

HALF YEARLY REPORT
December 31, 2017
(Un-audited)



FIRST AL-NOOR MODARABA
(An Islamic Financial Institution)

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المضارب

Corporate Information

BOARD OF DIRECTORS

Non Executive Directors

Chairman

Mr. Ismail H. Zakaria

Directors

Mr. Yusuf Ayoob

Mr. Suleman Ayoob

Mr. Aziz Ayoob

Mr. Zia Zakaria

Mr. Zain Ayoob

Independent Director-Casual Vacancy

Executive Directors

Chief Executive

Mr. Jalaluddin Ahmed

Company Secretary

Mr. Roofi Abdul Razzak

Board Audit Committee

Mr. Suleman Ayoob - Chairman

Mr. Zia Zakaria - Member

Independent Director-Casual Vacancy

HR & Remuneration Committee

Mr. Zain Ayoob - Chairman

Mr. Aziz Ayoob - Member

Mr. Jalaluddin Ahmed - Member

Bankers

Al-Baraka Bank (Pakistan) Limited

Askari Bank Limited, Islamic Banking

Askari Bank Limited

Faysal Bank Limited, Baraka Islamic Banking

Habib Bank Limited, Islamic Banking

MCB Bank Limited, Islamic Banking

MCB Bank Limited

Meezan Bank Limited

National Bank of Pakistan

Auditors

RSM Avais Hyder Liaquat Nauman

Chartered Accountants

Shariah Advisor

Mufti Muhammad Ibrahim Essa

Legal Advisor

Muhammad Jamshid Malik

Barrister-at-Law

Share Registrar

FAMCO Associates (Private) Limited

8-F, Next to Hotel Faran, Nursery, Block-6

PECHS, Shahrah-e-Faisal, Karachi.

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(92-21) 34384621-3

Fax: (92-21) 34380106

Email: info.shares@famco.com.pk

Registered Office

96-A, Sindhi Muslim Cooperative

Housing Society, Karachi

Contact Details

Telephone: 34558268;34552943;34553067

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INDEPENDENT AUDITOR'S REPORT

Introduction

We have reviewed the accompanying condensed interim balance sheet of FIRST AL-NOOR MODARABA as at December 31, 2017, the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement, condensed interim statement of changes in equity and notes to the accounts for the six months period ended (here-in-after referred to as the "interim financial information"). Management of Modaraba Company is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information as at December 31, 2017 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Other matter

The figures for the quarters ended December 31, 2017 and December 31, 2016 in the condensed interim profit and loss account and condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion on them.

sd/-

RSM Avais Hyder Liaquat Nauman

Chartered Accountants

Engagement Partner: **Adnan Zaman**

Place : Karachi

Dated: February 24, 2018

Report Of The Directors Of Modaraba Company

For the Half year ended December 31, 2017

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 the reviewed accounts for the half year ended December 31, 2017.

Financial Results

Financial results are summarized as under

	Half Year ended	
	December 31, 2017	December 31, 2016
	Rupees	
Profit/(Loss) after taxation	(10,432,066)	5,970,898
Un-appropriated profit/(loss) brought forward	(10,319,964)	(12,758,742)
	(20,752,030)	(6,787,844)
Share of associate's incremental depreciation	85,421	5,130
Un-appropriated profit/(loss) brought forward	(20,666,609)	(6,782,714)
Earning per certificate - basic and diluted	(0.50)	0.28

The strategy the modaraba adopted proved quite effective since last year however, the unusual bearish cum uncertainty prevailed in Pakistan Stock Exchange due to numerous factors, the modaraba is reporting a loss of Rs. 10.432 million in first half year ended December 31, 2017 as compared to a profit of Rs. 5.971 million in the same period last year. Moreover, it is interesting to note that the marked to market adjustments reflecting nearly 8.200 million which is merely price adjustments book entry. Once the uncertainty turmoil is over, the position altogether would reflect better picture. The management based on this anticipation, is quite optimistic to have yield better results by the end of year.

On behalf of the Board
sd/-
Jalaluddin Ahmed
Chief Executive

Place: Karachi

Dated: February 24, 2018

ڈائریکٹر رپورٹ

برائے اختتام ششماہی مدت دسمبر ۳۱، ۲۰۱۷ (نظر ثانی شدہ)

بورڈ آف ڈائریکٹرز انور مضاربہ مینجمنٹ (پرائیوٹ) لمیٹڈ مضاربہ / انتظامی کمیٹی برائے فرسٹ انور مضاربہ (ایف اے ایم) کی جانب سے انتہائی مسرت کے ساتھ مضاربہ کمیٹی کی نظر ثانی شدہ رپورٹ بابت دسمبر ۳۱، ۲۰۱۷ مالیاتی دتاویز پیش کرتے ہیں۔

ختم ہونے والی ششماہی

۲۰۱۷ ستمبر ۳۱	۲۰۱۶ ستمبر ۳۱
(۱۰،۴۳۲،۰۶۶)	۵،۹۷۰،۸۹۸
(۱۰،۳۱۹،۹۶۴)	(۱۲،۷۵۸،۷۲۳)
(۲۰،۷۵۲،۰۳۰)	(۶،۷۸۷،۸۳۳)
۸۵،۲۲۱	۵،۱۳۰
(۲۰،۶۶۶،۶۰۹)	(۶،۷۸۲،۷۱۳)
(۰.۵۰)	۰.۲۸

بعد از ٹیکس نفع / نقصان

پچھلے سالوں کا غیر تصرف شدہ نفع / نقصان

ملحقہ انکم ریٹ کی کمی پیش کے شیئر

غیر تصرف شدہ نفع / نقصان

آمدنی فی سرٹیفیکٹ - بنیادی اور مقررہ

پچھلے سال سے اختیار کی گئی حکمت عملی نے مثبت نتائج ظاہر کئے، باوجود اس کے پاکستان اسٹاک ایکسچینج کی منفی اور غیر یقینی صورتحال جو کہ سٹاکس اور دوسرے کئی عوامل کی وجہ سے سامنے آئی، مضاربہ پہلی ششماہی میں ۱۰.۳۳۲ ملین کا نقصان پچھلے سال کے اس عرصے کے منافع ۵.۹۷۰ ملین کے مقابلے میں رپورٹ کر رہا ہے۔ اس میں یہ بات کافی توجہ کا باعث ہے کہ مارک ٹو مارکیٹ کی رو بہ دل کا ہی صرف ۸.۲ ملین کا نقصان ہے اور ظاہر کرتا ہے کہ جیسے ہی مارکیٹ اپنی عام سرگرمی اور غیر یقینی صورتحال سے باہر آتی ہے، تو مضاربہ اپنی امیدوں کے مطابق بہتر نتائج حاصل کر سکے گا۔

ہمیں یقین ہے کہ مضاربہ اپنی اس روایت کو قائم رکھے گا اور مالیاتی سال کے اختتام میں اطمینان بخش نتیجہ حاصل کر لے گا۔

