

Modaraba Al-Mali  
Managed by:  
**BankIslami Modaraba Investments Ltd.**



Half Yearly Report  
December 31, 2014  
(Un-audited)

10th Floor, Progressive Square, Opposite Nursery, Sharea Faisal, Karachi.  
Phone : (92-21) 34547521-5 Fax : (92-21) 34547526

Modaraba Al-Mali

**CONTENTS**

	Page
<u>Corporate Information</u>	<u>1</u>
<u>Directors' Review</u>	<u>2</u>
<u>Auditors' Review Report</u>	<u>3</u>
<u>Balance Sheet</u>	<u>4</u>
<u>Profit and Loss Account</u>	<u>5</u>
<u>Cash Flow Statement</u>	<u>6</u>
<u>Statement of Changes in Equity</u>	<u>7</u>
<u>Notes to the Financial Statements</u>	<u>8</u>

## CORPORATE INFORMATION

Board of Directors	Mr. Muhammad Hamid	Chairman
	Mr. Hasan Aziz Bilgrami	Director
	Mr. Muhammad Faisal Shaikh	Director
	Mr. Rehan Shuja Zaidi	Director
	Mr. Tariq Usman Bhatti	Director
	Mr. Zahid Ali H. Jamall	Director
	Mr. Aziz Adil	Chief Executive Officer
Audit Committee	Mr. Zahid Ali H. Jamall	Chairman
	Mr. Muhammad Hamid	Member
	Mr. Rehan Shuja Zaidi	Member
HR & Remuneration Committee	Mr. Hasan Aziz Bilgrami	Member
	Mr. Aziz Adil	Chief Executive Officer
Shariah Advisor	Mufti Irshad Ahmed Aijaz	
Management Team	Mr. Aziz Adil	Chief Executive Officer
	Mr. Zafar Ahmed	Chief Financial Officer
	Mr. Zeeshan Bin Farrukh	Head of IT/Admin.
	Mr. Shah Muhammad Abdullah	Head of CAD
Auditors	Ernst & Young Ford Rhodes Sidat Hyder	
	Chartered Accountants	
	Progressive Plaza, Beaumont Road	
	Karachi	
Bankers	BankIslami Pakistan Limited	
	Bank Alfalah Limited	
	Dubai Islamic Bank Limited	
	Meezan Bank Limited	
Registrar & Share Registration Office	Technology Trade (Pvt.) Limited	
	Dagia House, 241-C, Block-2,	
	P.E.C.H.S., Karachi.	
Registered Office	10th Floor, Progressive Square,	
	Opposite Nursery, Shahr-e-Faisal, Karachi.	
	Phone: 34547521-25, Fax: 34547526	
	E-mail: info@modarabaalmali.com	
	URL: http://www.modarabaalmali.com	

## Directors' Review

*Directors' Review*

We are pleased to present un-audited Financial Statements of Modaraba Al-Mali for the period ended 31st December 2014, as required under section 245 of the Companies Ordinance, 1984, presented in accordance with the requirements of the International Accounting Standard-34 "Interim financial Reporting" as applicable in Pakistan.

*Operating Results*

By the grace of Almighty Allah, the Modaraba was able to continue with momentum picked up from the period ended September 30, 2014 and has earned a profit of Rs. 5.86 million as compared to loss of Rs. 3.628 million during the corresponding half year ended December 31, 2013. Gross revenue increased by more than 100% whereas operating expenses registered a negative growth of over 8% over December 31, 2013. This is despite problems faced by us at our fuel station operations relating to various mechanical issues and long interruptions in power supply due to load shedding. Same have now been resolved of and we will, Insha'Allah, have an improved profitability in the coming periods from this segment of the business.

Our efforts to make recoveries against non performing receivables and investments are paying off and so far Rs.5.536 million have been recovered during the first half of the year and recognized in these accounts. More recoveries are expected in coming periods.

*Internal Audit*

In compliance with Code of Corporate Governance, the Audit Committee has reviewed these financial statements before approval of the Board of Directors.

*Future Prospects*

Modaraba is focused on Shariah compliant financing business. During the period, we were able to book assets worth over Rs. 24 million. With sufficient liquidity in hand, our endeavors to book good quality assets continue. The Board has already made its intention known to improve the capitalization.

