

# HALF YEARLY REPORT

December 31, 2013

Un-audited (Reviewed)



**FIRST AL-NOOR MODARABA**

(An Islamic Financial Institution)

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# Corporate Information

## **Board of Directors**

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Mr. Ismail H. Zakaria	Chairman
Mr. Jalaluddin Ahmed	Chief Executive
Mr. Yusuf Ayoob	
Mr. Suleman Ayoob	
Mr. Aziz Ayoob	
Mr. Mansoor Alam	
Mr. Zohair Zakaria	
Mr. Zain Ayoob	

## **Company Secretary**

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Mr. Roofi Abdul Razzak

## **Bankers**

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Al-Baraka Bank (Pakistan) Limited  
Meezan Bank Limited  
Faysal Bank Limited, Barkat Islamic Banking  
Habib Bank Limited, Islamic Banking  
National Bank of Pakistan

## **Audit Committee**

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Mr. Mansoor Alam, Chairman  
Mr. Suleman Ayoob, Member  
Mr. Zain Ayoob, Member

## **HR & Remuneration Committee**

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Mr. Aziz Ayoob, Chairman  
Mr. Zain Ayoob, Member  
Mr. Roofi Abdur Razzak, Member

## **Registrar**

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

## **Auditors**

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Rahman Sarfaraz Rahim Iqbal Rafiq  
Chartered Accountants

## **Registered Office**

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

## **Shariah Advisor**

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Mufti Muhammad Ibrahim Essa

## **Contact Details**

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Telephone 34558268 ; 34552943 ; 34553067  
Fax: 34553137  
Webpage: www.fanm.co  
Email: fam@fanm.co  
fam@cyber.net.pk

## **Legal Advisor**

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Muhammad Jamshaid Malik  
Barrister-at-Law

# INDEPENDENT AUDITORS' 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, 2013 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.

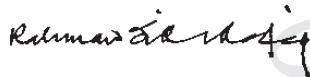
The figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarters ended December 31, 2012 and 2013 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2013.

## 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, 2013 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan.



**Engagement Partner: Muhammad Waseem**  
**Chartered Accountants**

Karachi

Dated: February 20, 2014

# Report of the Directors of Modaraba Company

for the Half Year ended December 31, 2013

I, on behalf of Board of Directors of **Al-Noor Modaraba Management (Private) Limited**, the "mudarib/management company" of First Al-Noor Modaraba (FAM), pleased to present the report together with reviewed accounts for the half year ended December 31, 2013.

## Financial Results

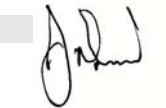
Financial results are summarized as under:

	Half year ended	
	December 31, 2013	December 31, 2012
	Rupees	
Profit after taxation	10,944,145	7,715,246
Un-appropriated profit brought forward	<u>225,230</u>	<u>2,208,020</u>
	11,169,375	9,923,266
Add:		
Share of associate's incremental depreciation	118,027	85,070
Un-appropriated profit carried forward	<u>11,287,402</u>	<u>10,008,336</u>
Earning per certificate- basic and diluted	<u>0.52</u>	<u>0.37</u>

The Modaraba's revised strategy of concentrating more on trade related activities has now started giving positive result. Moreover, the modarabas increased investments in Ijarah is also paying dividends. Consequently, the comparative analysis with the corresponding period of the preceding year, reflects a substantial increase of over 40%.

The modaraba is hopeful of achieving fairly satisfactory result by end of the current financial year ending June 30, 2014.

On behalf of the Board



**Jalaluddin Ahmed**  
Chief Executive

Place: Karachi  
Date: February 20, 2014

# Condensed Interim Statement of Financial Position

As At December, 2013 - (Un-Audited)

