

HALF YEARLY REPORT

December 31, 2021

(Un-audited)



FIRST AL-NOOR MODARABA

(An Islamic Financial Institution)

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COMPANY INFORMATION

BOARD OF DIRECTORS

Non Executive Directors

Chairman

Mr. Zia Zakaria

Directors

Mr. Abdul Aziz Ayoob

Mr. Noor Zakaria

Mr. Abdul Rahim Suriya, Independent

Mr. Tausif Ilyas, Independent

Dr. Irum Saba, Independent

Executive Directors

Chief Executive

Mr. Zainuddin Aziz

Chief Financial Officer

Mr. Umair Rafiq

Company Secretary

Mr. Roofi Abdul Razzak

Board Audit Committee - Chairman

Mr. Abdul Rahim Suriya - Chairman

Mr. Tausif Ilyas - Member

Mr. Zia Zakaria - Member

HR & Remuneration Committee

Mr. Tausif Ilyas - Chairman

Mr. Zainuddin Aziz - Member

Mr. A. Aziz Ayoob - Member

Bankers

Al-Baraka Bank (Pakistan) Limited

Askari Bank Limited, Islamic Banking

Faysal Bank Limited, Barkat Islamic Banking

Habib Bank Limited, Islamic Banking

MIB Bank Limited, Islamic Banking

Meezan Bank Limited

National Bank of Pakistan

Auditors

Grant Thornton Anjum Rahman

Chartered Accountants

Shariah Advisor

Al Hamd Shariah Advisory Services (Pvt.) Ltd.

Legal Advisor

Mr. Sufyan Zaman

Advocate High Court

Share Registrar (Share Registration Office)

M/s FAMCO Associates (Private) Limited

8-F, Near Hotel Faran, Nursery, Block-6

P.E.C.H.S, Shahra-e-Faisal, Karachi

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

Fax: 3438 0106

Registered Office

96-A, Sindhi Muslim Cooperative

Housing Society, Karachi

Contact Details

Telephone : 34558268; 34552943; 34553067

Fax : 34553137

Webpage : www.fanm.co

Email : info@fanm.co

INDEPENDENT AUDITORS' REVIEW REPORT TO THE CERTIFICATE HOLDERS OF FIRST AL-NOOR MODARABA

Report on review of Condensed Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim balance sheet of First Al-Noor Modaraba ("the Modaraba") as at December 31, 2021 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim cash flow statement and notes to the condensed interim financial statements for the six months period then ended (herein-after referred to as the "condensed interim financial statements"). Management of the Modaraba Company (Al-Noor Modaraba Management (Private) Limited) is responsible for the preparation and presentation of these condensed interim financial statements in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements 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". A review of condensed interim financial statements 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 condensed interim financial statements is not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other Matters

The figures of the condensed interim profit and loss account and the condensed interim statement of comprehensive income for the three months period ended December 31, 2021 and 2020 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2021.

The engagement partner on the audit resulting in this independent auditor's review report is Muhammad Khalid Aziz.

sd/-
Chartered Accountants

Date: February 24, 2022
Karachi

REPORT OF THE DIRECTORS OF MODARABA COMPANY For the six months period ended December 31, 2021

On behalf of Board of Directors of Al-Noor Modaraba Management (Private) Limited, the "mudarib/management company" of First Al-Noor Modaraba (FANM), we are pleased to present the Un-Audited Financial Statements of the Modaraba for the six months period ended December 31, 2021:

Financial Results

	For the half year ended	
	December 31, 2021	December 31, 2020
	-----Amount in Pak. Rupees-----	
(Loss)/profit After taxation	(4,406,567)	2,134,337
Components of other comprehensive income/(loss)	638	(308,668)
Surplus transferred to accumulated losses	-	202,083
Accumulated losses brought forward	(53,476,994)	(54,342,126)
	(57,882,923)	(52,314,374)
(Loss)/earning per certificate - basic and diluted	(0.21)	0.10

We have achieved gross revenue of Rs. 14.032 million compared to Rs. 18.743 million in the corresponding period. Moreover, had a growth of over 37.64% in its Diminishing Musharaka portfolios' income compared to same period last period. The adjustment of unrealized marked to market valuation by over Rs. 4.970 million against equity investment led to net loss of Rs. 4.407 million. On the contrary, modaraba initiated its trading portfolio and as of reporting date, had invested over Rs. 72.148 million and is expecting a better yield by the end of FY 2022.

On behalf of the Board

sd/-

Zainuddin Aziz
Chief Executive/Director

Dated : February 23, 2022

Place : Karachi

ڈائریکٹر رپورٹ

برائے اختتام ششماہی مدت دسمبر 31، 2021 (جائزہ شدہ)

ڈائریکٹر رپورٹ

برائے اختتام ششماہی مدت دسمبر 31، 2021 (جائزہ شدہ)

بورڈ آف ڈائریکٹر انور مضاربہ مینجمنٹ (پرائیوٹ) لمیٹڈ مضاربہ / انتظامی کمیٹی برائے فرسٹ انور مضاربہ (ایف اے ایم) کی جانب سے انتہائی مسرت کے ساتھ مضاربہ کمپنی کی جائزہ شدہ رپورٹ بابت دسمبر 31، 2021 مالیاتی دستاویز پیش کرتے ہیں۔

ختم ہونے والی ششماہی

31 دسمبر 2020	31 دسمبر 2021	
2,134,337	(4,406,567)	بعد از ٹیکس (نقصان) / نفع
(308,668)	638	دیگر جامع آمدنی / (نقصان) کے اجزاء
202,083	-	اضافی جمع شدہ نقصان میں منتقلی
(54,342,126)	(53,476,994)	پچھلے سالوں کا غیر تصرف شدہ نقصانات
(52,314,374)	(57,882,923)	
0.10	(0.21)	(نقصان) / آمدنی فی سٹیفیکٹ - بنیادی اور مقررہ

