

Annual Report 2023



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 Muhammad 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 I. Zakaria - Member

HR & Remuneration Committee

Mr. Tausif Ilyas - Chairman

Mr. Zainuddin Ayoob - 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, Shakra-e-Faisal, Karachi

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

Fax: 3438 0106

Registered Office

96-A, Sindhi Muslim Cooperative

Housing Society, Karachi

Contact Details

Telephone : 34558268; 34552943; 34553067

Fax : 34553137

Webpage : www.fanm.co

Email : info@fanm.co



CHAIRMAN'S REVIEW REPORT

Dear Certificate Holders,

I am pleased to present to the certificate holders of First Al-Noor Modaraba, review of the financial performance of the Company along with the audited Financial Statements for the year ended June 30, 2023.

Financial year ended June 30, 2023 remained depressing throughout the year. The GDP growth rate of the country revised to 0.29% from 6.10% triggered by difficult economic environment both at home economy and major trading partners.

On behalf of the Board of Directors, I would like to acknowledge the contribution of all the team for their hard work in trying to manage the crises and pray to Allah SWT for the success and growth of the Modaraba

Zia Zakaria

Chairman

September 21, 2023



چیرمین کی جائزہ رپورٹ

معزز سرٹیکلیٹ ہولڈرز

مجھے فرسٹ انور مضاربہ کے سرٹیکلیٹ ہولڈرز کے سامنے 30 جون 2023 کو ختم ہونے والے سال کے آڈٹ شدہ مالیاتی گوشواروں کے ساتھ کہنی کی مالی کارکردگی کا جائزہ پیش کرتے ہوئے خوشی ہو رہی ہے۔

30 جون 2023 کو ختم ہونے والا مالی سال پورا سال افسردہ رہا۔ ملکی معیشت اور بڑے تجارتی شراکت داروں دونوں میں مشکل معاشی ماحول کی وجہ سے ملک کی جی ڈی پی کی شرح نمو 6.10 فیصد سے 0.29 فیصد ہو گئی۔

بورڈ آف ڈائریکٹرز کی جانب سے، میں تمام ٹیم کے تعاون کا اعتراف کرنا چاہتا ہوں جو بحرانوں کو سنبھالنے کے لیے ان کی محنت کے لیے اور اللہ سبحانہ و تعالیٰ سے مضاربہ کی کامیابی اور ترقی کے لیے دعا کرتا ہوں۔

ضیاء زکریا

چیرمین

21 ستمبر 2023



OUR VISION

To become sustainable, growth oriented and efficient Modaraba, and to offer wide range of product and services catering to the need of the customers.

The Modaraba management should consider the interest of all the stake holders before making any business decision and to do that they should do concrete efforts to achieve their objectives.

OUR MISSION

- ▶ To inculcate the most efficient, ethical and time tested business practices in our management.
- ▶ To uphold our reputation for acting with responsibility and integrity, respecting the laws and regulations, traditions and cultures of the country within which we operate.
- ▶ To accomplish excellent results through increased earnings which can benefit all the stakeholders.
- ▶ To work as a team and put the interest of the Modaraba before that of the individuals.



VERTICAL ANALYSIS

BALANCE SHEET ITEMS (in %age)

ASSETS	2023	2022	2021	2020	2019	2018
NON-CURRENT ASSETS						
Fixed Assets - tangible						
Long term deposits	1.45	1.42	1.41	1.42	1.33	1.22
Long Term Portion of investm diminshing musharakah (syndicate)	2.64	13.29	27.74	14.37	14.82	12.80
Long Term Investments	18.36	6.81	7.50	10.26	10.69	10.73
Ijarah Assets	-	-	0.37	2.29	15.07	30.85
Fixed Assets in own use	0.65	0.81	0.98	1.48	1.59	1.87
Deferred tax asset	0.48	1.16	-	-	-	-
CURRENT ASSETS						
Cash & Bank Balances	8.73	35.24	21.69	3.40	11.71	7.67
Short Term investments	10.74	19.55	10.77	45.16	4.18	8.12
Musawamah receivables - secured	-	-	-	-	-	-
Ijarah rental receivable	-	-	0.03	0.22	0.61	0.83
Trade Receivables	0.40	-	-	-	1.28	4.10
Stock in trade	41.99	-	-	-	18.68	9.85
Advances, Deposits, Prepayments & Other Receivables	1.14	1.76	9.75	3.47	5.94	3.04
Current portion of investment in Sukuk Certificates	-	-	0.13	0.26	0.25	0.23
Current portion of investment in diminishing musharakah	11.60	18.61	17.17	15.26	11.80	7.04
Income tax refundable/paid in advance	1.33	1.00	2.18	2.14	1.63	1.34
Profit Receivable	0.49	0.34	0.29	0.24	0.39	0.32
TOTAL ASSETS	100.00	100.00	100.00	100.00	100.00	100.00
EQUITY & LIABILITIES						
CAPITAL & RESERVES						
Issued, subscribed and paid up capital	87.08	77.88	77.41	77.98	72.67	66.38
Reserves	29.13	36.41	35.85	36.33	33.86	30.92
Accumulated loss	(19.73)	(19.34)	(19.45)	(20.18)	(19.31)	(12.88)
TOTAL CAPITAL AND RESERVES	96.49	94.94	93.82	94.13	87.23	84.42
Unrealised appreciation on remeasurement of investment classified as available for Sales-net	(0.84)	(1.50)	(0.85)	(1.99)	(2.56)	(0.85)
NON-CURRENT LIABILITIES						
Security Deposits	-	-	-	0.16	0.78	6.71
Deferred liability - staff gratuity	1.86	3.40	2.76	2.77	3.40	2.39
CURRENT LIABILITIES						
Current maturity of security deposits	-	-	0.20	1.01	6.05	2.86
Creditors, accrued and other liabilities	0.41	1.50	2.72	2.27	3.40	2.90
Provision for custom duty/surcharge	1.66	1.63	1.62	1.63	1.52	1.39
Profit payable	0.42	0.03	0.01	0.02	0.19	0.17
TOTAL EQUITIES & LIABILITIES	100.00	100.00	100.00	100.00	100.00	100.00
PROFIT & LOSS ACCOUNT ITEMS						
Profit on trading operations	7.93	35.33	-	6.98	7.55	4.46
Income on Diminshing Musharakah (Syndicate)	38.39	-	-	6.54	15.21	17.01
Income on musawamah receivables	-	-	-	-	-	0.30
Income on Diminshing Musharakah	8.49	43.87	44.69	36.29	22.70	2.06
Income from Ijarah	-	2.29	6.03	23.50	42.82	58.18
Income from investments	45.18	18.52	49.28	26.69	11.71	17.99
Gross Revenue	100.00	100.00	100.00	100.00	100.00	100.00
Operating Expenses	(78.04)	(71.49)	(107.38)	(100.23)	(111.09)	(118.01)
(Provision)/Reversal of provision on non-performing assets	-	-	-	-	-	(50.16)
Impairment loss on trade debtors and other receivables	-	-	-	(10.45)	(15.45)	-
Financial and other charges	(0.04)	(0.09)	(0.06)	(0.08)	(0.11)	(0.13)
Other Income	4.27	2.79	14.70	19.95	6.37	4.38
Unrealized gain/(loss) on remeasurement of investments classified at fair value through profit & loss	(15.36)	(24.30)	(10.24)	(13.33)	(30.55)	(33.18)
Share of profit from associates	(0.43)	2.25	9.28	3.49	(4.36)	(3.27)
Modaraba Company's management fee	-	-	-	-	-	-
Provision for workers welfare fund	(0.21)	(0.09)	(0.13)	-	-	-
Taxation	(8.69)	(2.95)	(3.72)	-	-	-
Profit for the year (in %age)	1.51	6.13	2.44	(0.65)	(55.18)	(100.36)



HORIZONTAL ANALYSIS

BALANCE SHEET (%age)

ASSETS	2023	2022	2021	2020	2019	2018
NON-CURRENT ASSETS						
Long term deposits	-	-	-	-	-	-
Long Term Portion of investment diminishing musharakah	(80.44)	(52.50)	94.76	(9.54)	5.74	(3.35)
Long Term Investments	165.29	(10.05)	(26.28)	(10.41)	(8.99)	5.03
Ijarah Assets	-	(100.00)	(83.73)	(85.81)	(55.38)	(31.36)
Fixed Assets in own use	(20.32)	(18.28)	(26.74)	(21.14)	(22.36)	13.79
Deferred tax asset	(59.15)	100.00	-	-	-	-
CURRENT ASSETS						
Bank Balances	(75.64)	61.08	543.07	(72.89)	39.40	111.46
Short Term investments	(45.96)	79.93	(75.94)	908.84	(53.01)	(30.81)
Musawamah receivables - secured	-	-	-	-	-	(100.00)
Ijarah rental receivable	-	(100.00)	(87.06)	(66.01)	(32.11)	(16.51)
Receivable from diminishing musharka and trade debts	-	(24.98)	-	-	-	-
Trade Receivables	-	-	-	-	(71.37)	51.64
Stock in trade	-	-	-	(100.00)	73.23	100.00
Advances, Deposits, Prepayments & Other Receivables	(2.48)	(87.23)	160.06	(45.49)	78.77	(66.65)
Current portion of investment in Sukuk Certificates	-	(100.00)	(50.00)	0.00	-	(50.00)
Current portion of investment in diminishing musharakah	(38.68)	7.42	13.49	20.68	53.20	23.13
Income tax refundable/paid in advance	30.47	(47.28)	(11.23)	22.59	0.11	0.15
Profit Receivable	39.31	18.81	21.14	(42.92)	11.22	(14.37)
TOTAL ASSETS	(1.63)	(0.59)	0.73	(6.80)	(8.67)	(9.98)
EQUITY & LIABILITIES						
CAPITAL & RESERVES						
Issued, subscribed and paid up capital	10.00	-	-	-	-	-
Reserves	(21.28)	0.95	(0.34)	(0.26)	-	(0.25)
Accumulated loss	0.35	(1.14)	(2.45)	(3.04)	36.95	215.57
TOTAL CAPITAL AND RESERVES	(10.94)	(0.19)	(2.79)	(3.29)	36.95	215.32
Deficit on revaluation of investment	(45.34)	74.93	(56.87)	(27.51)	175.69	1.73
NON-CURRENT LIABILITIES						
Security Deposits	-	-	(100.00)	(80.30)	(89.38)	(23.55)
Deferred liability - staff gratuity	(46.23)	22.20	0.55	(24.03)	29.91	21.55
CURRENT LIABILITIES						
Islamic export refinance	-	-	-	-	-	-
Musharikah Finance - Secured	-	-	-	-	-	-
Murabaha Finance - secured	-	-	-	-	-	-
Current maturity of security deposits	-	(100.00)	(79.44)	(84.48)	92.96	4.73
Creditors, accrued and other liabilities	(63.51)	(45.47)	9.23	(45.42)	7.40	(19.93)
Provision for custom duty/surcharge	-	-	-	-	-	-
Unclaimed profit distributions	-	-	-	-	-	(2.43)
TOTAL EQUITIES & LIABILITIES	(1.63)	(0.59)	0.73	(6.80)	(8.67)	(9.98)
PROFIT & LOSS ACCOUNT (%)	2023	2022	2021	2020	2019	2018
Profit on trading operations	(78.95)	100.00	(100.00)	9.89	73.76	(5.83)
Income on diminishing musharakah (Syndicate)	-	-	(100.00)	(48.83)	(8.20)	(19.59)
Income on musawamah receivables	-	-	-	-	(100.00)	100.00
Income on Diminshing Musharakah	(17.90)	37.96	8.41	90.14	1,029.94	795.55
Income from Ijarah	(100.00)	(46.76)	(77.40)	(34.72)	(24.45)	(13.63)
Reversal of provision against Musawamah Facility	100.00	-	-	-	-	-
Income from investments	128.84	(47.18)	62.55	171.03	(33.15)	(72.10)
Operating Expenses	2.40	(6.43)	(5.68)	7.32	(3.37)	14.99
Provision)/Reversal of provision on non-performing assets	-	-	-	-	(100.00)	-
Impairment loss on trade debtors and other receivables	-	-	(100.00)	(19.53)	-	-
Financial and other charges	(58.81)	101.75	(36.35)	(5.54)	(14.36)	(13.75)
Other Income	43.62	(73.32)	(35.15)	272.72	49.28	(78.86)
Unrealized loss on remeasurement of investments classified at fair value through profit & loss	(40.71)	233.42	(32.37)	(48.09)	(5.48)	97.29
Share of (loss)/ profit from associates	(117.72)	(65.90)	133.91	(195.18)	36.94	(168.42)
Modaraba Company's management fee	-	-	-	-	-	(100.00)
Provision for workers welfare fund	110.09	3.80	100.00	-	-	(100.00)
Taxation 176.49	11.21	100.00	-	-	-	-
Profit / (Loss) for the year	(76.82)	252.43	(432.90)	(98.61)	(43.56)	(925.89)



KEY FINANCIAL DATA SIX YEARS AT A GLANCE

KEY FINANCIAL DATA	2023	2022	2021	2020	2019	2018
	Figures in Million					
Total Assets	265.26	269.65	271.27	269.31	288.96	316.38
Fixed Assets (owned)	1.73	2.17	2.66	3.63	4.60	5.92
Fixed Assets (ijarah)	-	-	1.01	6.18	43.56	97.61
Other Non Current Assets	60.83	61.17	99.72	70.27	77.58	78.31
Current Assets	202.71	206.31	167.89	189.23	163.22	134.54
Total Liabilities	11.54	17.69	19.09	21.18	44.32	51.97
Current Liabilities	6.61	8.52	11.59	13.27	32.24	23.18
Non Current Liabilities	4.93	9.17	7.51	7.91	12.08	28.78
Total Equity and deficit on revaluation of investments	253.73	251.96	252.17	248.12	244.64	264.41
Reserves	77.28	98.18	97.26	97.59	97.84	97.84
Certificate Holders' Equity	231.00	210.00	210.00	210.00	210.00	210.00
Unappropriated	(52.34)	(52.16)	(52.77)	(54.09)	(55.79)	(40.73)
Deficit on revaluation of investments	(2.22)	(4.05)	(2.32)	(5.37)	(7.41)	(2.69)
Revenue	36.83	38.70	30.73	36.50	27.21	26.01
Net Revenue	0.53	2.31	0.65	(0.20)	(14.12)	(25.01)
		Restated	Restated	Restated	Restated	Restated
Earning (loss) per Certificate	0.02	0.10	0.03	(0.01)	(0.61)	(1.08)
Cash dividend (%)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

STAKEHOLDER INFORMATION	2023	2022	2021	2020	2019	2018
Profit after tax ratio (%)	1.51	6.13	2.44	(0.65)	(55.18)	(100.36)
Return on assets (%)						
Return on equity / capital employed	0.002	0.009	0.003	(0.08)	(5.55)	(8.98)
Return on capital employed (%)						
Assets Turnover Ratio (%)	13%	14%	10%	60.61	46.03	40.68
Current ratio	30.68	24.22	14.49	14.26	5.06	5.80
Market Value per certificate (year end)						
High	3.08	3.51	3.2	3.00	3.10	3.00
Low	3.08	3.51	3.2	3.00	3.10	3.00
Closing	3.08	3.51	3.2	3.00	3.10	3.00
		Restated	Restated	Restated	Restated	Restated
Earning / (loss) per Certificate	0.02	0.10	0.03	(0.01)	(0.61)	(1.08)
Net assets / breakup value per certificate	11.08	1.22	1.21	1.21	1.20	1.27
Earning asset to total assets ratio (%)	0.53	0.55	0.08	-2.56	-6.46	-3.29
Price earning ratio	133.10	35.16	112.97	(352.56)	(5.07)	(2.52)
Dividend Yield Ratio (%)	-	-	-	-	-	-
Cash Dividend per certificate (in Rs.)	-	-	-	-	-	-



THIRTY-FIRST REPORT OF THE DIRECTORS OF MODARABA COMPANY FOR THE YEAR ENDED JUNE 30, 2023

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 Thirty First Annual Report together with the Audited Financial Statements of the Modaraba for the year ended June 30, 2023:

Financial Results	For the year ended	
	June 30, 2023	June 30, 2022
	----- Amount in Pak. Rupees -----	
Profit before taxation	3,603,062	3,415,923
Taxation	(3,068,509)	(1,109,801)
Profit after Taxation	534,553	2,306,122
Components of Other Comprehensive Income	1,272,775	(902,655)
(Deficit)/Surplus transferred to accumulated losses	(1,880,517)	121,621
Transfer to Statutory Reserve	(106,911)	(461,224)
Accumulated losses brought forward	(52,163,130)	(53,226,994)
Accumulated losses carried forward	(52,343,230)	(52,163,130)
DISTRIBUTION		
Profit distribution @ 0.00% (2022 @ 0.00%)	-	-
Bonus Certificates @ 0.00% (2022 @ 10.00%)	-	(21,000,000)
General Reserve	-	-

Economic Review and Review of Operations

Pakistan's economy posted GDP growth from a revised 6.10% in 2021-2022 to 0.29% in 2022-2023, a massive decline. This caused by the difficult economic environment both at home economy and major trading partners has hampered the economic growth as well as weak participation from the development partner and resource difficulties.

In the international scenario, the prolonged Russia-Ukraine conflict adversely affected global growth and inflation more than expected. Thus, the increased international prices affect currencies, commodities, and production costs while there are three pass-through effects in the economy of Pakistan. The current account deficit for the period July-June 2023 dropped to US \$ 2.6 billion while the average CPI inflation rose to 29.40%. This led the State Bank of Pakistan to raise the policy rate to 22 percent as part of monetary tightening.

The numerous economic and political factors had an impact on the Pakistan Stock Exchange and the investors usually seem bearish during the financial year. From FY 23 perspective, the first half of the year showed a slump of nearly 3 percent in the KSE 100 index whereas the index improved in the second half of the year to nearly the previous financial year.

Future Outlook

Modaraba since FY22, commenced its commodity trading business as well as secondary market operations in order to attain its growth momentum. During FY 23, the depressing internal, external economic and political factors, the overall business environment remained under pressure, however, the management anticipates a better business environment during FY24 which will ultimately yield better results.

Shariah Perspective

Islamic finance derives its value proposition from the application of Shariah contracts and processes in financial and non-financial transactions that provide for different risks and return profiles. In spite of all difficulties, management remains observant to uphold these Shariah principles.

A complete Shariah Audit report of Shariah Advisor for the year ended June 30, 2023, is also attached with the annual report.



The Board of Directors and Audit Committee

No change has taken place within the Board of Directors of the Al-Noor Modaraba Management (Private) Limited, the Management Company of First Al-Noor Modaraba since the Directors' report for the year ended June 30, 2023:

Directors Training & Orientation

The majority of directors are compliant with the necessary requirements of the Directors Training Certificate with few trained at The Institute of Chartered Accountants of Pakistan (ICMAP) and Institute of Business Administration (IBA).

Pattern of Certificate Holders

A Statement showing a pattern of Certificate Holding of the Modaraba and additional information as of June 30, 2023, is included in this report.