		(Un-Audited) December 31, 2013	(Audited) June 30, 2013
	Note	Rupees	
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and bank balances	4	2,105,783	29,308,110
Investments	5	82,002,592	44,296,203
Musawamah receivables - secured	6	15,000,000	58,197,900
Profit receivable		1,167,117	1,625,843
Trade Debtors		67,138,548	20,891,661
Stock In Trade	7	91,739,504	107,001,599
Advances, deposits, prepayments and other receivables		6,586,314	6,360,902
Income tax refundable / paid in advance		2,096,741	2,011,747
<b>Total current assets</b>		<b>267,836,599</b>	<b>269,693,965</b>
<b>Non-current assets</b>			
Long term deposits		3,839,989	3,839,989
Long term investments	8	12,242,015	9,422,590
Ijarah Assets	9	76,172,327	70,294,687
Fixed Assets in Use	10	5,372,591	6,230,788
<b>Total non-current assets</b>		<b>97,626,921</b>	<b>89,788,054</b>
<b>Total Assets</b>		<b>365,463,520</b>	<b>359,482,019</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Current maturity of security deposits		2,528,182	2,781,582
Creditors, accrued and other liabilities		13,220,344	13,179,630
Provision for custom duty surcharge		4,398,842	4,398,842
Profit payable		340,834	208,954
<b>Total current liabilities</b>		<b>20,488,202</b>	<b>20,569,009</b>
<b>Non-current liabilities</b>			
Security deposits		16,659,441	12,275,810
Deferred liability - staff gratuity		3,432,641	3,084,050
<b>Total non-current liabilities</b>		<b>20,092,082</b>	<b>15,359,860</b>
<b>Total liabilities</b>		<b>40,580,284</b>	<b>35,928,869</b>
<b>NET ASSETS</b>		<b>324,883,237</b>	<b>323,553,150</b>
<b>REPRESENTED BY:</b>			
<b>CAPITAL AND RESERVES</b>			
<b>Certificate Capital</b>			
Authorised Certificate Capital 40,000,000 (June 2013: 40,000,000) certificates of Rs 10/- each		400,000,000	400,000,000
Issued, subscribed and paidup capital		210,000,000	210,000,000
Reserves		103,176,625	103,176,625
Unappropriated profit		11,287,402	10,725,230
Unrealised diminution on remeasurement of investment classified as available for sale'- net		419,210	(348,705)
<b>Total capital and reserves</b>		<b>324,883,237</b>	<b>323,553,150</b>

## CONTINGENCIES AND COMMITMENTS

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The annexed notes 1 to 19 form an integral part of these financial statements.

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

Place: Karachi  
Date: February 20, 2014

  
Chief Executive

  
Director

  
Director

# Condensed Interim Profit and Loss Accounts

For the Half year and 2nd Quarter ended December 31, 2013 - (Un-Audited)

	Note	Half-year ended		Quarter ended	
		December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
		Rupees		Rupees	
<b>INCOME</b>					
Profit from trading operations	12	11,015,400	1,622,708	6,697,517	-
Income on musawamah receivables		2,815,864	4,142,095	824,895	2,050,794
Income on modaraba receivables		-	877,054	-	289,384
Income from Ijarah		4,878,373	3,441,836	2,615,982	2,077,866
Income from investments		3,104,391	6,310,548	1,419,777	4,786,733
		<b>21,814,028</b>	<b>16,394,241</b>	<b>11,558,171</b>	<b>9,204,777</b>
Administrative and operating expenses		12,842,754	11,849,009	6,868,083	5,743,122
Financial and other charges		81,775	43,797	61,144	23,041
		<b>12,924,529</b>	<b>11,892,806</b>	<b>6,929,227</b>	<b>5,766,163</b>
<b>Operating profit</b>		<b>8,889,499</b>	<b>4,501,435</b>	<b>4,628,944</b>	<b>3,438,614</b>
Other income		2,372,730	1,882,287	1,268,888	1,088,302
		<b>11,262,230</b>	<b>6,383,722</b>	<b>5,897,832</b>	<b>4,526,916</b>
Unrealised gain on re-measurement of investments at fair value through profit or loss		2,782,243	2,737,871	4,219,375	321,026
Share of loss from associates		(1,602,549)	(189,613)	(1,871,984)	(224,880)
		<b>12,441,924</b>	<b>8,931,980</b>	<b>8,245,223</b>	<b>4,623,062</b>
Modaraba management fee		(1,244,192)	(893,198)	(824,522)	(462,306)
		<b>11,197,732</b>	<b>8,038,782</b>	<b>7,420,701</b>	<b>4,160,756</b>
Workers welfare fund		(219,563)	(157,623)	(145,504)	(81,583)
<b>Profit before taxation</b>		<b>10,978,169</b>	<b>7,881,158</b>	<b>7,275,197</b>	<b>4,079,172</b>
Income tax expense		(34,024)	(165,912)	(34,024)	(165,912)
<b>Profit for the period</b>		<b>10,944,145</b>	<b>7,715,246</b>	<b>7,241,173</b>	<b>3,913,260</b>
Earnings per certificate - Basic and Diluted		<b>0.52</b>	<b>0.37</b>	<b>0.34</b>	<b>0.19</b>