مینجمنٹ بہت مسرت کے ساتھ موجودہ نصف سال کے نتائج پیش کر رہا ہے۔ مینجمنٹ نے مجموعی منافع 14.032 ملین پچھلے سال کے اسی عرصے کے 18.7432 ملین کے مقابلے میں حاصل کیا۔ مزید 37.64% منافع ڈیمینشنگ مشارقہ میں پچھلے سال کے اسی عرصے زائد میں حاصل کیا۔ اسکے علاوہ غیر حقیقی نقصان 4.970 ہوا جو مکمل خاص 4.407 ملین کی وجہ بنا۔ اس کے برعکس مضاربہ نے تجارتی پورٹ فوئیو میں 72.148 ملین سے انویسٹمنٹ کی جس سے مالی سال 2022 کے اختتام ہونے پر بہترین نتائج کی اُمید ہے۔

بورڈ کی جانب سے

sd/-

زین الدین عزیز

چیف ایگزیکٹو

مورخہ 23 فروری 2022

CONDENSED INTERIM BALANCE SHEET

As at December 31, 2021

		(Un-Audited) December 31, 2021	(Audited) June 30, 2021
	Note Rupees	
ASSETS			
Current assets			
Cash and bank balances	6	26,055,985	59,001,144
Short term investments	7	18,616,477	29,299,313
Musawamah facility	8	-	-
Profit receivable		778,454	779,923
Ijarah rental receivable		114,221	77,971
Advances, deposits, prepayments and other receivables		4,230,237	26,528,262
Stock in trade	9	72,148,310	-
Current portion of investment in sukuk certificates	11	-	357,128
Current portion of diminishing musharaka financing	12	49,406,744	46,711,912
Taxation	10	5,396,005	5,129,859
		176,746,433	167,885,512
Non - current assets			
Long term deposits		3,846,042	3,839,989
Long term investments	11	19,093,142	20,405,144
Diminishing musharakah financing	12	59,926,806	75,472,709
Ijarah assets	13	373,754	1,005,705
Fixed assets in own use	14	2,518,812	2,646,392
Intangible assets for own use	15	1,502	10,502
		85,760,058	103,380,441
TOTAL ASSETS		262,506,491	271,265,953
EQUITY AND LIABILITIES			
CERTIFICATE HOLDERS' EQUITY			
40,000,000 (June 30, 2021: 40,000,000) certificates of Rs. 10 each	16.1	400,000,000	400,000,000
Issued, subscribed, and paid - up certificate capital	16.2	210,000,000	210,000,000
Capital reserves		97,716,506	97,716,506
Revenue reserves		(57,632,923)	(53,226,994)
		250,083,583	254,489,512
Deficit on revaluation of investments	18	(3,316,672)	(2,316,639)
LIABILITIES			
Non - current liabilities			
Deferred liability - staff gratuity		7,167,858	7,506,858
Security deposits		-	-
		7,167,858	7,506,858
Current liabilities			
Current maturity of security deposits		293,700	557,400
Creditors, accrued and other liabilities	19	2,768,814	5,499,599
Provision for custom duty & surcharge	20	4,398,842	4,398,842
Unclaimed profit distributions		1,109,146	1,109,146
Charity Payable		1,220	21,235
		8,571,722	11,586,222
TOTAL LIABILITIES		15,739,580	19,093,080
TOTAL LIABILITIES AND CERTIFICATE HOLDERS' EQUITY		262,506,491	271,265,953
Contingencies and commitments	21		

The annexed notes from 1 to 30 form an integral part of these condensed interim financial statements.

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

Place: Karachi
Date: February 23, 2022

sd/-
Chief Executive Officer

sd/-
Chief Executive Officer

sd/-
Director

sd/-
Director

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
For the six months and three months period ended December 31, 2021

	Note	Six months period ended December 31,		Three months period ended December 31,	
		2021	2020	2021	2020
		Rupees			
Income from trading operations		-	-	-	-
Income on Diminishing Musharakah		9,123,729	6,628,802	3,773,652	3,906,718
Income from Ijarah		892,874	1,963,729	277,164	1,497,368
Income from investments	22	3,765,434	9,332,518	1,497,372	1,977,647
		13,782,037	17,925,049	5,548,188	7,381,733
Administrative and operating expenses		(13,306,094)	(15,130,995)	(7,125,655)	(8,421,300)
		475,943	2,794,054	(1,577,467)	(1,039,567)
Other income		385,342	908,616	195,344	698,326
		861,285	3,702,670	(1,382,123)	(341,241)
Financial and other charges		(16,856)	(9,423)	(3,656)	(5,023)
Unrealised loss on re-measurement of investments at fair value through profit or loss		(4,969,555)	(2,364,391)	(1,450,861)	(21,833)
Share of profit from associates		241,269	1,095,446	241,269	1,069,773
Management company's remuneration		-	(242,430)	-	(70,170)
Workers welfare fund		-	(47,535)	-	(17,136)
(Loss) / profit before taxation		(3,883,857)	2,134,337	(2,595,371)	614,370
Taxation	23	(522,710)	-	(393,889)	-
(Loss) / profit after taxation		(4,406,567)	2,134,337	(2,989,260)	614,370
(Loss) / earning per certificate - basic and diluted	24	(0.21)	0.10	(0.14)	0.03

The annexed notes from 1 to 30 form an integral part of these condensed interim financial statements.

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

Place: Karachi
Date: February 23, 2022

sd/-
Chief Executive Officer

sd/-
Chief Executive Officer

sd/-
Director

sd/-
Director

**CONDENSED INTERIM STATEMENT OF
COMPREHENSIVE INCOME (UN-AUDITED)**
For the six months and three months period ended December 31, 2021

	Six months period ended December 31, 2021		Three months period ended December 31, 2021	
	2021	2020	2021	2020
 Rupees			
(Loss) / profit for the period	(4,406,567)	2,134,337	(2,989,260)	614,370
Components of other comprehensive income reflected in equity				
Items that will not be reclassified subsequently profit or loss account				
Remeasurement of net defined benefit liability	-	(550,388)	-	(813,266)
Share of other comprehensive income from associates	638	241,720	638	223,470
Other comprehensive income / (loss)	638	(308,668)	638	(589,796)
Items that will be reclassified subsequently into profit or loss account				
	-	-	-	-
Total comprehensive (loss) / income for the period transferred to equity	(4,405,929)	1,825,669	(2,988,622)	24,574
Components of other comprehensive income reflected below equity				
(Deficit) / surplus on revaluation of investments at FVOCI- net	(1,000,033)	2,879,793	1,612,466	2,706,781
Total comprehensive (loss) /income	(5,405,962)	4,705,462	(1,376,156)	2,731,355

The annexed notes from 1 to 30 form an integral part of these condensed interim financial statements.

