited, Islamic Banking
MCB Bank Limited, Islamic Banking
Meezan Bank Limited

Auditors

RSM Avasi Hyder Liaquat Nauman
Chartered Accountants

Shariah Advisor

Mufti Muhammad Ibrahim Essa

Legal Advisor

Muhammad Jamshid Malik
Barrister-at-Law

Share Registrar

M / s Technology Trade (Private) Limited
Dagla House, 241-C, Block 2, P.E.C.H.S.
Off. Shahrah-e-Faisal, Karachi
Tel: 34391316-7 & 19, 34387960-1
Fax: 34391318

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, 2016

I, on behalf of Board of Directors of Al-Noor Modaraba Management (Private) Limited, the "modarib/management company" of First Al-Noor Modaraba (FAM), pleased to present the report together with un-audited accounts for the nine months ended March 31, 2016:

Financial Results

Financial results are summarized as under

	Nine Months ended	
	March	March
	31, 2016	31, 2015
	Rupees	
Profit after taxation	(7,297,488)	(14,820,357)
Un-appropriated profit brought forward	(12,885,641)	1,316,490
	(20,183,129)	(13,503,867)
Add:		
Share of associate's incremental depreciation	26,330	249,070
Un-appropriated profit carried forward	(20,156,799)	(13,254,797)
Earning per certificate- basic and diluted	(0.35)	(0.71)

In comparison to the corresponding period in the past financial year, the loss has almost been reduced by 50%. This is a good omen, as it signifies that the modaraba is gradually recovering from the huge jolt suffered in its trading activities in the preceding financial year. However, the overall business climate in the country still remains far from conducive; the commodities are still struggling and the discount rates are at the lowest in the last forty years. Moreover, the stock market also remains quite volatile, making the potential investors nervous in their decision making. Therefore, it is quite difficult to predict any substantive improvement in the performance of the modaraba, by the close of the current financial year i.e. June 30, 2016. The modaraba has, however, not remained complacent and its striving hard to diversify its resources. Surely, the efforts will have a positive outcome in the subsequent financial year.

On behalf of the Board

Jalaluddin Ahmed
Chief Executive

Place: Karachi
Date: April 28, 2016

Condensed Interim Balance Sheet

As at March 31, 2016 (Unaudited)

		(Unaudited) March 31, 2016	(Audited) June 30, 2015
	Note	Rupees	
CURRENT ASSETS			
Cash and bank balances	4	78,534,843	42,319,170
Short term investments	5	37,799,518	50,556,745
Musawamah receivables - secured	6	25,000,000	25,000,000
Profit Receivable		859,298	525,385
Ijarah rental Receivable		1,087,159	-
Trade Debtors		9,305,000	43,810,383
Stock In Trade	7	-	24,793,445
Current portion of investment in Sukuk Certificates	8.2.1	714,286	714,286
Advances, deposits, prepayments and other receivables		11,550,006	14,175,379
Income tax refundable / paid in advance	9	2,636,170	2,073,457
Total current assets		167,486,280	203,968,250
ASSETS			
Non-current assets			
Long term deposits		3,846,989	3,846,989
Long term investments	8.2.1	25,838,391	31,590,230
Ijarah Assets	10	144,043,345	116,877,357
Fixed Assets own use	11	3,566,161	2,750,966
Total non-current assets		177,294,886	155,065,542
Total Assets		344,781,166	359,033,792
LIABILITIES			
Current liabilities			
Current maturity of security deposits	12	12,774,586	6,442,160
Creditors, accrued and other liabilities	13	12,738,140	12,271,257
Provision for custom duty surcharge	14	4,398,842	4,398,842
Profit payable	15	425,053	227,526
Total current liabilities		30,336,621	23,339,785
Non-current liabilities			
Security deposits	12	22,206,290	23,426,751
Deferred liability - staff gratuity		7,708,431	6,729,031
Total non-current liabilities		29,914,721	30,155,782
Total liabilities		60,251,342	53,495,567
NET ASSETS		284,529,824	305,538,225
REPRESENTED BY:			
CAPITAL AND RESERVES			
Certificate Capital			
Authorized Certificate Capital			
40,000,000 (2014: 40,000,000) certificates of Rs 10/- each		400,000,000	400,000,000
Issued, subscribed and paid-up capital	16	210,000,000	210,000,000
Reserves	17	97,456,413	107,956,413
Unappropriate profit		(20,156,799)	(12,885,641)
Unrealized diminution on remeasurement of investment classified as available for sale- net		(2,769,790)	467,453
Total capital and reserves		284,529,824	305,538,255

CONTINGENCIES AND COMMITMENTS

The annexed notes 1 to 25 form an integral part of these financial statements.