The annexed notes 1 to 19 form an integral part of these financial statements.

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

Place: Karachi  
Date: February 20, 2014

  
Chief Executive

  
Director

  
Director

## Condensed Interim Statement of Other Comprehensive Income

For the Half year and 2nd Quarter ended December 31, 2013 - (Un-Audited)

Note	Half-year ended		Quarter ended	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
	Rupees		Rupees	
<b>Profit for the period</b>	<b>10,944,145</b>	7,715,246	<b>7,241,173</b>	3,913,260
<b>Others comprehensive income</b>				
Unrealized gain/ (loss) on re-measurement of available for sale investment	767,915	733,153	766,009	341,066
Shares of other comprehensive income of associate	-	37,238	-	37,238
Others comprehensive income	767,915	770,391	766,009	378,304
<b>Total comprehensive income</b>	<b>11,712,059</b>	8,485,637	<b>8,007,182</b>	4,291,564

The annexed notes 1 to 19 form an integral part of these financial statements.

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

Place: Karachi  
Date: February 20, 2014

  
Chief Executive

  
Director

  
Director



# Condensed Interim Statement of Cash Flow

For the Half year and 2nd Quarter ended December 31, 2013 - (Un-Audited)

	Note	December 31, 2013	December 31, 2012
Rupees			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash from operations after working capital changes	16	31,623,094	(22,037,633)
Increase/(Decrease) in long term security deposits		3,957,037	5,754,450
Income on musawamah receivables		3,286,818	3,398,817
Income on modaraba receivables		-	979,451
Income tax paid		(34,024)	-
Gratuity paid		(143,000)	-
<b>Net cash from operating activities</b>		<b>38,689,925</b>	<b>(11,904,915)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Additions to fixed assets			
- Own		(50,506)	(3,916,661)
- Ijarah		(23,863,000)	(52,238,000)
Sale proceeds on disposal of fixed assets			
- Own		2,000	480,000
- Ijarah		1,425,815	-
Dividend received		1,587,001	1,219,524
Profit on term Deposit Modaraba		-	1,514,078
Profit on certificates of Islamic investment		-	106,334
Profit on Al-Samarat		-	115,068
Profit on bank deposit		1,588,237	939,390
Sale/(Purchase) TDR		-	35,000,000
Sale/(Purchase) COII		(35,000,000)	15,000,000
Purchase of investments in listed securities		(17,908,341)	(2,707,858)
Proceeds from sale of investments in listed securities		15,871,670	24,582,644
<b>Net cash (used in) investing activities</b>		<b>(56,347,124)</b>	<b>20,094,519</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Profit paid to the certificate holders		(9,463,353)	(16,800,000)
Financial charges paid		(81,775)	(43,797)
<b>Net cash (used in) financing activities</b>		<b>(9,545,128)</b>	<b>(16,843,797)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(27,202,327)</b>	<b>(8,654,193)</b>
Cash and cash equivalents at beginning of the year		29,308,110	15,728,215
<b>Cash and cash equivalents at end of the period</b>		<b>2,105,783</b>	<b>7,074,022</b>

The annexed notes 1 to 19 form an integral part of these financial statements.