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

Place: Karachi
Date: February 23, 2022

sd/-
Chief Executive Officer

sd/-
Chief Executive Officer

sd/-
Director

sd/-
Director

**CONDENSED INTERIM STATEMENT OF
CHANGES IN EQUITY (UN-AUDITED)**
For the six months period ended December 31, 2021

	Issued, subscribed, and paid-up certificate capital	Capital reserve	Reserve reserve			Total reserves	Total
		Statutory reserve (refer note 17)	General reserve	Accumulated losses	Sub Total		
----- Rupees -----							
Balance as at July 01, 2020	210,000,000	97,585,635	250,000	(54,342,126)	(54,092,126)	43,493,509	253,493,509
Profit for the period	-	-	-	2,134,337	2,134,337	2,134,337	2,134,337
Other comprehensive loss for the period	-	-	-	(308,668)	(308,668)	(308,668)	(308,668)
Total comprehensive income for the period	-	-	-	1,825,669	1,825,669	1,825,669	1,825,669
Surplus transferred to accumulated losses	-	-	-	202,083	202,083	202,083	202,083
Balance as at December 31, 2020	210,000,000	97,585,635	250,000	(52,314,374)	(52,064,374)	45,521,261	255,521,261
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
Loss for the period	-	-	-	(4,406,567)	(4,406,567)	(4,406,567)	(4,406,567)
Other comprehensive income for the period	-	-	-	638	638	638	638
Total comprehensive loss for the period	-	-	-	(4,405,929)	(4,405,929)	(4,405,929)	(4,405,929)
Balance as at December 31, 2021	210,000,000	97,716,506	250,000	(57,882,923)	(57,632,923)	40,083,583	250,083,583

The annexed notes from 1 to 30 form an integral part of these condensed interim financial statements.

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

Place: Karachi
Date: February 23, 2022

sd/-
Chief Executive Officer

sd/-
Chief Executive Officer

sd/-
Director

sd/-
Director

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
For the six months period ended December 31, 2021

		(Un-Audited) December 31, 2021	(Un-Audited) December 31, 2020
	Note Rupees	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash from operations after working capital changes	25	(31,209,471)	79,345,069
Long term deposits		(6,053)	
Income tax paid		(788,856)	(233,379)
Financial charges paid		(16,856)	(9,423)
Gratuity paid		(733,000)	(1,115,000)
Net cash (used in) / generated from operating activities		(32,754,236)	77,987,267
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of:			
Fixed assets in own use		(472,500)	(104,000)
Proceeds from sale of:			
Fixed assets in own use		30,000	55,630
Profit received on bank deposits		251,577	2,065,317
Net cash (used in) / generated from investing activities		(190,923)	2,016,947
CASH FLOWS FROM FINANCING ACTIVITIES			
Net cash from financing activities		-	-
Net (decrease) / increase in cash and cash equivalents		(32,945,159)	80,004,214
Cash and cash equivalents at the beginning of the period		59,001,144	9,174,848
Cash and cash equivalents at the end of the period		26,055,985	89,179,062

The annexed notes from 1 to 30 form an integral part of these condensed interim financial statements.

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

Place: Karachi
Date: February 23, 2022

sd/-
Chief Executive Officer

sd/-
Chief Executive Officer

sd/-
Director

sd/-
Director

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) For the six months period ended December 31, 2021

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 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

2.1.1 The condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Accounting Standard (IAS)-34, 'Interim Financial Reporting' issued by the International Accounting Standard Board (IASB) as notified under the Companies Act 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP) as notified under the Companies Act 2017.
- Provisions of and directions issued under the Companies Act 2017;
- Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981 and Prudential Regulation for Modarabas; and

Where the provisions of and directives issued under the Companies Act 2017, the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules 1981 and Prudential Regulations for Modarabas differ with the requirements of IAS 34 and IFAS, the provisions of and directives issued under the Companies Act 2017, the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules 1981 and Prudential Regulations for Modarabas have been followed.

The SECP has issued directive (vide SRO 431 (I) / 2007 dated May 22, 2007) that Islamic Financial Accounting Standard 2 (IFAS 2) shall be followed in preparation of the financial statements by Companies and Modarabas while accounting for Lease Financing transactions as defined by the said standard. The Modaraba has adopted the said standard.

2.1.2 The condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual audited financial statements of the Modaraba for the year ended June 30, 2021.

2.1.3 These condensed interim financial statements comprises of the condensed interim balance sheet as at December 31, 2021 and the condensed interim profit and loss account & condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity and the notes forming part thereof for the six months period ended December 31, 2021 which have been subjected to a review but not audited.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

For the six months period ended December 31, 2021

2.1.4 These interim financial statements are unaudited but subject to limited scope review by the external auditors as required by the Code of Corporate Governance and are being submitted to the certificate holders as required under Rule 10 of the Modaraba Companies and Modaraba Rules, 1981.

2.2 Basis of measurement

The condensed interim financial statements have been prepared under the historical cost convention except as stated otherwise in these condensed interim financial statements.

2.3 Functional and presentation currency

These financial statements have been presented in Pakistani Rupees, which is also the Modaraba's functional and presentation currency. All amounts have been rounded to the nearest rupees, unless otherwise indicated.

3 SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES

3.1 The accounting policies and the method of computation of balances used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Modaraba for the year ended June 30, 2021.

3.2 Standards, amendments and interpretations to the published standards that may be relevant to the Modaraba and adopted in the Modaraba

There are certain new and amended standards, interpretations and amendments that are mandatory for the Modaraba's accounting periods beginning on or after July 01, 2021 but are considered not to be relevant or do not have any significant effect on the Fund's operations and therefore are not detailed in these condensed interim financial information.

3.3 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 IFRS, amendments and interpretations to approved accounting standards are not yet effective. The Fund 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.

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

Further, certain IFRS 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.