Corporate and Financial Reporting Framework

The Directors are pleased to confirm compliance with the Corporate and Financial Reporting Framework of the Securities & Exchange Commission Pakistan (SECP) and the Code of Corporate Governance for the following:

- The financial statements, prepared by the management of the modaraba, present its state of affairs fairly, the result of its operations, cash flows and changes in equity.
- Proper books of accounts of the modaraba have been maintained.
- Appropriate accounting policies have been consistently applied in the preparation of financial statements. Accounting estimates used are based on reasonable and prudent judgment.
- International Financial Reporting Standards (IFRS), as applicable to Modarabas in Pakistan, have been followed in the preparation of financial statements and any departures therefrom have been adequately disclosed. Further, the management of the Modaraba appreciates the unreserved compliance of IFRS to the possible extent in order to promote fair financial reporting.
- The system of internal control is in place and has been effectively implemented. It is being continuously reviewed by internal audits and other such procedures.
- Board is satisfied with Modaraba's ability to continue as a going concern.
- There has been no material departure from the best practices of corporate governance, as detailed in the Listed Companies (Code of Corporate Governance) Regulations, 2019, except those mentioned in the statement of compliance with the code of corporate governance.
- This annual report includes key operating and financial data for the last six years in a summarized form.
- There are no statutory payments on account of taxes, duties, levies, and charges that are outstanding as of June 30, 2023, except for those disclosed in the financial statements.

Composition of the Board

The composition of the Board of Directors of the Company as of June 30, 2023, is as follows:

1. The total number of Directors is seven as per the following:

Male	:	6
Female	:	1



2. The number of Directors under respective categories are as follows:

Category	Names
Independent Directors	1) Mr. Abdul Rahim Suriya 2) Mr. Tausif Ilyas 3) Dr. Irum Saba
Executive Director	1) Mr. Zainuddin Aziz
Non-Executive Directors	1) Mr. A. Aziz Ayoob 2) Mr. Noor Muhammad Zakaria 3) Mr. Zia Zakaria

Directors' attendance

During the year, four (4) Board meetings were held. Attendance by each Director was as follows:

Name of Director	Number of Meetings attended	10-Sept-22	21-Oct-22	16-Feb-23	20-Apr-23
Mr. A. Aziz Ayoob	4/4	✓	✓	✓	✓
Mr. Zia I. Zakaria	4/4	✓	✓	✓	✓
Mr. Noor Muhammad Zakaria	3/4	✓	✓	✓	x
Mr. Zainuddin Ayoob	4/4	✓	✓	✓	✓
Mr. Abdul Rahim Suriya	4/4	✓	✓	✓	✓
Mr. Tausif Ilyas	3/4	✓	✓	x	✓
Dr. Irum Saba	4/4	✓	✓	✓	✓

Auditors

The Board, on the recommendation of the Board's Audit Committee, has appointed M/s. Anjum Rahman, Grant Thornton, Chartered Accountants, offer themselves for reappointment as auditors for the financial year ending June 30, 2024 with subject to the approval of Registrar Modaraba SECP.

Acknowledgement

The Board would like to express its sincere thanks and gratitude for the continued support and guidance provided by Securities & Exchange Commission of Pakistan, Registrar Modaraba Companies and clients of the Modaraba for their patronage and business, Certificate holders who have remained committed to First Al-Noor Modaraba. In the end Board appreciates dedication, high level of professionalism and hard work of employees of your Modaraba for achieving the objectives.

On behalf of the Board

Sd/-
Zainuddin Aziz
Chief Executive/Director

Dated : September 21, 2023

Place : Karachi

ڈائریکٹرز کی حاضری

سال کے دوران بورڈ کے چار (4) اجلاس منعقد ہوئے۔ ہر ڈائریکٹر کی حاضری حسب ذیل تھی:

ڈائریکٹر کا نام	شرکت کرنے والے اجلاسوں کی تعداد	10 ستمبر 2022	21 اکتوبر 2022	16 فروری 2023	20 اپریل 2023
جناب عبدالعزیز زاہب	4/4	✓	✓	✓	✓
جناب شہد آئی۔ زکریا	4/4	✓	✓	✓	✓
جناب نور محمد زکریا	3/4	✓	✓	✓	✗
جناب زین الدین ابوب	4/4	✓	✓	✓	✓
جناب عبدالرحیم سوریہ	4/4	✓	✓	✓	✓
جناب توصیف الیاس	3/4	✓	✓	✗	✓
ڈاکٹر ارم صبا	4/4	✓	✓	✓	✓

آڈیٹرز

بورڈ کی آڈٹ کمیٹی کی سفارش پر بورڈ نے، میسرز انجم رحمان، گرانٹ تھورنٹن، چارٹرڈ اکاؤنٹنٹس، رجسٹرڈ مضاربہ SECP کی منظوری سے مشروط 30 جون 2024 کو ختم ہونے والے مالی سال کے لیے بطور آڈیٹر دوبارہ تقرری کے لیے خود کو پیش کیا ہے۔

ایکٹو لمینٹ

بورڈ سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، رجسٹرڈ مضاربہ کینیڈا اور مضاربہ کے کلائنٹس کی طرف سے ان کی سرپرستی اور کاروبار کے لیے فراہم کردہ مسلسل تعاون اور رہنمائی کے لیے تہ دل سے شکر یہ ادا کرنا چاہتا ہے، سرٹیفکیٹ ہولڈرز جو فرسٹ انور مضاربہ کے ساتھ وابستہ رہے ہیں۔ آخر میں بورڈ مقاصد کے حصول کے لیے آپ کے مضاربہ کے ملازمین کی لگن، اعلیٰ پیشہ ورانہ مہارت اور محنت کو سراہتا ہے۔

بورڈ کی جانب سے
 زین الدین عزیز
 چیف ایگزیکٹو ڈائریکٹر

تاریخ: 21 ستمبر 2023

بہ مقام: گراہٹی۔



- اندرونی کنٹرول کا نظام اپنی جگہ پر ہے اور اسے مؤثر طریقے سے نافذ کیا گیا ہے۔ اندرونی آڈٹ اور اس طرح کے دیگر طریقہ کار کے ذریعے اس کا مسلسل جائزہ لیا جا رہا ہے۔
- بورڈ مضاربہ کی ایکٹ جاری تشویش کے طور پر جاری رکھنے کی صلاحیت سے مطمئن ہے۔
- کارپوریٹ گورننس کے بہترین طریقوں سے کوئی مادی رخصتی نہیں ہوئی ہے، جیسا کہ لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 میں تفصیل سے بتایا گیا ہے، سوائے کارپوریٹ گورننس کے ضابطہ کی تعمیل کے بیان میں بیان کردہ۔
- اس سالانہ رپورٹ میں گزشتہ چھ سالوں کے اہم آپریشن اور مالیاتی ڈیٹا کو خلاصہ شکل میں شامل کیا گیا ہے۔
- 30 جون 2023 تک میسجز، ایوبز اور چارجز کی مدد میں کوئی قانونی ادائیگیاں نہیں ہیں، سوائے ان مالیاتی گوشاروں کے جن کا انکشاف کیا گیا ہے۔

بورڈ کی تشکیل

30 جون 2023 تک کئی کے بورڈ آف ڈائریکٹرز کی تشکیل حسب ذیل ہے:

(1) درج ذیل کے مطابق ڈائریکٹرز کی کل تعداد سات ہے:

مرد : 6
خواتین : 1

(2) متعلقہ زمروں کے تحت ڈائریکٹرز کی تعداد درج ذیل ہے:

نام	کیٹگری
جناب عبدالرحیم سوریا	(1) خود مختار ڈائریکٹرز
جناب توصیف الیاس	(2)
ڈاکٹر ارم صبا	(3)
جناب ضیاء الدین عزیز	(1) ایگزیکٹو ڈائریکٹرز
جناب عبدالعزیز ابوب	(1) غیر ایگزیکٹو ڈائریکٹرز
جناب نور محمد زکریا	(2)
جناب ضیاء زکریا	(3)

مستقبل کا آؤٹ لک

مضاربہ نے مالی سال 22 سے اپنی ترقی کی رفتار کو حاصل کرنے کے لیے اپنے کوڈنی ٹریڈنگ کے کاروبار کے ساتھ ساتھ بیگزوری مارکیٹ آپریشنز کا آغاز کیا۔ مالی سال 23 کے دوران مایوس کن اندرونی، بیرونی معاشی اور سیاسی عوامل کی وجہ سے مجموعی کاروباری ماحول دباؤ میں رہا، تاہم، انتظامیہ مالی سال 24 کے دوران بہتر کاروباری ماحول کی توقع رکھتی ہے جس کے باوجود بہتر نتائج برآمد ہوں گے۔

شرعی حاتم

اسلامی مالیات اپنی قدر کی تجویز کو شرعی معاہدوں کے اطلاق اور مالیاتی اور غیر مالیاتی لین دین کے عمل سے حاصل کرتا ہے جو مختلف خطرات اور واہمی کے پروفائل فراہم کرتے ہیں۔ تمام تر مشکلات کے باوجود انتظامیہ ان شرعی اصولوں کو برقرار رکھنے کے لیے پرعزم ہے۔

30 جون 2023 کو ختم ہونے والے سال کے لیے شریعہ ایڈوائزر کی ایک متکل شریعہ آؤٹ رپورٹ بھی سالانہ رپورٹ کے ساتھ منسلک ہے۔

بورڈ آف ڈائریکٹرز اور آؤٹ کمیٹی

30 جون 2023 کو ختم ہونے والے سال کے لیے ڈائریکٹرز کی رپورٹ کے بعد سے پہلی انور مضاربہ کی مینجمنٹ کمیٹی انور مضاربہ مینجمنٹ (پرائیویٹ) لمیٹڈ کے بورڈ آف ڈائریکٹرز میں کوئی تبدیلی نہیں ہوئی ہے۔

ڈائریکٹرز کی تربیت اور واقفیت

انسٹی ٹیوٹ آف چارٹرڈ اکنامسٹس آف پاکستان (ICMAP) اور انسٹی ٹیوٹ آف بزنس ایڈمنسٹریشن (IBA) میں چند تربیت یافتہ ڈائریکٹرز کی اکثریت ڈائریکٹرز ٹریڈنگ سرٹیفکیٹ کی ضروری ضروریات کی تکمیل کرتی ہے۔

سرٹیفکیٹ ہولڈرز کا نمونہ

مضاربہ کے سرٹیفکیٹ ہولڈنگ کا نمونہ اور 30 جون 2023 تک کی اضافی معلومات کو ظاہر کرنے والا ایک بیان اس رپورٹ میں شامل ہے۔

کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک ڈائریکٹرز کو سیکورٹیز اینڈ ایکسچینج کمیشن پاکستان (SECP) کے کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک اور کوڈ آف کارپوریٹ گورننس کی تھیل کی تصدیق کرتے ہوئے خوشی ہوئی ہے:

- مالیاتی بیانات، جو مضاربہ کے انتظام کے ذریعہ تیار کیے گئے ہیں، اس کے معاملات کی حالت، اس کے کاموں، نقد بہاؤ اور لیکویٹی میں تبدیلیوں کے نتائج کو منصفانہ طور پر پیش کرتے ہیں۔

- مضاربہ کے حساب کتاب کی مناسب کتابیں رکھی گئی ہیں۔

- مالیاتی بیانات کی تیاری میں مناسب لاکھوننگ پالیسیوں کا مسلسل اطلاق کیا گیا ہے۔ استعمال شدہ لاکھوننگ تخمینے معقول اور دانشمندانہ فیصلے پر مبنی ہیں۔

- بین الاقوامی مالیاتی رپورٹنگ اسٹینڈرڈز (IFRS)، جیسا کہ پاکستان میں مدارس پر لاگو ہوتا ہے، مالیاتی گوشاوں کی تیاری میں بیرونی کی گئی ہے اور وہاں سے کسی بھی روایتی کام مناسب طور پر انکشاف کیا گیا ہے۔ مزید برآں، مضاربہ کی انتظامیہ منصفانہ مالیاتی رپورٹنگ کو فروغ دینے کے لیے ممکنہ حد تک IFRS کی غیر محفوظ تھیل کی تعریف کرتی ہے۔

30 جون 2023 کو ختم ہونے والے سال کے لیے مضاربہ کمپنی کے ڈائریکٹرز کی اکتیسویں رپورٹ

النور مضاربہ منجمنٹ (پرائیویٹ) لمیٹڈ کے بورڈ آف ڈائریکٹرز کی جانب سے، فرسٹ النور مضاربہ (ایف اے ایم) کی "مداربہ" انتظامی کمپنی - ہمیں اکتیسویں سالانہ رپورٹ کے آڈٹ شدہ مالیاتی گوشواروں کے ساتھ پیش کرتے ہوئے خوشی ہو رہی ہے۔ 30 جون 2023 کو ختم ہونے والے سال کے لیے ہیں:

ختم ہونے والے سال کے لیے		مالیاتی نتائج
2022 جون 30	2023 جون 30	
پاکستانی روپے میں رقم		
3,415,923	3,603,062	ٹیلیفون سے پہلے منافع
(1,109,801)	(3,068,509)	ٹیلیفون
2,306,122	534,553	ٹیلیفون کے بعد منافع
(902,655)	1,272,775	دیگر جامع آمدنی کے اجزاء
121,621	(1,880,517)	سرپلس (خسارہ) جمع شدہ نقصانات میں منتقل
(461,224)	(106,911)	قانونی ریزرو میں منتقلی
(53,226,994)	(52,163,130)	غیر منقسم (نقصان) آگے لایا گیا۔
(52,163,130)	(52,343,230)	غیر منقسم (نقصان) آگے بڑھا یا گیا۔
		تعمیم
		منافع کی تقسیم 0.00% (2022 @ 0.00%)
		بونس سرٹیفیکیشن 10% (2022 @ 0.00%)
		جنرل ریزرو

اقتصادی جائزہ اور آپریشنز کا جائزہ

پاکستان کی معیشت نے جی ڈی پی کی نمو 2021-2022 میں نظر ثانی شدہ 6.10 فیصد سے 2022-2023 میں 0.29 فیصد تک پہنچائی، جو کہ بہت زیادہ کمی ہے۔ گھریلو معیشت اور بڑے تجارتی شرکت داروں دونوں میں مشکل معاشی ماحول کی وجہ سے اس نے اقتصادی ترقی کے ساتھ ساتھ ترقیاتی پارٹنر کی کمزور شرکت اور وسائل کی مشکلات کو روکا ہے۔

بین الاقوامی منظر نامے میں، روس-یوکرین کے طویل تنازع نے عالمی نمو اور افراط زر کو توقع سے زیادہ متاثر کیا۔ اس طرح بین الاقوامی قیمتوں میں اضافہ کرنسیوں، اجناس اور پیسہ اداری لاگت کو متاثر ہوئی ہیں جبکہ پاکستان کی معیشت پر تین ضمنی اثرات مرتب ہوئے ہیں۔ جولائی تا جون 2023 کی مدت میں کرنٹ اکاؤنٹ خسارہ 2.6 بلین امریکی ڈالر تک چلا گیا جبکہ اوسط CPI افراط زر 29.40 فیصد تک بڑھ گیا۔ اس وجہ سے اسٹیٹ بینک آف پاکستان نے مائیکرو پالیسی ریٹ کو 22 فیصد تک بڑھا دیا۔

پاکستان اسٹاک ایکسچینج پر متعدد معاشی اور سیاسی عوامل کا اثر ہے اور مالی سال کے دوران سرمایہ کار عموماً مہندی کا ڈھنگ نظر آتے ہیں۔ مالی سال 23 کے تناظر میں، سال کی پہلی ششماہی نے 100 KSE انڈیکس میں تقریباً 3 فیصد کمی ظاہر کی جبکہ سال کی دوسری ششماہی میں انڈیکس تقریباً پچھلے مالی سال کے مقابلے میں بہتر ہوا۔

**ALHAMD SHARIAH ADVISORY SERVICES****(PVT) LIMITED****Annual Shariah Advisor's Report***For the year ended June 2023*

We have reviewed the affairs of First Al Noor Modaraba managed by Al Noor Modaraba Management (Private) for the year ended June 30, 2023, as per the requirements of Circular No. 8 of 2012, issued by the Securities and Exchange Commission of Pakistan, concerning Shariah Compliance and the Shariah Audit Mechanism for Modarabas.

SHARIAH COMPLIANCE:

The Modaraba has established a mechanism to enhance Shariah compliance both in principle and practice. The systems, procedures, and policies adopted by the Modaraba are in alignment with Shariah principles.

Based on our review, the following were the major activities/developments related to Shariah during this period:

BANK ACCOUNTS:

The Modaraba does not hold any savings accounts with conventional banks. Some conventional bank accounts were closed during this year. All other accounts are held with Islamic banks or Islamic windows of commercial banks.

FRESH DISBURSEMENTS:

On the asset side, the Modaraba has purchased various commodities and sold them in the market. We have examined the relevant documents and we confirm their compliance with Shariah.

INVESTMENTS IN EQUITY SHARES:

The Modaraba's entire equity investments were made in approved Shariah-compliant securities as provided and updated in compliance with circular 8 of 2012.

DIVIDEND PURIFICATION:

The Modaraba has successfully conducted the process of dividend purification for equities and has transferred the appropriate charitable amounts to charity.

TAKAFUL:

For risk mitigation, the Modaraba has effectively adopted and maintained Takaful coverage with Takaful companies, avoiding any coverage from conventional insurance companies.

CONCLUSION:

The Management of First Al-Noor Modaraba has earnestly demonstrated its commitment to adhering to Shariah Rulings in their true essence. Therefore, we believe that the business operations of First Al Noor Modaraba are in accordance with Shariah principles to the best of our knowledge.