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

Place: Karachi  
Date: February 20, 2014

  
Chief Executive

  
Director

  
Director

## Condensed Interim Statement of Changes In Equity

For the Half year and 2nd Quarter ended December 31, 2013 - (Un-Audited)

	Issued subscribed & paid up capital	Capital Statutory Reserve	General Reserve	Unappropriated profit	Other comprehensive income	Total
	Certificate Capital					
<b>Rupees</b>						
Balance as at June 30, 2012	210,000,000	90,477,411	10,500,000	19,008,020	(1,326,188)	328,659,243
Share of associate's incremental depreciation on account of revaluation of fixed assets	-	-	-	(279,645)	-	(279,645)
Total Comprehensive income for the period	-	-	-	10,996,069	977,483	11,973,552
Profit distribution in cash	-	-	-	(16,800,000)	-	(16,800,000)
Transfer to general reserve	-	-	-	-	-	-
Transfer to statutory reserve	-	2,199,214	-	(2,199,214)	-	-
<b>Balance as at June 30, 2013</b>	<b>210,000,000</b>	<b>92,676,625</b>	<b>10,500,000</b>	<b>10,725,230</b>	<b>(348,705)</b>	<b>323,553,150</b>
Share of associate's incremental depreciation on account of revaluation of fixed assets	-	-	-	118,027	-	118,027
Total Comprehensive income for the period	-	-	-	10,944,145	767,915	11,712,059
Profit distribution in cash	-	-	-	(10,500,000)	-	(10,500,000)
Transfer to general reserve	-	-	-	-	-	-
Transfer to statutory reserve	-	-	-	-	-	-
<b>Balance as at December 31, 2013</b>	<b>210,000,000</b>	<b>92,676,625</b>	<b>10,500,000</b>	<b>11,287,402</b>	<b>419,210</b>	<b>324,883,237</b>

The annexed notes 1 to 19 form an integral part of these financial statements.

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

Place: Karachi  
Date: February 20, 2014

  
Chief Executive

  
Director

  
Director

# Condensed Interim Notes to the Interim Financial Statements

For the Half year and 2nd Quarter ended December 31, 2013 - (Un-Audited)

## 1 LEGAL STATUS AND NATURE OF BUSINESS

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

The Modaraba is a multipurpose perpetual modaraba and is primarily engaged in ijarah financing, musharikhah, murabaha, musawamah, modaraba, equity investment, ijarah and trading activities. The Modaraba is listed on the Karachi and Lahore Stock Exchanges.

## 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, 2012 and 2013 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 2013.

### 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 2013.

## 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 recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both the current and future periods.

The preparing the interim financial information, the significant judgments made by management in the applying the company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the preceding published annual financial statements of the Company as at and for the year ended June 2013.

## Condensed Interim Notes to the Interim Financial Statements

For the Half year and 2nd Quarter ended December 31, 2013 - (Un-Audited)

	December 31, 2013	June 30, 2013
Note	Rupees	
<b>4. CASH AND BANK BALANCES</b>		
With cash in hand	18,731	30,078
With Banks		
With banks in current accounts	197,039	3,089,951
With banks in PLS account	1,890,013	26,188,081
	2,087,052	29,278,032
	2,105,783	29,308,110