3.5 The preparation of these condensed interim financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including the expectation of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

During the preparation of these condensed interim financial statements, the significant judgement made by management in applying the Company's accounting policies and the key sources of estimations and uncertainty were the same as those that applied to the audited annual financial statements of the Company for the year ended June 30, 2021.

**NOTES TO THE CONDENSED INTERIM
FINANCIAL STATEMENTS (UN-AUDITED)**
For the six months period ended December 31, 2021

4 SUMMARY OF SIGNIFICANT EVENTS OR TRANSACTION

During the period, the Modaraba has invested in commodity for trading as disclosed in note 9.1.

5 FINANCIAL RISK MANAGEMENT

The Fund's financial risk management objectives and policies are consistent with that disclosed in the annual audited financial statements for the year ended June 30, 2021.

		(Un-audited) December 31, 2021	Audited June 30, 2021
	Note	-----Rupees-----	
6 CASH AND BANK BALANCES			
With banks in current accounts			
Islamic Banks /Islamic Window Operations		7,398,111	2,893,977
Conventional Banks		401,169	828,997
		7,799,280	3,722,974
With banks in PLS accounts			
Islamic Banks /Islamic Window operations	6.1	2,613,873	278,170
With banks in Term deposit accounts			
Term deposit receipts	6.2	15,642,832	55,000,000
		26,055,985	59,001,144

6.1 These deposits accounts carry profit at rates ranging from 4.75% % to 6.75% (June 2021: 4.25% % to 6.74%).

6.2 These represents term deposits receipts (TDRs) carrying profit ranging from ranging from 6.00% to 6.70% (June 2021: 6.00% % to 6.75%).

		(Un-audited) December 31, 2021	Audited June 30, 2021
	Note	-----Rupees-----	
7 SHORT TERM INVESTMENTS			
At fair value through profit and loss			
Shariah compliant			
Listed equity securities	7.1	18,431,028	29,049,505
Listed Mutual funds	7.2	124,844	126,721
		18,555,872	29,176,226
Non-Shariah compliant			
Listed equity securities	7.3	60,605	123,087
		18,616,477	29,299,313

**NOTES TO THE CONDENSED INTERIM
FINANCIAL STATEMENTS (UN-AUDITED)**
For the six months period ended December 31, 2021

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

Name of investee company	As at July 01, 2021	Purchased	Bonus shares received	Disposed off	As at December 31, 2021	Carrying value	Market value
	-----Number of shares-----					----- Rupees -----	
Chemicals							
Engro Fertilizer Limited	2,500	2,500	-	2,000	3,000	219,874	228,270
Fatima Fertilizer Company Limited	35,000	-	-	35,000	-	-	-
						219,874	228,270
Oil & Gas Producers							
Pakistan State Oil Limited	18,000	-	-	8,000	10,000	2,242,500	1,818,900
Pakistan Oilfield Limited	1,000	500	-	500	1,000	409,680	357,620
Pakistan Petroleum Limited	5,500	10,150	-	6,500	9,150	760,278	723,216
Oil And Gas Development Company Limited	22,500	-	-	-	22,500	2,138,175	1,939,500
Hascol Petroleum Limited	13,782	-	-	-	13,782	123,073	85,586
						5,673,706	4,924,822
Automobile and Parts							
Sazgar Engineering Works Limited	10,000	12,400	3,120	12,000	13,520	1,709,422	1,315,766
Construction and Materials							
Fauji Cement Company Limited	-	10,000	-	8,000	2,000	35,450	36,740
D.G. Khan Cement Limited	11,466	3,534	-	-	15,000	1,709,094	1,244,100
Lucky Cement	-	-	-	-	-	-	-
Maple Leaf Cement Limited	1,199	29,301	-	14,000	16,500	606,048	593,178
Dewan Cement Limited	52,000	-	-	52,000	-	-	-
Power Cement Company Limited	22,500	30,000	-	-	52,500	501,726	333,900
Gharibwal Cement Limited	41,000	-	-	21,000	20,000	779,400	488,400
						4,539,718	3,375,598
Gas Water & Multiutilities							
Sui Northern Gas Pipeline Limited	107,000	15,000	-	92,500	29,500	1,454,410	986,775
Textiles	-	-	-	-	-	-	-
Interloop Limited	44,500	5,500	-	50,000	-	-	-
Electricity							
K-Electric Limited	150,000	110,000	-	-	260,000	1,036,550	894,400
Pharmaceuticals							
The Searle Company Limited	9,000	-	3,119	-	12,119	2,183,580	1,741,743
Glaxo Smithkline Pakistan Limited	6,700	-	-	2,000	4,700	778,649	641,597
						2,962,229	2,383,340
Power Generation & Distribution							
The Hub Power Company Limited	-	10,000	-	-	10,000	710,731	713,400
Transport							
Pakistan National Shipping Corporation	1,000	-	-	1,000	-	-	-
Cable and Electrical goods							
Pak Electron Limited	92,500	21,000	-	-	113,500	3,898,548	2,556,019
Glass & Ceramics							
Ghani Global Glass Limited	-	7,000	-	-	7,000	70,000	98,700
Food & Personal Care Products							
National Foods Limited	8,500	-	1,250	3,500	6,250	1,101,058	953,938
Banks							
Bank Islamic Pakistan Limited	44,500	5,500	-	50,000	-	-	-
Telecommunication							
Pakistan Telecommunication Company Limited	-	50,000	-	50,000	-	-	-
Engineering							
International Industries Limited	-	1,000	-	1,000	-	-	-
Miscellaneous							
Synthetic Products Ent. Limited	337	-	-	337	-	-	-
					Total	23,376,246	18,431,028

**NOTES TO THE CONDENSED INTERIM
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7.2 Shariah Compliant listed mutual funds - 'at fair value through profit or loss'

Name of investee company	As at July 01, 2021	Purchased	Bonus shares received	Disposed off	As at December 31, 2021	Carrying value	Market value
	-----Number of shares-----					----- Rupees -----	
Meezan Islamic Fund	2,030	-	-	-	2,030	126,721	124,844