**MUFTI UBAID UR RAHMAN ZUBAIRI**

For & on behalf of
Alhamd Shariah Advisory Services Private Limited
21st August, 2023

**MUFTI UZAIR BILWANI**

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ALHAMD SHARIAH ADVISORY SERVICES

(PVT) LIMITED

سالانہ شریعہ ایڈوائزر رپورٹ

۲۰۲۳

ہم نے فرسٹ انور مڈارباہ کا شریعہ آڈٹ ایس ای سی پی کے جاری کردہ سرکلر ۸ سال ۲۰۱۴ کے Shariah اور Shariah Compliance کے Audit Mechanism for Modarabas کے مطابق سال جون ۲۰۲۳ کا شریعی جائزہ لیا ہے، جس کے نتیجے میں درج ذیل چیزیں سامنے آئیں: فرسٹ انور مڈارباہ کے پاس، شریعہ کی دی گئی ہدایات پر مؤثر طریقہ سے عمل کرنے کا ایک میکانزم موجود ہے، جس کی وجہ سے فرسٹ انور مڈارباہ کا نظام، طریقہ کار اور پالیسیاں شریعت کی دی گئی ہدایات کے مطابق ہیں۔ ہماری جائزے کے مطابق اس عرصے کے دوران درج ذیل سرگرمیاں عمل پذیر ہوئیں:

بینک اکاؤنٹس: اس پورے مالی سال میں فرسٹ انور مڈارباہ نے کسی بھی کنونٹنشل بینک کے سیونگ اکاؤنٹ کو استعمال نہیں کیا، اپنی تجارتی ضرورتوں کو پورا کرنے کے لیے فُل قلع یا ونڈو اسلامی بینکوں کے سیونگ اکاؤنٹس استعمال کیے گئے۔ اس وقت مڈارباہ کنونٹنشل بینک کے دو کرنٹ اکاؤنٹس maintain کر رہا ہے۔ کچھ کنونٹنشل بینکوں کے کرنٹ اکاؤنٹس بھی بند کیے گئے۔

فریش ڈیبرمنٹ: ایسٹ سائڈ (Asset Side) پر فرسٹ انور مڈارباہ نے مختلف خورد و نوش اشیاء کی خریداری کر کے مارکیٹ میں فروخت کی ہیں۔ ہم نے متعلقہ دستاویزات کی جانچ پڑتال کی ہے جو شریعی ہدایات کے مطابق ہیں۔

ایکویٹی شیئرز میں سرمایہ کاری: مڈارباہ کی مکمل ایکویٹی سرمایہ کاری شریعت کے مطابق منظور شدہ اسکرپس میں ہی کی گئی تھی، جو ایس ای سی پی کے 2012 کے سرکلر 8 کے مطابق تھی۔

ڈیویڈنڈ کی چھٹی: فرسٹ انور مڈارباہ نے شریعت کے تقاضوں کو سامنے رکھتے ہوئے Dividend کی جو رقم چھٹی کے لیے لازم کی گئی تھی، وہ خیراتی کاموں کے لیے ٹرانسفر کر دی ہے۔

حفاظت: فرسٹ انور مڈارباہ نے خطرات کو کم کرنے کے لیے حفاظت کمپنیز سے COVERAGE حاصل کیا، اس موقع پر کسی بھی کنونٹنشل انشورنس کمپنی سے کسی قسم کا کوئی COVERAGE حاصل نہیں کیا گیا۔

خلاصہ: فرسٹ انور مڈارباہ کی سٹیٹیمینٹ شریعہ کی ہدایات پر عمل کرنے میں اپنی تمام تر توجہ کے ساتھ کوشاں ہے۔ ان ساری چیزوں کو مد نظر رکھتے ہوئے، ہم اپنی معلومات کے مطابق، فرسٹ انور مڈارباہ کے بزنس کو شریعت کے مطابق سمجھتے ہیں۔ واللہ اعلم بالصواب



ملقہ نوری بلوچی

ملقہ سعید الرحمن زبیری

الحمڈ شریعہ ایڈوائزر سروسز (پرائیوٹ) لمیٹڈ

الحمڈ شریعہ ایڈوائزر سروسز (پرائیوٹ) لمیٹڈ

۲۱ اگست ۲۰۲۳

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THE TERMS OF REFERENCE OF THE AUDIT COMMITTEE

The Board has constituted a functional Audit Committee. The features of the terms of reference of the Committee in accordance with the Code of Corporate Governance are as follows:

- (a) Determination of appropriate measures to safeguard the listed company's assets.
- (b) To monitor the integrity of the financial statements of the company, and any formal announcements relating to the company's financial performance, reviewing significant financial reporting judgments contained in them. In particular to review the half-year and annual financial statements and associated report before submission to the Board focusing on:
 - Any changes in accounting policies and practices
 - Major judgmental and risk areas
 - Significant adjustments resulting from the audit
 - The going concern assumption
 - Compliance with accounting standards
 - Compliance with International Financial Accounting Standards.
 - Compliance with listing regulations and other statutory and regulatory requirements
- (c) Facilitating the external audit and discussion with external auditors of major observations arising from interim and final audits and any matter that the auditors may wish to highlight (in absence of management, where necessary);
- (d) Review of management letter issued by external auditors and management's response thereto.
- (e) To make recommendations to the Board, for approval in respect of matters relating to:
 - the appointment or
 - re-appointment or
 - removal of the external auditor;
- (f) Ensuring coordination between the internal and external auditors of the company.
- (g) Review of the scope and extent of internal audit and ensuring that the internal audit function has adequate resources and is appropriately placed within the company.
- (h) Consideration of major finding of internal investigation and management's response thereto.
- (i) Ascertaining that the internal control system including financial and operational controls, accounting system and reporting structure are adequate and effective.
- (j) Review the company's statement of internal control system prior to endorsement by the board of directors.
- (k) Determination of compliance with relevant statutory requirements.
- (l) Monitoring compliance with the best practices of corporate governance and identification of any significant violations thereof and
- (m) Consideration of any other issue or matter as may be assigned by the board of directors.

THE TERMS OF REFERENCE OF HUMAN RESOURCE & REMUNERATION COMMITTEE (HR&R)

The Board adopted the responsibilities contained in clause (XXV) of the Code of Corporate Governance 2019 from (i) to (iv) as the Terms of Reference (TOR) of the HR&R Committee. The Committee shall be responsible for:

- (i) Recommending human resource management policies to the board;
- (ii) Recommending to the board the selection, evaluation, compensation (including retirement benefits) and succession planning of the CEO.
- (iii) Consideration and approval on recommendations for CEO on such matters for key management positions who report directly to CEO



STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATION, 2019 FIRST AL-NOOR MODARABA YEAR ENDED JUNE 30, 2023

The company has complied with the requirements of the Regulations, in the following manner:

- The total number of directors are 7 (seven) as per the following:
 - Male 6
 - Female 1
- The composition of board is as follows :

Category	Names
Independent Directors	1) Mr. Abdul Rahim Suriya 2) Mr. Tausif Ilyas 3) Dr. Irum Saba
Executive Director	1) Mr. Zainuddin Aziz
Non-Executive Directors	1) Mr. A. Aziz Ayooob 2) Mr. Noor Muhammad Zakaria* 3) Mr. Zia I. Zakaria

- The directors have confirmed that none of them is serving as a director on more than seven listed companies;
- The company has prepared a code of conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures;
- The board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. The board has ensured that complete record of particulars of significant policies along with their dates of approval or updating is maintained by the company;
- All the powers of the board have been duly exercised and decisions on relevant matters have been taken by board as empowered by the relevant provisions of the Act and these Regulations;
- The meetings of the board were presided over by the Chairman and, in his absence, by a director elected by the board for this purpose. The board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the board;
- The board of directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;
- Majority of the Directors of the Company have completed / are exempted from the requirement of Directors' Training program;
- The board has approved appointment of Chief financial officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;
- Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the board;



12. The board has formed committees comprising of members given below:

a) Audit Committee

S.No.	Name	Designation
1.	Mr. Abdul Rahim Suriya	Chairman
2.	Mr. Tausif Ilyas	Member
3.	Mr. Zia Zakaria	Member

b) HR and Remuneration Committee

S.No.	Name	Designation
1.	Mr. Tausif Ilyas	Chairman
2.	Mr. Aziz Ayoob	Member
3.	Mr. Zainuddin Aziz	Member

c) Risk Management Committee

The risk management committee was formed on June 07, 2023 comprising of:

S.No.	Name	Designation
1.	Mr. Zainuddin Aziz	Chairman
2.	Mr. Roofi Abdul Razzak	Member
3.	Mr. Sufyan Yasin	Member

13. The terms of reference of the audit committees and HR and Remuneration Committee have been formed, documented and advised to the committee for compliance. The terms of reference of Risk Management Committee were formed, documented and advised to the committee for compliance on June 07, 2023.

14. The frequency of meetings of the committee were as per following:

- Audit Committee - Quarterly
- HR and Remuneration Committee - Yearly
- Risk Management Committee- No meeting during the year as formed on June 07, 2023

15. The board has set up an effective internal audit function.

16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Director of the company;

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;

18. We confirm that all other requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with; and

19. Explanation for non-compliance with requirements during the year, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below; and

- The risk management committee was formed on June 07, 2023.
- The terms of reference of Risk Management Committee were formed, documented and advised to the committee for compliance on June 07, 2023. Further, the Risk Management Policy will be adopted from July 01, 2023.

for and on behalf of the Board

Sd/-
Zainuddin Aziz
Chief Executive

Dated: September 21, 2023



**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE CERTIFICATE HOLDERS OF
FIRST AL-NOOR MODARABA**

**Grant Thornton Anjum
Rahman**

1st & 3rd Floor,
Modern Motors House,
Beaumont Road,
Karachi, Pakistan.

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**Review Report on the Statement of Compliance contained in
Listed Companies (Code of Corporate Governance) Regulations, 2019**

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Al-Noor Modaraba Management (Private.) Limited, the Modaraba Management Company of First AL Noor Modaraba (the Modaraba) for the year ended June 30, 2023 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Modaraba Management Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Modaraba's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Modaraba's personnel and review of various documents prepared by the Modaraba Management Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Modaraba Management Company's corporate governance procedures and risks.

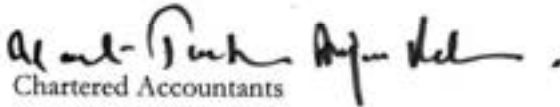
The Regulations require the Modaraba Management Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Modaraba Management Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Modaraba for the year ended June 30, 2023.



Further, we highlight below instances of non-compliance with the requirement(s) of the Regulations during the year as reflected in the paragraph 19 of the Statement of Compliance:

S.No	Paragraph reference	Description
I.	19(a)	Risk Management Committee was formed on June 07, 2023
II.	19(b)	The term of reference of Risk Management Committee was formed on June 07, 2023. Further, the Risk Management Policy will be adopted from July 01, 2023.


Chartered Accountants

Karachi

Date: September 26, 2023

UDIN: CR2023101543QV15FMqO



AUDITORS' REPORT TO THE CERTIFICATE HOLDERS

**Grant Thornton Anjum
Rahman**

1st & 3rd Floor,
Modern Motors House,
Beaumont Road,
Karachi, Pakistan.

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We have audited the annexed balance sheet of **First Al-Noor Modaraba** (the Modaraba) as at June 30, 2023 and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof (hereinafter referred to as the financial statements), for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit.

These financial statements are the Modaraba Company's [Al-Noor Modaraba Management (Private) Limited] responsibility who is also responsible to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards as applicable in Pakistan and the requirements of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 (XXXI of 1980), and the Modaraba Companies and Modaraba Rules, 1981. Our responsibility is to express an opinion on these statements based on our audit.


We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of any material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting policies and significant estimates made by the Modaraba Company, as well as, evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

- a) in our opinion, proper books of account have been kept by the Modaraba Company in respect of the Modaraba as required by the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 (XXXI OF 1980), and Modaraba Companies and Modaraba Rules, 1981;
- b) in our opinion
 - i. the balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes thereon have been drawn up in conformity with the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, (XXXI of 1980) and the Modaraba Companies and Modaraba Rules, 1981, and are in agreement with the books of account and are further in agreement with accounting policies consistently applied;



- ii. the expenditure incurred during the year was for the purpose of the Modaraba's business;
 - iii. the business conducted, investments made, and the expenditure incurred during the year were in accordance with the objects, terms and conditions of the Modaraba;
- c) in our opinion and to the best of our information and according to explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof confirm with the approved accounting standards as applicable in Pakistan and give the information required by the Modaraba companies and the Modaraba (Floatation and Control) Ordinance, 1980 (XXXI of 1980) and the Modaraba Companies and the Modaraba Rules, 1981 in the manner so required and respectively give a true and fair view of the state of the Modaraba's affairs as at June 30, 2023 and of the profit, other comprehensive income, its cash flows and changes in equity for the year then ended; and
- d) no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

Date: September 26, 2023
Karachi
UDIN: AR2023101541sROHpn2V


Chartered Accountants
Engagement Partner: Muhammad Khalid Aziz



BALANCE SHEET

AS AT JUNE 30, 2023

	Note	June 30, 2023	June 30, 2022
----- Rupees -----			
ASSETS			
Current assets			
Cash and bank balances	6	23,150,626	95,036,459
Short term investments	7	28,490,983	52,718,559
Musawamah facility	8	-	-
Profit receivable	9	1,290,909	926,618
Stock in trade	10	111,377,444	-
Receivable form diminishing musharaka		1,065,522	1,637,205
Loans, advances, prepayments and other receivables	11	3,031,307	3,108,299
Current portion of investment in sukuk certificates	14	-	-
Current portion of diminishing musharaka financing	15	30,772,233	50,179,344
Taxation- net	12	3,528,462	2,704,327
		202,707,486	206,310,811
Non - current assets			
Long term deposits	13	3,842,911	3,840,211
Long term investments- net	14	48,693,011	18,354,934
Diminishing musharakah financing	15	7,012,720	35,846,176
Deferred tax asset	16	1,278,667	3,130,176
Ijarah assets	17	-	-
Fixed assets in own use	18	1,729,956	2,171,222
Intangible assets for own use	19	-	-
		62,557,265	63,342,719
TOTAL ASSETS		265,264,751	269,653,530
EQUITY AND LIABILITIES			
CERTIFICATE HOLDERS' EQUITY			
Authorised certificate capital			
40,000,000 (2022: 40,000,000) certificates of Rs. 10 each	20.1	400,000,000	400,000,000
Issued, subscribed, and paid - up certificate capital	20.2	231,000,000	210,000,000
Capital reserves	21	77,284,641	98,177,730
Revenue reserves		(52,343,230)	(52,163,130)
		255,941,411	256,014,600
Deficit on revaluation of investments	22	(2,215,042)	(4,052,470)
Non - current liabilities			
Deferred liability - staff gratuity	23	4,931,967	9,173,031
Current liabilities			
Creditors, accrued and other liabilities	24	1,098,427	2,931,960
Charity payable	25	-	78,421
Provision for custom duty & surcharge	26	4,398,842	4,398,842
Unclaimed profit distributions		1,109,146	1,109,146
		6,606,415	8,518,369
TOTAL LIABILITIES		11,538,382	17,691,400
TOTAL LIABILITIES AND CERTIFICATE HOLDERS' EQUITY		265,264,751	269,653,530
Contingencies and commitments	27		

The annexed notes from 1 to 48 form an integral part of these financial statements.

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

Sd/-
Chief Executive Officer

Sd/-
Chief Financial Officer

Sd/-
Director

Sd/-
Director



PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED JUNE 30, 2023

	Note	June 30, 2023	June 30, 2022
		----- Rupees -----	
Income from trading operations	28	2,800,300	13,301,119
Income on diminishing musharakah	29	13,559,511	16,515,768
Income from ijarah rentals- net	30	-	860,352
Reversal of provision against Musawamah Facility	8.2	3,000,000	-
Income from investments	31	15,956,527	6,972,906
		35,316,338	37,650,145
Administrative and operating expenses	32	(27,560,888)	(26,916,206)
Other income	33	1,508,859	1,050,577
		9,264,309	11,784,516
Financial and other charges	34	(13,474)	(32,714)
Unrealised loss on re-measurement of investments at fair value through profit or loss		(5,424,073)	(9,148,458)
Share of (loss) / profit of associate	14.1	(150,168)	847,579
Management Company's remuneration including sales tax	35	-	-
Sindh workers' welfare fund	36	(73,532)	(35,000)
Profit before taxation		3,603,062	3,415,923
Taxation	37	(3,068,509)	(1,109,801)
Profit for the year		534,553	2,306,122
Earning per certificate - basic and diluted- restated	38	0.02	Restated 0.10

The annexed notes from 1 to 48 form an integral part of these financial statements.

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

Sd/-
Chief Executive Officer

Sd/-
Chief Financial Officer

Sd/-
Director

Sd/-
Director



STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2023

	Note	June 30, 2023	June 30, 2022
		----- Rupees -----	
Profit for the year		534,553	2,306,122
Components of other comprehensive income /(loss) reflected in equity - net of tax			
Items that will not be reclassified subsequently to profit and loss account			
Remeasurement gain / (loss) of net defined benefit liability	23.5	1,841,779	(1,250,403)
Share of other comprehensive (loss) / income of associate	14.1	(151,891)	638
Impact of deferred tax		(417,113)	347,110
		1,272,775	(902,655)
Total comprehensive income for the year transferred to equity- net of tax		1,807,328	1,403,467
Components of other comprehensive (loss) / income reflected below equity net of tax			
Deficit on revaluation of investments classified as 'at fair value through other comprehensive income- net of tax	22	(43,089)	(1,614,210)
Total comprehensive income /(loss) for the year		1,764,239	(210,743)

The annexed notes from 1 to 48 form an integral part of these financial statements.

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

Sd/-
Chief Executive Officer

Sd/-
Chief Financial Officer

Sd/-
Director

Sd/-
Director



STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 30, 2023

	Issued, subscribed, and paid-up certificate capital	Capital reserves		Revenue reserves		Total reserves	Total
		Statutory reserve (refer note 21)	General reserve	Accumulated losses	Subtotal		
Note	----- Rupees -----						
Balance as at July 01, 2021	210,000,000	97,716,506	250,000	(53,476,994)	(53,226,994)	44,489,512	254,489,512
Profit for the year	-	-	-	2,306,122	2,306,122	2,306,122	2,306,122
Other comprehensive loss for the year	-	-	-	(902,655)	(902,655)	(902,655)	(902,655)
Total comprehensive income for the year	-	-	-	1,403,467	1,403,467	1,403,467	1,403,467
Surplus transferred to accumulated losses	-	-	-	121,621	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)	46,014,600	256,014,600
Balance as at July 1, 2022	210,000,000	98,177,730	250,000	(52,413,130)	(52,163,130)	46,014,600	256,014,600
Issue of bonus shares	21,000,000	(21,000,000)	-	-	-	(21,000,000)	-
Profit for the year	-	-	-	534,553	534,553	534,553	534,553
Other comprehensive income for the year	-	-	-	1,272,775	1,272,775	1,272,775	1,272,775
Total comprehensive income for the year	-	-	-	1,807,328	1,807,328	1,807,328	1,807,328
Deficit transferred to accumulated losses 22	-	-	-	(1,880,517)	(1,880,517)	(1,880,517)	(1,880,517)
Transfer to statutory reserve 21	-	106,911	-	(106,911)	(106,911)	-	-
Balance as at June 30, 2023	231,000,000	77,284,641	250,000	(52,593,230)	(52,343,230)	24,941,411	255,941,411

The annexed notes from 1 to 48 form an integral part of these financial statements.