*Acknowledgement*

We wish to place on record our appreciation and thanks to the certificate-holders for their continued confidence, to the authorities for the guidance provided by them and to all the members of management and staff for their dedication and hard work.

On behalf of the Board

-- Sd --

**Aziz Adil**

Chief Executive Officer

Karachi: February 24, 2015

## AUDITOR'S REPORT TO THE CERTIFICATE HOLDERS ON REVIEW OF INTERIM FINANCIAL INFORMATION

### Introduction

We have reviewed the accompanying condensed interim statement of financial position of MODARABA AL –MALI (the Modaraba) as at 31 December 2014, and the related condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity together with the notes forming part thereof (here-in-after referred to as the “interim financial information”) for the six months period then ended. The Modaraba is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards applicable in Pakistan for interim financial reporting. 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 the international Standard on Review Engagements 2410 “Review of Interim financial Information Performed by the Independent Auditor of the Entity”. A review of interim financial information consists of making inquiries, primarily of persons responsible for the 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 the 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 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

### Other matters

The condensed interim financial statements of the Modaraba for the Six month ended 31 December 2013 and for the year ended 30 June 2014 were reviewed and audited by another firm of Chartered accountants, whose review report dated 27 February 2014 and audit report dated 30 September 2014 expressed an unmodified conclusion and unmodified opinion on those statements respectively.

Chartered Accountants  
-- Sd --  
**Engagement Partner**  
Omer Chughtai

Karachi: February 24, 2015

## CONDENSED INTERIM BALANCE SHEET AS AT DECEMBER 31, 2014

		Unaudited December 31 2014	Audited June 30 2014
	Note	----- (Rupees)-----	
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and bank balances	4	42,968,917	29,820,913
Ijarah finance	5	3,755,007	3,755,007
Murabaha finance	6	-	-
Investments	7	-	-
Receivable against operating lease / ijarah rentals and maintenance service	8	27,053	10,654,397
Advances, deposits, prepayments and other receivables	9	36,822,367	42,986,557
Inventory		608,561	1,261,598
<b>Total current assets</b>		<b>84,181,905</b>	88,478,472
<b>Non-current Assets</b>			
Property and equipment	10	74,508,405	77,405,085
Property and equipment under ijarah arrangement	11	52,426,785	34,851,929
Long term deposits		-	7,171,900
<b>Total non-current assets</b>		<b>126,935,190</b>	119,428,914
<b>Total Assets</b>		<b>211,117,095</b>	207,907,386
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Creditors, accrued and other liabilities		16,219,891	18,953,118
Current portion of security deposits		14,313,556	10,583,356
Unclaimed profit distribution		6,858,298	6,858,298
<b>Total current liabilities</b>		<b>37,391,745</b>	36,394,772
<b>Non-Current Liabilities</b>			
Security deposits		13,920,903	17,569,980
<b>Total liabilities</b>		<b>51,312,648</b>	53,964,752
<b>NET ASSETS</b>		<b>159,804,447</b>	153,942,634
<b>REPRESENTED BY</b>			
<b>CAPITAL AND RESERVES</b>			
<b>Authorized capital</b>			
30,000,000 Modaraba certificates of Rs. 10 each		300,000,000	300,000,000
Issued, subscribed and paid-up			
18,423,945 Modaraba certificates of Rs. 10 each		184,239,450	184,239,450
Reserves □		56,582,879	56,582,879
Accumulated loss □		(81,017,882)	(86,879,695)
<b>Total capital and reserves</b>		<b>(24,435,003)</b>	(30,296,816)
Contingencies and commitments	12	159,804,447	153,942,634

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

For BankIslami Modaraba Investment Limited  
Modaraba Management Company

\_\_\_\_\_  
Chief Executive

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED)**  
FOR THE HALF YEAR ENDED DECEMBER 31, 2014