7.3 Non-Shariah compliant Listed equity securities - 'at fair value through profit or loss'

Name of investee company	As at July 01, 2021	Purchased	Bonus shares received	Disposed off	As at December 31, 2021	Carrying value	Market value
	-----Number of shares-----					----- Rupees -----	
Construction and Materials Power Cement Company Limited (Pref. share)	7,130	-	-	-	7,130	83,065	60,605
					Total	83,065	60,605
Total Investment in Listed equity securities - 'at fair value through profit or loss'						18,616,477	

(Un-audited)
December 31,
2021
-----Rupees-----

Audited
June 30,
2021

8 MUSAWAMAH FACILITY - SECURED

Musawamah facility - secured considered doubtful	25,000,000	25,000,000
Less: provision against potential losses	(25,000,000)	(25,000,000)
8.1	-	-

8.1 Musawamah facility (Classified portfolio)

December 31, 2021		June 30, 2021- Audited	
Balance Outstanding	Provision held	Balance Outstanding	Provision held

----- (Rupees) -----

OAEM	-	-	-	-
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	25,000,000	(25,000,000)	25,000,000	(25,000,000)
	25,000,000	(25,000,000)	25,000,000	(25,000,000)

**NOTES TO THE CONDENSED INTERIM
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- 8.2** This represents musawamah principal amount overdue by more than one year carried profit rate of 10% (June 30, 2021: 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. The legal advisor of the Modaraba is of the opinion that Modaraba has reasonable chances of recovery of the defaulted amounts. However, in compliance to prudential regulation # 5 for modarabas, the modaraba has provided the provision against the said default.

Further, Modaraba has also filed for registration of criminal complaint against M/s Quetta Textile Mills Limited.

M/s Quetta Textile has filed a suit against Modaraba for the recovery of Rs. 76,898,349 along with damages, rendition of accounts, reconciliation of documents, cancellation of documents and other reliefs under section 9 of the Financial Institutions (Recovery of Finances) Ordinance 2001. The notice against said suit was served in July 2017. In the given facts and circumstances of the case, the outcome of the matter cannot be predicted with any degree of certainty. However, in the opinion of Modaraba's legal advisor, the Modaraba has reasonable chance to prevail.

	Note	(Un-audited) December 31, 2021	Audited June 30, 2021
		-----Rupees-----	
9 STOCK IN TRADE			
Commodity stock	9.1	<u>72,148,310</u>	<u>-</u>
9.1	During the period, the Modaraba has purchased commodity of rice for trading purposes, which are held in Punjab godowns under its control. No sale has been from such stock till the period end date.		

		(Un-audited) December 31, 2021	Audited June 30, 2021
		-----Rupees-----	
10 TAXATION			
10.2	Income tax refundable	<u>5,129,859</u>	<u>5,778,678</u>
	Income tax written off	<u>-</u>	<u>(322,172)</u>
	Provision for income tax	<u>(522,710)</u>	<u>(997,909)</u>
	Income tax adjusted / deducted at source	<u>788,856</u>	<u>671,262</u>
		<u><u>5,396,005</u></u>	<u><u>5,129,859</u></u>

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For the six months period ended December 31, 2021

	Note	(Un-audited) December 31, 2021	Audited June 30, 2021
		-----Rupees-----	
11 LONG TERM INVESTMENTS			
Investment in Associates	11.1	9,651,773	9,963,741
At fair value through other comprehensive income			
Shariah compliant			
Listed equity securities	11.2	4,291,634	3,587,576
Listed Mutual funds	11.3	146,203	141,956
Non-shariah compliant		4,437,837	3,729,532
Listed equity securities	11.4	3,532	1,711,871
At Amortised Cost			
Investment in Sukuk Certificates	11.5	5,000,000	5,357,128
Less: Current maturity		-	(357,128)
		5,000,000	5,000,000
		<u>19,093,142</u>	<u>20,405,144</u>
11.1 Investment in Associates			
Opening Balance		9,963,741	7,476,930
Share of incremental depreciation			
- OCI Component		638	333,796
Share of profit/(loss) of associate		241,269	2,485,340
		241,907	2,819,136
Dividend income		(553,875)	(332,325)
	11.1.1	<u>9,651,773</u>	<u>9,963,741</u>

11.1.1 This represents investment in associate, the Al-Noor Sugar Mills 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.

11.1.2 The associate is accounted for using equity method in these financial statements. For the purposes of applying the equity method of accounting, the financial statements of Al-Noor Sugar Mills for the six months period ended December 31, 2021 have been used to reflect the profit/(loss) for the six months period ended December 31, 2021. As at December 31, 2021, the fair value of the Modaraba's interest in Al-noor Sugar Mills is disclosed in 11.1.3 based on the quoted market price available on the Pakistan Stock Exchange, which is a level 1 input in terms of IFRS 13.

**NOTES TO THE CONDENSED INTERIM
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11.1.3 The summarized financial information in respect the Al-Noor Sugar Mills 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	Basis of significant influence	
Al-Noor Sugar Mills Limited	Common directorship	
	(Un-audited) December 31, 2021	Audited June 30, 2021
Number of shares held (Number)	110,775	110,775
Ownership interest (%)	0.54%	0.54%
	(Un-audited) December 31, 2021	Audited June 30, 2021
	-----Rupees-----	
Share capital ordinary shares of Rs 10. each	204,737	204,737
Total assets	9,558,446	10,422,162
Total liabilities	6,094,127	7,002,552
Net assets	3,464,319	3,419,610
Revenue	5,712,387	12,148,695
Profit after tax	44,592	460,248
	(Un-audited) December 31, 2021	Audited June 30, 2021
	-----Rupees-----	
Other comprehensive income	118	61,814
Cost of investment	1,482,481	1,482,481
Marker value of shares	8,308,125	5,431,298

11.1.3.1 The Modaraba's share of contingencies of associated company based on financial information of associated company is Rs. 4.55 million (June 30, 2021: Rs. 3.64 million).