مناجیب بوڑد

مورخہ ۲۴ فروری ۲۰۱۸

ہتھام: کراچی

جمال الدین

چیف ایگزیکٹو

Condensed Interim Balance Sheet

As at December 31, 2017 (Unaudited)

	Note	(Unaudited) December 31, 2017	(Audited) June 30, 2017
Rupees			
CURRENT ASSETS			
Cash and bank balances	4	21,491,812	11,482,750
Short term investments	5.1	24,048,906	37,127,346
Musawah facility - secured	6	12,500,000	12,500,000
Profit receivable	7	1,193,899	1,184,304
Ijarah rental receivable	8	2,319,824	3,127,045
Trade Debtors - considered good and unsecured	9	7,889,515	8,546,082
Stock in trade	10	26,477,848	-
Current portion of investment in sukuk certificates	11	714,290	1,428,566
Current portion of investment in diminishing musharakah (Syndicate)	12	15,000,000	15,000,000
Current portion of investment in diminishing musharakah		2,224,802	3,080,843
Advances, deposits, prepayments and other receivables	13	8,610,680	28,802,204
Taxation	14	4,001,960	3,684,382
TOTAL CURRENT ASSETS		126,473,536	125,963,522
NON-CURRENT ASSETS			
Long term deposits	15	3,846,989	3,846,989
Long term portion of investment in sukuk certificates	11	7,142,853	1,785,722
Long term portion of investment diminishing musharakah (syndicate)	12	33,750,000	41,250,000
Long term portion of investment diminishing musharakah		-	666,667
Long term investments	5.2	28,144,921	30,535,814
Ijarah assets	17	129,886,382	142,207,110
Fixed assets in own use	18	6,724,384	5,205,149
TOTAL NON-CURRENT ASSETS		209,495,529	225,497,451
TOTAL ASSETS		335,969,065	351,460,973
LIABILITIES			
CURRENT LIABILITIES			
Current maturity of security deposits	19	12,210,300	8,645,050
Creditors, accrued and other liabilities	20	9,399,838	11,423,199
Provision for custom duty & surcharge	21	4,398,842	4,398,842
Profit payable	22	535,878	482,030
TOTAL CURRENT LIABILITIES		26,544,858	24,949,121
NON CURRENT LIABILITIES			
Security deposits	19	24,142,050	27,752,950
Deferred liability - staff gratuity	23	6,419,696	6,223,540
TOTAL NON-CURRENT LIABILITIES		30,561,746	33,976,490
TOTAL LIABILITIES		57,106,604	58,925,611
NET ASSETS		278,862,461	292,535,362
REPRESENTED BY:			
CAPITAL AND RESERVES			
Certificate Capital			
40,000,000 (June 2017: 40,000,000) certificates of Rs 10/- each		400,000,000	400,000,000
Issued, subscribed & paid capital	24	210,000,000	210,000,000
Reserves		97,835,635	98,085,635
Unappropriated profit		(22,936,609)	(10,319,964)
Unrealised diminution on remeasurement of investment classified as available for sale- net		(6,036,565)	(5,230,309)
Total capital and reserves		278,862,461	292,535,362
CONTINGENCIES AND COMMITMENTS			
	26	-	-

The annexed notes 1 to 39 form an integral part of these condensed interim financial information.
For Al-Noor Modaraba Management (Private) Limited
(Management Company)

Place : Karachi
Date : February 24, 2018

sd/- Chief Executive sd/- Director sd/- Director

Condensed Interim Profit and Loss Account

For the Six Months Ended December 31, 2017 (Un-audited)

	Note	Six Months Ended		Three Months Ended	
		Dec 31, 2017	Dec 31, 2016	Dec 31, 2017	Dec 31, 2016
		Rupees		Rupees	
Profit from trading operations	27	-	1,181,000	-	-
Income on musawamah receivables		-	-	-	(621,096)
Income on diminishing musharakah (Syndicate)	28	2,268,535	2,704,044	1,088,705	1,428,554
Income on diminishing musharakah	29	129,719	-	65,271	-
Income from Ijarah	29	8,057,182	7,779,078	3,094,449	4,301,227
Income from investments	30	2,663,159	5,715,288	1,335,029	2,903,874
		13,118,595	17,379,410	5,583,455	8,012,558
Administrative and operating expenses	31	15,166,424	12,884,147	7,027,647	6,289,965
Financial and other charges		3,756	8,768	3,342	8,734
		15,170,180	12,892,915	7,030,989	6,298,699
Operating loss		(2,051,585)	4,486,494	(1,447,534)	1,713,859
Other income	31	645,421	391,724	435,923	209,432
		(1,406,163)	4,878,220	(1,011,611)	1,923,291
Unrealised (loss) / gain on re-measurement of investments at fair value through profit or loss	5.1.4	(8,171,823)	1,390,015	(2,663,962)	2,515,497
Share of loss from associates	5.2.1	(854,079)	501,489	134,232	889,974
		(10,432,065)	6,769,724	(3,541,341)	5,328,762
Management company's remuneration	32	-	(676,973)	-	(532,876)
		(10,432,065)	6,092,752	(3,541,341)	4,795,886
Workers welfare fund	34	-	(121,855)	-	(95,918)
Profit before taxation		(10,432,065)	5,970,897	(3,541,341)	4,699,968
Income tax expense		-	-	-	-
Profit for the Period		(10,432,065)	5,970,897	(3,541,341)	4,699,968
Earnings per certificate - Basic and Diluted	36	(0.50)	0.28	(0.17)	0.22

The annexed notes 1 to 39 form an integral part of these condensed interim financial information.

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

Place : Karachi
Date : February 24, 2018

sd/-
Chief Executive

sd/-
Director

sd/-
Director

Condensed Interim Statement of Other Comprehensive Income

For the Six Months Ended December 31, 2017 (Un-audited)

	Six Months Ended		Three Months Ended	
	Dec 31, 2017	Dec 31, 2016	Dec 31, 2017	Dec 31, 2016
	Rupees		Rupees	
(Loss) / Profit for the year	(10,432,065)	5,970,897	(3,541,341)	4,699,968
Others comprehensive income				
Unrealized (loss) / gain on re-measurement of available for sale investment	(806,256)	1,390,662	(66,537)	2,323,173
Reversal of Share of associate's incremental depreciation on account of revaluation of fixed assets	-	(1,963.00)	-	(1,963.00)
Shares of other comprehensive income of associate	-	-	-	-
Others comprehensive income	(806,256)	1,388,699	(66,537)	2,321,210
Total comprehensive income	(11,238,321)	7,359,596	(3,607,878)	7,021,178

The annexed notes 1 to 39 form an integral part of these condensed interim financial information.