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

Chief Executive

Director

Director

Place : Karachi
Date: April 28, 2016

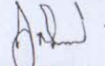
Condensed Interim Profit and Loss Account

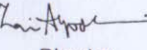
For the Nine Months and 3rd Quarter Ended March 31, 2016

	Note	Nine Months Ended		Quarter Ended	
		Mar 31, 2016	Mar 31, 2015	Mar 31, 2016	Mar 31, 2015
		Rupees		Rupees	
Profit from trading operations	19	(3,216,428)	(12,616,430)	-	(14,502,342)
Income on musawamah receivables		1,339,454	2,449,549	48,221	829,766
Income from Ijarah		12,784,323	10,665,494	4,149,052	3,448,673
Income from investments		3,275,796	5,483,570	2,402,101	2,607,708
		14,183,145	5,982,183	6,599,374	(7,616,196)
Administrative and operating expenses		19,413,644	20,376,303	6,921,329	6,668,308
Financial and other charges		4,472	91,921	1,141	22,910
		19,418,116	20,468,224	6,922,470	6,691,218
Operating profit		(5,234,971)	(14,486,042)	(323,097)	(14,307,414)
Other income		1,768,234	1,808,188	586,658	586,625
		(3,466,736)	(12,677,854)	263,561	(13,720,789)
Unrealised gain / (loss) on re-measurement of investments at fair value through profit or loss		(3,357,385)	166,440	(186,293)	(793,852)
Share of loss from associates		(473,367)	(2,164,589)	(293,377)	(1,600,487)
		(7,297,488)	(14,676,003)	(216,109)	(16,115,128)
Modaraba management fee		-	-	-	143,913
		(7,297,488)	(14,676,003)	(216,109)	(15,971,215)
Workers welfare fund		-	-	-	25,396
Profit before taxation		(7,297,488)	(14,676,003)	(216,109)	(15,945,819)
Income tax expense/reversed		-	(144,355)	237,560	-
Profit for the Period	20	(7,297,488)	(14,820,358)	21,450	(15,945,819)
Earnings per certificate - Basic and Diluted		(0.35)	(0.71)	0.00	(0.76)

The annexed notes 1 to 25 form an integral part of these financial statements.

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


Chief Executive


Director


Director

Place : Karachi
Date: April 28, 2016

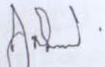
Condensed Interim Statement of Other Comprehensive Income

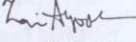
For the Nine Months and 3rd Quarter Ended March 31, 2016

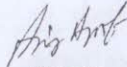
	Note	Nine Months Ended		Quarter Ended	
		Mar 31, 2016	Mar 31, 2015	Mar 31, 2016	Mar 31, 2015
		Rupees		Rupees	
Profit for the period		(7,297,488)	(14,820,358)	21,450	(15,945,819)
Others comprehensive income					
Unrealized gain/ (loss) on re-measurement of available for sale investment	8.3	(3,237,243)	(175,558)	(899,251)	(997,687)
Shares of others comprehensive income of associate		-	4,277	-	(13,014)
Others comprehensive income		(3,237,243)	(171,281)	(899,251)	(1,010,701)
Total comprehensive income		(10,534,731)	(14,991,639)	(877,801)	(16,956,520)

The annexed notes 1 to 25 form an integral part of these financial statements.

