

HALF YEARLY REPORT
December 31, 2014
(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	10-17

Corporate Information

Board of Directors

Mr. Ismail H. Zakaria	Chairman (NE*)
Mr. Jalaluddin Ahmed	Chief Executive (E**)
Mr. Yusuf Ayoob	Director (NE*)
Mr. Suleman Ayoob	Director (NE*)
Mr. Aziz Ayoob	Director (NE*)
Mr. Mansoor Alam	Director (NE**)
Mr. Zia Zakaria	Director (NE*)
Mr. Zain Ayoob	Director (NE*)

Company Secretary

Mr. Roofi Abdul Razzak

Audit Committee

Mr. Suleman Ayoob	-Chairman
Mr. Mansoor Alam	-Member
Mr. Zia Zakaria	-Member

HR & Remuneration Committee

Mr. Jalaluddin Ahmed	-Chairman
Mr. Zain Ayoob	-Member
Mr. Roofi Razzak	-Member

Share Registrar

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

Registered Office

3rd Floor, 96-A, Sindhi Muslim
Cooperative Housing Society, Karachi

Contact Details

Telephone 34558268 ; 34552943
34553067
Fax: 34553137
Webpage: www.fanm.co
Email: info@fanm.co

Auditors

Rahman Sarfaraz Rahim Iqbal Rafiq
Chartered Accountants

Shariah Advisor

Mufti Muhammad Ibrahim Essa

Legal Advisor

Muhammad Jamshaid Malik
Barrister-at-Law

* Non Executive
** Executive
*** Independent Non Executive

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 (the "Modaraba") as at December 31, 2014 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 together with the notes forming part thereof (here-in-after referred to as the "condensed interim financial information") for the half year then ended. Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

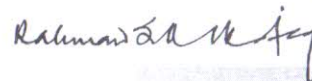
The figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarters ended December 31, 2013 and 2014 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2014.

Scope of Review

We conducted our review in accordance with International Standards on Review Engagements 2410, "Review of interim financial information Performed by the Independent Auditor of the Entity". A review of interim financial information consist 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 information as of and for the half year ended December 31, 2014 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan.



Engagement Partner: Muhammad Waseem
Chartered Accountants

Place : Karachi
Date : February 19, 2015

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 un-audited accounts for the half year ended December 31, 2014:

Financial Results

Financial results are summarized as under

	Half Year ended	
	December	December
	31, 2014	31, 2013
	Rupees	
Profit after taxation	1,125,461	10,944,145
Un-appropriated profit brought forward	1,316,490	225,230
	2,441,951	11,169,375
Add:		
Share of associate's incremental depreciation	172,980	118,027
Un-appropriated profit carried forward	2,614,931	11,287,402
Earning per certificate- basic and diluted	0.05	0.52

Please note that the result of the current half year ended 31.12.2014, does not compare favorably with the results of the same period in the preceding year. Simply put there has been a drastic fall in profitability in the current financial year. The main reason being a heavy fall in the value of rice which has had an adverse affect on the modaraba's trading activities. The Modaraba is however, adopting various measures to extricate itself out of this difficult situation.

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 19, 2015

Condensed Interim Balance Sheet

As at December 31, 2014 (Unaudited)

