

HALF YEARLY REPORT
December 31, 2015
(Un-audited)



FIRST AL-NOOR MODARABA
(An Islamic Financial Institution)

Contents

Corporate Information	2
Independent Auditor's Report	3
Directors' Report	4
Condensed Interim Balance Sheet	5
Condensed Interim Profit and Loss Account	6
Condensed Interim Statement of Other Comprehensive Income	7
Condensed Interim Cash Flow Statement	8
Condensed Interim Statement of Changes in Equity	9
Notes to the Condensed Interim Financial Statements	10-20

المضارب

Corporate Information

BOARD OF DIRECTORS

Non Executive Directors

Chairman

Mr. Ismail H. Zakaria

Directors

Mr. Yusuf Ayooob

Mr. Suleman Ayooob

Mr. Aziz Ayooob

Mr. Mansoor Alam, Independent

Mr. Zia Zakaria

Mr. Zain Ayooob

Executive Directors

Chief Executive

Mr. Jalaluddin Ahmed

Company Secretary

Mr. Roofi Abdul Razzak

Board Audit Committee

Mr. Suleman Ayooob - Chairman

Mr. Mansoor Alam - Member

Mr. Zia Zakaria - Member

HR & Remuneration Committee

Mr. Aziz Ayooob - Chairman

Mr. Jalaluddin Ahmed - Member

Mr. Roofi Abdul Razzak - Member

Bankers

Al-Baraka Bank (Pakistan) Limited

Askari Bank Ltd, Islamic Banking

Faysal Bank Ltd, Islamic Banking

Habib Bank Limited, Islamic Banking

MCB Bank Limited, Islamic Banking

Meezan Bank Limited

Auditors

RSM Avais Hyder Liaquat Nauman

Chartered Accountants

Shariah Advisor

Mufti Muhammad Ibrahim Essa

Legal Advisor

Muhammad Jamshid Malik

Barrister-at-Law

Share Registrar

M / s Technology Trade (Private) Limited

Dagja House, 241-C, Block 2, P.E.C.H.S.

Off. Shahrah-e-Faisal, Karachi

Tel: 34391316-7 & 19, 34387960-1

Fax: 34391318

Registered Office

96-A, Sindhi Muslim Cooperative

Housing Society, Karachi

Contact Details

Telephone: 34558268;34552943;34553067

Fax: 34553137

Webpage: www.fanm.co

Email: info@fanm.co

INDEPENDENT AUDITOR'S REPORT

TO THE CERTIFICATE HOLDER'S ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying condensed interim balance sheet of FIRST AL-NOOR MODARABA as at December 31, 2015, the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement, condensed interim statement of changes in equity and notes to the accounts for the six months period ended (here-in-after referred to as the "interim financial information"), Management of Modaraba Company is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". Review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

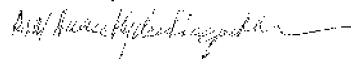
Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information as at December 31, 2015 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Other matter

The figures for the quarters ended December 31, 2015 and December 31, 2014 in the condensed interim profit and loss account and condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion on them

The financial statements of the Modaraba for the year ended June 30, 2015 and condensed interim financial information of the Modaraba for the six months period ended December 31, 2014 were audited and reviewed respectively by another firm of chartered accountants who expressed unmodified opinion on the financial statements of the Modaraba for the year ended June 30, 2015 and unmodified conclusion on the condensed interim financial information of the Modaraba for the six months period ended December 31, 2014 vide their audit and review reports dated August 25, 2015 and February 19, 2015 respectively.



Engagement Partner: Adnan Zaman
RSM Avais Hyder Liaquat Nauman
Chartered Accountants

Place : Karachi

Dated: February 24, 2016

Report Of The Directors Of Modaraba Company

As at December 31, 2014 (Unaudited)

I, on behalf of Board of Directors of Al-Noor Modaraba Management (Private) Limited, the "mudarib/management company" of First Al-Noor Modaraba (FAM), pleased to present the report together with reviewed accounts for the half year ended December 31, 2015:

Financial Results

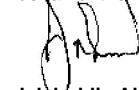
Financial results are summarized as under

	Half Year ended	
	December 31, 2015	December 31, 2014
	Rupees	
Profit after taxation	(7,318,940)	1,125,461
Un-appropriated profit brought forward	(12,885,641)	1,316,490
	(20,204,581)	11,169,375
Add:		
Share of associate's incremental depreciation	20,010	118,027
Un-appropriated profit carried forward	(20,184,571)	11,287,402
Earning per certificate- basic and diluted	(0.35)	0.05

Please note that the result of the current half year ended 31.12.2015 reported a loss of Rs. 7.318 million compared to a meagure profit of Rs. 1.125 million in the same period last year. The constant slump in commodity market directly effected the modaraba and it had to incur loss on the commodities operations since financial year June 30, 2015. However, the modaraba had taken all the losses in had to incur on the commodity stocks and are hopeful that from this period onwards, it is on recovery phase and expecting to improve its profitability by the end of subsequent financial year. Beside, the Modaraba is adopting various measures to extricate itself out of this difficult situation specially considering the falling discount rates and uncertain economic situations.