		Half year ended		Quarter ended	
		December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
CONTINUING OPERATIONS					
	Note	----- Rupees -----			
INCOME					
Income from ijarah finance - net		8,772,316	4,884,138	4,443,264	2,647,106
Profit from operation of a fuel station - net	13	462,165	1,010,476	74,673	375,957
Profit on Islamic Saving accounts		1,255,694	126,017	695,437	73,743
Other income		5,858,433	2,075,206	2,814,441	1,201,758
		<u>16,348,608</u>	<u>8,095,837</u>	<u>8,027,815</u>	<u>4,298,564</u>
EXPENDITURE					
Depreciation on property and equipment - ijarah		6,444,508	3,374,226	3,341,428	1,893,034
Operating expenses□	14	9,255,147	10,069,000	4,820,782	5,038,809
		<u>15,699,655</u>	<u>13,443,226</u>	<u>8,162,210</u>	<u>6,931,843</u>
Reversal of provision against impairment	15	648,953	(5,347,389)	(134,395)	(2,633,279)
		<u>5,536,402</u>	<u>157,221</u>	<u>3,310,572</u>	<u>157,221</u>
Provision for workers welfare fund		6,185,355	(5,190,168)	3,176,177	(2,476,058)
Modaraba company's management fee		(123,707)	-	(63,524)	-
Profit/(Loss) for the period before taxation		<u>6,061,648</u>	<u>(5,190,168)</u>	<u>3,112,653</u>	<u>(2,476,058)</u>
Taxation	16	(199,835)	(166,652)	(90,600)	(82,858)
Net profit/(loss) for the period after taxation from continuing operations		<u>5,861,813</u>	<u>(5,356,820)</u>	<u>3,022,053</u>	<u>(2,558,916)</u>
DISCONTINUED OPERATIONS					
Net profit / (loss) for the period from discontinued operations		-	2,018,649	-	(670,079)
PROFIT / LOSS FOR THE PERIOD		<u>5,861,813</u>	<u>(3,338,171)</u>	<u>3,022,053</u>	<u>(3,228,995)</u>
Other comprehensive income					
Items that will not be reclassified subsequently through profit and loss account					
Remeasurement of defined benefit liability-gratuity		-	(289,992)	-	(289,992)
Total comprehensive profit/(loss)for the period		<u>5,861,813</u>	<u>(3,628,163)</u>	<u>3,022,053</u>	<u>5,861,813</u>
Continuing operations					
Earning per certificate - basic and diluted		<u>0.32</u>	<u>(0.29)</u>	<u>0.16</u>	<u>0.32</u>
Discontinued operations					
Earning per certificate - basic and diluted		<u>-</u>	<u>0.11</u>	<u>-</u>	<u>-</u>
The annexed notes form an integral part of these condensed interim financial information.					