	Note	(Unaudited) December 31, 2014	(Audited) June 30, 2014
		Rupees	
CURRENT ASSETS			
Cash and bank balances	4	44,289,445	22,150,478
Short term investments	5	41,706,238	43,053,177
Musawamah receivables - secured	6	25,000,000	25,000,000
Profit receivable		764,634	699,326
Ijarah rental Receivable		-	108,789
Bills Receivable		-	1,697,587
Trade Debtors		32,335,525	31,597,750
Stock In Trade	7	97,251,585	124,325,994
Current portion of investment in Sukuk Certificates	8	713,727	-
Advances, deposits, prepayments and other receivables		10,316,016	8,649,419
Income tax refundable / paid in advance		2,378,354	2,314,738
TOTAL CURRENT ASSETS		254,755,523	259,597,258
ASSETS			
NON-CURRENT ASSETS			
Long term deposits		3,846,989	3,839,989
Long term portion of investment in Sukuk Certificates	8	4,286,273	-
Long term investments	9	25,610,569	15,369,205
Ijarah Assets	10	79,723,760	93,036,512
Fixed Assets in Use	11	3,531,117	4,243,876
TOTAL NON-CURRENT ASSETS		116,998,708	116,489,582
Total Assets		371,754,231	376,086,840
LIABILITIES			
Current liabilities			
Current maturity of security deposits		7,507,825	2,884,950
Creditors, accrued and other liabilities		20,762,023	12,973,390
Provision for custom duty surcharge		4,398,842	4,398,842
Profit payable		137,738	341,404
Total current liabilities		32,806,428	20,598,586
Non-current liabilities			
Security deposits		13,086,786	16,668,031
Deferred liability - staff gratuity		6,076,098	5,423,164
Total non-current liabilities		19,162,884	22,091,195
Total liabilities		51,969,312	42,689,781
NET ASSETS		319,784,920	333,397,059
REPRESENTED BY:			
CAPITAL AND RESERVES			
Certificate Capital			
Authorized Certificate Capital		400,000,000	400,000,000
40,000,000 (2011: 40,000,000) certificates of Rs 10/- each			
Issued, subscribed and paid-up capital		210,000,000	210,000,000
Reserves		107,956,413	107,456,413
Inappropriate profit		2,614,931	17,566,490
Unrealized diminution on remeasurement of investment classified as available for sale- net		(786,424)	(1,625,844)
Total capital and reserves		319,784,920	333,397,059

CONTINGENCIES AND COMMITMENTS

The annexed notes 1 to 20 form an integral part of these financial statements.

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

Place : Karachi
Date : February 19, 2015

Chief Executive

Director

Director

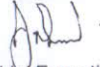
Condensed Interim Profit and Loss Account

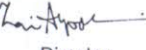
For the Half Year and 2nd Quarter Ended December 31, 2014 (Un-audited)

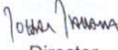
	Note	Half Year Ended		Quarter Ended	
		Dec 31, 2014	Dec 31, 2013	Dec 31, 2014	Dec 31, 2013
		Rupees		Rupees	
Profit from trading operations	13	1,885,912	11,015,400	1,208,147	6,697,517
Income on musawamah receivables		1,619,783	2,815,864	775,398	824,895
Income from Ijarah		7,216,821	4,878,373	3,579,299	2,615,982
Income from investments		2,875,862	3,104,391	2,058,251	1,419,777
		<u>13,598,378</u>	<u>21,814,028</u>	<u>7,621,094</u>	<u>11,558,171</u>
Administrative and operating expenses		13,707,995	12,842,754	6,820,810	6,868,083
Financial and other charges		69,011	81,775	36,805	61,144
		<u>13,777,005</u>	<u>12,924,529</u>	<u>6,857,615</u>	<u>6,929,227</u>
Operating profit		(178,627)	8,889,499	763,480	4,628,944
Other income		1,221,563	2,372,730	803,409	1,268,888
		<u>1,042,935</u>	<u>11,262,230</u>	<u>1,566,889</u>	<u>5,897,832</u>
Unrealized gain / (loss) on re-measurement of investments at fair value through profit or loss		960,292	2,782,243	228,646	4,215,375
Share of loss from associates		(564,102)	(1,602,549)	(503,783)	(1,871,984)
		<u>1,439,125</u>	<u>12,441,924</u>	<u>1,291,752</u>	<u>8,241,223</u>
Modaraba management fee		(143,913)	(1,244,192)	(129,175)	(824,522)
		<u>1,295,212</u>	<u>11,197,732</u>	<u>1,162,577</u>	<u>7,416,701</u>
Workers welfare fund		(25,396)	(219,563)	(22,796)	(145,504)
Profit before taxation		1,269,816	10,978,169	1,139,781	7,271,197
Income tax expense		(144,355)	(34,024)	(34,375)	(34,024)
Profit for the period		1,125,461	10,944,145	1,105,406	7,237,173
Earnings per certificate - Basic and Diluted		<u>0.05</u>	<u>0.52</u>	<u>0.05</u>	<u>0.34</u>

The annexed notes 1 to 20 form an integral part of these financial statements.