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

Sd/-
Chief Executive Officer

Sd/-
Chief Financial Officer

Sd/-
Director

Sd/-
Director



CASH FLOW STATEMENT FOR THE YEAR ENDED JUNE 30, 2023

	June 30, 2023	June 30, 2022
Note	----- Rupees -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	3,603,062	3,415,923
Adjustments for:		
Gain on disposal of property and equipment	-	(13,518)
Depreciation on ijarah assets	30	510,423
Depreciation on fixed assets	32	1,187,687
Ammortization on intangibles	32	10,502
Profit on bank deposits	33	(711,326)
Unrealised loss on re-measurement of investments at fair value through profit or loss	5,424,073	9,148,458
Share of loss / (profit) of associate	14.1	(847,579)
Financial and other charges	34	32,714
Provision for gratuity	23.4	1,448,770
Operating profit before working capital changes	6,968,134	10,766,131
	10,571,196	14,182,054
Changes in assets		
Ijarah rental receivable	-	77,971
Diminishing musharakah financing	48,240,567	36,159,101
Profit receivable	(364,291)	(56,901)
Stock in trade	(111,377,444)	-
Dividend receivable	-	(4,000)
Receivable form diminishing mushuarika	571,683	545,043
Investments- net	(11,879,722)	(31,104,357)
Advances, prepayments and other receivables	76,992	21,241,715
	(74,732,215)	26,858,572
	(64,161,019)	41,040,626
Changes in liabilities		
Creditors, accrued and other liabilities	(1,833,533)	(2,567,639)
Security deposits	-	(62,118)
Charity payable	(78,421)	57,186
	(1,911,954)	(2,572,571)
Cash flow from operating activities	(66,072,973)	38,468,055
Long term deposits	(2,700)	(222)
Income tax paid	(2,458,248)	(1,289,337)
Financial charges paid	(13,474)	(32,714)
Gratuity paid	23.3	(1,033,000)
Net cash (used in) /generated from operating activities	(72,727,395)	36,112,782
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets in own use	18.1	(724,000)
Proceeds from sale of fixed assets in own use	-	25,001
Profit received on bank deposits	1,176,962	621,532
Net cash generated from / (used in) investing activities	841,562	(77,467)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net (decrease) / increase in cash and cash equivalents	(71,885,833)	36,035,315
Cash and cash equivalents at the beginning of the year	95,036,459	59,001,144
Cash and cash equivalents at the end of the year	23,150,626	95,036,459

The annexed notes from 1 to 48 form an integral part of these financial statements.

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

Sd/-
Chief Executive Officer

Sd/-
Chief Financial Officer

Sd/-
Director

Sd/-
Director



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

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 (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 listed on the Pakistan Stock Exchange (PSX).

The Modaraba is a perpetual, multi purpose and multi dimensional Modaraba and is primarily engaged in trading, providing Ijarah financing, Musharakah, Diminishing Musharakah, Musawamah, equity investment and other Shari'ah compliant trading activities.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. Such standards as applicable in Pakistan comprises of:

- International Financial Reporting Standards (IFRS) issued by International Accounting Standards Board (IASB) as are notified under Companies Act, 2017;
- Islamic Financial Standards (IFAS) issued by the Institute of Chartered Accountant of Pakistan as are notified under Companies Act, 2017;
- Provisions of and directions issued under the Companies Act 2017;
- The requirements of Modaraba Companies and Modarabas (Floatation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981 and Modaraba Regulations 2021 for Modarabas (hereinafter referred to as the relevant laws).

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 IFRS 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.

The SECP has issued directive (vide SRO 431 (I) / 2007 dated May 22, 2007) that Islamic Financial Accounting Standard 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.

2.2 Basis of measurement

These financial statements have been prepared on the historical cost basis except for the measurement at fair value of certain financial instruments in accordance with the requirements of IFRS 9 'Financial Instrument', wherever applicable.

2.3 Functional and presentation currency

These financial statements have been presented in Pakistani Rupee which is the functional and presentation currency of the Modaraba. These figures have been rounded off to the nearest Pakistani Rupee.



2.4 Significant event or transactions

There are no significant events or transactions during the year.

3 ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Modaraba's accounting policies. Estimates and judgments are continually evaluated and are based on historic experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future period effected. In the process of applying the Modaraba's accounting policies, management has made the following estimates and judgments which are significant to the financial statements:

Estimate of residual values, useful lives and depreciation methods of fixed assets in own use and ijarah assets (note 5.6 and 5.7 respectively);

Estimate of residual values, useful lives and amortization methods of intangible assets for own use (note 5.8);

Impairment of financial assets (note 5.2.3);

Impairment of non financial assets (note no 5.9);

Taxation (note no 5.10);

Provisions and contingent assets and liabilities (note no 5.12); and

Staff retirement benefits (note no 5.14).

4 STANDARDS, AMENDMENTS AND INTERPRETATIONS TO APPROVED ACCOUNTING STANDARDS

4.1 Standards, interpretations and amendments to published accounting and reporting standards that are effective in the current year

There are certain new and amended standards, amendments and interpretations that are mandatory for the Modaraba's accounting periods beginning on or after July 01, 2022 but are considered not to be relevant or do not have any significant effect on the Modaraba's operations and therefore are not detailed in these financial statements.

4.2 Standards, amendments and interpretations to the published standards that may be relevant but not yet effective and not early adopted by the Modaraba

In addition certain new standards, amendments and interpretations to approved accounting standards are not yet effective. The Modaraba is in the process of assessing the impact of these Standards, amendments and interpretations to the published standards on the financial statements of the Modaraba.

4.3 Standards, amendments and interpretations to the published standards that are not yet notified by the Securities and Exchange Commission of Pakistan (SECP)

Certain new standards, amendments and interpretations have been issued by the International Accounting Standards Board (IASB) which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

5.1 Investment in associates

The Modaraba considers its associate to be such in which the Modaraba have ownership of not less than twenty percent of the voting power and / or has significant influence through common directorship, but not control.

The Modaraba accounts for its investment in associate using the equity method. Under this method investment in initially recognized at cost, being the fair value of consideration given includes acquisition charges associated with such investments. Subsequently the investors' share in profit / loss of the Investee is recognized in profit and loss. Distributions received from the investee reduce the carrying amount of the investment. Adjustment to the carrying amount will also be made for changes in the investor's proportionate interest in the investee arising from changes in the investee's over comprehensive income.



Where Modaraba's share of loss of an associates equal or exceeds its interest in the associates, the Modaraba discontinue to recognize its shares of further losses except to the extent that Modaraba has incurred legal or constructive obligation or made payment on behalf of the associates. If the associates subsequently reports profits, the Modaraba resumes recognizing its share of those profit only after its share of the profit equals the share of losses not recognized.

5.2 Financial Instruments- Initial recognition and subsequent measurement

5.2.1 Initial recognition

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, amortized cost of cost as the case may be.

5.2.1.1 Classification of financial assets

IFRS 9 has the following categories for classification of financial assets:

- Debt instruments at amortized cost.
- Debt instruments at fair value through other comprehensive income (FVOCI), with recycling of gains or losses to profit and loss account on derecognition.
- Equity instruments at FVOCI, with no recycling of gains or losses to profit and loss account on derecognition.
- Financial assets at fair value through profit or loss (FVTPL).

The classification is based on true criteria which is the entity's business model for managing the assets; and b) whether the instruments contractual cashflows represent 'solely payments of principal and profit' on the principal amount outstanding.

5.2.1.2 Classification of financial liabilities

The Modaraba classified its financial liabilities in the following categories:

- at fair value through profit or loss (FVTPL); or
- at amortized cost.

Financial liabilities are measured at amortized cost, unless they are required to measured at FVTPL (such as instruments held for trading or derivatives) or the Modaraba has opted to measure them at FVTPL.

5.2.2 Subsequent measurement

Financial assets at FVTOCI

Elected investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently, they are measured at fair value, with gains or losses arising from changes in fair value recognized in other comprehensive income.

Financial assets and liabilities at amortised cost

Financial assets and liabilities at amortized cost are initially recognized at fair value and subsequently carried at amortized cost, and in the case of financial assets, less any impairment.

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the profit and loss account. Realised and unrealised gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statement of profit and loss account in the period in which they arise.

5.2.3 Impairment of financial assets

The Modaraba assesses on a forward-looking basis the Expected Credit Losses (ECL) associated with its debt instruments carried at amortized cost and FVOCI. The Modaraba recognises a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

A default on a financial asset is when the counterparty fails to make contractual payments within 90 days of when they fall due.

The Modaraba applies the IFRS 9 general approach to measure Expected Credit Losses (ECL) for ijarah finance and diminishing musharakah. A lifetime ECL is recorded on Ijarah finance and diminishing musharakah in which there has been Significant Increase in Credit Risk (SICR) from the date of initial recognition and which are credit impaired as on the reporting date. A 12 months ECL is recorded for ijarah finance and diminishing musharakah which do not meet the criteria for SICR or "credit impaired" as at the reporting date. To assess whether there is a significant increase in credit risk the Modaraba compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. The Modaraba also considers reasonable and supportive forwarding-looking information in determination of ECL. The allowance is increased by provisions charged to profit and loss account and other comprehensive income and is decreased by charge-offs, net of recoveries.

In evaluating the adequacy of ECL, the management considers various factors, including the nature and characteristics of the obligor, current economic conditions, credit concentrations or deterioration in collateral, historical loss experience and delinquencies.

The Modaraba Regulations, 2021 specifies a criteria for classification and provisioning of impaired assets. The Modaraba while recognising provision for impaired assets has considered the amount which is higher of (on a customer basis):

- the provision required under the Modaraba Regulations, 2021; and
- the provision required under IFRS 9 using the Expected Credit Loss (ECL) model.

5.2.4 Derecognition

5.2.4.1 Financial assets

The Modaraba derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire or when it transfers the financial assets and substantially all the associated risk and rewards of ownership to another entity. On derecognition of a financial asset measured at amortized cost, the difference between the asset's carrying value and the sum of the consideration received or receivables is recognized as gain/ (loss). In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit and loss account. In contrast, on derecognition of an investment in equity instrument which the Modaraba has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit and loss account, but transferred to statement of changes in equity.

5.2.4.2 Financial liabilities

The Modaraba derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non- cash assets transferred or liabilities assumed, is recognized in the profit and loss account.



5.2.5 Offsetting of financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount is reported in the balance sheet when there is a legally enforceable right to set-off the recognized amounts and the Modaraba intends to either settle on a net basis, or to recognize the asset and settle the liability simultaneously.

5.3 Regular way contracts

All purchases and sales of securities that require delivery within the time frame established by regulation or market convention such as 'T+2' purchases and sales are recognised at the trade date. Trade date is the date on which the Modaraba commits to purchase or sell the assets.

5.4 Receivable from terminated / matured contracts

These are stated net of impairment loss. Impairment loss is recognised for doubtful receivables on the basis of Prudential Regulations for Modarabas issued by the SECP or based on the judgment of management, whichever is higher. Bad debts are written off when identified.

5.5 Diminishing musharakah, Ijarah rentals and Musawamah finance

These are stated net of provision and suspense income. Provision is recognized in accordance with the Modaraba Regulations, 2021 for Modarabas. Bad debts are written-off when identified.

5.6 Fixed assets in own use

These are stated at cost less accumulated depreciation and accumulated impairment losses, if any except free hold land are stated at cost less any accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the assets' carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Modaraba and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the profit and loss account as and when incurred.

Depreciation on all fixed assets is charged to income applying the straight-line method over the useful life of the asset as disclosed in note 18.1 to the financial statements and after taking into account residual value, if significant. The residual values, useful lives and depreciation method are reviewed and adjusted, if appropriate, at each reporting date. Depreciation is charged on additions from the month the asset is available for use and on disposals upto the month preceding the month of disposal.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in the profit and loss account, in the period in which they arise.

Repairs and maintenance are charged to income as and when incurred.

5.7 Ijarah assets

Assets leased out under Ijarah arrangements are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Modaraba and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the profit and loss account as and when incurred. The residual values, useful lives and depreciation method are reviewed and adjusted, if appropriate, at each reporting date.

Depreciation is charged to income applying the straight line method whereby the cost of an asset less residual value is written off over the standard hours of usage, which is considered to be the estimated useful life of the asset. Depreciation is charged on additions from the month the asset is available for use and on disposals upto the month preceding the month of disposal.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in the profit and loss account, in the period in which they arise.



5.8 Intangible assets

Intangible assets having a finite useful life are stated at cost less accumulated amortization and accumulated impairment losses, if any. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only where it is probable that the future economic benefits associated with the asset will flow to the Modaraba and the cost of item can be measured reliably. Amortization is charged to income using the straight line method in accordance with the rates specified in note 19 to these financial statements after taking into account residual value, if any. The residual values, useful lives and amortization method are reviewed adjusted, as appropriate, at each balance sheet date. Amortization is charged from the month the asset is available for use while in the case of assets disposed of, it is charged till the month preceding the month of disposal.

Intangible assets having an indefinite useful life are stated at cost less accumulated impairment losses, if any. These assets are not amortized as they are expected to have an indefinite life and are marketable.

Gain and loss on disposal of intangible assets, if any, are taken to the profit and loss account.

5.9 Impairment of non financial assets

The Modaraba assesses at each balance sheet date whether there is any indication that non financial assets excluding stock in trade may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amounts. Where the carrying value exceeds the recoverable amount, assets are written down to the recoverable amount and the difference is charged to the profit and loss account. The recoverable amount is the higher of an assets' fair value less cost to sale and value in use.

Where impairment loss for asset subsequently reverses, the carrying amount of the asset is increased to the revised recoverable amount but limited to the extent of initial cost of the asset. Reversal of impairment loss is recognised as loss.

5.10 Taxation

5.10.1 Current

The charge for current taxation is based on taxable income at the current rates of taxation after taking into account available tax credit and rebates, if any. Income for the purpose of computing current taxation is determined under the provisions of tax laws.

5.10.2 Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary timing differences arising from difference between the carrying amount of the assets and liabilities in the financial statements and corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is charged or credited in the profit and loss account, except where deferred tax arises on the items credited or charged to equity in which case it is included in equity or when they relate to items recognised in other comprehensive income in which case it is recognised in the other comprehensive income.

5.11 Creditors, accrued and other liabilities

These are carried at amortized cost, which is the fair value of the consideration to be paid in the future for goods and services.

5.12 Provisions and contingent assets and liabilities

Provisions are recognised when the Modaraba has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates.



Contingent assets are not recognized and are disclosed unless an inflow of economic benefits is virtually certain. Contingent liabilities are not recognized and are disclosed unless the probability of an outflow of resources embodying economic benefits are removed.

5.13 Commitments

Commitments are disclosed in the financial statements at committed amounts.

5.14 Staff retirement benefits

Unfunded gratuity scheme

The Company operates an unapproved gratuity scheme for its employees completing the eligibility period of service as defined under the plan. The scheme provides for a graduated scale of benefits dependent on the length of service of an employee on terminal date, subject to the completion of minimum qualifying period of service.

Provisions are made to cover the obligations under the scheme on the basis of actuarial valuation carried out annually by an external expert, using the 'Projected Unit Credit Method'. All re-measurement gains and losses are recognized in statement of other comprehensive income as these occur. The amount recognized in the unconsolidated statement of financial position represents the present value of defined benefit obligations. The past service cost, current service cost and interest cost are recognized in the unconsolidated statement of profit or loss when they incurred.

5.15 Stock in trade

Stock of raw material, work in process and finished goods are measured at at the lower of cost and net realizable value. Cost is determined on first in first out basis. Cost of raw materials and trading stock comprises the invoice values and other charges paid thereon. Cost of work in process and finished goods include prime cost and appropriate portion of manufacturing overheads. Items in transit are stated at invoice value plus other incidental charges paid thereon up to the balance sheet date.

Net realizable value signifies the estimated selling price in the ordinary course of business less costs necessary to be incurred in order to make a sale. If the net realizable value is lower than the carrying amount, a write-down is recognized for the amount by which the carrying amount exceeds its net realizable value. Provision is made in the financial statements for obsolete and slow moving stock in trade based on management estimate.

The Modaraba reviews the net realizable value of items of stock in trade to assess any possible impairment on annual basis. Net realizable value is estimated with reference to the estimated selling price in the ordinary course of business less the estimated cost necessary to make the sale. Any change in the estimates in the future might affect the carrying amount of respective stock in trade with corresponding effects on the provision for impairment, if any.

5.16 Revenue recognition

5.16.1 Trading operations

Sales from trading operations is recognized when the Modaraba satisfies performance obligations by transferring goods to customer. Goods are transferred when the customer obtains their control, i.e. on dispatch of goods to customers. Sales is measured at fair value of the consideration received or receivable. Revenue from trading operation is recorded net of discount and taxes.

5.16.2 Ijarah

Ijarah rental is recognised on an accrual basis, as and when rentals become due on a systematic basis over the lease and Ijarah period.

Documentation charges, front end fee and other Ijarah income are taken to the profit and loss account when these are realised.



Gain / losses on termination on ijarah contracts are recognised as income as the difference between the proceeds realised from the customer on sale of ijarah assets and the net book value at which such assets are carried at the time of termination.

Income in respect of non-performing ijarah finance is held in suspense account, where necessary, in accordance with the requirements of Prudential Regulations for Modarabas issued by the SECP.

5.16.3 Musharakah Finance

Profit on musharakah finance is recognised on the basis of pre-agreed profit / loss sharing ratio when actual gain / loss on transaction is computed upon termination / completion of transaction.

5.16.4 Musawamah Finance

Profit on musawamah finance is recognized on an accrual basis, whereas unrealized musawamah income is excluded from profit.

5.16.5 Dividend Income

Dividend income is recognised when the Modaraba's right to receive the dividend is established.

5.16.6 Gain and loss on sale of investment

Gain and losses on sale of investments are accounted for when the commitment (trade debt) for sale of security is made.

5.16.7 Return on deposit with bank

Return on deposit with bank is recognized on an accrual basis.

5.16.8 Income from Shariah non-compliant revenue

Income from Shariah non-compliant revenue is not recognised in the profit and loss account and is classified as charity payable.

5.17 Segment reporting

As per IFRS 8, 'Operating Segments', segments are reported in a manner consistent with the internal reporting used by the chief operating decision-maker. The Chief Executive Officer of the Management Company has been identified as the chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments.

The Chief Executive Officer is responsible for the Modaraba's entire product portfolio and considers the business to have a single operating segment. The Modaraba's asset allocation decisions are based on a single integrated investment strategy and the Modaraba's performance is evaluated on an overall basis.

Based on internal management reporting structure, services provided and products produced and sold, the Modaraba is organised into the following four operating segments:

- Trading - import and distribution of rice;
- Financing -Musharakah, Diminishing Musharakah, Musawamah;
- Investments- realized and unrealized gain on investments and dividend income; and
- Ijarah- Ijarah financing.

**5.18 Earnings / (loss) per certificate**

The Modaraba presents basic and diluted earnings per certificate data for its ordinary certificates. Basic earning per certificate is calculated by dividing the profit or loss attributable to ordinary certificate holders of the Modaraba by the weighted average number of certificates outstanding during the year. Diluted earning per certificate is determined by adjusting the profit or loss attributable to ordinary certificate holders and the weighted average number of ordinary certificates outstanding for the effects of all dilutive potential ordinary certificates.

5.19 Proposed profit distribution to certificate holders and transfers between reserves

Dividend declared and transfers between reserves made subsequent to the reporting date are considered as non-adjusting events and are recognised in the financial statements in the period in which such dividend are declared/ transfers are made.

5.20 Cash and cash equivalents

Cash and cash equivalent are carried in the balance sheet at cost. For the purpose of the cash flow statements, cash and cash equivalent comprise of cash in hand, balances with banks in current accounts and in profit and loss account and term deposit receipt with maturity upto 90 days.