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

المضارب

Place : Karachi
Date : February 24, 2018

sd/-
Chief Executive

sd/-
Director

sd/-
Director

Condensed Interim Cash Flow Statement

For the Six Months Ended December 31, 2017 (Un-audited)

		December 31, 2017	December 31, 2016
	Note	Rupees	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash from operations after working capital changes	37	20,930,677	9,104,415
Increase in long-term security deposits		(45,650)	(3,699,461)
Income on Diminishing Musharakah		2,575,527	2,659,167
Gain on Sukuk Certificates			
Income tax paid		(317,578)	(260,295)
Gratuity paid		(398,000)	(661,800)
Net cash generated from operating activities		22,744,976	7,142,026
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to fixed assets			
- Own		(4,644,300)	(2,109,650)
- Ijarah		(23,045,500)	(21,460,500)
Sale proceeds on disposal of fixed assets			
- Own		2,243,000	-
- Ijarah		1,470,750	8,001,953
Dividend received		1,047,410	1,335,843
Profit on bank deposit		434,557	302,093
Redemption of Installment of Sukuk Certificates		357,145	425,693
Repayment of diminishing musharakah		7,500,000	-
Purchase of investments in Sukuk Certificates		(5,000,000)	
Purchase of investments of mutual funds		-	(3,000,000)
Sales of investments of mutual funds		-	2,530,587
Purchase of investments in listed securities		(9,772,611)	(61,233,984)
Proceeds from sale of investments in listed securities		19,204,446	59,599,045
Net cash (used in) investing activities		(10,205,103)	(15,608,920)
CASH FLOWS FROM FINANCING ACTIVITIES			
Profit paid to the certificate holders		(2,527,055)	-
Financial charges paid		(3,756)	(8,768)
Net cash (used in) financing activities		(2,530,811)	(8,768)
Net (decrease) in cash and cash equivalents		10,009,062	(8,475,662)
Cash and cash equivalents at beginning of the year		11,482,750	24,206,892
Cash and cash equivalents at end of the year	4	21,491,812	15,731,230

The annexed notes 1 to 39 form an integral part of these condensed interim financial information.

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

Place : Karachi
Date : February 24, 2018

sd/-
Chief Executive

sd/-
Director

sd/-
Director

Condensed Interim Statement of Changes in Equity

For the Six Months Ended December 31, 2017 (Un-audited)

	Issued Subscribed & Certificate Capital	Reserve				Total
		*Statutory Reserve	General reserve	Unappropriated profit	Other Comprehensive income	
Rupees						
Balance as at June 30, 2016	210,000,000	96,979,973	500,000	(12,758,742)	(2,494,448)	292,226,783
Share of associate's incremental depreciation on account of revaluation of fixed assets	-	-	-	16,130	-	16,130
Total Comprehensive income for the year	-	-	-	3,028,310	(2,735,861)	292,449
Profit distribution in cash	-	-	-	-	-	-
Transfer to general reserve	-	-	-	-	-	-
Transfer to statutory reserve	-	605,662	-	(605,662)	-	-
Balance as at June 30, 2017	210,000,000	97,585,635	500,000	(10,319,964)	(5,230,309)	292,535,362
Share of associate's incremental depreciation on account of revaluation of fixed assets	-	-	-	85,421	-	85,421
Total Comprehensive loss for the year	-	-	-	(10,432,065)	(806,256)	(11,238,321)
Profit distribution in cash	-	-	-	(2,520,000)	-	(2,520,000)
Transfer from revenue reserve	-	-	(250,000)	250,000	-	-
Transfer to statutory reserve	-	-	-	-	-	-
Balance as at December 31, 2017	210,000,000	97,585,635	250,000	(22,936,609)	(6,036,565)	278,862,461

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

The annexed notes 1 to 39 form an integral part of these condensed interim financial information.

Place : Karachi
Date : February 24, 2018

sd/-
Chief Executive

sd/-
Director

sd/-
Director

Notes to the Condensed Interim Financial Statements

For the Six Months Ended December 31, 2017 (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 (Pvt.) 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 Pakistan Stock Exchange (Previously on the Karachi and Lahore Stock Exchanges).

2 STATEMENTS 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 repealed 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 interim financial information contained in this interim financial report is unaudited and has been presented in condense form the, information do not include all information and disclosures as is required to provided in a full set of annual financial statements. This condense interim financial information should be read in conjunction with the company's annual financial statements for the year ended June 30, 2017.

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 2017

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 2017.

Notes to the Condensed Interim Financial Statements

For the Six Months Ended December 31, 2017 (Un-audited)

	Note	December 31, 2017	June 30, 2017
Rupees			
4. CASH AND BANK BALANCES			
With Cash in Hand		23,288	-
With banks in current accounts			
- Islamic Banks /Islamic Window operations		545,521	375,747
- Conventional Banks		708,566	750,612
With banks in PLS accounts			
- Islamic Banks /Islamic Window operations	4.1	20,214,437	10,356,391
		<u>21,491,812</u>	<u>11,482,750</u>

4.1 These deposits carry profit at rates ranging from 2.00% to 4.08%(June 2017: 2.05% to 4.48%).

5. SHORT TERM INVESTMENTS

At fair value through profit and loss

- Equity securities - listed	5.1.1	18,528,841	30,252,407
- Mutual funds - listed	5.1.2	5,520,065	6,874,939

Non - Shariah compliant

- Equity securities - listed	5.1.3	-	-
- Mutual funds - listed		-	-
		24,048,906	37,127,346

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, 2017			
	As at July 1, 2017	Purchases during the period	Bonus / right issue	Sales / write-offs during the period	As at December 31, 2017	Carrying cost	Market value	Appreciation / (diminution)
Construction and Materials								
Fauji Cement Company Limited	10,000	2,500	-	-	12,500	569,007	312,625	(256,382)
D.G. Khan Cement Co. Limited.	-	3,000	-	-	3,000	536,554	401,160	(135,394)
Lucky Cement Limited.	3,400	1,000	-	-	4,400	3,768,417	2,276,604	(1,491,813)
Maple Leaf Cement Factory Limited	10,000	-	937	2,500	8,437	1,034,565	577,428	(457,137)
Bestway Cement Limited.	500	-	-	-	500	159,256	69,330	(89,926)
Safe Mix Concrete Limited.	4,500	15,500	-	-	20,000	187,139	158,200	(28,939)
Akzo Nobel Pakistan	500	-	-	-	500	126,856	106,500	(20,356)
Kohat Cement Company Limited	1,500	-	-	-	1,500	384,451	212,940	(171,511)
Sub total	30,400	22,000	937	2,500	50,837	6,766,244	4,114,787	(2,651,457)
Oil & Gas Producers								
Attock Refinery Limited	10,000	1,000	-	10,000	1,000	378,538	234,120	(144,418)
National Refinery Limited	2,000	1,000	-	2,000	1,000	630,063	430,870	(199,193)
Oil & Gas Development Company Limited	-	1,000	-	1,000	-	-	-	-
Hascol Petroleum Limited.	900	6,000	280	-	7,180	1,947,008	1,773,747	(173,261)
Sub total	12,900	9,000	280	13,000	9,180	2,955,609	2,438,737	(516,872)
Gas Water & Multiutilities								
Sui Southern Gas Limited	11,000	1,500	-	8,500	4,000	154,420	121,960	(32,460)
TPL Trakker Limited	55,000	-	-	10,000	45,000	682,166	321,750	(360,416)
Sui Northern Gas Pipelines Limited.	5,000	2,500	-	2,500	5,000	668,895	473,050	(195,845)
Sub total	71,000	4,000	-	21,000	54,000	1,505,480	916,760	(588,720)
General Industries								
Thal Limited	1,500	-	-	500	1,000	552,130	510,900	(41,230)
Pakistan Paper Products Limited.	2,000	-	-	-	2,000	333,418	192,280	(141,138)
Packages Limited	2,500	-	-	-	2,500	2,169,516	1,274,575	(894,941)
Sub total	6,000	-	-	500	5,500	3,055,064	1,977,755	(1,077,309)