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


Chief Executive


Director


Director

Place : Karachi
Date : February 19, 2015


Condensed Interim Statement of Other Comprehensive Income

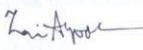
For the Half Year and 2nd Quarter Ended December 31, 2014 (Un-audited)

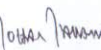
	Half Year Ended		Quarter Ended	
	Dec 31, 2014	Dec 31, 2013	Dec 31, 2014	Dec 31, 2013
	Rupees		Rupees	
Profit for the period	1,125,461	10,944,145	879,728	7,098,422
Others comprehensive income				
Unrealized gain/ (loss) on re-measurement of available for sale investment	822,129	767,915	607,694	766,009
Shares of others comprehensive income of associate	17,291	-	17,291	-
Others comprehensive income	839,420	767,915	624,985	766,009
Total comprehensive income	1,964,881	11,712,059	1,504,713	8,003,182

The annexed notes 1 to 20 form an integral part of these financial statements.

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


Chief Executive


Director


Director

Place : Karachi
Date : February 19, 2015

Condensed Interim Cash Flow Statement

As at December 31, 2014 (Unaudited)

		December 31, 2014	December 31, 2013
	Note	Rupees	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash from operations after working capital changes	17	62,388,566	31,623,094
Increase/(Decrease) in long term security deposits		1,041,630	3,957,037
Income on musawamah receivables		1,652,354	3,286,818
Income tax paid		(144,355)	(34,024)
Gratuity paid		-	(143,000)
Net cash from operating activities		64,938,195	38,689,925
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to fixed assets			
- Own		-	(50,506)
- Ijarah		(19,380,800)	(23,863,000)
Sale proceeds on disposal of fixed assets			
- Own		-	2,000
- Ijarah		784,149	1,425,815
Dividend received		1,443,952	1,587,001
Profit on Bank Deposits		905,533	1,588,237
Profit on Barkat Islamic Certificates		108,712	-
Profit on Al-Makhraj certificates		65,842	-
Sale/(Purchase) COII		-	(35,000,000)
Purchase of Sukuk Certificates		(5,000,000)	-
Purchase of investments in mutual funds		(7,793,552)	-
Sales of investments in mutual funds		7,796,424	-
Purchase of investments in listed securities		(18,322,817)	(17,908,341)
Proceeds from sale of investments in listed securities		11,892,084	15,871,670
Net cash (used in) investing activities		(27,500,473)	(56,347,124)
CASH FLOWS FROM FINANCING ACTIVITIES			
Profit paid to the certificate holders		(15,229,744)	(9,462,353)
Financial charges paid		(69,011)	(81,775)
Net cash (used in) financing activities		(15,298,755)	(9,544,128)
Net increase/(decrease) in cash and cash equivalents		22,138,967	(27,201,327)
Cash and cash equivalents at beginning of the year		22,150,478	29,308,110
Cash and cash equivalents at end of the period		44,289,445	2,106,783

The annexed notes 1 to 20 form an integral part of these financial statements.

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

Place : Karachi
Date : February 19, 2015

Chief Executive

Director

Director

Condensed Interim Statement of Changes in Equity

For the Half Year and 2nd Quarter Ended December 31, 2014 (Un-audited)

	Certificate Capital	*Statutory Reserve	General reserve	Reserve Unappropriated profit	Unrealized (loss)/Gain on remeasurement of available for sale investment	Total
	Rupees					
Balance as at June 30, 2013 - restated	210,000,000	92,676,625	10,500,000	10,725,230	(1,245,266)	322,656,589
Share of associate's incremental depreciation on account of revaluation of fixed assets	-	-	-	222,110	-	222,110
Total Comprehensive income for the year	-	-	-	21,398,938	(380,578)	21,018,360
Profit distribution in cash	-	-	-	(10,500,000)	-	(10,500,000)
Transfer to general reserve	-	-	-	-	-	-
Transfer to statutory reserve	-	4,279,979	-	(4,279,788)	-	-
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 general reserve	-	-	500,000	(500,000)	-	-
Transfer to statutory reserve	-	-	-	-	-	-
Balance as at December 31, 2014	210,000,000	96,956,413	11,000,000	2,614,931	(786,424)	319,784,920

The annexed notes 1 to 20 form an integral part of these financial statements.