		June 30, 2023	June 30, 2022
	Note	----- Rupees -----	
6 CASH AND BANK BALANCES			
With banks in current accounts			
- Islamic Banks /Islamic Window operations		896,951	900,683
- Conventional Banks		<u>543,990</u>	<u>1,161,182</u>
		<u>1,440,941</u>	<u>2,061,865</u>
With banks in PLS accounts			
- Islamic Banks /Islamic Window operations	6.1	4,709,685	2,974,594
With banks in term deposit accounts			
Term deposit receipts (TDRs)	6.2	<u>17,000,000</u>	<u>90,000,000</u>
		<u>23,150,626</u>	<u>95,036,459</u>

6.1 These saving accounts carry profit at rates ranging from 3% to 5% (June 30, 2022: 3.25% to 6.90 %) per annum.

6.2 These represents TDRs carrying profit rates ranging from 17.5% (June 30, 2022: 11.25% to 14.90%) and having maturities upto 3 months.

		June 30, 2023	June 30, 2022
	Note	----- Rupees -----	
7. SHORT TERM INVESTMENTS			
At fair value through profit or loss			
Shariah compliant			
Listed equity securities	7.1	11,376,538	22,859,176
Listed Mutual funds	7.2	17,114,445	27,415,258
Non-Shariah compliant			
Listed equity securities	7.3	-	2,444,125
		<u>28,490,983</u>	<u>52,718,559</u>



	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
	--- Number of Shares ---		----- Rupees -----	
7.1 Shariah Compliant listed equity securities - 'at fair value through profit or loss' Face value of Rs.10 /-each				
Chemicals				
Engro Corporation Limited	-	3,435	-	883,104
Engro Fertilizer Limited	900	-	74,277	-
Fauji Fertilizer Bin Qasim Limited	12,000	-	141,360	-
Descon Oxychem Limited	-	7,500	-	117,750
			215,637	1,000,854
Oil & Gas Producers				
Pakistan State Oil	5,450	10,000	605,005	1,718,400
Pakistan Oilfield Limited	-	-	-	-
Cnergyico Pakisan Limited (Form. Byco Petroleum Limited)	115,500	-	328,020	-
Pakistan Petroleum Limited	30,500	-	1,803,770	-
Pakistan Refinery Limited	69,000	-	935,640	-
Oil And Gas Development Company Limited	71,000	71,000	-	5,585,377
			3,672,435	7,303,777
Gas Water & Multi utilities				
Sui Northern Gas Pipeline Limited		29,500	-	1,009,195
Automobile and Parts				
Sazgar Engineering Works Limited		13,520	-	839,863
Construction and Materials				
Fauji Cement Company Limited	-	12,500	-	177,125
D.G. Khan Cement Limited	-	17,000	-	1,062,500
Lucky Cement Limited	-	3,000	-	1,377,120
Maple Leaf Cement Limited	-	7,000	-	191,450
Power Cement Company Limited (Right share)	-	52,500	-	279,300
Power Cement Company Limited (Preference share)	-	7,130	-	54,188
Gharibwal Cement Limited	-	20,000	-	390,100
			-	3,531,783
Textiles				
Nishat Mills Limited	-	9,000	-	665,190
Power Generation & Distribution				
K-Electric	101,000	588,500	173,720	1,789,039
Pharmaceuticals				
The Searle Company Limited	25,000	12,119	958,000	1,321,573
Glaxo Smithkline Pakistan Limited	11,500	4,700	866,755	587,171
			1,824,755	1,908,744
Cable and Electrical goods				
Pak elektron limited	55,000	113,500	497,750	1,803,516
Waves Singer Pakistan Limited	109,500	51,000	673,425	649,230
			1,171,175	2,452,746
Banks				
Meezan Bank Limited	13,001	2,500	1,122,896	282,450
Food & Personal Care Products				
National Foods Limited	3,750	6,250	369,000	904,875
Unity Foods Limited	34,000	-	531,420	-
			900,420	904,875
Technology and communication				
Pakistan Telecom Communication Limited	-	75,000	-	522,001
Engineering				
International Steel Limited	16,000	8,500	648,480	504,559
Mughal Steel Limited	-	2,500	-	144,100
			648,480	648,659
Miscellaneous				
The Organic Meat Company Limited	100	-	2,078	-
Ghandhara Automoiels Limited	23,500	-	854,930	-
Shabbir Tiles & Ceramics Limited	17,500	-	145,600	-
Ghani Global Holdings Limited	65,290	-	644,412	-
Synthetic Products Ent. Limited	-	-	-	-
			1,647,020	-
			11,376,538	22,859,176



- 8.2** This represents musawamah principal amount overdue by more than one year carried profit rate of 10% (June 30, 2022: 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 year ended June 30, 2022, Quetta Textiles Mills Limited approached the Modaraba for out of court settlement. The settlement agreement had been agreed and was submitted to honorable banking court and the respective order dated August 16, 2022 has been passed by the court. Effectively the agreed repayment has been executed and will be received by the Modaraba as per the agreed schedule. During the year an amount of Rs. 3 million has been received.

	Note	June 30, 2023	June 30, 2022
		----- Rupees -----	
9 PROFIT RECEIVABLE			
Profit on Sukuk Certificates		441,629	233,626
Term deposit receipt profit		749,863	568,399
PLS bank account		99,417	124,593
		<u>1,290,909</u>	<u>926,618</u>
10 STOCK IN TRADE			
Rice		102,553,153	-
Maize		8,824,291	-
		<u>111,377,444</u>	<u>-</u>
11 LOANS, ADVANCES, PREPAYMENTS AND OTHER RECEIVABLES			
Loans to staff	11.1	600,000	-
Advances - considered good			
- Suppliers		708,107	1,402,800
- Employees	11.2	250,000	388,000
Prepayments		633,761	576,045
Others		193,244	92,259
Dividend receivable		18,676	21,676
Sales tax receivable	11.3	627,519	627,519
		<u>3,031,307</u>	<u>3,108,299</u>

- 11.1** This represents short term loan given to the company secretary and chief financial officer. These are given as per the Modaraba's policy and are secured against the salary and retirement benefit. The maximum aggregate amount at any time during the year is Rs. 600,000 (June 2022: Rs. Nil).

- 11.2** The maximum aggregate amount at any time during the year is Rs. 250,000 (June 2022: Rs. 388,000).

- 11.3** This include an amount of Rs. 0.63 million (2022: Rs. 0.63 million) on account of sales tax paid on management remuneration to the management company for onward submission to Sindh Revenue Board (SRB). However, the amount is not yet deposited into SRB by the Management Company.



	Note	June 30, 2023	June 30, 2022
		----- Rupees -----	
12 TAXATION- NET			
Income tax refundable		2,704,327	5,129,859
Provision for income tax for current year		(1,640,269)	(3,714,869)
Income tax adjusted / deducted at source		2,464,404	1,289,337
		3,528,462	2,704,327
13 LONG TERM DEPOSITS			
National Commodities Exchange Limited		2,500,000	2,500,000
Security Deposit-N.C.E.L.-Office Space		850,000	850,000
Guarantee Margin - MCB Bank Limited		440,000	440,000
Mobile Phone - Pakistan Mobile Communication		12,489	12,489
Security Deposit- CDC Pakistan Limited		40,422	37,722
		3,842,911	3,840,211
14 LONG TERM INVESTMENTS			
Investment in Associates	14.1	9,402,149	10,258,083
At fair value through other comprehensive income			
Shariah compliant			
Equity securities-listed	14.2	1,821,692	2,129,936
Mutual funds-listed	14.3	27,469,170	-
Non-shariah compliant		29,290,862	2,129,936
Equity securities-listed	14.4	-	966,915
At Amortised Cost			
Investment in Sukuk Certificates	14.5	10,000,000	5,000,000
Less: Current maturity		-	-
		10,000,000	5,000,000
		48,693,011	18,354,934
14.1 Investment in Associates			
Opening Balance		10,258,083	9,963,741
Share of other comprehensive (loss) / income of associate		(151,891)	638
Share of (loss) / profit of associate		(150,168)	847,579
		(302,059)	848,217
Dividend income		(553,875)	(553,875)
		9,402,149	10,258,083

14.1.1 This represents investment in associate, the Al-Noor Sugar Mills Limited which is incorporated in Pakistan and listed on Pakistan Stock Exchange. Its registered office is situated at 96-A, Sindhi Muslim Society, Karachi. The principal activities of the associate is manufacturing sugar, medium density fiber (MDF) board, power generation and its sale.

The Modaraba owns 0.54% (June 2022: 0.54%) share capital of the Al-Noor Sugar Mills. However, Al-Noor Sugar Mills Limited is associated company of the Modaraba base on the common directorship. The associate is accounted for using equity method in these financial statements.



- 14.1.2** The financial year end of the Al-Noor Sugar Mills Limited is September 30. This was the reporting date established when that Company was incorporated and a change of reporting date is currently not possible. For the purposes of applying the equity method of accounting, the unaudited financial statements of Al-Noor Sugar Mills Limited for the year ended June 30, 2023 have been used to reflect the profit /(loss) for the year. As at June 30, 2023, the fair value of the Modaraba's interest in Al-Noor Sugar Mills is disclosed in 14.1.3 based on the quoted market price available on the Pakistan Stock Exchange, which is a level 1 input in terms of IFRS 13.
- 14.1.3** The summarized unaudited financial information in respect the Al-Noor Sugar Mills Limited is set out below. The summarized financial information represents the amounts shown in the associate's financial statements for the respective year.

Name of Associate Al-Noor Sugar Mills Limited	Basis of significant influence Common directorship	
	June 30, 2023	June 30, 2022
	----- Rupees -----	
Number of shares held (number)	110,775	110,775
Ownership interest (%)	0.54%	0.54%
	June 30, 2023	June 30, 2022
	----- Rupees -----	
Share capital ordinary shares of Rs. 10 each	204,737	204,737
Total assets	13,429,908	13,280,480
Total liabilities	10,113,896	9,806,163
Net assets	3,316,012	3,474,317
Revenue	12,200,161	10,274,015
Loss / (profit) after tax	(27,809)	156,959
Other comprehensive income / (loss)	(28,128)	65,785
Cost of investment	1,482,481	1,482,481
Market value of shares	7,131,695	5,333,816

- 14.1.4** The Company's share of contingencies of associated company based on financial information of associated company is Rs. 3.62 million (June 30, 2022: Rs. 4.44 million).
- 14.1.5** The Company's share of commitments of associated company based on financial information of associated company is Rs. 3.65 million (June 30, 2022: Rs. 0.8 million).



	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
	--- Number of Shares ---		----- Rupees -----	
14.2 Shahriah Compliant listed equity securities - at fair value through other comprehensive income' Face value of Rs.10 /-each				
Automobile Assembler				
Gandhara Nissan Limited	3,293	3,293	119,799	195,538
Gandhara Industries Limited	4,200	4,200	338,268	663,474
			458,067	859,012
Modarabas				
First Habib Modaraba	4,171	3,500	30,407	32,760
OLP Modaraba (Formerly: Orix Modaraba)	11,000	11,000	124,300	176,000
Habib Metro Modaraba	-	500	-	3,780
Allied Rental Modaraba	-	16,500	-	370,425
First Imrooz Modaraba	4,400	2,400	695,200	400,560
			849,907	983,525
Oil & Gas Producers				
Attock Petroleum Limited	150	120	45,038	38,557
Cement				
Power cement Limited	6,000	6,000	24,600	31,920
Pharmaceuticals				
The Searle Company Limited	6,497	1,398	248,965	152,410
Automobile and Parts				
Hino Pak Motor Limited	1,042	210	195,115	64,512
			1,821,692	2,129,936

	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
	--- Number of Unit ---		----- Rupees -----	
14.3 Listed Mutual Funds - 'at fair value through other comprehensive income'				
MCB AL Hamra Islamic Money Market	64,458	-	6,414,215	-
NBP Islamic Daily Dividend Fund	1,004,245	-	10,042,455	-
Meezan Rozana Amdani Fund	220,250	-	11,012,500	-
			27,469,170	-



	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
	--- Number of Shares ---		----- Rupees -----	
14.4 Non-Shariah compliant Listed equity securities - at fair value through other comprehensive income' Face value of Rs.10 /-each				
Paper And Board				
Cherat Packaging Limited	-	8,495	-	959,256
Oil & Gas Producers				
Hascol Petroleum Limited	-	1,815	-	7,659
Total investment in Non-Shariah Compliant			<u>-</u>	<u>966,915</u>
14.5 Two separate investment made in sukuk certificates of Tier II of AlBaraka Bank Pakistan Limited and Meezan Bank Limited carrying profit of six months of KIBOR to spread of 0.35% to 1.25% (June 30, 2022: KIBOR to spread of 0.35% to 1.25%). These will mature by year 2031.			June 30, 2023	June 30, 2022
	Note		----- Rupees -----	
15 DIMINISHING MUSHARAKAH FINANCING - Secured				
Diminishing musharakah financing		15.1	37,784,953	86,025,520
Less: Provision in respect of diminishing musharakah			<u>-</u>	<u>-</u>
			37,784,953	86,025,520
Less: Current portion			<u>(30,772,233)</u>	<u>(50,179,344)</u>
			<u>7,012,720</u>	<u>35,846,176</u>
15.1 These carry profit rate ranging from 9.22% to 15.50% (2022: 9.22% to 15.40%) 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.			June 30, 2023	June 30, 2022
	Note		----- Rupees -----	
16 DEFERRED TAX ASSET				
Deferred tax liability /(asset) arising in respect of :-				
- accelerated tax depreciation			219,712	186,488
- Investments			(193,507)	270,615
- Provision for gratuity			1,217,350	2,547,720
- Provision for Worker's welfare fund			<u>35,112</u>	<u>125,353</u>
	16.1		<u>1,278,667</u>	<u>3,130,176</u>



18.1 Tangible assets

	Computer equipment	Office equipment and appliances	Furniture and Fixtures	Motor Vehicles	Total
	----- Rupees -----				
Cost					
Balance as at July 1, 2021	1,012,497	583,476	950,166	5,075,982	7,622,121
Additions	211,000	448,500	-	64,500	724,000
Disposal	(96,817)	(234,076)	-	(49,100)	(379,993)
Balance as at June 30, 2022	<u>1,126,680</u>	<u>797,900</u>	<u>950,166</u>	<u>5,091,382</u>	<u>7,966,128</u>
Balance as at July 01, 2022	1,126,680	797,900	950,166	5,091,382	7,966,128
Additions	-	120,400	215,000	-	335,400
Disposal	-	-	-	-	-
Balance as at June 30, 2023	<u>1,126,680</u>	<u>918,300</u>	<u>1,165,166</u>	<u>5,091,382</u>	<u>8,301,528</u>
Accumulated depreciation					
Balance as at July 01, 2021	(722,615)	(539,372)	(438,589)	(3,275,153)	(4,975,729)
Charge for the year	(159,708)	(125,652)	(104,848)	(797,479)	(1,187,687)
Disposal	96,817	222,593	-	49,100	368,510
Balance as at June 30, 2022	<u>(785,506)</u>	<u>(442,431)</u>	<u>(543,437)</u>	<u>(4,023,532)</u>	<u>(5,794,906)</u>
Balance as at July 01, 2022	(785,506)	(442,431)	(543,437)	(4,023,532)	(5,794,906)
Charge for the year	(135,599)	(155,166)	(92,308)	(393,593)	(776,666)
Disposal	-	-	-	-	-
Balance as at June 30, 2023	<u>(921,105)</u>	<u>(597,597)</u>	<u>(635,745)</u>	<u>(4,417,125)</u>	<u>(6,571,572)</u>
Net book value as at June 30, 2023	<u>205,575</u>	<u>320,703</u>	<u>529,421</u>	<u>674,257</u>	<u>1,729,956</u>
Net book value as at June 30, 2022	<u>341,174</u>	<u>355,469</u>	<u>406,729</u>	<u>1,067,850</u>	<u>2,171,222</u>
Annual Rate of depreciation	<u>30%</u>	<u>30%</u>	<u>10%</u>	<u>20%</u>	



	Software	Web page design	Total
	----- Rupees -----		
19 INTANGIBLE ASSETS FOR OWN USE			
Cost			
Balance as at July 1, 2021	225,000	88,000	313,000
Balance as at June 30, 2022	<u>225,000</u>	<u>88,000</u>	<u>313,000</u>
Balance as at July 1, 2022	225,000	88,000	313,000
Balance as at June 30, 2023	<u>225,000</u>	<u>88,000</u>	<u>313,000</u>
Accumulated Amortization			
Balance as at July 1, 2021	(214,498)	(88,000)	(302,498)
Charge for the period	<u>(10,502)</u>	<u>-</u>	<u>(10,502)</u>
Balance as at June 30, 2022	<u>(225,000)</u>	<u>(88,000)</u>	<u>(313,000)</u>
Balance as at July 1, 2022	<u>(225,000)</u>	<u>(88,000)</u>	<u>(313,000)</u>
Balance as at June 30, 2023	<u>(225,000)</u>	<u>(88,000)</u>	<u>(313,000)</u>
Net book value as at June 30, 2023	<u>-</u>	<u>-</u>	<u>-</u>
Net book value as at June 30, 2022	<u>-</u>	<u>-</u>	<u>-</u>
Annual Rate of amortization	<u>30%</u>	<u>30%</u>	

19.1 Software relate to the accounting and tax software system purchased in 2018.

19.2 Web design relates to website cost of the Modaraba made in the year 2012.

20 CERTIFICATE CAPITAL

20.1 Authorised certificate capital

June 30, 2023	June 30, 2022		June 30, 2023	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>

20.2 Issued, subscribed and paid - up certificate capital

June 30, 2023	June 30, 2022		June 30, 2023	June 30, 2022
---- Numbers ----			----- Rupees -----	
<u>20,000,000</u>	20,000,000	Modaraba certificates of Rs. 10 each fully paid	<u>200,000,000</u>	200,000,000
<u>1,000,000</u>	1,000,000	in cash	<u>10,000,000</u>	10,000,000
<u>2,100,000</u>	-	Modaraba certificates issued as bonus	<u>21,000,000</u>	-
<u>23,100,000</u>	<u>21,000,000</u>		<u>231,000,000</u>	<u>210,000,000</u>

20.3 As at June 30, 2023, First Al-Noor Modaraba Management (Private) Limited (the Management Company and a related party) held 4,620,000 certificates (June 30, 2022: 4,200,000 certificates), as required under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980.


21 STATUTORY RESERVE

Statutory reserve represents profits set aside as per the Modaraba Regulations, 2021 issued by the SECP.

These regulations also required that a modaraba, which is not compliant with minimum equity requirements provided in Modaraba Regulations, 2021, shall create reserve fund to which shall be credit an amount equivalent to 100% of its annual after-tax profit till such time the minimum equity requirements are complied with.

During the current year the Modaraba has transferred an amount of Rs.106,911 (2022: Rs.461,224).