Notes to the Condensed Interim Financial Statements

For the Six Months Ended December 31, 2017 (Un-audited)

Name of investee company	Number of Shares / Units				Balance as at December 31, 2017			
	As at July 1, 2017	Purchases during the period	Bonus / right issue	Sales / write-offs during the period	As at December 31, 2017	Carrying cost	Market value	Appreciation / (diminution)
Power Generation & Distribution								
K-Electric Limited	155,000	31,000	-	20,000	166,000	1,469,823	1,047,460	(422,363)
Kot Addu Power Company Limited	13,000	-	-	5,000	8,000	680,714	431,200	(249,514)
Sub total	168,000	31,000	-	25,000	174,000	2,150,537	1,478,660	(671,877)
Automobile and Parts								
Sazgar Engineering Works Limited	-	4,500	-	4,500	-	-	-	-
Pak Suzuki Motor Co. Limited.	1,000	-	-	-	1,000	860,221	497,770	(362,451)
Millat Tractors Limited.	800	-	-	280	520	732,314	609,248	(123,067)
General Tyre & Rubber Co. of Pakistan Limited.	3,500	-	-	-	3,500	963,183	659,050	(304,133)
Exide Pakistan Limited.	120	-	-	-	120	115,648	48,000	(67,648)
Atlas Battery Limited.	200	-	-	-	200	183,378	96,834	(86,544)
Sub total	5,620	4,500	-	4,780	5,340	2,854,744	1,910,902	(943,842)
Cable and Electrical Goods								
Pak Elektron Limited.	1,000	200	-	500	700	70,593	33,243	(37,350)
Sub total	1,000	200	-	500	700	70,593	33,243	(37,350)
Engineering								
Ameri Steels Limited	-	5,000	-	-	5,000	547,555	463,300	(84,255)
International Steels Limited.	3,000	1,000	-	2,500	1,500	175,640	159,555	(16,085)
Mughal Iron & Steel Industries Limited	500	4,000	-	500	4,000	213,924	232,400	18,476
Sub total	3,500	10,000	-	3,000	10,500	937,118	855,255	(81,863)
Chemicals								
Lotte Chemical Pakistan Limited.	15,000	10,000	-	7,500	17,500	172,442	125,475	(46,967)
Engro Corporation Limited.	5,500	-	-	2,500	3,000	1,145,933	824,250	(321,683)
Engro Fertilizer Limited	36,500	-	-	36,300	200	12,493	13,544	1,051
I. C. I. Pakistan Limited.	200	20	-	-	220	231,379	168,949	(62,430)
Bawany Air Products Limited.	14,000	5,000	-	19,000	-	-	-	-
Linde Pakistan Limited.	700	-	-	700	-	-	-	-
Ittehad Chemicals Limited.	11,253	-	-	-	11,253	501,821	293,478	(208,343)
Dawood Hercules Corporation Limited	12,000	-	-	-	12,000	1,708,917	1,342,560	(366,357)
Sub total	95,153	15,020	-	66,000	44,173	3,772,985	2,768,256	(1,004,729)
Pharma and Bio Tech								
The Searle Company Limited.	1,500	366	-	-	1,866	849,082	487,088	(361,994)
GlaxoSmithKline Pakistan Limited	4,700	500	-	-	5,200	1,099,714	872,976	(226,738)
Sub total	6,200	866	-	-	7,066	1,948,796	1,360,064	(588,732)
Food Industries								
Fauji Foods Limited	4,000	500	13,500	-	18,000	593,938	296,280	(297,658)
Al Shaheer Corporation Limited.	11,750	-	-	-	11,750	597,598	261,085	(336,513)
Sub total	15,750	500	13,500	-	29,750	1,191,536	557,365	(634,171)
Personal Goods (Textiles)								
Nishat Mills Limited	2,000	8,000	-	9,500	500	82,552	74,750	(7,802)
Sub total	2,000	8,000	-	9,500	500	82,552	74,750	(7,802)
Miscellaneous								
Synthetic Products Limited	692	-	8	-	700	36,214	42,308	6,095
Sub total	692	-	8	-	700	36,214	42,308	6,095
418,215	105,086	14,725	145,780	392,246	27,327,473	18,528,841	(8,798,630)	
5.1.2 Mutual funds - listed								
Units of Mutual Funds								
Meezan Islamic Fund - Growth Units	1,941	-	-	-	1,941	50,427	122,386	71,959
First Habib Islamic Balanced Fund	64,573	-	-	-	64,573	5,387,515	5,397,679	10,164
66,515	-	-	-	66,515	5,437,941	5,520,065	82,123	
5.1.3 Non - Shariah compliant								
Sub total	-	-	-	-	-	-	-	-
Total Listed securities	-	-	-	-	-	-	-	-
- At Fair value through Profit & Loss	484,730	105,086	14,725	145,780	458,761	32,765,415	24,048,906	(8,716,507)

Notes to the Condensed Interim Financial Statements

For the Six Months Ended December 31, 2017 (Un-audited)

	Note	December 31, 2017	June 30, 2017
Rupees			
5.2 Unrealised gain / (loss) on re-measurement of investments at fair value through profit or loss			
Market Value as at	5.1.3	24,048,906	37,127,346
Cost of investment		32,765,415	39,919,743
Unrealised (loss) / gain on investment as at period/ year ended		(8,716,509)	(2,792,396)
Unrealised gain on investment at the beginning of the year		(2,792,396)	599,689
Gain / (Loss) realised on disposal during the period / year		2,247,712	798,496
Unrealised loss on investment for the period / year ended		(8,171,823)	(4,190,581)

5.2 LONG TERM INVESTMENTS			
Investment in Associates	5.2.1	7,529,211	8,297,829
Available for Sale			
Equity securities - listed AFS			
Shariah compliant			
- Equity securities - listed	5.2.2	12,815,167	13,950,634
- Mutual funds - listed	5.2.3	5,783,238	6,180,031
Non - shariah compliant			
- Equity securities - listed		2,017,305	2,107,320
		28,144,921	30,535,814
5.2.1 Investment in Associates			
Opening balance		8,297,869	8,256,651
Share of incremental depreciation		85,421	16,130
Share of (loss) / profit of associate		(854,079)	1,191,525
		(768,658)	1,207,655
Reversal of Sale of Shares		-	(711,377)
Dividend income		-	(455,100)
		7,529,211	8,297,829