**NOTES TO THE CONDENSED INTERIM
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11.2 Shariah Compliant listed equity securities - 'at fair value through other comprehensive income'

Name of investee company	As at July 01, 2021	Purchased	Bonus shares received	Disposed off	As at December 31, 2021	Carrying value	Market value
	-----Number of shares-----					----- Rupees -----	
Modarabas							
First Habib Modaraba	4,500	-	-	-	4,500	44,100	40,320
Orix Modarba	11,000	-	-	-	11,000	192,500	176,000
Habib Metro Modaraba	500	-	-	-	500	4,755	5,050
Allied Rental Modaraba	16,500	-	-	-	16,500	173,910	379,500
First Imrooz Modaraba	3,000	-	-	-	3,000	441,000	489,000
						856,265	1,089,870
Oil & Gas Producers							
Hascol Petroleum Limited.	1,815	-	-	-	1,815	16,208	11,271
Attock Petroleum Limited	120	-	-	-	120	38,496	37,680
						54,704	48,951
Cement							
Power cement Limited	6,000	-	-	-	6,000	57,660	38,160
Pharmaceuticals							
The Searle Company Limited	1,398	-	-	-	1,398	339,211	200,921
Paper And Board							
Cherat Packaging Limited	8,494	-	-	-	8,494	1,689,542	1,182,025
Automobile Assembler							
Ghandhara Nissan Limited	3,293	-	-	-	3,293	359,694	257,315
Ghandhara Industries Limited	4,200	-	-	-	4,200	1,171,884	742,350
Millat Tractors Limited	708	-	141	-	849	764,364	732,042
						2,295,942	1,731,707
Total						5,293,324	4,291,634

11.3 Shariah Compliant listed mutual funds - 'at fair value through other comprehensive income'

Name of investee company	As at July 01, 2021	Purchased	Bonus shares received	Disposed off	As at December 31, 2021	Carrying value	Market value
	-----Number of shares-----					----- Rupees -----	
Meezan Islamic Fund	9,104	-	-	-	9,104	141,956	146,203

11.4 Non-Shariah compliant Listed equity securities - 'at fair value through other comprehensive income'

Name of investee company	As at July 01, 2021	Purchased	Bonus shares received	Disposed off	As at December 31, 2021	Carrying value	Market value
	-----Number of shares-----					----- Rupees -----	
Automobile and Parts							
Hino Pak Motor Limited	10	-	-	-	10	6,122	3,532

**NOTES TO THE CONDENSED INTERIM
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For the six months period ended December 31, 2021

11.5 Two separate investment made in sukuk certificates (Sukuk I and Sukuk II) of Tier II of Albaraka Bank Pakistan Limited. Sukuk I carrying profit to base rate of six months of KIBOR + 1.25% (June 30, 2021: KIBOR + 1.25%) and terms of principal repayment bi-annual receivable in 14 equal installments till September, 2021 and sukuk II carrying profit to base rate of six months of KIBOR + 0.75% (June 30, 2021: KIBOR + 0.75%) and terms of repayment principal on maturity on August 21, 2024. During the period Sukuk I has been matured.

	Note	(Un-audited) December 31, 2021	Audited June 30, 2021
		-----Rupees-----	
12 DIMINISHING MUSHARAKAH FINANCING			
Diminishing musharka financing	12.1	109,333,550	122,184,621
Less: Provision in respect of Diminishing Musharaka		-	-
		109,333,550	122,184,621
Less: Current portion		(49,406,744)	(46,711,912)
		<u>59,926,806</u>	<u>75,472,709</u>

12.1 These carry profit rate ranging from 9.00% to 15.88% (June 30, 2021 9.00% to 15.88%) per annum and are repayable on monthly basis over a maximum period of four years. The financing is secured by way of personal guarantees of the parties.

	Note	(Un-audited) December 31, 2021	Audited June 30, 2021
		-----Rupees-----	
13 IJARAH ASSETS	13.1	373,754	1,005,705

13.1 During the six months period ended December 31, 2021 disposals amounting to Rs 2.64 million (June 30, 2021: Rs 23.02 million) under Ijarah arrangements.

	Note	(Un-audited) December 31, 2021	Audited June 30, 2021
14 FIXED ASSETS IN OWN USE			
Net book value			
Computer equipment		258,937	289,882
Office equipment and appliances		356,136	44,104
Furniture and Fixtures		464,075	511,577
Motor Vehicles		1,439,664	1,800,829
	14.1	<u>2,518,812</u>	<u>2,646,392</u>

**NOTES TO THE CONDENSED INTERIM
FINANCIAL STATEMENTS (UN-AUDITED)**
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	(Un-audited) December 31, 2021	Audited June 30, 2021
	-----Rupees-----	
14.1 Additions and disposals in fixed in own use		
Additions during the period		
Computer equipment	41,000	104,000
Office equipment and appliances	367,000	-
Motor Vehicles	64,500	-
	<u>472,500</u>	<u>104,000</u>

14.2 Disposal (at book value) during the period		
Office equipment and appliances	2,980	-
	<u>2,980</u>	<u>-</u>

15 INTANGIBLE ASSETS FOR OWN USE			
Software	15.1	1,502	10,502
Webpage design	15.2	-	-
		<u>1,502</u>	<u>10,502</u>

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

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

16 CERTIFICATE CAPITAL

16.1 Authorised certificate capital

(Un-audited) December 31, 2021	Audited June 30, 2021		(Un-audited) December 31, 2021	Audited June 30, 2021
----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>

16.2 Issued, subscribed and paid - up certificate capital

(Un-audited) December 31, 2021	Audited June 30, 2021		(Un-audited) December 31, 2021	Audited June 30, 2021
----Number of certificates----			-----Rupees-----	
<u>20,000,000</u>	<u>20,000,000</u>	Modaraba certificates of Rs. 10 each fully paid in cash	<u>200,000,000</u>	<u>200,000,000</u>
<u>1,000,000</u>	<u>1,000,000</u>		<u>10,000,000</u>	<u>10,000,000</u>
<u>21,000,000</u>	<u>21,000,000</u>		<u>210,000,000</u>	<u>210,000,000</u>

**NOTES TO THE CONDENSED INTERIM
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16.3 As at December 31, 2021, First Al-Noor Modaraba Management (Private) Limited (the Management Company and a related party) held 4,200,000 certificates (June 30, 2021: 4,200,000 certificates), as required under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980.

17 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 (December 31, 2020: Rs Nil).