### 5. INVESTMENTS

#### 5.1 Short-term investments

##### At fair value through profit and loss

- Equity securities - listed 5.1 47,002,592 44,296,203

##### Loans and Receivables

(Investments in Islamic Finance Certificates) 5.2 35,000,000 -

82,002,592 44,296,203

#### 5.1 At fair value through profit and loss

##### - Equity securities - listed

Name of investee company	Number of shares / Units				Balance as at December 31, 2013			
	As at July 1, 2013	Purchases during the period	Bonus / right issue	Sales / write-offs during the period	As at December 31, 2013	Carrying cost	Market value	Appreciation / (diminution)
<b>Banking Sector</b>								
Bank Islami Pakistan Limited	45,000	30,000	-	-	75,000	560,256	520,500	(39,756)
Meezan Bank Limited	-	8,000	-	8,000	-	-	-	-
<b>Sub total</b>	45,000	38,000	-	8,000	75,000	560,256	520,500	(39,756)
<b>Construction and Materials</b>								
Maple Leaf Cement Factory Limited	30,000	25,000	-	55,000	-	-	-	-
D.G.Khan Cement Limited	-	10,000	-	5,000	5,000	413,416	428,650	15,234
Cheart Cement Company Limited	-	22,000	-	2,000	20,000	1,265,627	1,265,800	173
<b>Sub total</b>	30,000	57,000	-	62,000	25,000	1,679,043	1,694,450	15,407
<b>Oil &amp; Gas Producers</b>								
Attock Refinery Limited	5,000	-	-	5,000	-	-	-	-
Shell Pakistan Limited	3,750	-	-	-	3,750	858,635	714,113	(144,522)
Pakistan State Oil Limited	4,000	-	-	4,000	-	-	-	-
Pakistan Oilfield Limited	-	4,000	-	4,000	-	-	-	-
Pakistan Refinery Limited	4,000	-	-	-	4,000	352,787	304,560	(48,227)
National Refinery Limited	5,200	1,800	-	-	7,000	2,146,237	1,508,640	(637,597)
Pakistan Petroleum Limited	15,750	7,500	3,450	8,000	18,700	2,952,984	4,001,052	1,048,068
<b>Sub total</b>	37,700	13,300	3,450	21,000	33,450	6,310,642	6,528,365	217,722
<b>Gas Water &amp; Multiutilities</b>								
Sui Northern Gas Pipelines Limited	50,935	-	-	5,435	45,500	1,241,522	969,150	(272,372)
<b>Sub total</b>	50,935	-	-	5,435	45,500	1,241,522	969,150	(272,372)
<b>General Industries</b>								
Packages Limited	-	3,500	-	2,500	1,000	263,201	272,630	9,429
<b>Sub total</b>	-	3,500	-	2,500	1,000	263,201	272,630	9,429
<b>Electricity</b>								
Karachi Electric Supply Corporation	-	80,000	-	-	80,000	587,859	452,000	(135,859)
<b>Sub total</b>	-	80,000	-	-	80,000	587,859	452,000	(135,859)

## Condensed Interim Notes to the Interim Financial Statements

For the Half year and 2nd Quarter ended December 31, 2013 - (Un-Audited)

Name of investee company	Number of shares / Units				Balance as at December 31, 2013			
	As at July 1, 2013	Purchases during the period	Bonus / right issue	Sales / write-offs during the period	As at December 31, 2013	Carrying cost	Market value	Appreciation / (diminution)
<b>Automobile and Parts</b>								
Agrauto Industries Limited	6,000	-	-	-	6,000	654,736	472,920	(181,816)
<b>Sub total</b>	<b>6,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,000</b>	<b>654,736</b>	<b>472,920</b>	<b>(181,816)</b>
<b>Fixed Line Telecommunication</b>								
Pakistan Telecommunication Company Limited	30,000	-	-	28,000	2,000	40,518	40,880	362
<b>Sub total</b>	<b>30,000</b>	<b>-</b>	<b>-</b>	<b>28,000</b>	<b>2,000</b>	<b>40,518</b>	<b>40,880</b>	<b>362</b>
<b>Chemicals</b>								
Fauji Fertilizer Bin Qasim Limited	140,000	15,000	-	60,000	95,000	4,797,578	4,161,950	(635,628)
Fauji Fertilizer Company Limited	65,000	30,000	-	5,000	90,000	10,269,615	10,076,400	(193,215)
Lotte Pakistan PTA Limited	200,000	-	-	-	200,000	2,193,568	1,468,000	(725,568)
Akzo Nobel Pakistan Limited	-	5,000	-	5,000	-	-	-	-
ICI Pakistan Limited	7,319	-	-	7,319	-	-	-	-
<b>Sub total</b>	<b>456,451</b>	<b>50,000</b>	<b>-</b>	<b>77,319</b>	<b>385,000</b>	<b>17,260,761</b>	<b>15,706,350</b>	<b>(1,554,411)</b>
<b>Pharma and Bio Tech</b>								
Searle Compay Limited	-	3,000	-	-	3,000	376,303	370,680	(5,623)
<b>Sub total</b>	<b>-</b>	<b>3,000</b>	<b>-</b>	<b>-</b>	<b>3,000</b>	<b>376,303</b>	<b>370,680</b>	<b>(5,623)</b>
<b>Personal Goods(Textiles)</b>								
Nishat Mills Limited	-	10,000	-	10,000	-	-	-	-
<b>Sub total</b>	<b>-</b>	<b>10,000</b>	<b>-</b>	<b>10,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Software and Computer Services</b>								
Netsol Technologies Limited	-	5,000	-	5,000	-	-	-	-
<b>Sub total</b>	<b>-</b>	<b>5,000</b>	<b>-</b>	<b>5,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Units of Mutual Funds</b>								
UBL Bank Limited - Islamic saving fund Class C	30,724	-	881	-	31,605	2,500,000	3,194,302	694,302
Meezan Islamic Fund - Growth Units	70,820	-	27,590	-	98,410	2,500,000	5,035,239	2,535,239
Meezan Sovereign Fund - growth Fund	112,480	-	6,333	-	118,813	5,000,000	5,988,159	988,159
First Habib Islamic Balanced Fund	48,811	-	4,722	-	53,533	5,000,000	5,756,967	756,967
<b>Sub total</b>	<b>262,835</b>	<b>-</b>	<b>39,526</b>	<b>-</b>	<b>302,361</b>	<b>15,000,000</b>	<b>19,974,667</b>	<b>4,974,667</b>