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

BankIslami Modaraba Investment Limited  
Modaraba Management Company

Chief Executive

Director

Director

**CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)**  
FOR THE HALF YEAR ENDED DECEMBER 31, 2014

	Half year ended		Quarter ended	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
<b>A □ CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Profit before taxation</b>				
Adjustments of non-cash and other items	6,185,355	(3,171,519)	3,176,177	(2,667,763)
Depreciation on:				
Property and equipment- own use	703,069	2,670,382	310,911	904,484
Property and equipment - ijarah	6,444,508	3,374,226	3,341,428	1,893,034
Property and equipment - fuel operations□	268,812	219,637	134,406	107,689
Loss / (gain) on disposal of property and equipment - own use (Reversal of) / provision for impairment loss	(3,755,833)	6,032	(1,678,564)	(70)
	<b>(5,536,402)</b>	<b>(157,221)</b>	<b>(3,310,572)</b>	<b>(157,221)</b>
	<b>4,309,509</b>	<b>2,941,537</b>	<b>1,973,786</b>	<b>80,153</b>
<b>Decrease / (increase) in current assets</b>				
Ijarah finance	166,731	157,221	41,085	157,221
Receivable against operating lease rentals and maintenance service	12,900,119	9,149,385	1,987,670	8,519,528
Advances, deposits, prepayments and other receivables	6,792,832	(1,897,184)	4,471,142	3,654,600
Inventory	729,933	1,179,148	(35,394)	1,813,085
	<b>20,589,615</b>	<b>8,588,570</b>	<b>6,464,503</b>	<b>14,144,434</b>
<b>Increase / (decrease) in current liabilities</b>				
Creditors, accrued and other liabilities	(2,856,934)	3,304,734	(1,810,833)	(1,879,675)
Security deposits received (paid)	81,123	(6,189,400)	81,123	(3,183,600)
	<b>(2,775,811)</b>	<b>(2,884,666)</b>	<b>(1,729,710)</b>	<b>(5,063,275)</b>
	<b>22,123,313</b>	<b>8,645,441</b>	<b>6,708,579</b>	<b>9,161,312</b>
Income taxes paid	(808,493)	(3,626,604)	(381,301)	(2,565,592)
Net cash generated from operating activities	<b>21,314,820</b>	<b>5,018,837</b>	<b>6,327,278</b>	<b>6,595,720</b>
<b>B □ CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Purchase of property and equipment- ijarah	(24,319,348)	(12,221,000)	(16,806,348)	(3,797,000)
Purchase of property and equipment- own use	(182,068)	(2,065,647)	(53,710)	(20,239)
Proceeds from disposal of property and equipment- own use	5,862,700	25,000	1,685,000	-
Proceeds from disposal of property and equipment- Ijarah	300,000	-	300,000	-
Proceeds from disposal of long term investments	3,000,000	-	3,000,000	-
Net cash used in investing activities	<b>(15,338,716)</b>	<b>(14,261,647)</b>	<b>(11,875,058)</b>	<b>(3,817,239)</b>
<b>C □ CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Dividend paid□	-	(1,707,822)	-	(1,707,822)
Long term deposits received□	7,171,900	12,809,090	3,276,700	4,009,750
Net cash generated from financing activities□	<b>7,171,900</b>	<b>11,101,268</b>	<b>3,276,700</b>	<b>2,301,928</b>
Net increase in cash and cash equivalents (A+B+C)□	<b>13,148,004</b>	<b>1,858,458</b>	<b>(2,271,080)</b>	<b>5,080,409</b>
Cash and cash equivalents at beginning of the period□	<b>29,820,913</b>	<b>8,756,714</b>	<b>45,239,997</b>	<b>5,534,763</b>
Cash and cash equivalents at end of the period	<b>42,968,917</b>	<b>10,615,172</b>	<b>42,968,917</b>	<b>10,615,172</b>

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

For BankIslami Modaraba Investments Limited  
Modaraba Management Company

Chief Executive

Director

Director

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)**  
FOR THE HALF YEAR ENDED DECEMBER 31, 2014

	Reserves					
		Capital reserves		Revenue reserves		
Certificate Capital	Certificate premium	Statutory reserve*	Accumulated loss	Total Reserves	Total	
------(Rupees)-----						
Balance at July 01, 2013	184,239,450	511,409	56,071,470	(61,528,287)	(4,945,408)	179,294,042
Comprehensive income						
Loss for the half year ended December 31, 2013	-	-	-	(3,338,171)	(3,338,171)	(3,338,171)
Other comprehensive income	-	-	-	(289,992)	(289,992)	(289,992)
Total comprehensive loss for the period	-	-	-	(3,628,163)	(3,628,163)	(3,628,163)
Transaction with owners:						
Final cash dividend of Re. 0.125 per certificate for the year ended June 30, 2013	-	-	-	(2,302,993)	(2,302,993)	(2,302,993)
Balance at December 31, 2013	184,239,450	511,409	56,071,470	(67,459,443)	(10,876,564)	173,362,886
Comprehensive income						
Loss for the period ended June 30, 2014	-	-	-	(21,093,369)	(21,093,369)	(21,093,369)
Other comprehensive income	-	-	-	1,673,117	1,673,117	1,673,117
Total comprehensive income for the period	-	-	-	(19,420,252)	(19,420,252)	(19,420,252)
Balance at June 30, 2014	184,239,450	511,409	56,071,470	(86,879,695)	(30,296,816)	153,942,634
Comprehensive income						
Profit for the half year ended December 31, 2014	-	-	-	5,861,813	5,861,813	5,861,813
Other comprehensive income	-	-	-	-	-	-
Total comprehensive Profit for the period	-	-	-	5,861,813	5,861,813	5,861,813
Balance at December 31, 2014	184,239,450	511,409	56,071,470	(81,017,882)	(24,435,003)	159,804,447

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

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

For BankIslami Modaraba Investments Limited  
Modaraba Management Company

Chief Executive

Director

Director

**SELECTED EXPLANATORY NOTES TO THE CONDENSED  
INTERIM FINANCIAL INFORMATION (UN-AUDITED)**  
FOR THE HALF YEAR ENDED DECEMBER 31, 2014