(Un-audited)	Audited
December 31,	June 30,
2021	2021
-----Rupees-----	

**18 DEFICIT ON REVALUATION OF INVESTMENTS
CLASSIFIED AS 'FVTOCI'**

Market value of investments	4,441,369	5,441,402
Less: cost of investments	<u>(7,758,041)</u>	<u>(7,758,041)</u>
	<u>(3,316,672)</u>	<u>(2,316,639)</u>
Deficit on revaluation at the beginning of the period	<u>(2,316,639)</u>	<u>(5,371,057)</u>
Surplus transferred to accumulated losses	-	174,625
(Deficit) / surplus on revaluation during the year	<u>(1,000,033)</u>	<u>2,879,793</u>
	<u>(1,000,033)</u>	<u>3,054,418</u>
Deficit on revaluatuon at the end of the period	<u>(3,316,672)</u>	<u>(2,316,639)</u>

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.

(Un-audited)	Audited
December 31,	June 30,
2021	2021
-----Rupees-----	

19 CREDITORS, ACCRUED AND OTHER LIABILITIES

Accrued expenses	818,221	885,498
Takaful / Insurance	47,440	18,369
Advances from customers	1,486,821	4,179,400
Provision for Worker's Welfare Fund	19.1 416,332	416,332
	<u>2,768,814</u>	<u>5,499,599</u>

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) For the six months period ended December 31, 2021

19.1 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 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.

(Un-audited) December 31, 2021	Audited June 30, 2021
-----Rupees-----	

20 PROVISION FOR CUSTOM DUTY & SURCHARGE

Custom duty / surcharges	20.1	4,398,842	4,398,842
--------------------------	------	-----------	-----------

20.1 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.

21 CONTINGENCIES AND COMMITMENTS

21.1 Contingencies

21.1.1 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 19.1, 8.2 and 20.1 respectively.

**NOTES TO THE CONDENSED INTERIM
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For the six months period ended December 31, 2021

21.1.2 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.

21.2 Commitments

There are no commitments as at December 31, 2021 (June 30, 2021: Nil).

	(Un-audited) December 31, 2021	Audited June 30, 2021
	-----Rupees-----	
22 INCOME FROM INVESTMENTS		
Gain on sale of securities - net	714,944	7,083,136
Dividend income	759,137	684,169
Gain on Sukuk Certificates	170,986	317,481
Profit on investment in Islamic certificates	2,120,367	1,247,732
	<u>3,765,434</u>	<u>9,332,518</u>

23 TAXATION

The tax exemption by virtue of clause 100 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 has been withdrawn through and Tax loss (Second amendment), 20-21, dated March 21, 2021 which is adopted in Finance Act, 2021.

As referred above, the exemption for Modarabas has been withdrawn from July 01, 2021, accordingly, the Modaraba is also subject to deferred tax. However, the Modaraba has not recognized deferred tax asset of Rs. 10.06 million (June 30, 2021: Rs. 9.59 million), due to prudent basis.

	(Un-audited) December 31, 2021	Audited June 30, 2021
24 (LOSS) / EARNING PER CERTIFICATE - BASIC AND DILUTED		
	-----Rupees-----	
(Loss) / profit after taxation	(4,406,567)	2,134,337
	----- (Numbers) -----	
Weighted average number of certificates	21,000,000	21,000,000
	----- (Rupees) -----	
(Loss) / Earning per certificate	(0.21)	0.10

24.1 There is no dilutive potential shares as at the period end.

**NOTES TO THE CONDENSED INTERIM
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	(Un-audited) December 31, 2021	Audited June 30, 2021
	-----Rupees-----	
25 CASH FROM OPERATIONS AFTER WORKING CAPITAL CHANGES		
(Loss) / profit before taxation	(3,883,857)	2,134,337
Adjustments for:		
Gain on disposal of property and equipment	(27,020)	(55,630)
Depreciation on:		
Ijarah assets	368,251	1,375,810
Fixed assets in own use	597,102	576,361
Ammortization on intangibles for own use	9,000	9,000
Profit on		
Bank deposits	(250,110)	(2,065,317)
Gain on sale of investment	(714,944)	(7,083,136)
Unrealized loss on re-measurement of:		
Mutual funds	4,967,678	2,364,391
Equity securities	1,877	-
Share of profit from associate	(241,269)	(1,095,446)
Financial and other charges	16,856	9,423
Provision for gratuity	394,000	665,120
Operating profit before working capital changes	5,121,421	(5,299,424)
	1,237,564	(3,165,087)
Changes in assets		
Ijarah Rental receivable	(36,250)	481,148
Diminishing Musharakah financing- net	12,851,071	(10,447,862)
Profit receivable	-	452,623
Investments- net	7,339,229	113,044,852
Stock in trade	(72,148,310)	-
Advances, deposits, prepayments and other receivables	22,298,025	(23,576,017)
	(29,696,235)	79,954,744
	(28,458,671)	76,789,657
Changes in liabilities		
Creditors, accrued and other liabilities	(2,730,785)	1,884,902
Security deposits	-	631,536
Charity payable	(20,015)	38,974
	(2,750,800)	2,555,412
Cash flow from operating activities	(31,209,471)	79,345,069

**NOTES TO THE CONDENSED INTERIM
FINANCIAL STATEMENTS (UN-AUDITED)**
For the six months period ended December 31, 2021

26 RELATED PARTY TRANSACTIONS

The related parties of the Modaraba comprise of its Management Company, associated companies, staff retirements fund, directors and key management personnel. Transactions with related parties other than those which have been specifically disclosed elsewhere in these condensed interim financial statements and remuneration and benefits to key management personnel (which are employed by the management company) under the terms of their employment are as follows:

	(Un-audited) December 31, 2021	(Un-audited) December 31, 2020
	-----Rupees-----	
26.1 Transactions during the period		
Other related parties (other than key management personnel)		
Contribution to Staff Gratuity Scheme	394,000	688,680
Key Management Personnel		
Salary	4,700,825	3,390,000
Contract staff	70,340	-
Bonus	184,206	313,285
Gratuity	394,000	688,680
EOBI	41,125	43,750
Group insurance	217,917	188,375
General services	213,000	172,000
	(Un-audited) December 31, 2021	(Audited) June 30, 2021
	-----Rupees-----	
26.2 Balance outstanding at period end		
Modaraba Management Company		
Management company's remuneration	-	-
Other related parties (other than key management personnel)		
Staff Gratuity Scheme	7,167,858	7,506,858

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

For the six months period ended December 31, 2021

27 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.