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


Chief Executive


Director


Director

Place : Karachi
Date: April 28, 2016

Condensed Interim Cash Flow Statement

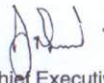
For the Nine Months and 3rd Quarter Ended March 31, 2016

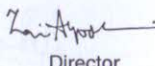
	Note	March 31, 2016 Rupees	March 31, 2015 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash from operations after working capital changes	22	95,777,903	71,500,365
Increase in Security deposits		5,111,965	3,209,530
Income on musawamah receivables		973,974	(797,195)
Income tax paid		(562,713)	(144,355)
Net cash from operating activities		101,301,129	73,768,345
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to fixed assets			
- Own		(1,925,299)	-
- Ijarah		(74,765,500)	(43,840,300)
Sale proceeds on disposal of fixed assets			
- Own		14,000	-
- Ijarah		5,526,220	12,939,091
Dividend received		3,215,493	2,045,227
Profit on Bank Deposits		1,385,578	1,392,430
Profit on Sukuk Certificates		344,566	283,403
Profit on Barkat Islamic Certificates		-	108,712
Profit on Al-Makhraj certificates		-	65,842
Realization/Purchase of Sukuk Certificates		962,755	(5,000,000)
Purchase of investments of mutual funds		-	(7,793,552)
Sale of investments of mutual funds		10,046,200	7,796,424
Purchase of investments of listed securities		(31,618,575)	(29,235,649)
Sale of investments of listed securities		32,054,986	24,598,517
Net cash (used in) investing activities		54,759,576	(36,639,854)
CASH FLOWS FROM FINANCING ACTIVITIES			
Profit paid to the certificate holders		(10,321,408)	(15,544,631)
Financial charges paid		(4,472)	(91,921)
Net cash (used in) financing activities		(10,325,880)	(15,636,552)
Net increase/(decrease) in cash and cash equivalents		36,215,673	21,491,939
Cash and cash equivalents at beginning of the year		42,319,170	22,150,478
Cash and cash equivalents at end of the period	4	78,534,843	43,642,417

The annexed notes 1 to 25 form an integral part of these financial statements.

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

Place : Karachi
Date: April 28, 2016


Chief Executive


Director

Director

Condensed Interim Statement of Changes in Equity

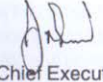
For the Nine Months and 3rd Quarter Ended March 31, 2016

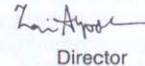
	Certificate Capital	*Statutory Reserve	General reserve	Reserve Unappropriated profit	Unrealized (loss)/Gain on remeasurement of available for sale investment	Total
	Rupees					
Balance as at June 30, 2014	210,000,000	96,956,413	10,500,000	17,566,490	(1,625,844)	333,397,059
Share of associate's incremental depreciation on account of revaluation of fixed assets	-	-	-	249,070	-	249,070
Total Comprehensive income for the period	-	-	-	(14,820,357)	(171,281)	(14,991,638)
Profit distribution in cash	-	-	-	(15,750,000)	-	(15,750,000)
Transfer to general reserve	-	-	500,000	(500,000)	-	-
Transfer to statutory reserve	-	-	-	-	-	-
Balance as at March 31, 2015	210,000,000	96,956,413	11,000,000	(13,254,797)	(1,797,125)	302,904,491
Share of associate's incremental depreciation on account of revaluation of fixed assets	-	-	-	157,910	-	157,910
Total Comprehensive income for the period	-	-	-	211,246	2,264,578	2,475,824
Balance as at June 30, 2015	210,000,000	96,956,413	11,000,000	(12,885,641)	467,453	305,538,225
Share of associate's incremental depreciation on account of revaluation of fixed assets	-	-	-	26,330	-	26,330
Total Comprehensive income for the period	-	-	-	(7,297,488)	(3,237,243)	(10,534,731)
Profit distribution in cash	-	-	-	(10,500,000)	-	(10,500,000)
Transfer to general reserve	-	-	(10,500,000)	10,500,000	-	-
Transfer to statutory reserve	-	-	-	-	-	-
Balance as at March, 2015	210,000,000	96,956,413	500,000	(20,156,799)	(2,769,790)	284,529,824

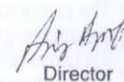
* In accordance with the Prudential Regulations for Modarabas, the Modaraba is required to transfer an amount not less than 20% and not more than 50% of its after tax profits to statutory reserve until the reserve funds equals the paid-up capital. Thereafter, a sum not less than 5% of the after tax profits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

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

Place : Karachi
Date: April 28, 2016


Chief Executive


Director


Director

Notes to the Condensed Interim Financial Statements

For the Nine Months and 3rd Quarter Ended March 31, 2016

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 (Private) Limited, a company incorporated in Pakistan. The address of its registered office is 96-A, Sindhi Muslim Housing Society. The Modaraba was floated on October 19, 1992 and commenced its business on November 02, 1992.