	June 30, 2023	June 30, 2022
Note	----- Rupees -----	
22 DEFICIT ON REVALUATION OF INVESTMENTS - net of tax - Classified As 'FVTOCI'		
Market value of investments	29,290,862	3,096,850
Less: cost of investments	(31,822,334)	(7,327,318)
Impact of deferred tax	316,430	177,998
	(2,215,042)	(4,052,470)
Deficit on revaluation at the beginning of the year	(4,052,470)	(2,316,639)
Deficit/ (Surplus) transferred to accumulated losses	1,880,517	(121,621)
Deficit on revaluation during the year- net of tax	(43,089)	(1,614,210)
	1,837,428	(1,735,831)
Deficit on revaluation at the end of the year	(2,215,042)	(4,052,470)

Deficit on revaluation of investments is presented under a separate head below equity as 'deficit on revaluation of investments' in accordance with the requirement of circular No. SC/M/PROD/PRs/2017-259 dated December 11, 2017.

23 DEFERRED LIABILITY - STAFF GRATUITY
23.1 Staff Gratuity Scheme

As disclosed in note 5.14, the Modaraba operates an unfunded gratuity scheme for its permanent employees. The latest actuarial valuation was carried out as at June 30, 2023, using the Projected Unit Credit Method.

The actuarial valuation of gratuity plan was carried out as at June 30, 2023. The projected unit credit method using the following significant assumptions were used for this valuation:

	2023	2022
Discount rate used for interest Cost in P&L charge	13.50%	10.25%
Discount rate used for year end obligation	15.75%	13.50%
Rate of increase in salary level in long-term	14.75%	12.50%
Withdrawal Rates	Age -Based	
Mortality Rates	SLIC 2001-2005	
Retirement Assumption	Age 60	



	Note	June 30, 2023	June 30, 2022
		----- Rupees -----	
23.2 Liability recognised in the balance sheet:			
Present value of the defined benefit obligation	23.3	4,931,967	9,173,031
Less: fair value of planned assets		-	-
Defined benefit liability recognized in the accounts		4,931,967	9,173,031
23.3 Changes in present value of defined benefit obligation:			
Obligation as at start of the year		9,173,031	7,506,858
Current service cost	23.4	824,506	732,258
Interest cost of defined benefit obligation	23.4	956,209	716,512
benefit due but not paid (payables)		-	-
Benefits paid		(4,180,000)	(1,033,000)
Remeasurements		-	-
Actuarial (gain)/loss from changes in demographic assumptions	23.5	-	(84,837)
Actuarial loss from changes in financial assumptions	23.5	77,098	372,184
Experience adjustments	23.5	(1,918,877)	963,056
Obligation as at year end		4,931,967	9,173,031
23.4 Amounts recognized in profit and loss account			
Current service cost		824,506	732,258
Interest cost of defined benefit obligation		956,209	716,512
Expense recognized in P&L		1,780,715	1,448,770
23.5 Total remeasurement chargeable in other comprehensive income			
Remeasurement of plan obligation			
Actuarial (gain)/loss from changes in demographic assumptions		-	(84,837)
Actuarial (gain)/loss from changes in financial assumptions		77,098	372,184
Experience adjustments		(1,918,877)	963,056
Total remeasurement chargeable in other comprehensive income		(1,841,779)	1,250,403
23.6 Changes in net liability			
Opening balance sheet liability		9,173,031	7,506,858
Expense chargeable to P&L	23.4	1,780,715	1,448,770
Remeasurement chargeable in other comprehensive income	23.5	(1,841,779)	1,250,403
Benefits paid	23.3	(4,180,000)	(1,033,000)
Closing balance sheet liability		4,931,967	9,173,031

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	Change in assumptions	Increase in assumptions	Decrease in assumptions
		-----Rupees-----	
Discount rate	1%	4,443,981	5,497,386
Salary increase rate	1%	5,524,698	4,411,136

The average duration of the defined benefit obligation is 12 years.



The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as and when calculating the gratuity liability recognised within the balance sheet.

23.7 Estimated expenses to be charged to Profit and Loss account in the financial year 2024 in amounting to Rs. 1,299,154.

	Note	June 30, 2023	June 30, 2022
		----- Rupees -----	
24 CREDITORS, ACCRUED AND OTHER LIABILITIES			
Accrued expenses		710,777	823,364
Takaful		23,100	18,369
Advances from customers		-	1,342,658
Provision for Worker's Welfare Fund	24.1	142,252	451,332
Audit fee payable		222,298	296,237
		<u>1,098,427</u>	<u>2,931,960</u>

24.1 The Finance Act 2008, introduced an amendment to the Worker's Welfare Fund Ordinance, 1971 (WWF Ordinance). Through these amendments Workers Welfare Fund (WWF) was payable @ 2% of the profit before taxation or taxable income whichever is higher. The legality of the above amendments were challenged in Sindh, Lahore and Peshawar High Courts. Due to variable judgments from the aforesaid Courts, the matter was forwarded to the Honorable Supreme Court of Pakistan. The Honorable Supreme Court has decided the matter on November 10, 2016, and Para 21 of its judgment states that the levy of WWF is in the nature of fee and the law could not be the amended by the money bill and as such amendments made in the year 2006 and 2008 are unlawful ultravires to the Constitution. In terms of judgment by the Honorable Supreme Court of Pakistan, WWF under WWF Ordinance, is no more payable by the Modaraba and provision made against WWF up till June 30, 2014 is reversed during the period. Subsequently the Sindh Assembly passed a bill on May 4, 2015 and notified Sindh Worker's Welfare Act 2014 on June 4, 2015.

As per the said Act the applicability of the Sindh Workers Welfare Fund is effective from the financial year of the entities ended on or after December 31, 2013. Accordingly, provision has been made at the rate of 2% of profit before taxation or taxable income, whichever is higher, effective after June 30, 2014.

	Note	June 30, 2023	June 30, 2022
		----- Rupees -----	
25 Charity payable			
Opening balance		78,421	21,235
Add: amount credited during the year		-	78,422
		<u>78,421</u>	<u>99,657</u>
Less: paid during the year		<u>(78,421)</u>	<u>(21,236)</u>
Closing balance		<u>-</u>	<u>78,421</u>

26 PROVISION FOR CUSTOM DUTY & SURCHARGE

Custom duty / surcharges	26.1	<u>4,398,842</u>	<u>4,398,842</u>
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26.1 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.

**27 CONTINGENCIES AND COMMITMENTS****27.1 Contingencies**

Details of contingencies regarding Provision for Sindh Workers' Welfare Fund, Musawamah facility litigation against Quetta Textile Mills Limited and Provision for Custom Duty and Surcharge are disclosed in notes 24.1, 8.2 and 27.1 respectively.

27.1.1 PROVISION FOR SERVICE SALES TAX ON MANAGEMENT COMPANY'S REMUNERATION

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

27.2 Commitments

There are no commitments as at June 30, 2023 (June 30, 2022: Nil).

	Note	June 30, 2023	June 30, 2022
		----- Rupees -----	
28 INCOME FROM TRADING OPERATIONS			
Sales		28,480,332	85,449,375
Cost of sales	28.1	(25,680,032)	(72,148,256)
		2,800,300	13,301,119
28.1 Cost of sales			
Opening stock		-	-
Purchases		137,057,476	72,148,256
Less: closing stock		(111,377,444)	-
Cost of sales		25,680,032	72,148,256
29 INCOME ON DIMINISHING MUSHARAKA			
Income on diminishing musharaka		13,559,511	16,515,768
30 INCOME FROM IJARAH RENTALS- NET			
Ijarah income		-	1,370,775
Less: depreciation of ijarah assets		-	(510,423)
		-	860,352
31 INCOME FROM INVESTMENTS			
Gain on sale of securities- net		1,255,797	1,522,412
Dividend income - shariah compliant	31.1	7,276,089	1,353,255
Profit on sukuk certificates		1,091,705	437,092
Profit on investment in islamic certificates		-	949,463
Profit on term deposit receipts		6,332,936	2,710,684
		15,956,527	6,972,906



	Note	June 30, 2023	June 30, 2022
		----- Rupees -----	
31.1 Dividend income			
FVTOCI (shares held at reporting date)		218,425	204,191
FVTPL		7,057,664	1,149,064
		7,276,089	1,353,255
32 ADMINISTRATIVE AND OPERATING EXPENSES			
Salaries and others staff benefits	32.1 & 32.5	16,474,260	13,243,934
Rent, rates and taxes		988,603	1,202,084
Postage and telephone		262,985	198,840
Printing and stationary		474,760	490,755
Fee & subscription	32.3	2,442,107	3,285,518
Legal and professional charges		159,839	25,000
Travelling and conveyance		991,913	850,589
Entertainment		250,099	256,479
Repair and maintenance		514,184	436,994
Depreciation		776,666	1,187,687
Amortization		-	10,502
Auditor's remuneration	32.4	1,313,230	1,348,430
Advertisement and publicity		56,250	39,200
Registration charges		-	322,100
Takaful	32.2	2,492,617	2,696,605
Commission		223,980	135,444
Others		139,395	1,186,045
		27,560,888	26,916,206

32.1 This includes Rs.1,780,715 (2022: Rs.1,448,770) in respect of staff retirement benefits.

32.2 This includes Rs.2,223,589 (2022: Rs.2,458,221) in respect Takaful for Ijarah & diminishing musharakah assets and Rs. 239,581 (2022: Rs. 27,789) for stocks.

32.3 This includes Rs.425,000 (2022: Rs.425,000) in respect Directors Meeting Fee.

	Note	June 30, 2023	June 30, 2022
		----- Rupees -----	
32.4 Auditor's remuneration			
Audit fee		324,000	324,000
Half yearly review		119,680	119,680
Out-of-pocket expenses		91,950	91,950
Tax Consultancy		777,600	812,800
		1,313,230	1,348,430



33.5 The aggregate amount of remuneration charged in these financial statement, including all benefits to officers and employees of the Modaraba are as under:

	2023			2022		
	Executives	Other Staff	Total	Executives	Other Staff	Total
Salary	5,880,000	4,161,000	10,041,000	5,880,000	4,342,173	10,222,173
Contract staff	-	1,890,000	1,890,000	-	379,759	379,759
Bonus	127,500	1,202,500	1,330,000	127,500	166,206	293,706
Gratuity	833,361	897,354	1,730,715	833,362	615,408	1,448,770
EOBI	21,000	81,000	102,000	21,000	65,800	86,800
Group insurance	210,948	106,167	317,115	210,948	155,778	366,726
General services	590,005	-	590,005	437,000	9,000	446,000
Leave in cash	473,425	-	473,425	-	-	-
	<u>8,136,239</u>	<u>8,338,021</u>	<u>16,474,260</u>	<u>7,509,810</u>	<u>5,734,124</u>	<u>13,243,934</u>
No. of persons	<u>3</u>	<u>6</u>	<u>9</u>	<u>3</u>	<u>6</u>	<u>9</u>

In addition the executives are also provided with the Modaraba's maintained vehicles.

	June 30, 2023	June 30, 2022
	----- Number -----	
No of employees as at year end	<u>9</u>	<u>9</u>
Average number of employees	<u>9</u>	<u>9</u>

	June 30, 2023	June 30, 2022
	----- Rupees -----	

33 OTHER INCOME

Profit on bank deposits	1,176,962	711,326
Other income	331,897	-
Early termination charges	-	280,333
Gain on disposal of property and equipment	-	13,518
Documentation charges	-	45,400
	<u>1,508,859</u>	<u>1,050,577</u>

34 FINANCIAL AND OTHER CHARGES

Bank charges	4,674	6,314
Guarantee commission	8,800	26,400
	<u>13,474</u>	<u>32,714</u>

35 MANAGEMENT COMPANY'S REMUNERATION INCLUDING SALES TAX

The Modaraba Management Company is entitled to a remuneration for services rendered to the Modaraba under the provisions of the Modaraba Companies and Modarabas (Floatation and Control) Ordinance, 1980 upto a maximum of 10% per annum of the net annual profits of the Modaraba. No provision for Management Company's remuneration including sales tax has been made during the year.



	Note	June 30, 2023	June 30, 2022
		----- Rupees -----	
36 SINDH WORKERS' WELFARE FUND	36.1	<u>73,532</u>	<u>35,000</u>
36.1	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.		
	Note	June 30, 2023	June 30, 2022
		----- Rupees -----	
37 TAXATION			
Current tax expense		1,627,777	3,714,869
Prior year tax		12,492	-
Deferred tax expense / (income)		<u>1,428,240</u>	<u>(2,605,068)</u>
	37.1	<u>3,068,509</u>	<u>1,109,801</u>
37.1	Relationship between accounting profit and tax expense for the year is as follows:		
Profit before taxation		<u>3,603,062</u>	<u>3,415,923</u>
Tax at the applicable tax rate of 29%		1,044,888	990,618
Tax effect of income from other sources		1,141,129	514,431
Tax effect of prior period tax		12,492	-
Tax effect of permanent differences		<u>870,000</u>	<u>(395,248)</u>
		<u>3,068,509</u>	<u>1,109,801</u>
		June 30, 2023	June 30, 2022
		----- Rupees -----	
38 EARNING PER CERTIFICATE - BASIC AND DILUTED			
Profit for the year		<u>534,553</u>	<u>2,306,122</u>
		----- (Numbers) -----	
Weighted average number of certificates		<u>23,100,000</u>	<u>23,100,000</u>
		----- (Rupees) -----	
Earning per certificate		<u>0.02</u>	<u>Restated 0.10</u>
38.1	There is no dilutive potential shares as at the year end.		



	As at June 30, 2023		
	FVTPL	FVTOCI	At Amortised Cost
	----- Rupees -----		
39 FINANCIAL INSTRUMENTS BY CATEGORY			
Financial assets			
Cash and bank balances	-	-	23,150,626
Investments	28,490,983	29,290,862	10,000,000
Long term deposits	-	-	3,842,911
Profit receivable	-	-	1,290,909
Receivable form diminishing musharaka	-	-	1,065,522
Diminishing musharakah	-	-	37,784,953
Other receivables	-	-	811,920
Total financial assets	28,490,983	29,290,862	77,946,841
Financial liabilities			
Creditors, accrued and other liabilities	-	-	956,175
Unclaimed profit distributions	-	-	1,109,146
Total financial liabilities	-	-	2,065,321
	As at June 30, 2022		
	FVTPL	FVTOCI	At Amortised Cost
	----- Rupees -----		
Financial assets			
Cash and bank balances	-	-	95,036,459
Investments	52,718,559	3,096,851	5,000,000
Long term deposits	-	-	3,840,211
Profit receivable	-	-	926,618
Receivable form diminishing musharaka	-	-	1,637,205
Diminishing musharakah	-	-	86,025,520
Other receivables	-	-	113,935
Total financial assets	52,718,559	3,096,851	192,579,948
Financial liabilities			
Creditors, accrued and other liabilities	-	-	1,137,970
Unclaimed profit distributions	-	-	1,109,146
Charity payable	-	-	78,421
Total financial liabilities	-	-	2,325,537

40. FINANCIAL RISK MANAGEMENT, OBJECTIVES AND POLICIES

The Modaraba's objective in managing risks is the creation and protection of Certificate holders' value. Risk is inherent in the Modaraba's activities, but it is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. The process of risk management is critical to the Modaraba's continuing profitability. The Modaraba is exposed to market risk (which includes profit rate risk and price risk), credit risk and liquidity risk arising from the financial instruments it holds.

The Modaraba primarily invests in Ijarah assets, diminishing musharakah, diversified portfolio of listed securities, and Islamic investments instruments. Such investments are subject to varying degrees of risk, which emanate from various factors that include but are not limited to:

- Credit risk
- Liquidity risk
- Market risk
- Operational risk



40.1 Credit risk

Credit risk is the risk of financial loss to the Modaraba if the counterparty to a financial instrument fails to meet its contractual obligations. The risk is generally limited to principal amounts and accrued interest thereon, if any. The Modaraba’s policy is to enter into financial contracts in accordance with the internal risk management policies and the requirements of the Modaraba Rules and Regulations. The carrying amount of respective financial assets represents the maximum credit exposure at the reporting date.

	June 30, 2023	June 30, 2022
	----- Rupees -----	
Cash and bank balances	23,150,626	95,036,459
Investments	54,583,615	32,415,258
Long term deposits	3,842,911	3,840,211
Profit receivable	1,290,909	926,618
Receivable form diminishing musharaka	1,065,522	1,637,205
Diminishing musharakah	37,784,953	86,025,520
Other receivables	811,920	113,935
	<u>122,530,456</u>	<u>219,995,206</u>

Bank balances and term deposits receipts

Credit risk rating of the banks and their respective balances are given below:

Bank	Rating			June 30, 2023	June 30, 2022
	Agency	Short term	Long term	----- Rupees -----	
Al-Baraka Bank Limited	JCR-VIS	A-1	A+	992,670	91,363,614
Askari Bank Limited	PACRA	A1+	AA+	67,689	31,766
Faysal Bank Limited	PACRA	A1+	AA	288,807	276,731
HBL Bank Limited	JCR-VIS	A-1+	AAA	1,097,425	511,595
MCB Islamic Bank Limited	PACRA	A1	A	81,538	77,993
Meezan Bank Limited	JCR-VIS	A-1+	AAA	3,097,289	1,649,312
National Bank of Pakistan	PACRA	A1+	A1+	448,448	1,053,440
NRSP Microfinance Bank	JCR-VIS	A2	A-	76,760	72,008

Ijarah rental receivable, Diminishing musharakah facility and Investments

The Modaraba’s policy is to enter into financial contracts in accordance with the internal risk management policies and the requirements of the Prudential Regulations for Modarabas issued by the Securities and Exchange Commission of Pakistan (SECP). The Modaraba aims to manage its credit risk exposure through diversification of its arrangements to avoid undue concentration of risks with individuals or groups of customers in specific locations or businesses. Credit risk is further mitigated through proper due diligence, appropriate transaction structuring and adequate collateralization of the exposure. In addition, the risk is mitigated through adequate takaful coverage of the assets under charge of the Modaraba. The respective collateral details against the Modaraba’s exposure is detailed in notes of facilities and investments.


Long term deposit

Such deposit is refundable upon termination of services and management does not expect significant credit risk to arise there against.

An analysis of the financial assets that are individually impaired as per the requirements of the Prudential Regulations for Modarabas are as under:

	June 30, 2023		June 30, 2022	
	Balance outstanding	Provision held	Balance outstanding	Provision held
Musawamah facility (Classified Portfolio)				
Loss	22,000,000	(22,000,000)	25,000,000	(25,000,000)

Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors affect groups of counterparties whose aggregate credit exposure is significant in relation to the Modaraba's total credit exposure. Concentration of credit risk indicate the relative sensitivity of the Modaraba's performance to developments affecting a particular industry.

The Modaraba manages credit risks and its concentration through diversification of activities to avoid undue concentration of risk with individuals, groups or specific industry segments. For this purpose, the Modaraba has established exposure limits for geographical and industrial sectors.