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 below.

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.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) For the six months period ended December 31, 2021

December 31, 2021 (Un-audited)						
At amortised cost	Carrying amount			Fair value		
	FVTPL	FVTOCI	Total	Level 1	Level 2	Level 3
-----Rupees-----						
Financial assets measured at fair value						
Investments						
Listed equity securities	-	23,459,311	5,299,446	28,758,757	22,786,799	-
Listed Mutual funds (note 27.1.1)	-	126,721	141,956	268,677	-	271,047
	-	23,586,032	5,441,402	29,027,434	22,786,799	271,047
Financial assets not measured at fair value						
Investments						
Sukuk Certificates (note 27.1.2)	5,000,000	-	-	5,000,000	-	5,380,555
Cash and bank balances (note 27.2)	26,055,985	-	-	26,055,985	-	-
Long term deposits (note 27.2)	3,846,042	-	-	3,846,042	-	-
Profit receivable (note 27.2)	778,454	-	-	778,454	-	-
Ijarah rental receivable (note 27.2)	114,221	-	-	114,221	-	-
Diminishing musharakah (note 27.2)	109,333,550	-	-	109,333,550	-	-
Other receivables (note 27.2)	593,613	-	-	593,613	-	-
	145,721,865	-	-	145,721,865	-	5,380,555
-----Rupees-----						
Financial liabilities not measured at fair value (note 27.2)						
Creditors, accrued and other liabilities	-	-	-	-	865,661	865,661
Unclaimed profit distributions	-	-	-	-	1,109,146	1,109,146
Charity Payable	-	-	-	-	1,220	1,220
	-	-	-	-	1,976,027	1,976,027
-----Rupees-----						
June 30, 2021 (Audited)						
At amortised cost	Carrying amount			Fair value		
	FVTPL	FVTOCI	Total	Level 1	Level 2	Level 3
-----Rupees-----						
Financial assets measured at fair value						
Investments						
Listed equity securities	-	29,172,592	5,299,447	34,472,039	34,472,039	-
Listed Mutual funds (note 27.1.1)	-	126,721	141,956	268,677	-	268,677
	-	29,299,313	5,441,403	34,740,716	34,472,039	268,677
Financial assets not measured at fair value						
Investments						
Sukuk Certificates (note 27.1.2)	5,357,128	-	-	5,357,128	-	5,398,828
Cash and bank balances	59,001,144	-	-	59,001,144	-	-
Long term deposits (note 27.2)	3,839,989	-	-	3,839,989	-	-
Profit receivable (note 27.2)	779,923	-	-	779,923	-	-
Ijarah rental receivable (note 27.2)	77,971	-	-	77,971	-	-
Diminishing musharakah (note 27.2)	122,184,621	-	-	122,184,621	-	-
Other receivables (note 27.2)	35,738	-	-	35,738	-	-
	191,276,514	-	-	191,276,514	-	5,398,828
-----Rupees-----						
Financial liabilities not measured at fair value (note 27.2)						
Creditors, accrued and other liabilities	-	-	-	-	903,867	903,867
Unclaimed profit distributions	-	-	-	-	1,109,146	1,109,146
Charity Payable	-	-	-	-	21,235	21,235
	-	-	-	-	2,034,248	2,034,248
-----Rupees-----						

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) For the six months period ended December 31, 2021

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

27.1.1 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.

27.1.2 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).

27.2 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.

28 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:

	December 31, 2021 (Un-audited)				Total
	Trading	Financing	Investment	Ijarah	
Segment revenue/ profits	Rupees				
Segment revenue	-	9,123,729	3,765,434	892,874	13,782,037
Segment results	-	9,123,729	(1,485,562)	892,874	8,531,041
Unallocated corporate expenses					(13,322,950)
Other income					385,342
Loss for the period					(4,406,567)
	December 31, 2020 (Un-audited)				Total
	Trading	Financing	Investment	Ijarah	
Segment revenue/ profits	Rupees				
Segment revenue	-	6,628,802	9,332,518	1,963,729	17,925,049
Segment results	-	6,628,802	8,063,573	1,963,729	16,656,104
Unallocated corporate expenses	-	-	-	-	(15,430,383)
Other income	-	-	-	-	908,616
Profit for the period					2,134,337

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

For the six months period ended December 31, 2021

Profit for the period					2,134,337
	December 31, 2021 (Un-audited)				
Reportable segment assets and liabilities	Trading	Financing	Investment	Ijarah	Total
	-----Rupees-----				
Reportable segment assets	72,148,310	109,665,358	40,999,395	487,975	223,301,038
Unallocated corporate assets					39,205,453
Consolidated total assets					262,506,491
Reportable segment liabilities	-	1,486,821	-	293,700	1,780,521
Unallocated corporate liabilities					13,959,059
Consolidated total liabilities					15,739,580
	June 30, 2021 (Audited)				
Reportable segment assets and liabilities	Trading	Financing	Investment	Ijarah	Total
	-----Rupees-----				
Segment assets and liabilities					
Reportable segment assets	-	122,184,621	49,704,457	1,083,676	172,972,754
Unallocated corporate assets	-	-	-	-	98,293,199
Consolidated total assets					271,265,953
Reportable segment liabilities	-	4,179,400	-	557,400	4,736,800
Unallocated corporate liabilities	-	-	-	-	14,356,280
Consolidated total liabilities					19,093,080

The above mentioned segments do not necessarily match with the organizational structure of the Modaraba.

29 GENERAL

- 29.1** Corresponding figures have been reclassified / re-arranged wherever necessary to facilitate comparison in the presentation in the current period. However, there are no material reclassification / re-arrangement to report.
- 29.2** Figures for the quarters ended December 31, 2021 and December 31, 2020 as reported in these condensed interim financial statements have not been subject to limited scope review by the external auditors.

30 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were authorised for issue on February 23, 2022 by the Board of Directors of the Management Company.

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

Place: Karachi	sd/-	sd/-	sd/-	sd/-
Date: February 23, 2022	Chief Executive Officer	Chief Executive Officer	Director	Director

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