Hopefully, the situation in proves by the end of the current financial year.

On behalf of the Board



Jalaluddin Ahmed
Chief Executive

Place: Karachi
Date: February 24, 2016

Condensed Interim Balance Sheet

As at December 31, 2015 (Unaudited)

	Note	(Unaudited) December 31, 2015	(Audited) June 30, 2015
Rupees			
CURRENT ASSETS			
Cash and bank balances	4	77,942,698	42,319,170
Short term investments	5	31,739,578	50,556,745
Musawamah receivables - secured	6	25,000,000	25,000,000
Profit receivable		911,681	525,385
Trade Debtors - unsecured considered good		12,266,670	43,810,383
Stock in trade	7	-	24,793,445
Current portion of investment in sukuk certificates	8.2.1	714,286	714,286
Advances, deposits, prepayments and other receivables		8,644,229	14,175,379
Taxation	9	2,118,847	2,073,457
TOTAL CURRENT ASSETS		159,337,989	203,968,250
ASSETS			
NON-CURRENT ASSETS			
Long term deposits		3,846,989	3,846,989
Long term investments	8.2.1	26,765,630	31,590,230
Ijarah assets	10	150,401,816	116,877,357
Fixed assets in own use	11	3,395,147	2,750,966
TOTAL NON-CURRENT ASSETS		184,409,582	155,065,542
TOTAL ASSETS		343,747,571	359,033,792
LIABILITIES			
CURRENT LIABILITIES			
Current maturity of security deposits	12	10,334,446	6,442,160
Creditors, accrued and other liabilities	13	13,070,392	12,271,257
Provision for custom duty & surcharge	14	4,398,842	4,398,842
Profit payable	15	360,733	227,526
TOTAL CURRENT LIABILITIES		28,164,413	23,339,785
NON CURRENT LIABILITIES			
Security deposits	12	22,799,890	23,426,751
Deferred gratuity - staff gratuity		7,381,965	6,729,031
TOTAL NON-CURRENT LIABILITIES		30,181,855	30,155,782
TOTAL LIABILITIES		58,346,268	53,495,567
NET ASSETS		285,401,303	305,538,225
REPRESENTED BY:			
CAPITAL AND RESERVES			
Certificate Capital			
Authorised certificate capital			
40,000,000 (June 2015: 40,000,000) certificates of Rs 10/- each		400,000,000	400,000,000
Issued, subscribed and paid-up capital	16	210,000,000	210,000,000
Reserves	17	97,456,413	107,956,413
Unappropriated profit		(20,184,571)	(12,885,641)
Unrealised diminution on remeasurement of investment classified as available for sale - net		(1,870,539)	467,453
Total capital and reserves		285,401,303	305,538,225
CONTINGENCIES AND COMMITMENTS	18	-	-

The annexed notes 1 to 26 form an integral part of these financial statements.

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

Place : Karachi
Date : February 24, 2016

Chief Executive

Director

Director

Condensed Interim Profit and Loss Account

For the Half Year Ended December 31, 2015 (Un-audited)

	Note	Half Year Ended		Quarter Ended	
		Dec 31, 2015	Dec 31, 2014	Dec 31, 2015	Dec 31, 2014
		Rupees		Rupees	
(Loss) / profit from trading operations	21	(3,216,428)	1,885,912	(2,002,472)	1,208,147
Income on musawamah receivables		1,291,233	1,619,783	670,137	775,398
Income from Ijarah - net of depreciation		8,635,271	7,216,821	4,592,635	3,579,299
Gain/(Loss) from investments		873,695	2,875,862	(1,638,881)	2,058,251
		<u>7,583,771</u>	<u>13,598,378</u>	<u>1,621,419</u>	<u>7,621,095</u>
Administrative and operating expenses		12,492,314	13,707,995	6,317,250	6,820,810
Financial and other charges		3,331	69,011	2,685	36,805
		<u>12,495,645</u>	<u>13,777,006</u>	<u>6,319,935</u>	<u>6,857,615</u>
Operating (loss) / profit		(4,911,874)	(178,628)	(4,698,516)	763,480
Other income		1,181,576	1,221,563	572,820	803,409
		<u>(3,730,298)</u>	<u>1,042,935</u>	<u>(4,125,696)</u>	<u>1,566,889</u>
Unrealised (loss) / gain on re-measurement of investments at fair value through profit or loss		(3,171,092)	960,292	1,538,904	228,646
Share of loss from associate		(179,990)	(564,102)	(11,148)	(503,783)
		<u>(7,081,380)</u>	<u>1,439,125</u>	<u>(2,597,940)</u>	<u>1,291,752</u>
Modaraba management fee		-	(143,913)	-	(129,175)
		<u>(7,081,380)</u>	<u>1,295,212</u>	<u>(2,597,940)</u>	<u>1,162,577</u>
Workers welfare fund		-	(25,396)	-	(22,796)
		<u>(7,081,380)</u>	<u>1,269,816</u>	<u>(2,597,940)</u>	<u>1,139,781</u>
(Loss) / profit before taxation		(7,081,380)	1,269,816	(2,597,940)	1,139,781
Income tax expense		(237,560)	(144,355)	(167,361)	(34,375)
(Loss) / profit for the period		(7,318,940)	1,125,461	(2,765,301)	1,105,406
(Loss) / earnings per certificate - Basic and Diluted ²²		<u>(0.35)</u>	<u>0.05</u>	<u>(0.13)</u>	<u>0.05</u>