The Modaraba is a multipurpose perpetual modaraba and is primarily engaged in ijarah financing, musharikhah, murabaha, musawamah, modaraba, equity investment, ijarah and trading activities. The Modaraba is listed on the Karachi and Lahore Stock Exchanges (now Pakistan Stock Exchange after demutualization of all Stock Exchanges).

2 STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, the requirements of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981 and directives issued by the Securities and Exchange Commission of Pakistan (SECP). Wherever the requirements of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981 and directives issued by SECP differ with the requirements of IFRS, the requirements of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981 or the directives issued by SECP prevail.

"The figures of the condensed interim profit and loss account for the quarter ended March 31, 2015 and 2016 are unaudited and the information do not include all the information and disclosures required in the annual financial information, and should be read in conjunction with the Company's annual financial statements for the year ended 30 June, 2015."

2.1 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted for preparation of these condensed interim financial information are consistent with those followed in the preparation of the Modaraba's annual financial statement for the year ended 30 June 2015.

3 ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of interim financial information conformity with approved accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, income and expenses. It also requires management to exercise judgment in application of the Modaraba's accounting policies. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both the current and future periods.

The preparing the interim financial information, the significant judgments made by management in the applying the company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the preceding published annual financial statements of the Company as at and for the year ended June 2015.

Notes to the Condensed Interim Financial Statements

For the Nine Months and 3rd Quarter Ended March 31, 2016

Note	March 31, 2016	June 30, 2015
	Rupees	
4. CASH AND BANK BALANCES		
Cash in hand	67,831	30,500
Cash at bank		
- current accounts	2,044,339	1,740,874
- Islamic bank accounts		
4.1	76,422,673	40,547,796
	78,534,843	42,319,170
4.1 These deposits carry profit at rates ranging from 1.95% to 5.00% (June 2015: 2.05% to 6.48%).		
5. SHORT TERM INVESTMENTS		
At fair value through profit and loss		
- Equity securities - listed	5.1	37,799,518
		50,556,745

5.1 At fair value through profit and loss Equities securities listed

Name of investee company	Number of Shares / Units		Market Value	
	As at March 31, 2016	As at June 30, 2015	As at March 31, 2016	As at June 30, 2015
Construction and Materials				
Fauji Cement Company Limited	10,000	-	419,100	-
Pioneer Cement Limited	-	5,000	-	426,450
Kohat Cement Company Ltd.	2,500	-	650,100	-
Attock Cement Pakistan Limited	5,000	-	1,020,000	-
Sub total	17,500	5,000	2,089,200	426,450
Oil & Gas Producers				
Hascol Petroleum Limited	7,500	-	1,052,100	-
Attock Refinery Limited	-	3,000	-	685,350
Pakistan Refinery Limited	12,000	1,500	515,760	91,395
National Refinery Limited	7,000	7,000	1,893,430	1,624,420
Pakistan Petroleum Limited	20,500	20,500	2,626,460	3,367,330
Oil & Gas Development Co. Ltd.	1,000	-	114,440	-
Sub total	48,000	32,000	6,202,190	5,768,495
Gas Water & Multiutilities				
Sui Northern Gas Pipelines Limited	-	40,500	-	1,078,920
Sub total	-	40,500	-	1,078,920
General Industries				
Thal Limited	2,500	2,500	636,775	713,575
Sub total	2,500	2,500	636,775	713,575
Electricity				
K-Electric Limited	95,000	70,000	674,500	589,400
Kot Addu Power Company Limited	-	2,500	-	215,100
Sub total	95,000	72,500	674,500	804,500