**1. LEGAL STATUS AND NATURE OF BUSINESS**

1.1 Modaraba Al-Mali ("the Modaraba") is a multipurpose and perpetual Modaraba floated in Pakistan on July 8, 1987 under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, and Modaraba Companies and Modaraba Rules, 1981 and is managed by BankIslami Modaraba Investments Limited, a company registered under the Companies Ordinance, 1984. It is engaged in the business of leasing, murabaha, musharaka financing, operation of petrol and diesel filling / service station. The Modaraba is listed on the Karachi, Lahore and Islamabad Stock Exchanges Limited. Registered office is situated at Progressive Square, Shahrae Faisal, Karachi, in the province of Sindh.

**2. BASIS OF PREPARATION**

- 2.1 This condensed interim financial information of the Modaraba for the half year ended December 31, 2014 has been prepared in accordance with the requirements of the International Accounting Standard 34 'Interim Financial Reporting'. This condensed interim financial information does not include all the information required for the full financial statements and therefore should be read in conjunction with the annual audited financial statements of the Modaraba for the year ended June 30, 2014.
- 2.2 This condensed interim financial information has been prepared under the historical cost convention except that staff retirement benefits are carried at present value.
- 2.3 The condensed interim financial information is presented in Pak Rupees, which is the Modaraba's functional and presentation currency and figures presented in this condensed interim financial information has been rounded off to the nearest rupee.
- 2.4 This condensed interim financial information is unaudited. However, limited scope review has been performed by the statutory auditors in accordance with the requirements of the provisions of the Code of Corporate Governance and these condensed interim financial information are being circulated to the certificate holders as required under the Modaraba Companies and Modaraba Rules, 1981.

**3. SIGNIFICANT ACCOUNTING POLICIES, ESTIMATES AND JUDGMENTS**

- 3.1 The accounting policies, estimates, judgements and the methods of computation adopted for the preparation of this condensed interim financial information are the same as those applied in the preparation of the annual audited financial statements for the year ended June 30, 2014.
- 3.2 The accounting policies adopted in the preparation of these condensed interim financial statements are consistent with those of the previous financial year except as follows:

**New / Revised Standards, Interpretations and Amendments**

The Modaraba has adopted the following amendments and interpretation of IFRSs which became effective for the current period: □

IAS 19 – Employee Benefits – (Amendment) - Defined Benefit Plans: Employee Contributions □

IAS 32 – Financial Instruments : Presentation – (Amendment) □  
– Offsetting Financial Assets and Financial Liabilities □

IAS 36 – Impairment of Assets – (Amendment) □  
– Recoverable Amount Disclosures for Non-Financial Assets □

IAS 39 – Financial Instruments: Recognition and Measurement – (Amendment)  
– Novation of Derivatives and Continuation of Hedge Accounting □

IFRIC 21 – Levies

The adoption of the above amendments to accounting standards and interpretations did not have any effect on the condensed interim financial statements.

In addition to the above standards and interpretations, improvements to various accounting standards have also been issued by the IASB and are generally effective for current period. The Modaraba expects that such improvements to the standards do not have any impact on the Modaraba's financial statements for the period.

## Modaraba Al-Mali

### 4. CASH AND BANK BALANCES

		Unaudited December 31 2014	Audited June 30 2014
	Note	------(Rupees)-----	
With banks:□			
In profit and loss sharing accounts	4.1	42,395,230	29,208,553
In current accounts		291,094	291,094
Balance with State Bank of Pakistan□		11,516	11,516
		<u>42,697,840</u>	<u>29,511,163</u>
On hand:			
Cash		269,077	297,750
Stamp paper		2,000	12,000
		<u>42,968,917</u>	<u>29,820,913</u>

4.1 These carry profit rates ranging from 3.50% to 7.20% per annum. (June 2014: 3.50% to 6.25%)

### 5. IJARAH FINANCE

Ijarah contracts commencing up to June 30, 2008  
- accounted for as finance leases

Minimum lease payments due		40,562,809	40,762,309
Residual value of leased assets		3,755,007	3,755,007
Total receivable□		<u>44,317,816</u>	<u>44,517,316</u>
Suspended lease income		(7,506,580)	(7,539,349)
Provision for Impairment against potential lease losses	5.1	<u>(33,056,229)</u>	<u>(33,222,960)</u>
		<u>(40,562,809)</u>	<u>(40,762,309)</u>
		<u>3,755,007</u>	<u>3,755,007</u>

5.1 These ijarah finances are fully provided and the remaining amount represents amount of security deposits to be adjusted at the time of final settlement.