### 5.1.2 Total Listed securities

#### - At Fair value through Profit & Loss

918,921	259,800	42,976	219,254	958,311	43,974,840	47,002,592	3,027,752
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#### Unrealised gain / (loss) on re-measurement of investments at fair value through profit or loss

	Note	December 31, 2013	June 30, 2013
		Rupees	
Market Value as at		47,002,592	44,296,203
Cost of investment		43,974,840	44,189,094
Unrealised gain on investment as at period ended		3,027,752	107,111
Unrealised (loss)/gain on investment at the beginning of the period		107,111	(17,632,196)
Gain /(Loss) realised on disposal during the period		(352,620)	14,009,180
Unrealised loss on investment for the period ended		2,782,243	3,730,125

### 5.2 Loans and Receivables

Term deposit modaraba			
-Certificates of Islamic Investment - Faysal Bank Limited	5.2.1	15,000,000	-
-HBL Al-Samarat	5.2.2	20,000,000	-
		<b>35,000,000</b>	<b>-</b>

## Condensed Interim Notes to the Interim Financial Statements

For the Half year and 2nd Quarter ended December 31, 2013 - (Un-Audited)

5.2.1 Barkat Islamic Investment certificates include an amount of Rs 15,000,000 (June 2013: Rs. Nil ) held with Faysal Bank Limited Barkat Islamic Bank carry profit at a rate of 7.50 % (June 2013 Nil)

5.2.2 Certificates of HBL Al- Samarat Investment include an amount of Rs 20,000,000 (June 2013: Rs. Nil ) held with HBIL Bank Limited -Islamic Banking. The HBL Al-Samarat carry profit at a rate of 8.25 % (June 2013 Nil ).

	Note	December 31, 2013	June 30, 2013
		Rupees	
<b>6 MUSAWAMAH RECEIVABLES - Secured</b>			
Musawamah receivables	6.1	<u>15,000,000</u>	<u>58,197,900</u>
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 12.25% to 16.50% (June 2013: 12.25% to 16.50%) per annum. These are secured against hypothecation of stocks and trade receivables, demand promissory notes, personal guarantee of directors/proprietors and mortgage of properties.		
<b>7 STOCK IN TRADE</b>			
Finished goods		<u>92,007,294</u>	107,269,389
less: Provision for slow moving stock		<u>(267,790)</u>	(267,790)
		<u>91,739,504</u>	<u>107,001,599</u>
<b>8 LONG TERM INVESTMENTS</b>			
Investments in Associates	8.1	<u>5,386,081</u>	6,870,600
Investments in Equity Securities		<u>6,855,934</u>	2,551,990
		<u>12,242,015</u>	<u>9,422,590</u>
8.1	This represents investment of modaraba in its associate group company's i.e. Al Noor Sugar Mills Limited on the basis of its common directorship.		
<b>9 IJARAH ASSETS</b>			
Machinery		<u>6,418,344</u>	8,256,072
Vehicles		<u>56,540,116</u>	46,855,998
Others		<u>13,213,867</u>	15,182,617
		<u>76,172,327</u>	<u>70,294,687</u>
<b>10 FIXED ASSETS IN USE</b>			
Tangible assets		<u>5,324,190</u>	6,172,560
Intangible assets		<u>48,401</u>	58,228
		<u>5,372,591</u>	<u>6,230,788</u>
10.1	Details of additions and disposals during the period are as follows:		
<b>Costs of additions to fixed assets in use:</b>			
Computer equipments		<u>25,506</u>	8,796
Office equipments and appliances		<u>25,000</u>	458,245
Motor Vehicles		-	5,572,825
		<u>50,506</u>	<u>6,039,866</u>
<b>Written down values of disposals of fixed assets:</b>			
Land		-	24,915,104
Building		-	4,995,322
Office equipments		<u>14,685</u>	11,246
Motor vehicles		-	919,913
		<u>14,685</u>	<u>30,841,585</u>