Notes to the Condensed Interim Financial Statements

For the Nine Months and 3rd Quarter Ended March 31, 2016

Name of investee company	Number of Shares / Units		Market Value	
	As at March 31, 2016	As at June 30, 2015	As at March 31, 2016	As at June 30, 2015
Automobile and Parts				
Honda Atlas Car (Pakistan) Limited	-	5,000	-	1,093,400
Sub total	-	5,000	-	1,093,400
Fixed Line Telecommunication				
Pakistan Tele Communication Limited	50,000	40,000	751,000	820,000
Sub total	50,000	40,000	751,000	820,000
Chemicals				
Fauji Fertilizer Bin Qasim Limited	80,000	130,000	4,081,600	7,191,600
Fauji Fertilizer Company Limited	99,000	98,000	10,799,983	14,643,160
Lotte Pakistan PTA Limited	174,000	200,000	962,220	1,384,000
Engro Fertilizer Limited	7,500	5,000	521,175	443,450
Dawood Hercules Chemicals	5,000	-	608,850	-
Engro Corporation Ltd	3,000	-	947,100	-
Ghani Gases Limited	-	20,000	-	566,000
Sub total	368,500	453,000	17,920,928	24,228,210
Pharmaceuticals				
Searle Pakistan Ltd.	1,100	-	395,730	-
Sub total	1,100	-	483,439	-
Electronic and Electrical Goods				
Pak Elektron Ltd.	7,500	-	453,525	-
Sub total	7,500	-	453,525	-
Personal Goods(Textiles)				
Artistic Denim Mills Limited	5,000	5,000	325,000	404,350
Nishat Mills Limited	15,000	7,500	1,437,150	856,725
Sub total	20,000	12,500	1,762,150	1,261,075
Industrial Engineering				
Crescent Steel & Allied Products	-	15,000	-	779,550
Mughal Iron & Steel Industries Ltd.	2,500	-	171,075	-
Sub total	2,500	15,000	171,075	779,550
Food Producers				
Faran Sugar Mills Ltd.	-	-	-	-
Sub total	-	-	-	-
Units of Mutual Funds				
Meezan Islamic Fund - Growth Units	1,764	69,180	108,721	4,227,589
Meezan Balance Fund	-	174,134	-	2,554,540
First Habib Islamic Balanced Fund	57,712	57,712	5,640,762	5,875,649
Al-Ameen Islamic Active Allocation Plan-1	9,279	9,232	905,253	924,792
Sub total	68,755	310,258	6,654,736	13,582,570
Total Listed securities				
- At Fair value through Profit & Loss Grand total	681,355	988,258	37,799,518	50,556,745

Notes to the Condensed Interim Financial Statements

For the Nine Months and 3rd Quarter Ended March 31, 2016

Name of investee company	Number of Shares / Units		Market Value	
	As at June 30, 2015	As at March 31, 2016	As at June 30, 2015	As at March 31, 2016
5.1.2 Unrealised gain / (loss) on re-measurement of investment at fair value through profit or loss				
Market Value as at	37,799,518	50,556,745		
Cost of investment	40,372,633	44,455,858		
Unrealised gain/(loss) on investment as at year ended	(2,573,115)	6,100,887		
Unrealised gain on investment at the beginning of the period	6,100,887	2,559,531		
Gain / (Loss) realised on disposal during the period	(5,316,617)	(1,258,358)		
Unrealised gain / (loss) on investment for the period ended	(3,357,385)	4,799,714		
6 Musawamah Receivables - Secured				
Muswamah receivables	6.1	25,000,000	25,000,000	
6.1 This represents principal amount outstanding against musawamah receivable from a customer for the period of 90 days. These musawamah carry profit upto 11% (June 2015: 10%) per annum. These are secured against hypothecation of stocks and trade receivables, vehicles, demand promissory notes, personal guarantee of directors /proprietors and mortgage of properties.				
7 STOCK IN TRADE				
Finished goods		267,790	25,061,235	
less: Provision for slow moving stock		(267,790)	(267,790)	
		-	24,793,445	
8 INVESTMENT IN SUKUK CERTIFICATES - Held to maturity				
Investment in Associate	8.1	7,481,593	8,328,828	
Investment - Held to Maturity	8.2	3,214,285	3,928,571	
Investment - Available for Sale	8.3	15,142,513	19,332,831	
		25,838,391	31,590,230	
8.1 This represent investment of modaraba in its associate group company i.e. Al Noor Sugar Mills Limited on the basis of common directorship.				
8.2 INVESTMENT - Held to maturity				
Investment in sukuk Certificates	8.2.1	4,642,857	5,000,000	
Less: Principal Repaid		(714,286)	(357,143)	
Less: Current portion of Investment in Sukuk Certificates		(714,286)	(714,286)	
		3,214,285	3,928,571	
8.2.1 This represent sukuk certificates of Albaraka Bank (Pakistan) Limited carrying profit similar to base rate of six months of KIBOR + 1.25% (June 2015: KIBOR + 1.25%) receivable in 14 equal installments till September 2021.				
8.3 Available for Sale				