The annexed notes 1 to 26 form an integral part of these financial statements.

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

Place : Karachi
Date : February 24, 2016

Chief Executive

Director

Director

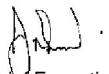
Condensed Interim Statement of Other Comprehensive Income

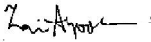
For the Half Year Ended December 31, 2015 (Un-audited)

	Half Year Ended		Quarter Ended	
	Dec 31, 2015	Dec 31, 2014	Dec 31, 2015	Dec 31, 2014
	Rupees		Rupees	
(Loss) / profit for the period	(7,318,940)	1,125,461	(2,765,301)	1,105,406
Other comprehensive income				
Unrealized (loss) / gain on re-measurement of available for sale investment 8.3	(2,337,992)	822,129	(2,560,885)	607,694
Shares of other comprehensive income of associate	-	17,291	-	17,291
Other comprehensive income	(2,337,992)	839,420	(2,560,885)	624,985
Total other comprehensive income	(9,656,932)	1,964,881	(5,326,186)	1,730,391

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

Place : Karachi
Date : February 24, 2016


Chief Executive


Director


Director

Condensed Interim Cash Flow Statement

For the Half Year Ended December 31, 2015 (Un-audited)

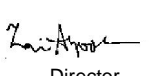
		December 31, 2015	December 31, 2014
	Note	Rupees	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash from operations after working capital changes	23	81,296,714	62,388,566
Increase in security deposits		3,265,425	1,041,630
Income on musawamah receivables		933,288	1,652,354
Income tax paid		(282,950)	(144,355)
Net cash generated from operating activities		85,212,477	64,938,195
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to fixed assets			
- Own		(1,369,219)	-
- Ijarah		(62,940,500)	(19,380,800)
Sale proceeds on disposal of fixed assets			
- Own		14,000	-
- Ijarah		4,108,960	784,149
Dividend received		2,043,804	1,443,952
Profit on bank deposit		824,583	905,533
Profit on Al-Samarat Islamic Certificates		-	108,712
Profit on Al-Makhraj Certificates		-	65,843
Realization/(Purchase) of Sukuk Certificates		550,729	(5,000,000)
Purchase of investment of mutual funds		-	(7,793,552)
Sale of investment of mutual funds		10,046,200	7,796,425
Purchase of investment of listed securities		(18,287,422)	(18,322,817)
Sale of investment of listed securities		25,407,429	11,892,084
Net cash (used in) investing activities		(39,601,436)	(27,500,472)
CASH FLOWS FROM FINANCING ACTIVITIES			
Profit paid to the certificate holders		(9,984,183)	(15,229,744)
Financial charges paid		(3,331)	(69,011)
Net cash (used in) financing activities		(9,987,514)	(15,298,755)
Net increase in cash and cash equivalents		35,623,528	22,138,967
Cash and cash equivalents at beginning of the period		42,319,170	22,150,478
Cash and cash equivalents at end of the period	4	77,942,698	44,289,445

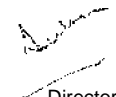
The annexed notes 1 to 26 form an integral part of these financial statements.

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

Place : Karachi
Date : February 24, 2016


Chief Executive


Director


Director

Condensed Interim Statement of Changes in Equity

For the Half Year Ended December 31, 2015 (Un-audited)