## Condensed Interim Notes to the Interim Financial Statements

For the Half year and 2nd Quarter ended December 31, 2013 - (Un-Audited)

### 11 CONTINGENCIES AND COMMITMENTS

- Contingencies

Contingencies are same as disclosed in the financial statements for the year ended June 30, 2013

- Commitments

There are no commitments as on balance sheet date.

### 12 PROFIT FROM TRADING OPERATIONS

Notes	For the period ended		For the quarter ended	
	December 31 2013	December 31 2012	December 31 2013	December 31 2012
	------(Rupees)-----		------(Rupees)-----	
Local	174,586,446	5,505,600	91,222,933	-
Export	3,401,291	-	3,401,291	-
Sales - Net	177,987,737	5,505,600	94,624,224	-
Cost of Sales	(166,728,881)	(3,882,892)	(87,683,251)	-
Export expenses	(243,456)	-	(243,456)	-
	11,015,400	1,622,708	6,697,517	-

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

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. 34,024 (2012:165,912) are the tax deducted as final on the remittance received from the import / export of goods.

### 14 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:

## Condensed Interim Notes to the Interim Financial Statements

For the Half year and 2nd Quarter ended December 31, 2013 - (Un-Audited)

	Half year ended	
	December 31, 2013	December 31, 2012
Rupees		
<b>14.1. Balance outstanding at year end</b>		
Modaraba Management Company		
- Management fee	<u>1,445,119</u>	1,383,012
Associated undertakings		
- Guarantee commission accrued to MCB Bank Limited	<u>768,689</u>	689,137
- Sharing of common expenses for the period with Al-Noor Sugar Mills Limited	<u>50,000</u>	150,000
	<u>818,689</u>	839,137
Other related parties (other than key management personnel)		
- Contribution to staff gratuity fund	<u>3,432,641</u>	2,724,979

### 14.2. Transactions during the year

Modaraba Management Company		
- Management fee	<u>1,244,192</u>	893,189
Associated undertakings		
- Guarantee commission accrued to MCB Bank Limited	<u>40,832</u>	38,720
- Sharing of common expenses for the period with Al-Noor Sugar Mills Limited	<u>300,000</u>	150,000
	<u>340,832</u>	179,239
Other related parties (other than key management personnel)		
- Contribution to staff gratuity fund	<u>491,591</u>	550,328

### 15 INFORMATION ABOUT BUSINESS SEGMENTS

	December 31, 2013				
	Rupees				
	Trading	Financing	Investment	Ijarah	Total
<b>Segment revenue</b>	<u>177,987,737</u>	<u>2,815,864</u>	<u>3,104,391</u>	<u>20,190,044</u>	<u>204,098,036</u>
<b>Segment results</b>	<u>11,015,400</u>	<u>2,815,864</u>	<u>5,886,634</u>	<u>4,878,373</u>	<u>24,596,271</u>
Unallocated corporate expenses					(12,924,529)
Other income					2,372,730
Share of profit/(loss) 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 year					<u>10,944,145</u>



## Condensed Interim Notes to the Interim Financial Statements

For the Half year and 2nd Quarter ended December 31, 2013 - (Un-Audited)

### 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
<i>Consolidated total assets</i>					<u>365,463,520</u>
Segment liabilities	1,652,918	812,055	-	23,161,545	25,626,517
Unallocated corporate liabilities					14,953,767
<i>Consolidated total liabilities</i>					<u>40,580,284</u>