Fully paid ordinary shares of Rs 10 each unless stated otherwise

Equity Investment Instruments

First National Bank Modaraba	5,000	-	19,950	-
First Habib Modaraba	4,500	4,500	46,800	46,125
First Imrooz Modabara	500	1,000	26,500	69,350
Allied Rental Modaraba	3,000	4,320	147,240	103,680
Standard Chartered Modaraba	11,550	-	346,500	-
Sub total	24,550	9,820	586,990	219,155

Notes to the Condensed Interim Financial Statements

For the Nine Months and 3rd Quarter Ended March 31, 2016

Name of investee company	Number of Shares / Units		Market Value	
	As at June 30, 2015	As at March 31, 2016	As at June 30, 2015	As at March 31, 2016
Fixed Line Telecommunication				
Worldcall Telecommunication	15,000	-	30,750	-
Sub total	15,000	-	30,750	-
Chemicals				
Fauji Fertilizer Bin Qasim Limited	102,500	102,500	5,670,301	5,229,550
Fauji Fertilizer Company Limited	10,000	10,000	1,494,200	1,599,300
Sub total	112,500	112,500	7,164,501	6,828,850
Oil & Gas Producers				
Pakistan Petroleum Limited	11,000	12,000	1,806,860	1,537,440
Pakistan Oilfield Limited	7,000	10,000	2,826,740	2,578,521
Hascol Petroleum Limited		2,500		350,700
Sub total	18,000	24,500	4,633,600	4,466,661
Units of Mutual Funds				
Al-Ameen Islamic Principal				
Preservation Fund-IV Class A	24,915	24,915	2,631,405	2,525,214
Meezan Balance Fund	223,840	7,974	3,283,727	121,916
UBL Al-Ameen Islamic Active Allocation Plan-1	10,001	10,001	1,001,858	980,717
	258,756	42,890	6,916,990	3,627,847
Total Listed securities - AFS	428,806	189,710	19,332,831	15,142,513

	Note	March 31, 2016	June 30, 2015
9.3 Unrealised gain / (loss) on re-measurement of investment at fair value through profit or loss			

Market Value as at	15,142,513	19,332,831
Cost of investment	16,314,282	17,287,657
Unrealised gain / (loss) on investment as at year ended	(1,171,769)	2,045,174
Unrealised gain / (loss) on investment at the beginning of the period	2,045,174	(26,100)
Realised gain on disposal during the period	20,300	-
Unrealised gain / (loss) on investment for the period/year ended	(3,237,243)	2,071,274

9 TAXATION

9.1 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 (Floation and Control) Ordinance, 1980 (XXXI of 1980) are distributed amongst the certificate holders.

As per section 148 of the income tax ordinance, 2001, the Collector of Customs shall collect advance tax from every importer of goods on the value of the goods at the rate specified in Part II of the First Schedule of the income tax ordinance, 2001. The tax collected under this section shall be a final tax on the income of the importer arising from the imports.

As per section 154 of the income tax ordinance, 2001, every authorised dealer in foreign exchange shall, at the time of realisation of foreign exchange proceeds on account of the export of goods by an exporter, deduct tax from the proceeds at the rates specified in Division IV of Part III of the First Schedule. The tax deducted under this section shall be a final tax on the income arising from the transaction.

Notes to the Condensed Interim Financial Statements

For the Nine Months and 3rd Quarter Ended March 31, 2016

	March 31, 2016	June 30, 2015
9.2 Income tax refundable	2,073,457	2,314,738
Income tax adjusted / deducted at source	562,713	(241,281)
	2,636,170	2,073,457

10 IJARAH ASSETS

Opening		116,877,357	93,036,512
Additions	10.1	74,765,500	91,289,300
Deletions	10.1	(5,330,268)	(11,131,668)
Depreciation for the period		(42,269,244)	(56,316,787)
Net book value		144,043,345	116,877,357

	Un-audited 31 March 2016 Rupees	audited 30 June 2015 Rupees
10.1 Details of additions in Ijarah assets during the period		
	Additions	Deletions
Machinery	-	(508,502)
Vehicles	74,765,500	(4,821,766)
Others	-	-
	74,765,500	(5,330,268)