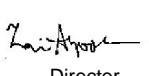
	Issued Subscribed & Certificate Capital	Reserve				Total
		Capital Reserve	General reserve	Revenue Reserve	Other Comprehensive income	
	*Statutory Reserve		Unappropriated profit			
Rupees						
Balance as at June 30, 2014	210,000,000	96,956,413	10,500,000	17,566,490	(1,625,844)	333,397,059
Share of associate's incremental depreciation on account of revaluation of fixed assets	-	-	-	172,980	-	172,980
Total Comprehensive income for the period	-	-	-	1,125,461	839,420	1,964,881
Profit distribution in cash	-	-	-	(15,750,000)	-	(15,750,000)
Transfer to statutory reserve	-	-	500,000	(500,000)	-	-
Balance as at December 31, 2014	210,000,000	96,956,413	11,000,000	2,614,931	(786,424)	319,784,920
Share of associate's incremental depreciation on account of revaluation of fixed assets	-	-	-	157,910	-	157,910
Total Comprehensive income for the period	-	-	-	(15,658,482)	1,253,877	(14,404,605)
Balance as at June 30, 2015	210,000,000	96,956,413	11,000,000	(12,885,641)	467,453	305,538,225
Share of associate's incremental depreciation on account of revaluation of fixed assets	-	-	-	20,010	-	20,010
Total Comprehensive income for the period	-	-	-	(7,318,940)	(2,337,992)	(9,656,932)
Profit distribution in cash	-	-	-	(10,500,000)	-	(10,500,000)
Transfer to general reserve	-	-	(10,500,000)	10,500,000	-	-
Transfer to statutory reserve	-	-	-	-	-	-
Balance as at December 31, 2015	210,000,000	96,956,413	500,000	(20,184,571)	(1,870,539)	285,401,303

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

The annexed notes 1 to 26 form an integral part of these financial statements.

Place : Karachi
Date : February 24, 2016


Chief Executive


Director


Director

Notes to the Condensed Interim Financial Statements

For the Half Year Ended December 31, 2015 (Un-audited)

1 LEGAL STATUS AND NATURE OF BUSINESS

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

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

2 STATEMENT OF COMPLIANCE

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

"The figures of the condensed interim profit and loss of account for the quarter ended December 31, 2014 and 2015 are unaudited and the information do not include all the information and disclosures required in the annual financial information, and should be read in conjunction with the Company's annual financial statements for the year ended 30 June 2015.

2.1 SIGNIFICANT ACCOUNTING POLICIES

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

3. ACCOUNTING ESTIMATES AND JUDGMENTS

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

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

Notes to the Condensed Interim Financial Statements

For the Half Year Ended December 31, 2015 (Un-audited)

	Note	December 31, 2015	June 30, 2015
Rupees			
4. CASH AND BANK BALANCES			
Cash in hand		47,062	30,500
Cash at bank			
- current accounts		1,357,548	1,740,874
- Islamic bank accounts	4.1	76,538,088	40,547,796
		77,942,698	42,319,170

4.1 These deposits carry profit at rates ranging from 1.95% to 5.00%(June 2015: 2.05% to 6.48%).

5. SHORT TERM INVESTMENTS

At fair value through profit and loss

- Equity securities - listed	5.1	31,739,578	50,556,745
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5.1 At fair value through profit and loss Equities securities listed

Name of investee company	Number of Shares / Units		Market Value	
	As at December 31, 2015	As at June 30, 2015	As at December 31, 2015	As at June 30, 2015
Construction and Materials				
Fauji Cement Company Limited	35,000	-	1,288,700	-
Pioneer Cement Limited	17,500	5,000	1,590,050	426,450
Attock Cement Pakistan Limited	5,000	-	838,750	-
Sub total	57,500	5,000	3,717,500	426,450
Oil & Gas Producers				
Hascol Petroleum Limited	5,000	-	721,250	-
Attock Refinery Limited	-	3,000	-	685,350
Pakistan Refinery Limited	12,000	1,500	542,520	91,395
National Refinery Limited	7,000	7,000	1,562,120	1,624,420
Pakistan Petroleum Limited	20,500	20,500	2,497,105	3,367,330
Oil & Gas Development Co. Ltd.	1,000	-	117,340	-
Sub total	45,500	32,000	5,440,335	5,768,495
Gas Water & Multiutilities				
Sui Northern Gas Pipelines Limited	-	40,500	-	1,078,920
Sub total	-	40,500	-	1,078,920
General Industries				
Thal Limited	2,500	2,500	633,325	713,575
Sub total	2,500	2,500	633,325	713,575
Electricity				
K-Electric Limited	95,000	70,000	706,800	589,400
Kot Addu Power Company Limited	2,500	2,500	202,500	215,100
Sub total	97,500	72,500	909,300	804,500
Automobile and Parts				
Honda Atlas Car (Pakistan) Limited	-	5,000	-	1,093,400
Sub total	-	5,000	-	1,093,400

Notes to the Condensed Interim Financial Statements

For the Half Year Ended December 31, 2015 (Un-audited)