Name of Associate	Basis of significant influence
Al-Noor Sugar Mills Limited	Common directorship

5.2.2 Available for Sale Equity securities - listed

Name of investee company	Number of Shares / Units				Balance as at December 31, 2017			
	As at July 1, 2017	Purchases during the period	Bonus / right issue	Sales / write-offs during the period	As at December 31, 2017	Carrying cost	Market value	Appreciation / (diminution)
Fully paid ordinary shares of Rs 10 each unless stated otherwise								
Equity Investment Instruments								
First Habib Modaraba	4,500	-	-	-	4,500	36,646	45,225	8,579
First Imrooz Modaraba	3,000	-	-	-	3,000	479,843	600,000	120,157
Habib Metro Modaraba	-	500	-	-	500	5,000	5,025	25
Allied Rental Modaraba	10,000	-	-	-	10,000	287,653	244,000	(43,653)
Orix Modaraba	11,000	-	-	-	11,000	283,258	220,000	(63,258)
Sub total	28,500	500	-	-	29,000	1,092,400	1,114,250	21,850
Construction and Materials								
Power Cement Company Limited	5,676	324	-	-	6,000	73,931	52,440	(21,491)
Sub total	5,676	324	-	-	6,000	73,931	52,440	(21,491)

Notes to the Condensed Interim Financial Statements

For the Six Months Ended December 31, 2017 (Un-audited)

Name of investee company	Number of Shares / Units				Balance as at December 31, 2017			
	As at July 1, 2017	Purchases during the period	Bonus / right issue	Sales / write-offs during the period	As at December 31, 2017	Carrying cost	Market value	Appreciation / (diminution)
Automobile and Parts								
Ghandhars Nissan Limited	1,800	1,000	-	-	2,800	691,922	432,964	(258,958)
Ghandhars Industries Limited	500	1,000	-	-	1,500	1,051,730	828,120	(223,610)
Millat Tractors Limited	750	-	-	120	630	822,135	738,127	(84,008)
Sazgar Engineering Works Limited	500	1,100	-	1,200	400	46,669	73,824	27,155
Hinopak Motors Limited	90	-	-	-	90	91,845	92,250	405
Sub total	3,640	3,100	-	1,320	5,420	2,704,302	2,165,285	(539,017)
General Industries								
Cherat Packages Limited	5,300	700	715	-	6,715	2,163,324	1,336,285	(827,039)
Sub total	5,300	700	715	-	6,715	2,163,324	1,336,285	(827,039)
Pharma and Bio Tech								
The Searle Company Limited	1,000	-	190	-	1,190	610,286	374,683	(235,603)
Sub total	1,000	-	190	-	1,190	610,286	374,683	(235,603)
Engineering								
Crescent Steel & Allied Products Limited	200	-	-	-	200	38,894	25,462	(13,432)
International Steels Limited	5,000	-	-	-	5,000	807,581	531,850	(275,731)
Sub total	5,200	-	-	-	5,200	846,475	557,312	(289,163)
Chemicals								
Engro Fertilizer Company Limited	11,500	-	-	1,200	10,300	700,943	697,516	(3,427)
Engro Corporation Limited	7,100	-	-	-	7,100	2,421,697	1,950,725	(470,972)
Lotte Chemical Pakistan Limited	7,500	-	-	-	7,500	74,007	53,775	(20,232)
Sub total	26,100	-	-	1,200	24,900	3,196,648	2,702,016	(494,632)
Oil & Gas Producers								
Pakistan Petroleum Limited	22,600	-	-	5,600	17,000	3,156,760	3,500,470	343,710
Pakistan Oilfield Limited	900	-	-	400	500	193,858	297,130	103,272
Oil & Gas Development Company Limited	3,500	-	-	2,500	1,000	139,908	162,790	22,882
Attock Petroleum Limited	500	-	-	400	100	60,439	52,308	(8,131)
Mari Petroleum Company Limited	120	-	-	-	120	192,107	174,104	(18,002)
Hascol Petroleum Limited	1,100	-	220	-	1,320	374,439	326,093	(48,346)
Sub total	28,720	-	220	8,900	20,040	4,117,511	4,512,895	395,384
Total Listed securities - AFS	104,136	4,624	1,125	11,420	98,465	14,804,877	12,815,167	(1,989,710)
Mutual funds - listed								
Units of Mutual Funds								
UBL Al Ameen Islamic Allocation Plan	-	-	-	-	-	-	-	-
Plan -VI Class B Preservation Fund -B	29,680	-	-	-	29,680	3,061,111	2,791,411	(269,701)
UBL Al Ameen Islamic Allocation Plan -IX	29,016	-	-	-	29,016	3,000,000	2,860,248	(139,752)
Meezan Balance Fund	8,651	-	-	-	8,651	118,136	131,579	13,443
Sub total	67,347	-	-	-	67,347	6,179,248	5,783,238	(396,010)
Non - Shariah compliant								
Chemicals								
Fauji Fertilizer Company Limited	25,500	-	-	-	25,500	2,918,417	2,017,305	(901,112)
Sub total	25,500	-	-	-	25,500	2,918,417	2,017,305	(901,112)
Total Listed securities - AFS	196,983	4,624	1,125	11,420	191,312	23,902,541	20,615,709	(3,286,832)

Note December 31, 2017 June 30, 2017

5.2.2 Unrealized gain/ (loss) on re-measurement of available of sale investment

Market Value as at	5.2.2	20,615,709	22,237,945
Cost of investment		23,902,541	24,879,940
Unrealised gain / (loss) on investment as at year ended		(3,286,832)	(2,641,995)
Unrealised loss on investment at the beginning of the year		(2,641,995)	(168,709)
Gain realised on disposal during the year		161,419	(288,439)
Unrealised gain on investment for the year ended		(806,256)	(2,184,847)

Notes to the Condensed Interim Financial Statements

For the Six Months Ended December 31, 2017 (Un-audited)

	Note	December 31, 2017	June 30, 2017
6 Musawamah Receivables - Secured			
Musawamah facility - secured considered doubtful		12,500,000	25,000,000
Less: provision against potential losses		-	(12,500,000)
		12,500,000	12,500,000
6.1 Musawamah facility (classified portfolio)			
		December 31, 2017	June 30, 2017
		Balance outstanding	Balance outstanding
		Provision held	Provision held
		(Rupees)	
OAEM		-	-
Substandard		-	-
Doubtful		12,500,000	(12,500,000)
Loss		-	-
		12,500,000	(12,500,000)
6.2	"This represents musawamah principal amount overdue by more than one year carried profit rate of 10% (June 2017: 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. According to the prudential regulation # 5 for modarabas non performing assets will be classified as loss, where rental, markup/ interest/profit or principal is overdue beyond two years or more from the due date, provision of 100% of the difference resulting from the outstanding balance of principal against the facility less the amount of liquid assets. However, the outstanding balance against the facility doesnot fall under the category of loss (Refer Note No. 6.1) and therefore no provision is required against the said facility as at the reporting date.		
	Further, Modaraba has also registered criminal complaint as well as filed civil suit against M/s Quetta Textile Mills Ltd. for recovery of the defaulted facility in Honorable Banking Court No. II, Karachi."		
7 PROFIT RECEIVABLE			
Musawamah facility	6.2 & 7.1	-	-
Diminishing Musharakah		878,217	1,055,490
Sukuk		253,087	60,058
PLS bank account		62,595	68,757
		1,193,899	1,184,304
7.1 Provision against potential losses			
Musawamah facility		678,083	678,083
Less: Income suspended		(678,083)	(678,083)
		-	-
8 IJARAH RENTALS RECEIVABLES			
Ijarah rentals receivable - considered good		2,319,824	3,127,045
Less: allowance for potential ijarah losses		-	-
		2,319,824	3,127,045
9 TRADE DEBTORS - unsecured considered good			
Haji Sikander		7,889,515	8,546,082
		7,889,515	8,546,082
10 STOCK IN TRADE			
Finished goods		26,477,848	-
In transit		267,790	267,790
less: Provision for slow moving stock		(267,790)	(267,790)
		26,477,848	-