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

Place : Karachi
Date : February 19, 2015

Chief Executive

Director

Director

Notes to the Condensed Interim Financial Statements

For the Half Year and 2nd Quarter Ended December 31, 2014 (Un-audited)

1 LEGAL STATUS AND NATURE OF BUSINESS

The FirstAl 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, musharikah, murabaha, musawamah, modaraba, equity investment, ijarah and trading activities. The Modaraba is listed on the Karachi and Lahore 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, 2013 and 2014 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 2014.

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 2014.

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 2014.

Notes to the Condensed Interim Financial Statements

For the Half Year and 2nd Quarter Ended December 31, 2014 (Un-audited)

	Note	December 31, 2014	June 30, 2014
		Rupees	
4. CASH AND BANK BALANCES			
With cash in hand		23,159	17,800
With Banks			
With banks in current accounts		1,109,350	910,830
With banks in PLS account		43,156,936	21,221,848
		44,266,286	22,132,678
		44,289,445	22,150,478
5. SHORT TERM INVESTMENTS			
At fair value through profit and loss			
- Equity securities - listed	5.1	41,706,238	43,053,177
		41,706,238	43,053,177

5.1 At fair value through profit and loss Equities securities listed

Name of investee company	Number of Shares / Units				Balance as at December 31, 2014			
	As at July 1, 2014	Purchases during the period	Bonus / right issue	Sales / write-offs during the period	As at December 31, 2014	Carrying cost	Market value	Appreciation / (diminution)
Construction and Materials								
Lafarge Pakistan Cement Company Limited	-	75,000	-	75,000	-	-	-	-
Lucky Cement Company Limited	-	2,500	-	2,500	-	-	-	-
Pioneer Cement Limited	-	5,000	-	5,000	-	-	-	-
D.G.Khan Cement Limited	5,000	10,000	-	15,000	-	-	-	-
Kohat Cement Company Limited	5,000	-	-	5,000	-	-	-	-
Sub total	10,000	92,500	-	102,500	-	-	-	-
Oil & Gas Producers								
Pakistan State Oil Limited	-	6,000	-	3,000	3,000	1,089,586	1,073,725	(15,861)
Attack Refinery Limited	-	3,000	-	-	3,000	669,067	563,325	(105,742)
Pakistan Refinery Limited	1,000	-	-	-	1,000	155,816	162,750	6,934
National Refinery Limited	7,000	-	-	-	7,000	2,146,237	1,293,950	(852,287)
Pakistan Petroleum Limited	18,700	1,300	-	-	20,000	3,190,052	3,530,400	340,348
Sub total	25,700	10,300	-	3,000	34,000	7,250,757	6,624,150	(626,607)
Gas Water & Multiutilities								
Sui Northern Gas Pipelines Limited	50,500	-	-	-	50,500	1,359,034	1,449,855	90,821
	50,500	-	-	-	50,500	1,359,034	1,449,855	90,821
General Industries								
Packages Limited	-	1,000	-	1,000	-	-	-	-
Sub total	-	1,000	-	1,000	-	-	-	-
Electricity								
The Hub Power Company Limited	2,500	2,500	-	5,000	-	-	-	-
K-Electric Limited	25,000	-	-	25,000	-	-	-	-
Pakgen Power Limited	5,000	-	-	5,000	-	-	-	-
Kot Addu Power Company Limited	-	2,500	-	2,500	-	-	-	-
Sub total	32,500	5,000	-	37,500	-	-	-	-

Notes to the Condensed Interim Financial Statements

For the Half Year and 2nd Quarter Ended December 31, 2014 (Un-audited)