Name of investee company	Number of Shares / Units		Market Value		
	As at December 31, 2015	As at June 30, 2015	As at December 31, 2015	As at June 30, 2015	
Fixed Line Telecommunication					
Pakistan Tele Communication Limited	50,000	40,000	832,000	820,000	
Sub total	50,000	40,000	832,000	820,000	
Chemicals					
Fauji Fertilizer Bin Qasim Limited	80,000	130,000	4,214,400	7,191,600	
Fauji Fertilizer Company Limited	29,000	98,000	3,421,420	14,643,160	
Lotte Pakistan PTA Limited	174,000	200,000	1,131,000	1,384,000	
Engro Fertilizer Limited	7,500	5,000	630,975	443,450	
Dawood Hercules Chemicals	5,000	-	595,700	-	
Ghani Gases Limited	-	20,000	-	566,000	
Sub total	295,500	453,000	9,993,495	24,228,210	
Pharmaceuticals					
Searle Pakistan Limited.	1,000	-	395,730	-	
Sub total	1,000	-	395,730	-	
Electronic and Electrical Goods					
Pak Elektron Limited	7,500	-	469,050	-	
Sub total	7,500	-	469,050	-	
Personal Goods(Textiles)					
Artistic Denim Mills Limited	5,000	5,000	325,000	404,350	
Nishat Mills Limited	15,000	7,500	1,423,050	856,725	
Sub total	20,000	12,500	1,748,050	1,261,075	
Industrial Engineering					
Crescent Steel & Allied Products	-	15,000	-	779,550	
Mughal Iron & Steel Industries Limited	2,500	-	174,250	-	
Sub total	2,500	15,000	174,250	779,550	
Food Producers					
Faran Sugar Mills Ltd.	10,000	-	776,400	-	
Sub total	10,000	-	776,400	-	
Units of Mutual Funds					
Meezan Islamic Fund - Growth Units	1,764	69,180	105,752	4,227,589	
Meezan Balance Fund	-	174,134	-	2,554,540	
First Habib Islamic Balanced Fund	57,712	57,712	5,610,680	5,875,649	
Al-Ameen Islamic Active Allocation Plan-1	9,279	9,232	933,711	924,792	
Sub total	68,755	310,258	6,650,143	13,582,570	
Total Listed securities					
- At Fair value through Profit & Loss	Grand total	658,255	988,258	31,739,578	50,556,745

Notes to the Condensed Interim Financial Statements

For the Half Year Ended December 31, 2015 (Un-audited)

	Note	December 31, 2015	June 30, 2014
<u>Rupees</u>			
6 Musawamah Receivables - Secured			
Muswamah receivables	6.1	<u>25,000,000</u>	<u>25,000,000</u>
6.1 This represents principal amount outstanding against musawamah receivable from a customer for the period of 90 days. These musawmah carry profit upto 11% (June 2015: 10%) per annum. These are secured against hypothecation of stocks and trade receivables, vehicles, demand promissory notes, personal guarantee of directors /proprietors and mortgage of properties.			
7 STOCK IN TRADE			
Finished goods		<u>267,790</u>	25,061,235
less: Provision for slow moving stock		<u>(267,790)</u>	<u>(267,790)</u>
		<u>-</u>	<u>24,793,445</u>
8 LONG TERM INVESTMENTS			
Investment in Associate	8.1	<u>8,168,848</u>	8,328,828
Investment - Held to Maturity	8.2	<u>3,571,428</u>	3,928,571
Investment - Available for Sale	8.3	<u>15,025,354</u>	<u>19,332,831</u>
		<u>26,765,630</u>	<u>31,590,230</u>
8.1 This represents investment of modaraba in its associate group company i.e. Al Noor Sugar Mills Limited on the basis of its common directorship.			
8.2 INVESTMENT - Held to maturity			
Investment in sukuk Certificates	8.2.1	<u>4,642,857</u>	5,000,000
Less: Principal Repaid		<u>(357,143)</u>	<u>(357,143)</u>
Less: Current portion of Investment in Sukuk Certificates		<u>(714,286)</u>	<u>(714,286)</u>
		<u>3,571,428</u>	<u>3,928,571</u>
8.2.1 This represent sukuk certificates of Albaraka Bank (Pakistan) Limited carrying profit similar to base rate of six months of KIBOR + 1.25% (June 2015: KIBOR + 1.25%) receivable in 14 equal installments till September 2021.			

Notes to the Condensed Interim Financial Statements

For the Half Year Ended December 31, 2015 (Un-audited)

8.3 Investment - Available for Sale

Equity securities - listed

Name of investee company	Number of Shares / Units		Market Value	
	As at December 31, 2015	As at June 31, 2015	As at December 31, 2015	As at June 31, 2015

Fully paid ordinary shares of Rs 10 each unless stated otherwise

Equity Investment Instruments

First National Bank Modaraba	-	5,000	-	19,950
First Habib Modaraba	4,500	4,500	45,000	46,800
First Imrooz Modabara	1,000	500	69,350	26,500
Allied Rental Modaraba	3,600	3,000	108,000	147,240
Standard Chartered Modaraba	11,550	11,550	314,160	346,500
Sub total	20,650	24,550	536,510	586,990