### 6. MURABAHA

Considered doubtful		2,517,068	2,517,068
Provision for impairment loss against doubtful recoveries		<u>(2,517,068)</u>	<u>(2,517,068)</u>
		<u>-</u>	<u>-</u>

6.1 These represent amount receivable against Murabaha transactions i.e. sale of goods on a deferred payment basis at a specified profit margin ranging from 10% to 24% per annum. Since the finance is non-performing and no income is accrued on it in accordance with the Prudential Regulations for Modarabas.

### 7. INVESTMENTS

#### Available-for-sale investments

New Allied Electronics Industries (Private) Limited  
- Sukuk Certificates

Cost □		4,000,000	4,000,000
Disposed□		<u>(3,000,000)</u>	<u>-</u>
		1,000,000	4,000,000
Provision for impairment loss against doubtful recovery		<u>(1,000,000)</u>	<u>(4,000,000)</u>
		<u>-</u>	<u>-</u>

7.1 Last redemption / coupon was received on December 17, 2008 and accordingly the Modaraba had made a provision of Rs. 4 million. However Rs.3 million worth of investment were disposed in this period.

## Modaraba Al-Mali

### 8. RECEIVABLE AGAINST OPERATING LEASE RENTALS AND MAINTENANCE SERVICE

	Note	Unaudited December 31, 2014	Audited June 30, 2014
		------(Rupees)-----	
Unsecured			
Considered good			
- Maintenance fee	8.1	427,241	10,886,043
- Ijarah rentals received in advance		<u>(400,188)</u>	<u>(231,646)</u>
Considered doubtful			
- Maintenance fee		5,754,958	8,027,733
- Operating lease rentals		<u>10,194,320</u>	<u>10,194,320</u>
		15,976,331	28,876,450
Provision for impairment loss against doubtful recoveries		<u>(15,949,278)</u>	<u>(18,222,053)</u>
		<u>27,053</u>	<u>10,654,397</u>

8.1 This receivable are related to discontinued operations.

### 9. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

#### Considered good

- Income tax refundable□	23,616,909	23,008,251
- Advance against property and equipment□ under Ijarah arrangement□	387,895	7,513,000
- Current portion of security deposits□	4,053,950	4,053,950
- Advances to Supplier□	1,914,715	989,458
- Advances to employees□	383,177	241,706
- Prepayments□	890,060	267,307
- Defined benefit plan - staff gratuity□	1,962,840	1,962,840
- Others deposits	57,900	61,899
	<u>33,267,446</u>	<u>38,098,411</u>

#### Other receivables

- Premises rent receivable	2,078,029	1,457,738
- Receivable against common group expenses	38,691	905,895
- Receivable against sale of fuel	380,865	528,397
- Receivable against sale of scrap	-	849,090
- Receivable from management company	70,210	26,060
- Others	987,126	1,120,966
	<u>3,554,921</u>	<u>4,888,146</u>

#### Considered doubtful

#### Other receivables

- Terminated leases	6,242,260	6,242,260
- Miscellaneous amount recoverable from the lessees	1,188,872	1,188,872
- Dividend receivable	16,275	16,275
- Receivable from brokers	22,422	22,422
- Receivable against sale of fuel	355,102	355,102
- Others	228,732	248,732
	<u>8,053,663</u>	<u>8,073,663</u>
Provision for impairment loss against doubtful recoveries	<u>(8,053,663)</u>	<u>(8,073,663)</u>
	<u>-</u>	<u>-</u>
	<u>36,822,367</u>	<u>42,986,557</u>

## Modaraba Al-Mali

	Note	Unaudited December 31, 2014	Audited June 30, 2014
		------(Rupees)-----	
<b>10. PROPERTY AND EQUIPMENT- OWN USE</b>			
Operating property and equipment - in own use		74,104,695	77,055,085
Towers and allied equipment-held for operating lease/ijarah		350,000	350,000
Capital work in progress		53,710	-
		<u>74,508,405</u>	<u>77,405,085</u>