11 FIXED ASSETS IN OWN USE

		(Un-audited) March 31, 2016 Rupees	June 30, 2015
Tangible assets	11.1	3,566,159	2,745,538
Intangible assets	11.2	2	5,428
		3,566,161	2,750,966

11.1 Tangible assets

Opening balance		2,745,538	4,212,048
Addition during the period	11.1.1	1,925,299	214,150
Disposal during the period	11.1.1	(3,622)	(321,238)
Depreciation for the period		(1,101,056)	(1,359,422)
Net book Value		3,566,159	2,745,538

	Un-audited 31 March 2016 Rupees	audited 30 June 2015 Rupees
11.1.1 Details of additions/deletion in tangible assets		
	Additions	Deletions
Computer equipments	159,320	-
Office equipments and appliances	273,458	(3,622)
Furniture and fixtures	628,110	-
Motor Vehicles	864,411	-
Total	1,925,299	(3,622)

Notes to the Condensed Interim Financial Statements

For the Nine Months and 3rd Quarter Ended March 31, 2016

	Note	March 31, 2016	June 30, 2015
11.2 Intangible assets			
Opening balance		5,428	31,828
Amortization for the period		(5,426)	(26,400)
Closing balance		2	5,428

12 Security Deposits

Security deposits	34,980,876	29,868,911
Less: Repayable / adjustable after one year	(22,206,290)	(23,426,751)
Current maturity of security deposits	12,774,586	6,442,160

13 CREDITORS, ACCRUED AND OTHER LIABILITIES

Creditors	1,296,867	1,275,742
Accrued expenses	1,071,543	3,207,367
Clearing and forwarding charges	458,900	458,900
Takaful / Insurance	434,734	-
Advances from customers	3,504,683	3,242,874
Provision for Worker's Welfare Fund	391,367	391,367
Advance Ijarah rentals	4,316,097	2,609,652
Unclaimed profit distributions	1,263,948	1,085,356
	12,738,140	12,271,257

14 PROVISION FOR CUSTOM DUTY & SURCHARGE

Custom duty / surcharges	14.1	4,398,842	4,398,842
		4,398,842	4,398,842

14.1 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.

15 PROFIT PAYABLE

Late payment & cheques return	15.1	267,268	113,864
Dividend income	15.2	157,785	113,662
		425,053	227,526

15.1 This represents surcharge applied to customers due to late payment and cheques returned during the period. The management is required to donate the same for charitable purposes.

15.2 This represents non shariah shares dividend income during the period. The management has to donate the same for charitable purposes as per circular 8 of 2012 of the Securities and Exchange Commission of Pakistan.

Notes to the Condensed Interim Financial Statements

For the Nine Months and 3rd Quarter Ended March 31, 2016

16 CERTIFICATE CAPITAL

Authorised certificate capital

March 31, 2016	June 30, 2016		March 31, 2016	June 30, 2015
Number of certificates			(Rupees)	
40,000,000	40,000,000	Modaraba Certificates of Rs 10 each	400,000,000	400,000,000
20,000,000	20,000,000	Modaraba Certificates of Rs 10 each fully paid in cash	200,000,000	200,000,000
1,000,000	1,000,000	Modaraba Certificates of Rs 10 each issued as fully paid bonus certificates	10,000,000	10,000,000
21,000,000	21,000,000		210,000,000	210,000,000

16.1 As at 31 March 2015, First Al-Noor Modaraba Management (Private) Limited (the Management Company) held 4,200,000 certificates (June 2015: 4,200,000 certificates), as required under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980.

17 RESERVES

Statutory reserve

Statutory reserve represents profits set aside to comply with the Prudential Regulations for modarabas issued by the SECP. These regulations require a modaraba to transfer not less than 20% and not more than 50% of its after tax profit till such time that reserves equal 100% of the paid up capital. Thereafter, a sum not less than 5% of the after tax profit is to be transferred.

During the current period the Modaraba has transferred an amount of Rs Nil (June, 2015: Rs Nil) as Modaraba has incurred loss.