Fixed Line Telecommunication

Worldcall Telecommunication	-	15,000	-	30,750
Sub total	-	15,000	-	30,750

Chemicals

Fauji Fertilizer Bin Qasim Ltd	102,500	102,500	5,399,700	5,670,301
Fauji Fertilizer Company Ltd	10,000	10,000	1,179,800	1,494,200
Sub total	112,500	112,500	6,579,500	7,164,501

Oil & Gas Producers

Pakistan Petroleum Ltd	12,000	11,000	1,461,720	1,806,860
Pakistan Oilfield Ltd	10,000	7,000	2,680,200	2,826,740
Sub total	22,000	18,000	4,141,920	4,633,600

Units of Mutual Funds

Al-Ameen Islamic Principal				
Preservation Fund-IV Class A	24,915	24,915	2,642,253	2,631,405
Meezan Balance Fund	7,974	223,840	118,807	3,283,727
UBL Al-Ameen Islamic Active Allocation Plan-1	10,001	10,001	1,006,364	1,001,858
Sub total	42,890	258,756	3,767,424	6,916,990

Total Listed securities - AFS	198,040	428,806	15,025,354	19,332,831
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	Note	December 31, 2015	June 30, 2014
8.3 Unrealized gain/(loss) on re-measurement of available of sale investment			

Market Value as at	15,025,354	19,332,831
Cost of investment	15,546,121	17,287,657
Unrealised gain / (loss) on investment as at period ended	(520,767)	2,045,174
Unrealised gain / (loss) on investment at the beginning of the period	2,045,174	(26,100)
Realised gain on disposal during the period	(227,949)	-
Unrealised gain / (loss) on investment for the period ended	(2,337,992)	2,071,274

Notes to the Condensed Interim Financial Statements

For the Half Year Ended December 31, 2015 (Un-audited)

9 TAXATION

9.1 The income of the Modaraba, not being trading income, is exempt from tax subject to the condition that not less than ninety per cent of its total profits in the year as reduced by the amount transferred to a mandatory reserve, required under the provisions of Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 (XXXI of 1980) are distributed amongst the certificate holders.

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

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

	Note	December 31, 2015	June 30, 2014
9.2 Income tax refundable		2,118,847	2,314,738
Income tax adjusted / deducted at source		-	(241,281)
		<u>2,118,847</u>	<u>2,073,457</u>

10 IJARAH ASSETS

Opening		116,877,357	93,036,512
Additions	10.1	62,940,500	91,289,300
Deletions	10.1	(3,971,976)	(11,131,668)
Depreciation for the period		(25,444,065)	(56,316,787)
Net book value		<u>150,401,816</u>	<u>116,877,357</u>

Un-audited
31 December 2015
Rupees

audited
30 June 2015
Rupees

10.1 Details of additions in Ijarah assets during the period

	Additions	Deletions	Additions	Deletions
Machinery	-	-	1,558,800	876,384
Vehicles	62,940,500	3,971,976	77,190,500	4,013,617
Others	-	-	12,540,000	6,241,667
	<u>62,940,500</u>	<u>3,971,976</u>	<u>91,289,300</u>	<u>11,131,668</u>

	Note	December 31, 2015	June 30, 2014
11 FIXED ASSETS IN OWN USE			
Tangible assets	11.1	3,395,145	2,745,538
Intangible assets	11.2	2	5,428
		<u>3,395,147</u>	<u>2,750,966</u>

11.1 Tangible assets

Opening balance		2,745,538	4,212,048
Addition during the period	11.1.1	1,369,219	214,150
Disposal during the period	11.1.1	(3,622)	(321,238)
Depreciation for the period		(715,990)	(1,359,422)
Net book Value		<u>3,395,145</u>	<u>2,745,538</u>

Notes to the Condensed Interim Financial Statements

For the Half Year Ended December 31, 2015 (Un-audited)