Notes to the Condensed Interim Financial Statements

For the Six Months Ended December 31, 2017 (Un-audited)

	Note	December 31, 2017	June 30, 2017
11 INVESTMENT IN SUKUK CERTIFICATES - Held to Maturity			
Investment in I- Sukuk Certificates	11.1	3,214,288	3,928,571
Investment in II- Sukuk Certificates		5,000,000	-
Less: Principal Repaid		(357,145)	(714,283)
Less: Current portion of Investment in Sukuk Certificates		<u>(714,290)</u>	<u>(1,428,566)</u>
		<u>7,142,853</u>	<u>1,785,722</u>
11.1	This represent sukuk certificates of Albaraka Bank (Pakistan) Limited carrying profit similar to base rate of six months of KIBOR + 1.25% (June 2017: KIBOR + 1.25%) receivable in 14 equal installments till September, 2021.		
12 LONG TERM PORTION OF INVESTMENT IN DINIMISHING MUSHARAKAH (Syndicate)			
Diminishing Musharakah	12.1	48,750,000	56,250,000
Less: Current portion of investment in diminishing musharakah		(15,000,000)	(15,000,000)
Long term portion of investment in diminishing musharakah		<u>33,750,000</u>	<u>41,250,000</u>
12.1	This represents Syndicate diminishing musharakah facility to Spud Energy PTY Limited through Albaraka Bank (Pakistan) Limited being the lead arranger, advisor and participant during the year carrying profit equal to the rate of three months KIBOR + 1.25% (June 2017: KIBOR + 1.25%) receivable in 16 quarterly equal installments from April 2017 to till January, 2021. with one year grace period .		
13 ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES			
Advances - considered good			
- Suppliers		23,203	13,880,500
- Employees		784,690	366,220
Prepayments		6,326,650	6,167,923
Others		459,261	7,371,221
Dividend receivable		35,750	30,096
Sales tax receivable		981,126	986,244
		<u>8,610,680</u>	<u>28,802,204</u>
14 TAXATION			
14.1	The income of the Modaraba, not being trading income, is exempt from tax subject to the condition that not less than ninety per cent of its total profits in the year as reduced by the amount transferred to a mandatory reserve, required under the provisions of Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 (XXXI of 1980) are distributed amongst the shareholders.		
	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 year amounting to Rs. Nil (2016: Nil) are the tax deducted as final on the remittance received from the import / export of goods.		
14.2 Income tax refundable		3,684,382	2,750,970
Income tax adjusted / deducted at source		<u>317,578</u>	<u>933,412</u>
		<u>4,001,960</u>	<u>3,684,382</u>
15 LONG TERM DEPOSITS			
National Commodities Exchange Limited		2,500,000	2,500,000
Security Deposit-N.C.E.L.-Office Space		850,000	850,000
Guarantee Margin - MCB		440,000	440,000
Mobile Phone - Pakistan Mobile Comm.		12,489	12,489
Mobile Phone - Warid Telecom		7,000	7,000
Security Deposit- CDC Pakistan Ltd.		37,500	37,500
		<u>3,846,989</u>	<u>3,846,989</u>

Notes to the Condensed Interim Financial Statements

For the Six Months Ended December 31, 2017 (Un-audited)

	Note	December 31, 2017	June 30, 2017
16 LONG TERM PORTION OF INVESTMENT IN DINIMISHING MUSHARAKAH			
Diminishing Musharakah		5,000,000	5,000,000
Less: Principal Repaid		(2,775,198)	(1,252,490)
Less: Current portion of investment in diminishing musharakah		(2,224,802)	(3,080,843)
Long term portion of investment in diminishing musharakah		-	666,667
	Note	December 31, 2017	June 30, 2017
17 IJARAH ASSETS			
Machinery		-	-
Vehicles		125,249,616	136,156,560
Others		4,636,766	6,050,550
	17.1	129,886,382	142,207,110

Six Months ended December 31, 2017 Ijarah Assets

17.1 The following is the statement of ijarah assets	Machinery	Motor Vehicles	Others	Total
At July 01, 2017				
Cost	-	211,181,876	12,540,000	223,721,876
Accumulated depreciation	-	(75,025,316)	(6,489,450)	(81,514,766)
Net book value	-	136,156,560	6,050,550	142,207,110
Additions	-	23,045,500	-	23,045,500
Disposals				
Cost	-	(12,707,500)	-	(12,707,500)
Depreciation	-	10,634,597	-	10,634,597
	-	(2,072,903)	-	(2,072,903)
Depreciation / amortization charge for the period	-	(31,879,541)	(1,413,784)	(33,293,325)
Closing net book value	-	125,249,616	4,636,766	129,886,382
At December 31, 2017				
Cost	-	221,519,876	12,540,000	234,059,876
Accumulated depreciation	-	(96,270,260)	(7,903,234)	(104,173,494)
Net book value	-	125,249,616	4,636,766	129,886,382

Year ended June 30, 2017 Ijarah Assets

	Machinery	Motor Vehicles	Others	Total
At July 01, 2016				
Cost	1,558,800	194,967,400	30,040,000	226,566,200
Accumulated depreciation	(1,289,238)	(63,222,911)	(17,829,587)	(82,341,736)
Net book value	269,562	131,744,489	12,210,413	144,224,464
Additions	-	70,511,692	-	70,511,692
Disposals				
Cost	(1,558,800)	(54,297,216)	(17,500,000)	(73,356,016)
Depreciation	1,402,920	43,941,419	15,750,000	61,094,339
	(155,880)	(10,355,797)	(1,750,000)	(12,261,677)
Depreciation / amortization charge for the period	(113,682)	(55,743,824)	(4,409,863)	(60,267,369)
Closing net book value	-	136,156,560	6,050,550	142,207,110
At June 30, 2017				
Cost	-	211,181,876	12,540,000	223,721,876
Accumulated depreciation	-	(75,025,316)	(6,489,450)	(81,514,766)
Net book value	-	136,156,560	6,050,550	142,207,110