Name of investee company	Number of Shares / Units				Balance as at December 31, 2014			
	As at July 1, 2014	Purchases during the period	Bonus / right issue	Sales / write-offs during the period	As at December 31, 2014	Carrying cost	Market value	Appreciation / (diminution)
Automobile and Parts								
Agriauto Industries Limited	6,000	-	-	-	6,000	654,736	900,000	245,264
Pak Suzuki Motor Company Limited	-	5,000	-	2,000	3,000	1,138,714	1,112,985	(25,729)
Sub total	6,000	5,000	-	2,000	9,000	1,793,450	2,012,985	219,535
Food Industries								
Engro Foods Limited	-	5,000	-	5,000	-	-	-	-
Sub total	-	5,000	-	5,000	-	-	-	-
Pharmaceuticals								
Searle Pakistan Limited	-	2,500	-	2,500	-	-	-	-
Sub total	-	2,500	-	2,500	-	-	-	-
Fixed Line Telecommunication								
Pakistan Telecommunication Company Limited	-	40,000	-	-	40,000	955,926	921,125	(34,801)
Sub total	-	40,000	-	-	40,000	955,926	921,125	(34,801)
Chemicals								
Fauji Fertilizer Bin Qasim Limited	95,000	10,000	-	-	105,000	5,182,388	4,745,130	(436,258)
Fatima Fertilizer Company Limited	5,000	15,000	-	15,000	5,000	165,016	178,850	13,834
Fauji Fertilizer Company Limited	90,000	-	-	-	90,000	10,269,615	10,539,900	270,285
Lotte Pakistan PTA Limited	200,000	-	-	-	200,000	2,193,568	1,372,000	(821,568)
Dynex Pakistan Limited	-	15,000	-	15,000	-	-	-	-
Sub total	390,000	40,000	-	30,000	400,000	17,810,587	16,836,879	(973,707)
Industrial Transportation								
Pakistan National Shipping Company	2,000	-	-	2,000	-	-	-	-
Sub total	2,000	-	-	2,000	-	-	-	-
Electronic & Electrical Goods								
Johnson & Philips(Pakistan) Limited	-	1,000	-	1,000	-	-	-	-
Sub total	2,000	1,000	-	1,000	-	-	-	-
Personal Goods(Textiles)								
Nishat Mills Limited	10,000	-	-	-	10,000	1,251,375	1,209,900	(41,475)
Kohinoor Textile Mills Limited	30,000	-	-	30,000	-	-	-	-
Artistic Denim Mills Ltd.	-	7,500	-	2,500	5,000	595,823	593,675	(2,148)
Sub total	40,000	7,500	-	32,500	15,000	1,847,198	1,803,575	(43,623)
Units of Mutual Funds								
UBL Bank Limited - Islamic saving fund Class C	24,118	-	-	24,118	-	-	-	-
Meezan Islamic Fund - Growth Units	69,180	-	-	-	69,180	1,521,948	3,818,735	2,296,787
Meezan Sovereign Fund - growth Fund	103,711	-	-	103,711	-	-	-	-
Meezan Balance Fund	-	164,701	-	-	164,701	2,333,818	2,363,464	29,646
First Habib Islamic Balanced Fund	55,447	-	-	-	55,447	4,673,100	5,875,469	1,202,368
Sub total	252,456	164,701	-	127,829	289,329	8,528,867	12,057,668	352,880
Total Listed securities								
- At Fair value through Profit & Loss	809,156	366,001	-	338,329	837,829	39,545,818	41,796,238	2,160,420

Notes to the Condensed Interim Financial Statements

For the Half Year and 2nd Quarter Ended December 31, 2014 (Un-audited)

5.1.2 Unrealised gain / (loss) on re-measurement of investment at fair value through profit or loss

Note	December 31, 2014	June 30, 2014
	Rupees	
Market Value as at	41,706,238	43,053,177
Cost of investment	39,545,818	40,493,647
Unrealised gain/(loss) on investment as at year ended	2,160,420	2,559,531
Unrealised gain/(loss) on investment at the beginning of the year	2,559,531	107,111
Gain realised on disposal during the period	(1,359,403)	(804,508)
Unrealised gain on investment for the period ended	960,292	3,256,928

6 Musawamah Receivables - Secured

Musawamah receivables	6.1	25,000,000	25,000,000
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- 6.1 This represents principal amount outstanding against musawamah receivable from various customers for the period ranging between 90 to 180 days. These musawamah carry profit ranging from 13% to 14% (June 2014: 12.25% to 16.50%) 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	97,519,375	124,583,191
In transit	-	10,593
less: Provision for slow moving stock	(267,790)	(267,790)
	97,251,585	124,325,994

8 INVESTMENT IN SUKUK CERTIFICATES - Held to maturity

Investment in Sukuk Certificates	8.1	5,000,000	-
Less: Current portion of investment in Sukuk Certificates		713,727	-
		4,286,273	-

- 8.1 This represents sukuk certificates of Albaraka Bank (Pakistan) Limited carrying profit similar to base rate of six months KIBOR + 1.25% (June 2014: Nil) with maturity in August, 2021.