	Un-audited 31 December 2015 Rupees	audited 30 June 2015 Rupees
10.1 Details of additions / deletions in tangible assets		
	Additions	Deletions
	Additions	Deletions
Computer equipments	143,320	-
Office equipments and appliances	270,258	3,622
Furniture and fixtures	91,230	-
Motor Vehicles	864,411	-
Total	1,369,219	3,622
	214,150	321,238
	Note	December 31, 2015
		June 30, 2014
11.2 Intangible assets		
Opening balance	5,428	31,828
Amortization for the period	(5,426)	(26,400)
Closing balance	<u>2</u>	<u>5,428</u>
12 SECURITY DEPOSITS		
Security deposits	33,134,336	29,868,911
Less: Repayable / adjustable after one year	(22,799,890)	(23,426,751)
Current maturity of security deposits	10,334,446	6,442,160
13 CREDITORS, ACCRUED AND OTHER LIABILITIES		
Creditors	1,295,367	1,275,742
Accrued expenses	1,733,487	3,207,367
Clearing and forwarding charges	458,900	458,900
Takaful / Insurance	53,255	-
Advances from customers	3,426,662	3,242,874
Provision for Worker's Welfare Fund	391,367	391,367
Advance Ijarah rentals	4,110,181	2,609,651
Unclaimed profit distributions	1,601,173	1,085,356
	13,070,392	12,271,257
14 PROVISION FOR CUSTOM DUTY & SURCHARGE		
Custom duty / surcharges	14.1 4,398,842	4,398,842
14.1 In a suit filed with the Honorable High Court of Sindh in the year 1994 - 95, Modaraba has disputed the amount of duty and surcharge levied by the Collector of Customs on import of 1,901.472 metric tons of edible oil imported from Singapore . The Honorable High Court rejected the appeal and ordered to deposit amount for the disputed amount of duty. The Modaraba has filed an appeal in the Honorable Supreme Court against the decision of the Honorable High Court. The Honorable Supreme Court in its interim order allowed the Modaraba to get release of goods for which Modaraba has provided bank guarantee of Rs. 4.4 million against 10% cash margin and hypothecation charge on current assets until the matter is decided. The Modaraba, however, has fully provided for the duty and surcharge of Rs. 4,398,842, as claimed by the Collector of Customs.		
15 PROFIT PAYABLE		
Late payment & cheques return	15.1 204,275	113,864
Dividend income	15.2 156,458	113,662
	360,733	227,526

Notes to the Condensed Interim Financial Statements

For the Half Year Ended December 31, 2015 (Un-audited)

- 15.1** This represents surcharge applied to customers due to late payment and cheques returned during the period. The management is required to donate the same for charitable purposes.
- 15.2** This represents non shariah shares dividend income during the period. The management has to donate the same for charitable purposes as per circular 8 of 2012 of the Securities and Exchange Commission of Pakistan.

16 CERTIFICATE CAPITAL

Authorised certificate capital

December 31, 2015	June 30, 2015		December 31, 2015	June 30, 2015
----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>
20,000,000	20,000,000	Modaraba Certificates of Rs 10 each fully paid in cash	200,000,000	200,000,000
1,000,000	1,000,000	Modaraba Certificates of Rs 10 each issued as fully paid bonus certificates	10,000,000	10,000,000
<u>21,000,000</u>	<u>21,000,000</u>		<u>210,000,000</u>	<u>210,000,000</u>

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

17 RESERVES

Statutory reserve

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

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

18 CONTINGENCIES AND COMMITMENTS

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

19 LOSS/PROFIT FROM TRADING OPERATIONS

	for the period ended	
	Dec 31, 2015	Dec 31, 2014
	---Rupees---	
Local	47,958,677	65,879,968
Export	-	3,440,933
Sales -Net	47,958,677	69,320,901
Cost of Sales	(51,175,105)	(67,152,312)
Export Expenses	-	(282,677)
(Loss) / Profit from trading operations	(3,216,428)	1,885,912

Notes to the Condensed Interim Financial Statements

For the Half Year Ended December 31, 2015 (Un-audited)

	for the period ended	
	Dec 31, 2015	Dec 31, 2014
20 (LOSS) / EARNINGS PER CERTIFICATE - BASIC AND DILUTED	------(Rupees)-----	
(Loss) / profit for the period	(7,318,940)	1,125,461
	------(Numbers)-----	
Weighted average number of certificates	21,000,000	21,000,000
	------(Rupees)-----	
(Loss) / earnings per certificate - basic and diluted	(0.35)	0.05

There is no dilutive effect on the basic earnings per certificate of the Modaraba, since there are no convertible instruments in issue as at December 31, 2015 and June 30, 2015 which would have any effect on the earnings per certificate if the option to convert is exercised. There is no dilutive effect on the basic earning per certificate of the Modaraba.

21 RELATED PARTY TRANSACTIONS

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

	for the period ended	
	Dec 31, 2015	Dec 31, 2014
21.1 Balance outstanding at period end	------(Rupees)-----	
Modaraba Management Company		
- Management Fee	-	166,938
Associated undertakings		
- Guarantee commission accrued to MCB Bank Limited	-	850,353
Other related parties (Other than management personnel)		
- Contribution to staff gratuity fund	7,381,965	6,076,098
21.2 Transaction during the period		
Modaraba Management Company		
- Management Fee	-	(143,913)
Associated undertakings		
- Guarantee commission accrued to MCB Bank Limited	-	40,832
- Sharing of common expenses with charged during the year with Al-Noor Sugar Mills Limited	300,000	300,000
Other related parties (Other than management personnel)		
- Contribution to staff gratuity fund	652,934	652,934

Notes to the Condensed Interim Financial Statements

For the Half Year Ended December 31, 2015 (Un-audited)