Notes to the Condensed Interim Financial Statements

For the Six Months Ended December 31, 2017 (Un-audited)

	Note	December 31, 2017	June 30, 2017
18 FIXED ASSETS IN OWN USE			
Tangible assets		6,724,382	5,205,147
Intangible assets		2	2
		<u>6,724,384</u>	<u>5,205,149</u>

Six Months ended December 31, 2017

	Computer equipment	Office equipment and appliances	Furniture and Fixtures	Motor Vehicles	Total Tangible Assets	Intangible Computer Software	Total
At July 01, 2017							
Cost	817,723	537,873	755,824	5,181,489	7,292,909	253,000	7,545,909
Accumulated depreciation / amortization	(704,936)	(329,068)	(167,069)	(886,689)	(2,087,762)	(252,998)	(2,340,760)
Net book value	112,787	208,805	588,755	4,294,800	5,205,147	2	5,205,149
Additions	14,000	73,300	14,500	4,542,500	4,644,300	-	4,644,300
Disposals							
Cost	-	-	-	(2,243,000)	(2,243,000)	-	(2,243,000)
Depreciation	-	-	-	(2,243,000)	(2,243,000)	-	(2,243,000)
Depreciation / amortization charge for the year	(26,777)	(76,250)	(34,805)	(744,233)	(882,065)	-	(882,065)
Closing net book value	100,010	205,855	568,450	5,850,067	6,724,382	2	6,724,384
At December 31, 2017							
Cost	831,723	611,173	770,324	7,480,989	9,694,209	253,000	9,947,209
Accumulated depreciation / amortization	(731,713)	(405,318)	(201,874)	(1,630,922)	(2,969,827)	(252,998)	(3,222,825)
Net book value	100,010	205,855	568,450	5,850,067	6,724,382	2	6,724,384
Depreciation rate % per annum		30	30	10	20		30

Year ended June 30, 2017

	Computer equipment	Office equipment and appliances	Furniture and Fixtures	Motor Vehicles	Total Tangible Assets	Intangible Computer Software	Total
At July 01, 2016							
Cost	1,096,880	541,673	721,604	4,658,526	7,018,683	253,000	7,271,683
Accumulated depreciation / amortization	(948,099)	(229,469)	(100,833)	(2,788,387)	(4,066,788)	(252,998)	(4,319,786)
Net book value	148,781	312,204	620,771	1,870,139	2,951,895	2	2,951,897
Additions	28,500	39,700	34,220	4,607,185	4,709,605	-	4,709,605
Disposals							
Cost	(307,657)	(43,500)	-	(4,084,222)	(4,435,379)	-	(4,435,379)
Depreciation	307,639	43,499	-	3,352,851	3,703,991	-	3,703,991
	(18)	(1)	-	(731,371)	(731,388)	-	(731,388)
Depreciation / amortization charge for the year	(64,476)	(143,098)	(66,236)	(1,451,153)	(1,724,963)	-	(1,724,963)
Closing net book value	112,787	208,805	588,755	4,294,800	5,205,147	2	5,205,149
At June 30, 2017							
Cost	817,723	537,873	755,824	5,181,489	7,292,909	253,000	7,545,909
Accumulated depreciation / amortization	(704,936)	(329,068)	(167,069)	(886,689)	(2,087,762)	(252,998)	(2,340,760)
Net book value	112,787	208,805	588,755	4,294,800	5,205,147	2	5,205,149
Depreciation rate % per annum	30	30	10	20		30	

Notes to the Condensed Interim Financial Statements

For the Six Months Ended December 31, 2017 (Un-audited)

	Note	(Un-audited) December 31, 2017	Audited June 30, 2017
19 SECURITY DEPOSITS			
Security deposits		36,352,350	36,398,000
Less: Repayable / adjustable after one year		(24,142,050)	(27,752,950)
Current maturity of security deposits		<u>12,210,300</u>	<u>8,645,050</u>
20 CREDITORS, ACCRUED AND OTHER LIABILITIES			
Creditors		-	-
Accrued expenses		1,079,586	1,292,593
Payable to management company		-	371,212
Dividend Payables		15,504	-
Takaful / Insurance		28,750	57,750
Advances from customers		3,070,524	3,964,178
Provision for Worker's Welfare Fund		455,573	455,573
Advance Ijarah rentals		3,649,599	4,145,079
Unclaimed profit distributions		1,100,302	1,136,814
		<u>9,399,838</u>	<u>11,423,199</u>
21 PROVISION FOR CUSTOM DUTY & SURCHARGE			
Custom duty / surcharges	21.1	<u>4,398,842</u>	<u>4,398,842</u>
21.1	In a suit filed with the Honorable High Court of Sindh in the year 1994 - 95, Modaraba has disputed the mount 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.		
22 PROFIT PAYABLE			
Late payment & cheques return		267,268	267,268
Shares Dividend		232,767	214,762
Others		35,843	-
		<u>535,878</u>	<u>482,030</u>
23 DEFERRED LIABILITY - STAFF GRATUITY			
23.1 Staff Gratuity Scheme	As disclosed in note 3.6.2, the Modaraba operates an unfunded gratuity scheme for its permanent employees. The latest actuarial valuation was carried out as at June 30, 2017, using the Projected Unit Credit Method		
23.2 Liability recognised in the balance sheet:			
Present value of the defined benefit obligation		6,419,696	6,223,540
Less: fair value of planned assets		-	-
Defined benefit liability recognized in the accounts		<u>6,419,696</u>	<u>6,223,540</u>

Notes to the Condensed Interim Financial Statements

For the Six Months Ended December 31, 2017 (Un-audited)

24 CERTIFICATE CAPITAL

Authorised certificate capital

December 31, 2017	June 30, 2017		December 31, 2017	June 30, 2017
-----Number of certificates-----			------(Rupees)-----	
<u>40,000,000</u>	<u>40,000,000</u>	Modaraba Certificates of Rs 10 each	<u>400,000,000</u>	<u>400,000,000</u>
20,000,000	20,000,000	Modaraba Certificates of Rs 10 each fully paid in cash	200,000,000	200,000,000
1,000,000	1,000,000	Modaraba Certificates of Rs 10 each issued as fully paid bonus certificates	10,000,000	10,000,000
<u>21,000,000</u>	<u>21,000,000</u>		<u>210,000,000</u>	<u>210,000,000</u>

24.1 As at June 30, 2017, First Al-Noor Modaraba Management (Private) Limited (the Management Company) held 4,200,000 certificates (June 2017: 4,200,000 certificates), as required under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980.

25 RESERVES

Statutory reserve

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

During the current period the Modaraba has transferred an amount of Rs. Nil (June 2017: Rs 688,901).