9 LONG TERM INVESTMENTS

Investment in Associates	9.1	7,119,622	7,493,454
Investment in Equity Securities		18,490,947	7,875,751
		25,610,569	15,369,205

- 9.1 This represents investment of modaraba in its associate group company i.e. Al Noor Sugar Mills Limited on the basis of its common directorship.

10 IJARAH ASSETS

Machinery	4,091,989	4,233,372
Vehicles	55,987,702	52,690,320
Others	19,644,069	36,112,820
	79,723,760	93,036,512

Notes to the Condensed Interim Financial Statements

For the Half Year and 2nd Quarter Ended December 31, 2014 (Un-audited)

11 FIXED ASSETS IN USE

	Note	December 31, 2014	June 30, 2014
Tangible assets		3,512,489	4,212,048
Intangible assets		18,628	31,828
		<u>3,531,117</u>	<u>4,243,876</u>

11.1 Details of additions / (disposals) during the period are as follows:

Costs of additions to fixed assets in use:

Computer equipments	-	25,506
Office equipments and appliances	-	25,000
	-	<u>50,506</u>

Written down values of disposals of fixed assets:

Office equipments	-	22,599
Motor vehicles	-	367,190
	-	<u>389,789</u>

12 CONTINGENCIES AND COMMITMENTS

- Contingencies

Contingencies are same as disclosed in the financial statements for the year ended June 30, 2014

- Commitments

There are no commitments as on balance sheet date.

13 PROFIT FROM TRADING OPERATIONS

	for the period ended		for the period ended	
	Dec 31, 2014	Dec 31, 2013	Dec 31, 2014	Dec 31, 2013
	---Rupees---		---Rupees---	
Local	65,879,968	174,586,446	44,167,907	91,222,933
Export	3,440,933	3,401,291	3,401,291	3,401,291
Sales-Net	69,320,901	177,987,737	47,569,198	94,624,224
Cost of Sales	(67,152,312)	(166,728,881)	(46,118,016)	(87,683,251)
Export expenses	(282,677)	(243,456)	(282,677)	(243,456)
	<u>1,885,912</u>	<u>11,015,400</u>	<u>1,168,505</u>	<u>6,697,517</u>

14 TAXATION

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 shareholders.

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 authorized dealer in foreign exchange shall, at the time of realization 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.

No provision for current taxation has been made in these financial statements as the Modaraba intends to distribute at least 90 percent of its total income for the year after transfer to mandatory reserve. Income tax expense during the period amounting to Rs. 144,355 (2013: 34,034) are the tax deducted as final on the remittance received from the import / export of goods.

Notes to the Condensed Interim Financial Statements

For the Half Year and 2nd Quarter Ended December 31, 2014 (Un-audited)

15 Related Party Transactions

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

Note	Half Year Ended	
	31 December 2014	31 December 2013
15.1 Balance outstanding at period end		
Modaraba Management Company		
- Management fee	166,938	1,445,119
Associated undertakings		
- Guarantee commission accrued to MCB Bank Limited	850,353	768,689
	<u>-</u>	<u>50,000</u>
	<u>850,353</u>	<u>818,689</u>
Other related parties (other than key management personnel)		
- Contribution to staff gratuity fund	6,076,098	3,432,641
15.2 Transaction during the period		
Modaraba Management Company		
- Management fee	169,510	1,244,192
Associated undertakings		
- Guarantee commission accrued to MCB Bank Limited	40,832	40,832
	<u>300,000</u>	<u>300,000</u>
	<u>340,832</u>	<u>340,832</u>
Other related parties (other than key management personnel)		
- Contribution to staff gratuity fund	652,934	491,591

16 Information about business segments

	December 31, 2014				
	Rupees				
	Trading	Financing	Investment	Ijarah	Total
Segment revenue	69,320,901	1,619,783	2,875,862	39,126,223	112,942,769
Segment results	1,885,912	1,619,783	3,836,154	7,216,821	14,558,670
Unallocated corporate expenses					(13,777,005)
Other income					1,221,563
Share of profit/(loss) from associate					(564,102)
Modaraba company's management fee					(143,913)
Provision for worker's welfare fund					(25,396)
Income taxes					(144,355)
Profit for the period					<u>1,125,461</u>