18 CONTINGENCIES AND COMMITMENTS

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

	Note	March 31, 2016	March 31, 2015
19 (LOSS)/PROFIT FROM TRADING OPERATIONS			
Local		47,958,677	125,774,398
Export		-	3,440,933
Sales -Net		47,958,677	129,215,331
Cost of Sales		(51,175,105)	(141,549,084)
Export Expenses		-	(282,677)
(Loss) / Profit from trading operations		(3,216,428)	(12,616,430)

20 (LOSS) / EARNINGS PER CERTIFICATE - BASIC AND DILUTED

(Loss) / profit for the period	(7,297,488)	(14,820,358)
	----- (Numbers) -----	
Weighted average number of certificates	21,000,000	21,000,000
	----- (Rupees) -----	
(Loss) / earnings per certificate - basic and diluted	(0.35)	(0.71)

There is no dilutive effect on the basic earnings per certificate of the Modaraba, since there are no convertible instruments in issue as at March 31, 2016 and March 31, 2015 which would have any effect on the earnings per certificate if the option to convert is exercised. There is no dilutive effect on the basic earning per certificate of the Modaraba.

21 RELATED PARTY TRANSACTIONS

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

Notes to the Condensed Interim Financial Statements

For the Nine Months and 3rd Quarter Ended March 31, 2016

	Note	Nine Months Ended (Rupees)	
		31 March 2016	31 March 2015
21.1 Balance outstanding at period end			
Modaraba Management Company			
- Management Fee		-	-
Associated undertakings			
- Sharing of common expenses with charged during the year with Al-Noor Sugar Mills Limited		150,000	150,000
Other related parties (Other than management personnel)			
- Contribution to staff gratuity fund		7,708,431	6,402,565
21.2 Transaction during the period			
Modaraba Management Company			
- Management Fee		-	-
Associated undertakings			
- Sharing of common expenses with charged during the year with Al-Noor Sugar Mills Limited		450,000	300,000
Other related parties (Other than management personnel)			
- Contribution to staff gratuity fund		979,400	979,401
22. CASH FROM OPERATIONS AFTER WORKING CAPITAL CHANGES			
(Loss) / profit before taxation		(7,081,380)	(14,676,003)
Adjustments for:			
Loss / (gain) on sale of investment in listed securities		(136,189)	(2,460,214)
Dividend income		(2,891,139)	(2,555,952)
Income on musawamah investment		(1,339,454)	(2,449,549)
Gain on Sukuk Certificates		(248,469)	(292,850)
Profit on disposal of fixed assets		(10,378)	-
Profit on takaful claim		(198,416)	-
Profit on bank deposits		(1,450,107)	(1,320,759)
Profit on Barkat Islamic Certificates		-	(65,842)
Profit on Al-Makhray Certificates		-	(108,712)
Amortisation of leased out / Ijarah assets		42,050,215	45,450,120
Amortization of intangible assets		5,426	19,800
Depreciation - owned assets		1,095,630	1,035,516
Financial charges		4,472	91,921
Provision for gratuity		979,400	979,401
Share of loss from associate		473,367	2,164,589
Investment in listed securities		3,357,385	(166,440)
		41,691,744	40,321,028
Operating profit before working capital changes		34,610,364	25,645,025
(Increase)/Decrease in current assets			
Stock in trade		24,793,445	73,967,636
Trade debtors		34,505,383	(19,130,565)
Bill receivables		-	1,697,587
Musawamah receivable - secured		-	-
Profit receivable		(333,913)	(734,971)
Ijarah Rental receivable		(1,087,159)	108,790
Advances, deposits, prepayments and other receivables		2,625,373	(8,170,861)
		60,503,129	47,737,616
Increase/(Decrease) in current liabilities			
Creditors, accrued and other liabilities		466,883	(1,678,611)
Profit payable		197,527	(203,666)
		664,410	(1,882,277)
Cash flow generated from operating activities	22	95,777,903	71,500,365

Notes to the Condensed Interim Financial Statements

For the Nine Months and 3rd Quarter Ended March 31, 2016

23 FINANCIAL RISK MANAGEMENT

The Modaraba's financial risk management objectives and policies are consistent with those disclosed in the preceding annual published financial statements of the Modaraba for the year ended June 30, 2015.

24 DATE OF AUTHORIZATION

These condensed interim financial statements were authorized for issue on April 28, 2016 by the Board of Directors of the Modaraba Management Company.

25 GENERAL

25.1 Prior period figures have been rearranged / reclassified for the purpose of better presentation and comparison.

25.2 Figures have been rounded off to the nearest rupee.

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

Place : Karachi
Date: April 28, 2016

Chief Executive

Director

Director

Book Post



If undelivered, please return to:

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