26 CONTINGENCIES AND COMMITMENTS

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

27. PROFIT FROM TRADING OPERATIONS

	for the Six months ended		for the Six months ended	
	Dec 31, 2017	Dec 31, 2016	Dec 31, 2017	Dec 31, 2016
Local	-	21,181,000	-	-
Export	-	-	-	-
Sales - Net	-	21,181,000	-	-
Cost of Sales	-	(20,000,000)	-	-
Export expenses	-	-	-	-
	-	1,181,000	-	-

28. INCOME ON DIMINISHING MUSHARAKAH INVESTMENTS

Income on diminishing musharakah (Syndicate)	2,268,535	2,704,044	1,088,705	1,428,554
Income on diminishing musharakah	129,719	-	65,271	-
	2,398,254	2,704,044	1,153,976	1,428,554

29 INCOME FROM IJARAH

Ijarah income	41,350,507	40,399,925	19,704,979	19,282,473
Less: Depreciation of ijarah assets	(33,293,325)	(32,620,847)	(16,610,530)	(14,981,246)
	8,057,182	7,779,078	3,094,449	4,301,227

30 INCOME FROM INVESTMENTS

Gin on sale of listed securities	1,297,484	4,007,801	325,381	1,887,256
Dvidend Income	1,053,064	1,555,351	807,250	949,526
Gain on Sukuk Certificates	312,611	152,136	202,398	67,092
	2,663,159	5,715,288	1,335,029	2,903,874

Notes to the Condensed Interim Financial Statements

For the Six Months Ended December 31, 2017 (Un-audited)

for the Six months ended		for the Six months ended	
Dec 31, 2017	Dec 31, 2016	Dec 31, 2017	Dec 31, 2016

31 ADMINISTRATIVE AND OPERATING EXPENSES

Salaries and others staff benefits	7,276,665	6,427,812	3,372,521	2,787,386
Rent, rates and taxes	166,337	51,412	145,952	25,706
Postage and telephone	193,480	187,581	87,301	124,347
Printing and stationary	387,444	140,350	346,070	102,530
Fee & subscription	467,471	369,119	306,004	261,677
Legal and professional charges	754,247	303,516	196,318	148,878
Travelling and conveyance	57,978	3,390	55,828	2,440
Entertainment	136,126	110,502	75,871	85,094
Repair and maintenance	1,324,781	1,239,595	599,630	622,288
Electricity and others utility charges	-	200,000	-	50,000
Depreciation	882,065	760,635	432,586	423,857
Auditor's remuneration	47,325	126,500	-	96,000
Advertisement and publicity	19,000	-	19,000	-
Zakat	-	625	-	625
Takaful /Insurance	3,294,492	2,755,393	1,318,763	1,469,374
Commission	29,395	94,102	8,525	26,342
Others	129,617	113,616	63,278	63,421
	15,166,424	12,884,147	7,027,647	6,289,965

32 OTHER INCOME

Documentation and other service charges	51,265	54,424	5,752	38,937
Profit on bank deposits	428,396	272,374	264,410	105,568
Miscellaneous income	165,761	64,926	165,761	64,926
	645,421	391,724	435,923	209,432

33 MODARABA COMPANY'S REMUNERATION

In accordance with the Modaraba Companies and Modaraba Rules, 1981, remuneration at the rate of 10% of annual profits before Income tax & Workers Welfare Fund is payable to the Management Company.

34 WORKERS WELFARE FUND

The Finance Act 2008 made certain changes to the Workers' Welfare Fund Ordinance, 1971. Through these amendments Workers' Welfare Fund (WWF) is payable @ 2% on the higher of the profit before taxation as per the financial statements or return of income.

35 EARNING PER CERTIFICATE - Basic and Diluted

(Loss) / Profit for the period	(10,432,065)	5,970,897	(3,541,341)	4,699,968
	Number	Number	Number	Number
Average number of certificates	21,000,000	21,000,000	21,000,000	21,000,000
(Loss) / Earning per certificate - basic and diluted	(0.50)	0.28	(0.17)	0.22

36 RELATED PARTIES TRANSACTIONS

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

Notes to the Condensed Interim Financial Statements

For the Six Months Ended December 31, 2017 (Un-audited)

	31 Dec. 2017	31 Dec. 2016
36.1 Balance outstanding at Period end		
Modaraba Management Company		
- Management company's remuneration	-	690,329
Associated undertakings		
- Sharing of common expense charged during the year with Al-Noor Sugar Mills Ltd.	-	200,000
Other related parties (other than key management personnel)		
- Contribution to staff gratuity fund	6,419,696	6,766,079
36.2 Transactions during the period		
Modaraba Management Company		
- Management company's remuneration	-	676,972
Associated undertakings		
- Sharing of common expense charged during the year with Al-Noor Sugar Mills Ltd.	-	200,000
Other related parties (other than key management personnel)		
- Contribution to staff gratuity fund	594,156	662,344
37 CASH FROM OPERATIONS AFTER WORKING CAPITAL CHANGES		
(Loss) / Profit before taxation	(10,432,065)	5,970,897
Adjustments for:		
Gain on sale of investment in listed securities	(1,297,484)	(4,007,801)
Dividend income	(1,053,064)	(1,555,351)
Income on diminishing musharakah	(2,398,254)	(2,704,044)
Gain on sukuk certificates	(312,611)	(152,136)
Profit on bank deposits	(428,396)	(272,374)
Financial charges	3,756	8,768
Depreciation - owned assets	882,065	760,635
Depreciation - Ijarah assets	33,293,325	32,620,847
Provision for gratuity	594,156	662,944
Share of (loss) / profit from Associate	645,421	(501,489)
Unrealized loss/(gain) on re measurement of investments in listed securities	8,171,823	(1,390,015)
	<u>38,100,737</u>	<u>23,469,984</u>
Operating profit before working capital changes	27,668,672	29,440,881
(Increase)/Decrease in current assets		
Stock in trade	(26,477,848)	-
Profit receivable	(9,595)	(31,652)
Ijarah Rental receivable	807,221	(222,399)
Trade Debtors - considered good and unsecured	656,567	
Advances, deposits, prepayments and other receivables	20,197,178	(17,489,077)
	<u>(4,826,477)</u>	<u>(17,743,128)</u>
(Decrease) in current liabilities		
Creditors, accrued and other liabilities	(1,965,366)	(2,596,077)
Profit payable	53,848	2,739
	<u>(1,911,518)</u>	<u>(2,593,338)</u>
Cash flow from operating activities	20,930,677	9,104,415

Notes to the Condensed Interim Financial Statements

For the Six Months Ended December 31, 2017 (Un-audited)

FINANCIAL RISK MANAGEMENT

The Modaraba's financial risk management objectives and policies are consistent with those disclosed in the preceding annual published financial statements of the Modaraba for the year ended June 30, 2017.

38 DATE OF AUTHORISATION

These financial statements were authorised for issue by the Board of Directors of the Management Company in their meeting held on February 24, 2018

39 GENERAL

Figures in these financial statements have been rounded off to the nearest Rupee.

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

Place : Karachi
Date : February 24, 2018

sd/-
Chief Executive

sd/-
Director

sd/-
Director



Book Post



If undelivered, please return to:

FIRST AL-NOOR MODARABA

(An Islamic Financial Institution)

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

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