OTHER INFORMATION

Capital expenditure	-	-	19,380,800	19,380,800
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 and 2nd Quarter Ended December 31, 2014 (Un-audited)

	December 31, 2013				
	Rupees				
	Trading	Financing	Investment	Ijarah	Total
Segment revenue	177,987,737	2,815,864	3,104,391	20,190,044	204,098,036
Segment results	11,015,400	2,815,864	5,886,634	4,878,373	24,596,271
Unallocated corporate expenses					(12,924,529)
Other income					2,372,730
Share of profit from associate					(1,602,549)
Modaraba company's management fee					(1,244,192)
Provision for worker's welfare fund					(219,563)
Income taxes					(34,024)
Profit for the Period					10,944,145
OTHER INFORMATION					
Capital expenditure	-	-		23,863,000	23,863,000
Depreciation and amortization	-	-		(10,584,790)	(10,584,790)
ASSETS AND LIABILITIES					
Segment assets	91,739,504	15,000,000	94,244,607	76,172,327	277,156,438
Unallocated corporate assets					88,307,082
Consolidated total assets					365,463,520
Segment liabilities	1,652,918	812,055	-	23,161,545	25,626,518
Unallocated corporate liabilities					14,953,767
Consolidated total liabilities					40,580,285

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

17. CASH FROM OPERATIONS AFTER WORKING CAPITAL CHANGES

	December 31, 2014	December 31, 2013
	(Rupees)	
Profit before taxation	1,269,816	10,978,169
Adjustments for:		
Gain on sale of investment in listed securities	(1,063,282)	(1,482,760)
Dividend income	(1,483,952)	(1,587,001)
Gain on Sukuk Certificates	(154,075)	-
Income on musawamah investment	(1,619,783)	(2,815,864)
Profit on disposal of fixed assets	-	(2,000)
Profit on Barkat Islamic Certificates	(108,712)	-
Profit on Al-Makhray Certificates	(65,842)	-
Profit on COII(Certificates of Islamic Investment)	-	(34,631)
Profit on bank deposits	(849,339)	(1,565,835)
Amortization on leased out / Ijarah assets	31,909,402	15,311,671
Financial charges	69,011	81,775
Depreciation on owned assets	699,559	884,191
Amortization of intangibles assets	13,200	9,827
Provision for gratuity	652,934	491,591
Share of loss from associates	564,102	1,602,549
Unrealized loss/(gain) on re measurement of investments in listed securities	(960,292)	(2,782,243)
	27,602,932	8,111,271

Notes to the Condensed Interim Financial Statements

For the Half Year and 2nd Quarter Ended December 31, 2014 (Un-audited)

Operating profit before working capital changes	
(Increase)/Decrease in current assets	
Stock in trade	
Trade debtors	
Bills receivables	
Musawamah receivable - secured	
Profit receivable	
Ijarah Rental receivable	
Advances, deposits, prepayments and other receivables	
Increase/(Decrease) in current assets	
Creditors, accrued expenses and other liabilities	
Profit payable	

Cash flow from operations after working capital changes

December 31, 2014	December 31, 2013
(Rupees)	
28,872,748	19,089,439
27,074,409	15,262,095
(737,775)	(46,246,887)
1,697,587	-
-	43,197,900
(65,308)	458,726
108,789	-
(1,666,597)	(225,412)
26,411,106	12,446,421
7,308,378	(44,646)
(203,666)	131,880
7,104,712	87,234
62,388,566	31,623,094

18. Financial Risk Management

The Company's financial risk management objectives and policies are consistent with those disclosed in the preceding annual published financial statements of the Company for the year ended June 30, 2014.

19. Date of Authorization

These condensed interim financial statements were authorized for issue on February 19, 2015 by the Board of Directors of the Modaraba Management Company.

20. General

Figures have been rounded off to the nearest rupee.

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

Place : Karachi
Date : February 19, 2015

Chief Executive

Director

Director

Book Post



If undelivered, please return to:

FIRST AL-NOOR MODARABA

(An Islamic Financial Institution)

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

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