December 31, 2012

	Rupees				
	Trading	Financing	Investment	Ijarah	Total
<b>Segment revenue</b>	<u>5,505,600</u>	<u>5,019,149</u>	<u>6,310,548</u>	<u>14,013,079</u>	<u>30,848,376</u>
<b>Segment results</b>	<u>1,622,708</u>	<u>5,019,149</u>	<u>9,048,419</u>	<u>3,441,836</u>	<u>19,132,112</u>
Unallocated corporate expenses					(11,892,806)
Other income					1,882,287
Share of profit from associate					(189,613)
Modaraba company's management fee					(893,198)
Provision for worker's welfare fund					(157,623)
Income taxes	(165,912)				(165,912)
Profit for the year					<u>7,715,246</u>

### OTHER INFORMATION

Capital expenditure	-	-	52,238,000	52,238,000
Depreciation and amortization	-	-	(10,584,790)	(10,584,790)

### ASSETS AND LIABILITIES

Segment assets	42,475,587	58,500,000	73,029,450	-
Unallocated corporate assets				352,113,004
<i>Consolidated total assets</i>				<u>352,113,004</u>
Segment liabilities	1,275,742	22,021	16,755,040	-
Unallocated corporate liabilities				31,683,055
<i>Consolidated total liabilities</i>				<u>31,683,055</u>

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

## Condensed Interim Notes to the Interim Financial Statements

For the Half year and 2nd Quarter ended December 31, 2013 - (Un-Audited)

	December 31, 2013	December 31, 2012
Notes	Rupees	
<b>16 CASH FROM OPERATIONS AFTER WORKING CAPITAL CHANGES</b>		
<b>Profit before taxation</b>	<b>10,978,169</b>	7,881,158
<b>Adjustments for:</b>		
Gain on sale of investment in listed securities	(1,482,760)	(900,727)
Dividend income	(1,587,001)	(1,058,378)
Income on musawamah investment	(2,815,864)	(4,142,095)
Income on modaraba investment	-	(877,054)
Profit on disposal of fixed assets	(2,000)	(292,117)
Profit on TDR - (PLs Sharing Certificates)	-	(3,820,519)
Profit on COII( Certificates of Islamic Investment)	(34,631)	(530,924)
Profit on bank deposits	(1,565,835)	(997,933)
Amortization on leased out / Ijarah assets	15,311,671	10,571,243
Financial charges	81,775	43,797
Depreciation on owned assets	884,191	919,266
Amortization of intangibles assets	9,827	13,200
Provision for gratuity	491,591	550,328
Share of loss from associates	1,602,549	189,613
Unrealized loss/(gain) on re measurement of investments in listed securities	(2,782,243)	(2,737,871)
	<b>8,111,271</b>	(3,070,170)
Operating profit before working capital changes	<b>19,089,439</b>	4,810,988
(Increase)/Decrease in current assets		
Stock in trade	15,262,095	(38,592,694)
Trade debtors	(46,246,887)	171,500
Musawamah receivable - secured	43,197,900	2,821,478
Modaraba receivable - secured	-	15,000,000
Profit receivable	458,726	(2,945,154)
Advances,deposits,prepayments and other receivables	(225,412)	(2,783,622)
Increase/(Decrease) in current assets	<b>12,446,421</b>	(26,328,492)
Creditors, accrued expenses and other liabilities	(44,646)	357,172
Profit payable	131,880	(877,301)
	<b>87,234</b>	(520,129)
Cash flow from operations after working capital changes	<b>31,623,094</b>	(22,037,633)

### 17 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 30,2013.

## Condensed Interim Notes to the Interim Financial Statements For the Half year and 2nd Quarter ended December 31, 2013 - (Un-Audited)

### 18 DATE OF AUTHORIZATION

These condensed interim financial statements were authorised for issue on February 20, 2014 by the Board of Directors of the Modaraba Management Company.

### 19 GENERAL

Figures have been rounded off to the nearest rupee.

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



Place: Karachi  
Date: February 20, 2014

  
Chief Executive

  
Director

  
Director

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