Details of the Modaraba's concentration of credit risk of financial instruments in respect of investments, diminishing musharakah and ijarah receivables industrial distributions with respect to segment assets are as follows:

	June 30, 2023		June 30, 2022	
	Rupees	%	Rupees	%
Chemicals	215,637	0.20%	1,000,854	0.63%
Cement	24,600	0.02%	3,563,703	2.25%
Oil & Gas Producers	3,717,473	3.50%	7,408,169	4.67%
Gas Water & Multi utilities	-	0.00%	1,009,195	0.64%
General Industries	-	0.00%	-	0.00%
Automobile and Parts	11,915,803	11.22%	34,403,656	21.67%
Textiles	-	0.00%	665,190	0.42%
Pharmaceuticals	4,446,511	4.19%	2,061,154	1.30%
Transport	-	0.00%	-	0.00%
Cable and Electrical goods	1,171,175	1.10%	2,452,746	1.55%
Food & Personal Care Products	900,420	0.85%	904,875	0.57%
Banks	11,122,896	10.47%	5,282,450	3.33%
Mutual Fund	44,583,615	41.60%	27,415,258	17.27%
Power Generation & Distribution	173,720	0.16%	4,174,989	2.63%
Engineering	12,198,480	11.48%	33,288,929	20.97%
Modarabas	849,907	0.80%	983,525	0.62%
Paper And Board	-	0.00%	959,255	0.60%
Technology & Communication	2,594,818	2.44%	522,000	0.33%
Logistics	4,394,088	4.14%	22,382,187	20.56%
Miscellaneous	8,323,177	7.83%	-	0.00%
	106,632,320	100.00%	148,478,135	100.00%

**40.2 Liquidity risk**

Liquidity risk is the risk that the Modaraba will encounter difficulty in meeting its financial obligations as they fall due. Liquidity risk arises because of the possibility that the Modaraba will be required to pay its liabilities earlier than expected or will face difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. The Modaraba's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Modaraba's reputation. The following are the contractual maturities of financial liabilities:

June 30, 2023				
Carrying amount	Contractual cash flows	Upto 3 months	Over 3 months to on year	
----- Rupees -----				
Financial liabilities				
Creditors, accrued and other liabilities	956,175	(956,175)	956,175	-
Unclaimed profit distributions	1,109,146	(1,109,146)	1,109,146	-
	<u>2,065,321</u>	<u>(2,065,321)</u>	<u>2,065,321</u>	<u>-</u>
June 30, 2022				
Carrying amount	Contractual cash flows	Upto 3 months	Over 3 months to on year	
----- Rupees -----				
Financial liabilities				
Creditors, accrued and other liabilities	1,137,970	(1,137,970)	1,137,970	-
Unclaimed profit distributions	1,109,146	(1,109,146)	1,109,146	-
Charity payable	78,421	(78,421)	78,421	-
	<u>2,325,537</u>	<u>(2,325,537)</u>	<u>2,325,537</u>	<u>-</u>

The table above shows the undiscounted cash flows of the Modaraba's financial liabilities on the basis of their earliest possible contractual maturity or settlement.

40.3 Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as profit rates, foreign exchange rates and equity prices. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

40.3.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Modaraba, at present, is not exposed to currency risk as all transactions are carried out in Pakistani Rupees.

40.3.2 Profit rate risk

Profit rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market profit rates. The Modaraba has adopted appropriate policies to minimize its exposure to this risk. The profit rate profile of the Modaraba's significant profit bearing financial instruments and the periods in which these will mature are as follows:

		June 30, 2023						
		Exposed to yield/ profit rate risk					Not exposed to yield/ profit rate risk	
Effective yield/ profit rate	Total	Upto one month	Over one month to three months	Over three months to one year	Over one year to five years	Over five years		
	%	-----Rupees-----						
On balance sheet financial instruments								
Financial assets								
Cash and bank balances	3-17.5	23,150,626	21,709,685	-	-	-	1,440,941	
Investments	19.81-20.15	67,781,845	-	-	-	10,000,000	57,781,845	
Long term deposits		3,842,911	-	-	-	-	3,842,911	
Profit receivable		1,290,909	-	-	-	-	1,290,909	
Receivable form diminishing musharaka		1,065,522	1,065,522	-	-	-	-	
Diminishing musharakah	9.22-15.50	37,784,953	-	-	30,772,233	7,012,720	-	
Other receivables		811,920	-	-	-	-	811,920	
Total financial assets		135,728,686	22,775,207	-	30,772,233	17,012,720	65,168,526	
Financial liabilities								
Creditors, accrued and other liabilities		956,175	-	-	-	-	956,175	
Unclaimed profit distributions		1,109,146	-	-	-	-	1,109,146	
		2,065,321	-	-	-	-	2,065,321	
On balance sheet gap		133,663,365	22,775,207	-	30,772,233	17,012,720	63,103,205	

		June 30, 2022						
		Exposed to yield/ profit rate risk					Not exposed to yield/ profit rate risk	
Effective yield/ profit rate	Total	Upto one month	Over one month to three months	Over three months to one year	Over one year to five years	Over five years		
	%	-----Rupees-----						
On balance sheet financial instruments								
Financial assets								
Cash and cash equivalent	3.25-14.49	95,036,459	92,974,594	-	-	-	2,061,865	
Investments	11.58	60,815,410	-	-	-	5,000,000	55,815,410	
Long term deposits		3,840,211	-	-	-	-	3,840,211	
Profit receivable		926,618	-	-	-	-	926,618	
Receivable form diminishing musharaka		1,637,205	-	-	-	-	1,637,205	
Diminishing musharakah	9.22-15.40	86,025,520	-	-	50,179,344	35,846,176	-	
Other receivables		113,935	-	-	-	-	113,935	
Total financial assets		248,395,358	92,974,594	-	50,179,344	40,846,176	64,395,244	
Financial liabilities								
Creditors, accrued and other liabilities		1,137,970	-	-	-	-	1,137,970	
Unclaimed profit distributions		1,109,146	-	-	-	-	1,109,146	
Charity Payable		78,421	-	-	-	-	78,421	
		2,325,537	-	-	-	-	2,325,537	
On balance sheet gap		246,069,821	92,974,594	-	50,179,344	40,846,176	62,069,707	

**Fair value sensitivity analysis for variable rate instruments**

As at the reporting date, variable rate instruments of the Modaraba represent cash and bank balances, Diminishing Musharakah, Sukuk and Islamic certificates. In case of 100 basis points increase/ decrease in profit rates on the last reporting date of variable rate instruments with all other variables held constant, the following will be the impact on the profit and loss account and the equity of the Modaraba.

	June 30, 2023		June 30, 2022	
	Increase in 100 basis points	Decrease in 100 basis points	Increase in 100 basis points	Decrease in 100 basis points
Cash and cash equivalent	217,097	(217,097)	929,746	(929,746)
Investments	100,000	(100,000)	50,000	(50,000)
Diminishing musharakah	377,850	(377,850)	860,255	(860,255)
	694,947	(694,947)	1,840,001	(1,840,001)

There are not fixed rate financial instruments as at June 30, 2023 and June 30, 2022.

The composition of the Modaraba's portfolio of financial instruments and profit rates are expected to change over time. Therefore, the sensitivity analysis prepared as June 30, 2023 is not necessarily indicative of the effect of the Modaraba' profit and loss and reserves due to changes in profit rates.

40.3.3 Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Modaraba is exposed to equity securities and mutual funds price risk because of investments held by the Modaraba and classified as 'FVTOCI' and "FVTPL". To manage its price risk arising from investments in equity securities, the Modaraba diversifies its portfolio.

In case of 10% increase/decrease in equity shares and investment in mutual funds held and classified as other comprehensive income for the year would be affected by Rs. 2.93 million (2022: Rs 0.31 million) as a result of gains/losses on investments classified as at FVTOCI and investment classified as FVTPL would be affected by Rs. 2.85 million (2022: Rs 5.27 million) as a result of gains/losses on investments classified as at FVTPL.

The analysis is based on the assumption that the equity index had increased / decreased by 10% with all other variables held constant and all the Modaraba's equity instruments moved according to the historical correlation with the index. This represents management's best estimate of a reasonable possible shift in the PSX 100 Index, having regard to the historical volatility of the index. The composition of the Modaraba's investment portfolio and the correlation thereof to the PSX 100 index, is expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2023 is not necessarily indicative of the effect on the Modaraba's net assets of future movements in the level of the PSX 100 Index.

40.4 Operational risk

Operational risk is the potential for loss resulting from inadequate or failed internal processes and systems, human error, or from impact of external events (including legal risks). Operational risk is inherent in the Modaraba's activities and, as with the other risk types, is managed through an overall framework with checks and balances that includes recognized ownership of the risk by the businesses, independent risk management oversight and an independent review by the Internal Audit.

The Modaraba considers the overall operational risk by breaking it down into different sub-components / areas called as operational risk sub-types under which operational risks are identified. The overall operational risk management responsibilities lie with the Operational Risk department. For the identified operational risks, operational risk control owners are put in place and made responsible for performance of checks and testing of identified controls in their areas and reporting of the same to the operational risk department which reports any exception or deviation to the Operational Risk Committee where corrective and preventive actions are taken.

41 CAPITAL RISK MANAGEMENT

The Modaraba's prime objective when managing capital is to safeguard the Modaraba's ability to continue as a going concern so that it can continue to provide optimum returns to its certificate holders' and benefits of other stake holders and to maintain a strong capital base to support the sustained development of its businesses. The Modaraba manages its capital structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Modaraba may adjust the amount of profit paid to certificate holders or issue new certificates. The Modaraba is not subject to externally imposed capital requirements.

42 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3: Inputs for the assets or liability that are not based on observable market data (that is, unobservable input).

If the inputs used to measure the fair value of financial asset fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Fair values of financial assets that are traded in active markets are based on quoted market prices. For all other financial instruments the Modaraba determine fair values using valuation techniques unless the fair value cannot be reliably measured.

For assets that are recognised in the financial statements at fair value on a recurring basis, the Modaraba recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. There were no transfers between different levels of fair values mentioned above.

The table below shows the carrying amounts and fair values of a financial asset and financial liability including their fair value hierarchy for financial instruments measured at fair value.

	June 30, 2023						
	Carrying amount			Fair value			
	At amortised cost	FVTPL	FVTOCI	Total	Level 1	Level 2	Level 3
-----Rupees-----							
Financial assets measured at fair value (note 42.1)							
Investments							
Listed equity securities	-	11,376,538	1,821,692	13,198,230	13,198,230	-	-
Listed Mutual funds	-	17,114,445	27,469,170	44,583,615	-	44,583,615	-
	-	28,490,983	29,290,862	57,781,845	13,198,230	44,583,615	-
Financial assets not measured at fair value							
Investments							
Sukuk Certificates (note 42.1)	10,000,000	-	-	10,000,000	-	9,955,000	-
Cash and bank balances (note 42.2)	23,150,626	-	-	23,150,626	-	-	-
Long term deposits (note 42.2)	3,842,911	-	-	3,842,911	-	-	-
Receivable from diminishing musharaka (note 42.2)	1,065,522	-	-	1,065,522	-	-	-
Profit receivable (note 42.2)	1,290,909	-	-	1,290,909	-	-	-
Diminishing musharakah (note 42.2)	37,784,953	-	-	37,784,953	-	-	-
Other receivables (note 42.2)	811,920	-	-	811,920	-	-	-
	77,946,841	-	-	77,946,841	-	9,955,000	-



	June 30, 2023 Carrying amount		
	FVTPL	At amortized cost	Total
-----Rupees-----			
Financial liabilities not measured at fair value (note 42.2)			
Creditors, accrued and other liabilities	-	956,175	956,175
Unclaimed profit distributions	-	1,109,146	1,109,146
	-	2,065,321	2,065,321

	June 30, 2022						
	Carrying amount				Fair value		
	At amortised cost	FVTPL	FVTOCI	Total	Level 1	Level 2	Level 3
-----Rupees-----							
Financial assets measured at fair value (note 42.1)							
Investments							
Listed equity securities (note 42.2)	-	25,303,301	3,096,851	28,400,152	28,400,152	-	-
Listed Mutual funds (note 42.2)	-	27,415,258	-	27,415,258	-	27,415,258	-
	-	52,718,559	3,096,851	55,815,410	28,400,152	27,415,258	-
Financial assets not measured at fair value							
Investments							
Sukuk Certificates (note 42.1)	5,000,000	-	-	5,000,000	-	5,103,120	-
Islamic Certificates (note 42.2)	-	-	-	-	-	-	-
Cash and bank balances (note 42.2)	95,036,459	-	-	95,036,459	-	-	-
Long term deposits (note 42.2)	3,840,211	-	-	3,840,211	-	-	-
Receivable from diminishing musharaka (note 42.2)	1,637,205	-	-	1,637,205	-	-	-
Profit receivable (note 42.2)	926,618	-	-	926,618	-	-	-
Diminishing musharakah (note 42.2)	86,025,520	-	-	86,025,520	-	-	-
Other receivables (note 42.2)	113,935	-	-	113,935	-	-	-
	192,579,948	-	-	192,579,948	-	5,103,120	-

	June 30, 2022 Carrying amount		
	FVTPL	At amortized cost	Total
-----Rupees-----			
Financial liabilities not measured at fair value (note 42.2)			
Creditors, accrued and other liabilities	-	1,137,970	1,137,970
Unclaimed profit distributions	-	1,109,146	1,109,146
Charity Payable	-	78,421	78,421
	-	2,325,537	2,325,537

**42.1 Valuation techniques used in determination of fair values within level 2:**

- 42.1.1** Investment in mutual funds are valued on the basis of the closing net assets at the reporting date announced by the Mutual Funds Association of Pakistan (MUFAP) based on the closing net assets of the mutual funds.
- 42.1.2** Investment in sukuk, issued by AlBaraka Bank Limited are valued on the basis of the rates announced by the Mutual Funds Association of Pakistan (MUFAP) in accordance with the methodology prescribed by the Securities and Exchange Commission of Pakistan (SECP).
- 42.2** The Modaraba has not disclosed the fair values for these financial assets, as these are either short term in nature or repriced periodically. Therefore, their carrying amounts are a reasonable approximation of fair value.

43 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 and disclosed elsewhere in these financial statements are as follows:

	June 30, 2023	June 30, 2022
	----- Rupees -----	
43.1 Balance outstanding at period end		
Other related parties (other than key management personnel) Contribution to staff gratuity fund	<u>4,931,967</u>	<u>9,173,031</u>
43.2 Transactions during the period		
Other related parties (other than key management personnel) Contribution to staff gratuity fund	<u>1,780,715</u>	<u>1,338,499</u>

44 INFORMATION ABOUT BUSINESS SEGMENTS

As per IFRS 8 - 'Operating Segments', operating segments are reported in a manner consistent with the internal reporting used by the chief operating decision maker. The chief executive officer of the management company has been identified as the chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments.

The Chief Executive Officer is responsible for Modaraba's entire product portfolio and consider business to have a three operating segments.

The internal reporting provided to the chief executive officer for the Modaraba's assets, liabilities and performance is prepared on a consistent basis with the measurement and recognition principles of approved accounting standards as applicable in Pakistan.

The Modaraba's is domiciled in Pakistan. All of the Modaraba's income is from the investments in entities incorporated in Pakistan.

Details of segment revenues, costs, profit, assets and liabilities are as follows:



	June 30, 2023				Total
	Trading	Financing	Investment	Ijarah	
	-----Rupees-----				
Segment revenue	2,800,300	16,559,511	15,956,527	-	35,316,338
Segment results	2,800,300	16,559,511	10,382,286	-	29,742,097
Unallocated corporate expenses					(27,574,362)
Other income					1,508,859
Provision for worker's welfare fund					(73,532)
Taxation					(3,068,509)
Profit for the year					534,553
Segment assets and liabilities					
Reportable segment assets	111,377,444	38,493,060	77,071,748	-	226,942,252
Unallocated corporate assets					38,322,499
Consolidated total assets					265,264,751
Reportable segment liabilities	-	6,030,394	-	-	6,030,394
Unallocated corporate liabilities					5,507,988
Consolidated total liabilities					11,538,382

	June 30, 2022				Total
	Trading	Financing	Investment	Ijarah	
	-----Rupees-----				
Segment revenue	13,301,119	16,515,768	6,972,906	860,352	37,650,145
Unallocated corporate expenses	-	-	-	-	1,290,545
Other income	-	-	-	-	1,050,577
Provision for worker's welfare fund					(35,000)
Profit for the year					2,306,122
Segment assets and liabilities					
Reportable segment assets	-	144,819,430	52,793,486	1,083,676	198,696,592
Unallocated corporate assets	-	-	-	-	70,956,938
Consolidated total assets					269,653,530
Reportable segment liabilities	-	12,104,991	-	-	12,104,991
Unallocated corporate liabilities	-	-	-	-	5,586,409
Consolidated total liabilities					17,691,400

**45 DISCLOSURE REQUIREMENTS FOR ALL SHARES ISLAMIC INDEX**

Following information has been disclosed with reference to circular No. 14 of 2016 dated April 21, 2016, issued by the securities and Exchange commission of Pakistan relating to " All Shares Islamic Index

Description	Explanation
i) Loan and advances	Non-interest bearing
ii) Long term deposits	Non-interest bearing
iii) Segment revenue	Non-interest bearing
iv) Relationship with banks	Segment wise revenue disclosed note no. 44 Modaraba maintains profit based banking relationships with Islamic Banks/ Bank Islamic window operations.
v) Banks balances	All profit yielding bank accounts are maintained with Islamic Banks/ Bank Islamic window operations whereas few of the current accounts are also maintained with conventional banking systems (note no. 6).
vi) Profit on bank deposits	This represents profit, only from Islamic banks/ Bank Islamic window operations.
vii) Breakup of dividend income -classification wise	Disclosed in note no. 31.1.
viii) All sources of their income	Disclosed in note No. 28-31 and 33.
ix) Gain /loss regardless of realized or unrealized from investments in shares/mutual funds	Disclosed in note no. 31, 14.1, 7 and 22.

46 CORRESPONDING FIGURES

Corresponding figure has been rearranged and reclassified, wherever necessary, for the purpose of better presentation in the financial statements. However, there is no significant rearrangements or reclassifications.

47 SUBSEQUENT EVENT

No subsequent events have occurred till the reporting date that may require adjustment of or disclosure in the financials statements for the year ended June 30, 2023.

48 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were approved and authorized for issue on 21st Sep 2023 by the Board of Directors of the Management Company.