	December 31, 2015				
	Rupees				
	Trading	Financing	Investment	Ijarah	Total
Segment revenue	<u>47,958,677</u>	<u>1,291,233</u>	<u>873,695</u>	<u>34,079,336</u>	<u>84,202,941</u>
Segment results	<u>(3,216,428)</u>	<u>1,291,233</u>	<u>(2,297,397)</u>	<u>8,635,271</u>	<u>4,412,679</u>
Unallocated corporate expenses					(12,495,645)
Other income					1,181,576
Share of profit from associate					(179,990)
Modaraba company's management fee					-
Provision for worker's welfare fund					-
Income taxes	(237,560)				(237,560)
Profit for the Period					<u>(7,318,940)</u>
OTHER INFORMATION					
Capital expenditure	-	-	-	62,940,500	62,940,500
Depreciation and amortization	-	-	-	(25,530,036)	(25,530,036)
ASSETS AND LIABILITIES					
Segment assets	-	25,670,548	27,479,916	150,401,816	203,552,280
Unallocated corporate assets					140,195,291
Consolidated total assets					<u>343,747,571</u>
Segment liabilities	1,295,367	-	-	40,671,179	41,966,546
Unallocated corporate liabilities					16,379,722
Consolidated total liabilities					<u>58,346,268</u>

	December 31, 2014				
	Rupees				
	Trading	Financing	Investment	Ijarah	Total
Segment revenue	<u>69,320,901</u>	<u>1,619,783</u>	<u>2,875,862</u>	<u>39,126,223</u>	<u>112,942,769</u>
Segment results	<u>1,885,912</u>	<u>1,619,783</u>	<u>3,836,154</u>	<u>7,216,821</u>	<u>14,558,670</u>
Unallocated corporate expenses					(13,777,006)
Other income					1,221,563
Share of profit from associate					(564,102)
Modaraba company's management fee					(143,913)
Provision for worker's welfare fund					(25,396)
Income taxes	(237,560)				(144,355)
Profit for the Period					<u>1,125,461</u>
OTHER INFORMATION					
Capital expenditure	-	-	-	19,380,800	59,224,900
Depreciation and amortization	-	-	-	(31,909,402)	(31,909,402)
ASSETS AND LIABILITIES					
Segment assets	97,251,585	25,000,000	67,316,807	79,723,760	269,292,152
Unallocated corporate assets					102,462,079
Consolidated total assets					<u>371,754,231</u>
Segment liabilities	11,278,862	709,013	-	24,357,464	36,345,339
Unallocated corporate liabilities					15,623,973
Consolidated total liabilities					<u>51,969,312</u>

Notes to the Condensed Interim Financial Statements

For the Half Year Ended December 31, 2015 (Un-audited)

23. CASH FROM OPERATIONS AFTER WORKING CAPITAL CHANGES	December 31, 2015	December 31, 2014
	------(Rupees)-----	
Profit before taxation	(7,081,380)	1,269,816
Adjustments for:		
Loss / (gain) on sale of investment in listed securities	897,080	(1,063,282)
Dividend income	(1,609,634)	(1,483,952)
Income on musawamah investment	(1,291,233)	(1,619,783)
Gain on Sukuk Certificates	(161,141)	(154,075)
Profit on disposal of fixed assets	(10,378)	-
Profit on takaful claim	(198,416)	-
Profit on bank deposits	(885,379)	(849,339)
Profit on Barkat Islamic Certificates	-	(108,712)
Profit on Al-Makhray Certificates	-	(65,841)
Amortisation of leased out / Ijarah assets	25,444,065	31,909,402
Amortization of intangible assets	5,426	13,200
Depreciation - owned assets	715,990	699,559
Financial charges	3,331	69,011
Provision for gratuity	652,934	652,934
Share of loss from associate	179,990	564,102
Investment in listed securities	3,171,092	(960,292)
	26,913,727	27,602,932
Operating profit before working capital changes	19,832,347	28,872,748
(Increase)/Decrease in current assets		
Stock in trade	24,793,445	27,074,409
Trade debtors	31,543,713	(737,775)
Bill receivables	-	1,697,587
Musawamah receivable - secured	-	-
Profit receivable	(386,296)	(65,308)
Ijarah Rental receivable	-	108,790
Advances, deposits, prepayments and other receivables	5,096,980	(1,666,597)
	61,047,842	26,411,106
Increase/(Decrease) in current liabilities		
Creditors, accrued and other liabilities	283,318	7,308,378
Profit payable	133,207	(203,666)
	416,525	7,104,712
Cash flow generated from operating activities	81,296,714	62,388,566

24 FINANCIAL RISK MANAGEMENT

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

25 DATE OF AUTHORIZATION

These condensed interim financial statements were authorized for issue on February 24, 2016 by the Board of Directors of the Modaraba Management Company.

26 GENERAL

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

26.2 Figures have been rounded off to the nearest rupee.

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

Place : Karachi
Date : February 24, 2016

Chief Executive

Director

Director

Book Post



If undelivered, please return to:

FIRST AL-NOOR MODARABA

(An Islamic Financial Institution)

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

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