10.1 Following additions and disposals, at cost, were made during the period/year:

	Additions/(transfers) *			Disposals	
	Unaudited December 31, 2014	Audited June 30, 2014		Unaudited December 31, 2014	Audited June 30, 2014
	------(Rupees)-----			------(Rupees)-----	
Vehicles - maintenance services□	-	-		-	22,605,154
Vehicles□	-	7,632,453	*	6,832,720	2,580,666
Furniture and fixtures	128,358	111,613		157,608	962,869
Office and computer equipment	-	63,000	*	346,730	1,450,339
Tower and allied equipment	-	-		-	53,358,073
Other allied equipment	-	-		-	16,451,614
Capital work in progress	53,710	-		-	-
	<u>182,068</u>	<u>7,807,066</u>		<u>7,337,058</u>	<u>97,408,715</u>

## 11. PROPERTY AND EQUIPMENT- OWN USE IJARAH ARRANGEMENT

11.1 Following additions and disposals in ijarah leased out assets, at cost, were made during the period: -

	Additions/(transfers) *			Disposals	
	Unaudited December 31, 2014	Audited June 30, 2014		Unaudited December 31, 2014	Audited June 30, 2014
	------(Rupees)-----			------(Rupees)-----	
Machinery & Equipments	3,917,353	8,288,280		-	-
Vehicles	20,402,011	16,377,000		1,000,000	(1,371,000)
	<u>24,319,364</u>	<u>24,665,280</u>		<u>1,000,000</u>	<u>(1,371,000)</u>

## 12. CONTINGENCIES AND COMMITMENTS

### Contingencies

The status of contingencies is same as stated in annual audited financial statements of the Modaraba for the year ended June 30, 2014.

	Unaudited December 31, 2014	Audited June 30, 2014
	------(Rupees)-----	
Commitments		
Future rentals of Ijarah finance under IFAS 2 "Ijarah Finance"	-	13,168,909

## Modaraba Al-Mali

## 13. PROFIT FROM OPERATIONS OF FUEL STATION - NET

		Half year ended		Quarter ended	
	Note	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
		------(Rupees)-----		------(Rupees)-----	
<b>Income□</b>					
Sale of fuel □	13.1	66,308,194	71,666,240	28,129,654	36,158,843
Cost of sales □		(64,271,459)	(69,358,121)	(27,211,374)	(35,099,326)
		<u>2,036,735</u>	<u>2,313,369</u>	<u>918,281</u>	<u>1,059,517</u>
Rental income□	13.2	570,000	535,000	285,000	265,000
		<u>2,606,735</u>	<u>2,848,369</u>	<u>1,203,281</u>	<u>1,324,517</u>
<b>Expenses□</b>					
Salaries and allowances		699,121	821,617	350,025	409,528
Generator fuel		248,443	282,971	89,908	138,790
Depreciation		268,812	219,637	134,406	107,689
Professional fees		-	2,550	-	2,550
Electricity		156,641	104,153	76,145	58,677
Repairs and maintenance		75,702	36,484	53,489	6,422
Printing and stationery		14,370	865	8,520	130
Security guards		343,200	138,600	171,600	71,400
Transportation		7,000	16,100	7,000	16,100
Insurance □		29,479	11,352	18,280	-
Telephone□		11,684	24,019	5,644	13,451
Hired equipment Rentals		97,200	12,903	97,200	12,903
Rent rates & taxes		103,859	84,662	52,002	84,662
Miscellaneous		89,059	81,980	64,389	26,258
		<u>2,144,570</u>	<u>1,837,893</u>	<u>1,128,608</u>	<u>948,560</u>
		<u>462,165</u>	<u>1,010,476</u>	<u>74,673</u>	<u>375,957</u>

13.1 Income relates to the operation of petrol filling / service station from October 03, 2010 under a retailer agreement with an oil marketing company ( the company). In accordance with the agreement the company has granted the right to the Modaraba to operate the fuel station and deal exclusively in petroleum product of the company on a predetermined margin.