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

**Sd/-
Chief Executive Officer**

**Sd/-
Chief Financial Officer**

**Sd/-
Director**

**Sd/-
Director**



PATTERN OF CERTIFICATE HOLDING AS AT JUNE 30, 2023

No. of Certificate Holders	Certificate Holdings		Total Certificate Held
	From	To	
104	1	100	2,380
56	101	500	12,195
117	501	1,000	68,840
152	1,001	5,000	307,182
37	5,001	10,000	248,285
21	10,001	15,000	248,876
6	15,001	20,000	102,610
6	20,001	25,000	138,682
2	25,001	30,000	51,152
7	30,001	35,000	234,388
2	35,001	40,000	72,050
3	45,001	50,000	146,593
4	50,001	55,000	220,000
2	70,001	75,000	143,000
1	85,001	90,000	85,998
1	90,001	95,000	91,850
2	95,001	100,000	198,000
1	100,001	105,000	104,030
2	105,001	110,000	220,000
1	120,001	125,000	121,000
2	135,001	140,000	277,100
1	205,001	210,000	209,000
1	275,001	280,000	278,850
1	305,001	310,000	305,250
1	340,001	345,000	342,495
1	345,001	350,000	350,000
1	425,001	430,000	425,260
1	455,001	460,000	458,000
1	570,001	575,000	573,342
1	650,001	655,000	653,500
1	665,001	670,000	669,284
1	895,001	900,000	897,000
1	955,001	960,000	958,350
1	1,030,001	1,035,000	1,031,118
1	1,495,001	1,500,000	1,500,000
1	1,710,001	1,715,000	1,712,477
1	1,990,001	1,995,000	1,990,450
1	3,030,001	3,035,000	3,031,413
1	4,615,001	4,620,000	4,620,000
547			23,100,000



CATEGORIES OF SHAREHOLDING AS AT JUNE 30, 2023

S.No.	Shareholders Category	No. of Certificate Holders	No. of Certificates	Percentage
1	Directors, Chief Executive Officer, and their spouse and minor children (to be confirm by Company)	2	2,061,950	8.93
2	Associated Companies, Undertakings and related Parties (to be confirm by Company)	3	8,224,755	35.61
3	NIT and ICP			
4	Banks, Development Financial Institutions, Non Banking Financial Institutions	4	3,938	0.02
5	Insurance Companies	3	425,953	1.84
6	Modarabas and Mutual Funds	1	669,284	2.90
7	Share holders holding 10%	2	7,651,413	33.12
8	General Public :			
	a. local	519	11,499,487	49.78
	b .Foreign			
9	Others	15	214,633	0.93
	Total	547	23,100,000	100.00

Shareholders holding five (5) percent or more certificates

Name	No. of Certificate Holders	Holding	Holding %age
Al-Noor Modaraba Management (Private) Limited	1	4,620,000	20.00%
Zain Trading Corporation (Private) Limited	1	3,031,413	13.12%
Masood Ahmed	2	2,458,350	10.64%
Zohair Zakaria	1	1,990,450	8.62%
Dinaz Cassim	1	1,712,477	7.41%



NOTICE OF ANNUAL REVIEW MEETING

Notice is hereby given to the certificate holders that Twenty Fourth (24th) Annual Review Meeting of First Al-Noor Modaraba will be held on Monday, October 23, 2023 at 11:30 a.m. at the Registered Office of the Company at 96-A, Sindhi Muslim Cooperative Housing Society, Karachi, physically and through Video Conference.

By order of the Board

Sd/-
Roofi Abdul Razzak
Company Secretary

Karachi : September 21, 2023

Notes:

1. The Share Transfer Book of the Modaraba will remain closed from Friday, October 20, 2023 to Friday, October 27, 2023 (both days inclusive) and no transfer will be accepted during this period. The transfers received in order at the office of the Share Registrar, M/s FAMCO Associates (Private) Limited, 8-F, Near Hotel Faran, Nursery, Block-6, P.E.C.H.S, Shakra-e-Faisal, Karachi by the close of business on October 19, 2023 will be considered in time for the purpose of determination of their respective entitlement(s), if any, and eligibility to attend the Annual Review Meeting.
2. In order to facilitate and for the safety and well-being of the shareholders, the Company in addition to convening a physical meeting has also arranged attendance of shareholders virtually through video link facility (through Zoom Application). The shareholders who are interested in attending the ARM proceedings online may send the below information along with valid copy of both sides of CNIC with the subject "Registration for First Al-Noor Modaraba ARM" at company.secretary@fanm.co for their verification. Such information should be sent from their duly registered valid email ID for the registration purposes latest by 5:00 p.m. on Friday, October 20, 2023

Shareholder Name	Folio / CDC Number	Number of shares held	CNIC Number	Cell number	Registered Email ID

Upon receipt of the above information from the interested certificate holders, the Modaraba will send the login credentials at their e-mail address. On the date of ARM, certificate holders will be able to login and participate in the ARM proceedings through their smartphones/computer devices.

3. Members holding shares in physical form are requested to promptly notify Shares Registrar of the Company of any change in their addresses. Shareholders maintaining their shares in electronic form should have their address updated with their participant or CDC Investor Accounts Service.
4. Under the provisions of Section 242 of the Companies Act, 2017, it is mandatory for a listed Company to pay cash dividend to its certificate holders only through electronic mode directly into bank account designated by the entitled certificate holders.

In order to receive dividends directly into their bank account, certificate holders are requested to fill in Electronic Credit Mandate Form available on Modaraba's website and send it duly signed along with a copy of CNIC to the Shares Registrar of the Company M/s FAMCO Associates (Private) Limited, in case of physical certificates.

In case, certificates are held in CDC then Electronic Credit Mandate Form must be submitted directly to certificate holder's broker/participant/CDC account services. No further action is required if IBAN has already been incorporated/updated in the CDC account or physical folio of the certificate holder.



6. As per Section 150 of the Income Tax Ordinance, 2001, withholding tax on dividend will be deducted for filers and non-filers of income at different rates as per directives. According to FBR, withholding tax in case of joint accounts will be determined separately based on the filer and non-filer status of the principal and joint shareholder(s) based on their holding proportions. Members who hold shares with jointly, are requested to provide the certificate holding proportions of the principal and joint holder(s) to the Company's Shares Registrar in writing as follows. In case required information is not provided, it will be assumed that the certificates are held in equal proportion by the principal and joint holders.

Certificate holder name	Folio/CDS Account #	Total Shares	Principal shareholder		Joint Shareholders	
			Name and CNIC #	Proportion (No. of shares)	Name and CNIC #	Proportion (No. of shares)

To enable the company to make tax deduction on the amount of cash dividend applicable on filers, all the certificate holders whose names are not entered into the Active Tax-payers (ATL) provided on the website of FBR, are advised to make sure that their names are entered in ATL.

7. The valid exemption certificate is mandatory to claim exemption amount of withholding tax u/s 150 of the Income Tax Ordinance, 2001 (tax on dividend). The certificate holder(s) who fall in the above mentioned category and wish to avail exemption, must provide Valid Tax Exemption Certificate to our Share Registrars before book closure to avail tax exemption.
8. In case of those certificate holders who are non-residents, are requested to please provide their respective details including residence status/country of residence with copy of their NICOP to Share Registrars or by email to company.secretary@fanm.co before book closure. In case of non availability of status in their respective portfolio, the respective tax on dividends would be applicable.
9. In accordance with the provisions of Section 72 of the Companies Act, 2017, and subsequent directive received from the SECP for all listed companies to pursue with their physical shareholders and requiring them to convert their shares in the Book-Entry Form. In order to comply with the directives, the Physical Shareholders are once again reminded to convert their shares into Book-Entry Form through Investor Accounts Services of Central Depository Company or any Participant / TRE Certificate-holder of the Pakistan Stock Exchange Limited.
10. (i) In case of individuals, the account holder or sub account holder and/or the person whose securities are in group account and their registration details are uploaded as per the Regulations or whose securities are in physical form, shall authenticate his/her identity by showing his/her original Computerized National identity Card (CNIC) or original passport at the time of attending the meeting.
- (ii) In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of meeting.
11. The Securities and Exchange Commission of Pakistan vide SRO number 389(I)/2023 dated March 21, 2023 has allowed companies to circulate the annual audited accounts together with reports thereon ("annual audited financial statements") to its members through QR enabled code and weblink. Modaraba intend to adopt to circulate its financials through QR enabled code effective December 31, 2023.

8. ان سرٹیفکیٹ ہولڈرز کی صورت میں جو غیر رہائشی ہیں، ان سے درخواست کی جاتی ہے کہ براہ کرم اپنی متعلقہ تفصیلات بشمول رہائش کی حیثیت/مقامی ملک کے ساتھ اپنے NICOP کی کاپی رجسٹراروں کو شیئر کریں یا بکٹ سے پہلے company.secretary@fanm.co پر ای میل کریں۔ بندش۔ ان کے متعلقہ پورٹ فولیو میں اسٹینس کی عدم دستیابی کی صورت میں، ڈیویڈنڈز پر متعلقہ ٹیکس لاگو ہوگا۔

9. کمپنیز ایکٹ، 2017 کے سیکشن 72 کی دفعات کے مطابق، اور تمام لسٹڈ کمپنیوں کے لیے ایس ای سی پی کی جانب سے موصول ہونے والی ہدایت کے مطابق اپنے فزیکل شیئر ہولڈرز کے ساتھ بیرونی کریں اور ان سے اپنے حصص کو بکٹ انٹری فارم میں تبدیل کرنے کا مطالبہ کریں۔ ہدایات کی تعمیل کرنے کے لیے، فزیکل شیئر ہولڈرز کو ایک بار پھر یاد دہانی کرائی جاتی ہے کہ وہ سینٹرل ڈپازٹری کمپنی کی انویسٹر اکاؤنٹس سروسز یا پاکستان اسٹاک ایکسچینج لمیٹڈ کے کسی بھی شریک/TRE سرٹیفکیٹ ہولڈر کے ذریعے اپنے حصص کو بکٹ انٹری فارم میں تبدیل کریں۔

10. (i) افراد کے معاملے میں، اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر اور/یا وہ شخص جس کی سیکیورٹیز گروپ اکاؤنٹ میں ہیں اور ان کی رجسٹریشن کی تفصیلات ضوابط کے مطابق اپ لوڈ کی گئی ہیں یا جن کی سیکیورٹیز طبعی شکل میں ہیں، اس کی تصدیق کرے گا۔ مینٹنگ میں شرکت کے وقت اس کا اصل کمپیوٹرائزڈ قومی شناختی کارڈ (CNIC) یا اصل پاسپورٹ دکھا کر اس کی شناخت۔

(ii) کارپوریٹ ادارے کی صورت میں، مینٹنگ کے وقت بورڈ آف ڈائریکٹرز کی قرارداد اور/یا پور آف انارنی جس میں نامزد شخص کے دستخط کے نمونے کے ساتھ پیش کیا جائے گا (جب تک یہ پہلے فراہم نہ کیا گیا ہو)۔

11. سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان نے ایس آر او نمبر 389 (2023/1) مورخہ 21 مارچ 2023 کے ذریعے کمپنیوں کو اجازت دی ہے کہ وہ سالانہ آڈٹ شدہ اکاؤنٹس کو ان کی رپورٹس ("سالانہ آڈٹ شدہ مالیاتی بیانات") کے ساتھ QR فعال کے ذریعے اپنے اراکین کو بھیجیں۔ کوڈ اور ویب لنک۔ مضاربہ 31 دسمبر 2023 سے لاگو QR فعال کوڈ کے ذریعے اپنے مالیات کو گردش کرنے کا ارادہ رکھتا ہے۔

6. انکم ٹیکس آرڈیننس 2001 کے سیکشن 150 کے مطابق ڈیویڈنڈ پر ود ہولڈنگٹ ٹیکس فائلرز اور نان فائلرز کے لیے ہدایت کے مطابق مختلف شرحوں پر کاٹا جائے گا۔ ایف بی آر کے مطابق مشترکہ کھاتوں کی صورت میں ود ہولڈنگٹ ٹیکس کا تعین پر نپل اور مشترکہ شیئر ہولڈرز کے فائلرز اور نان فائلرز اسٹیٹس کی بنیاد پر ان کے ہولڈنگٹ تناسب کی بنیاد پر کیا جائے گا۔ جو ممبران کے ساتھ مشترکہ طور پر شیئرز رکھتے ہیں، ان سے درخواست کی جاتی ہے کہ وہ کمپنی کے شیئرز رجسٹرار کو پر نپل اور جوائنٹ ہولڈرز کے ہولڈنگٹ تناسب درج ذیل تحریری طور پر فراہم کریں۔ اگر مطلوبہ معلومات فراہم نہیں کی جاتی ہیں، تو یہ سمجھا جائے گا کہ سرٹیفکیٹ پر نپل اور جوائنٹ ہولڈرز کے برابر تناسب میں رکھے گئے ہیں۔

جوائنٹ شیئر ہولڈر		پر نپل شیئر ہولڈر		مکمل شیئرز	فولیو ای ڈی سی کلائنٹ نمبر	سرٹیفکیٹ ہولڈر کا نام	
تناسب کی تعداد	نام اور شناختی کارڈ نمبر	تناسب کی تعداد	نام اور شناختی کارڈ نمبر				

کمپنی کو فائلرز پر لاگو نقد ڈیویڈنڈ کی رقم پر ٹیکس سٹوٹی کرنے کے قابل بنانے کے لیے، تمام سرٹیفکیٹ ہولڈرز جن کے نام ایف بی آر کی ویب سائٹ پر فراہم کردہ ایکٹو ٹیکس پیئرز (ATL) میں درج نہیں کیے گئے ہیں، کو مشورہ دیا جاتا ہے کہ وہ اس بات کو یقینی بنائیں کہ ان کے ATL میں نام درج ہیں۔

7. انکم ٹیکس آرڈیننس، 2001 (ڈیویڈنڈ پر ٹیکس) کے تحت 150 ود ہولڈنگٹ ٹیکس کی چھوٹ کی رقم کا دعویٰ کرنے کے لیے درست اسٹیٹی کا سرٹیفکیٹ لازمی ہے۔ سرٹیفکیٹ ہولڈرز جو مذکورہ زمرے میں آتے ہیں اور اسٹیٹی حاصل کرنا چاہتے ہیں، انہیں ٹیکس چھوٹ حاصل کرنے کے لیے بکٹ بند ہونے سے پہلے ہمارے شیئر رجسٹرار کو درست ٹیکس اسٹیٹی کا سرٹیفکیٹ فراہم کرنا چاہیے۔

شرکت دار کا نام	فولیو ای ڈی سی نمبر	شرکت داروں کی تعداد	شناختی کارڈ نمبر	موبائل نمبر	رجسٹرڈ ای میل آئی ڈی

دلچسپی رکھنے والے سرٹیفکیٹ ہولڈرز سے مندرجہ بالا معلومات کی وصولی پر، مضاربہ لاگت ان کی اسناد ان کے ای میل ایڈریس پر بھیجے گا۔ اے آر ایم کی تاریخ پر، سرٹیفکیٹ ہولڈر اپنے اسماٹ فونز/کمپیوٹر ڈیوائسز کے ذریعے لاگت ان اور اے آر ایم کی کارروائی میں حصہ لے سکیں گے۔

3. فنریکل شکل میں حصص رکھنے والے ممبران سے درخواست کی جاتی ہے کہ وہ اپنے پتوں میں کسی تبدیلی کے بارے میں کمپنی کے شیئرز رجسٹرار کو فوری طور پر مطلع کریں۔ حصص یافتگان جو اپنے حصص کو الیکٹرانک شکل میں برقرار رکھتے ہیں ان کا پتہ اپنے شریک یا سی ڈی سی انویسٹر اکاؤنٹس سروس کے ساتھ اپ ڈیٹ کرانا چاہیے۔

4. کمپنیز ایکٹ، 2017 کے سیکشن 242 کی دفعات کے تحت، ایک لسٹڈ کمپنی کے لیے لازمی ہے کہ وہ اپنے سرٹیفکیٹ ہولڈرز کو نقد ڈیویڈنڈ صرف الیکٹرانک موڈ کے ذریعے براہ راست حقدار سرٹیفکیٹ ہولڈرز کے نامزد کردہ بینک اکاؤنٹ میں ادا کرے۔

براہ راست اپنے بینک اکاؤنٹ میں منافع حاصل کرنے کے لیے، سرٹیفکیٹ ہولڈرز سے درخواست کی جاتی ہے کہ وہ مضاربہ کی ویب سائٹ پر دستیاب الیکٹرانک کریڈٹ مینڈیٹ فارم کو پُر کریں اور اسے CNIC کی ایک کاپی کے ساتھ کمپنی میسرز FAMCO ایس کے شیئرز رجسٹرار کو بھیجیں۔ پرائیویٹ) لیمنڈ، فنریکل سرٹیفکیٹ کی صورت میں۔

5. اگر سرٹیفکیٹ CDC میں رکھے گئے ہیں تو پھر الیکٹرانک کریڈٹ مینڈیٹ فارم براہ راست سرٹیفکیٹ ہولڈر کے بروکر/شرکت کنندہ/CDC اکاؤنٹ کی خدمات میں جمع کرانا چاہیے۔ مزید کسی کارروائی کی ضرورت نہیں ہے اگر IBAN پہلے ہی CDC اکاؤنٹ یا سرٹیفکیٹ ہولڈر کے فنریکل فولیو میں شامل اپ ڈیٹ ہو چکا ہے۔

نوٹس برائے سالانہ جائزہ اجلاس

سرٹیفکیٹ ہولڈرز کو اطلاع دی جاتی ہے کہ پہلے انور مضاربہ کا چوبیسواں (24) سالانہ جائزہ اجلاس پیر 23 اکتوبر 2023 کو صبح 11:30 بجے منعقد ہوگا۔ کمپنی کے رجسٹرڈ آفس A-96، سندھی مسلم کوآپریٹو ہاؤسنگ سوسائٹی، کراچی میں جسمانی طور پر اور ویڈیو کانفرنس کے ذریعے۔

بورڈ کے حکم سے
رونی عبدالرزاق
کمپنی سیکرٹری

کراچی: 21 ستمبر 2023

اطلاع:-

1. مضاربہ کی شیئر ٹرانسفر بک جمعہ 20 اکتوبر 2023 سے جمعہ 27 اکتوبر 2023 (دونوں دن سمیت) تک بند رہے گی اور اس مدت کے دوران کوئی منتقلی قبول نہیں کی جائے گی۔ شیئر رجسٹرار، میسرز فامکو ایسوسی ایشن (پرائیویٹ) لمیٹڈ، F-8، نزد ہوٹل فاران، نرسری، بلاک-6، P.E.C.H.S، شاہراہ فیصل، کراچی میں ترتیب سے موصول ہونے والی منتقلی 19 اکتوبر 2023 کو ہونے والے کاروبار کو ان کے متعلقہ استحقاق کے تعین کے مقصد کے لیے، اگر کوئی ہے، اور سالانہ جائزہ اجلاس میں شرکت کی اہلیت کے لیے وقت پر غور کیا جائے گا۔

2. شیئر ہولڈرز کی سہولت اور حفاظت اور بہبود کے لیے، کمپنی نے فزیکل مینٹننگ بلانے کے ساتھ ساتھ ویڈیو لنک کی سہولت (زوم پلیٹیفکیشن کے ذریعے) کے ذریعے شیئر ہولڈرز کی حاضری کا بھی انتظام کیا ہے۔ جو شیئر ہولڈرز آن لائن اے آر ایم کی کارروائی میں شرکت کرنے میں دلچسپی رکھتے ہیں وہ اپنی تصدیق کے لیے نیچے دی گئی معلومات کو CNIC کے دونوں اطراف کی درست کاپی کے ساتھ "پہلے انور مضاربہ اے آر ایم کے لیے رجسٹریشن" کے مضمون کے ساتھ کمپنی، secretary@fanm.co پر بھیج سکتے ہیں۔ اس طرح کی معلومات رجسٹریشن کے مقاصد کے لیے ان کے صحیح طریقے سے رجسٹرڈ درست ای میل آئی ڈی سے شام 5:00 بجے تک بھیجی جانی چاہیے۔ جمعہ 20 اکتوبر 2023 کو۔



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