13.2 Rent is received in respect of the plot of land used for fuel station with the oil marketing company and other related units.

		Half year ended		Quarter ended	
		December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
		------(Rupees)-----		------(Rupees)-----	
<b>14. OPERATING EXPENSES</b>					
Salaries, allowances and other benefits		3,675,461	5,192,803	2,011,894	2,493,007
Rent, rates and taxes		144,910	113,986	55,558	3,147
Depreciation		703,069	590,720	310,911	301,993
Fuel and conveyance		322,718	697,914	108,051	354,322
Repairs and maintenance		700,835	247,126	476,542	94,559
Ijarah lease rentals	13.2	-	79,610	-	-
Legal and professional		957,589	706,880	304,588	241,126
Electricity		579,138	389,315	188,345	181,959
Telephone□		160,247	280,601	64,473	134,677
Travelling and accommodation		151,591	-	151,591	
Entertainment		40,102	114,503	22,931	62,907
Insurance		112,386	109,448	31,109	46,304
Printing and stationery		470,024	451,193	153,679	347,247
Gratuity		21,045	277,254	-	138,627
Transportation		675	-	675	-
Auditors' remuneration		171,300	123,200	171,300	123,200
Subscription		200,403	179,783	98,388	89,687
Registrar services		117,268	101,280	60,778	50,640
Postage		84,639	74,552	29,913	72,494
Advertisement		159,875	196,000	141,086	196,000
Others		481,872	142,832	438,970	106,913
		<u>9,255,147</u>	<u>10,069,000</u>	<u>4,820,782</u>	<u>5,038,809</u>



## Modaraba Al-Mali

### 15. REVERSAL OF PROVISION AGAINST IMPAIRMENT

	Half year ended	
	December 31, 2014	December 31, 2013
	--- Rupees ---	--- Rupees ---
	----- Unaudited -----	
Investment□	3,000,000	-
Ijarah finance□	166,731	157,221
Receivables against maintenance fees	2,272,775	-
Inventory	76,896	-
Others	20,000	-
	<u>5,536,402</u>	<u>157,221</u>

### 16. TAXATION

Non-trading income of Modaraba is exempt from tax provided that not less than 90% of the profits are distributed to the certificate-holders. Current tax charge represents tax on income under presumptive tax regime.

### 17. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of BankIslami Modaraba Investments Limited being the Modaraba management company, BankIslami Pakistan Limited (being the parent company of the management company), major certificate holders and their family members, directors of the Modaraba management company and their close family members, key management personnel of the Modaraba and the management company and their close family members, the provident and gratuity funds and entities with common directors or under common management.

The remuneration of the key management employees (executives) are determined in accordance with their terms of appointment. Contribution to the provident and gratuity funds are made in accordance with the services rules and actuarial advise respectively. Modaraba management fee payable in accordance with the provision of Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980. Other transactions are in accordance with the agreed terms.

Details of transactions with related parties and balances with them as at the period / year end, if not mentioned elsewhere, are as follows:

#### 17.1 Balances outstanding at year end

<i>Relationship</i>	<i>Nature of transaction</i>	Unaudited December 31, 2014 Rupees	Audited December 30, 2014 Rupees
BankIslami Modaraba (Investments Limited the management company)	Amount receivable in respect of fuel & insurance premium	<u>70,210</u>	<u>26,060</u>
BankIslami Pakistan Limited ( parent company of the management company)	Bank deposits	<u>15,764,018</u>	<u>25,523,703</u>
	Amount payable in respect of ijarah arrangement	<u>1,686,229</u>	<u>2,283,123</u>
	Amount receivable in respect of maintenance services	<u>427,241</u>	<u>10,886,043</u>
	Amount receivable in respect of genset and premises rent income and others	<u>2,116,720</u>	<u>2,363,633</u>
	Security deposit in respect of ijarah arrangement	<u>4,053,950</u>	<u>11,225,850</u>

## Modaraba Al-Mali

### 17.2 Transactions during the period

	Half year ended		Quarter ended	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
	----- Rupees -----			
	----- Unaudited -----			
<b>BankIslami Pakistan Limited (holding company of the management company)</b>				
Profit on Islamic profit and loss sharing account	997,889	110,175	66,926	66,926
Rental income	2,102,600	1,759,032	879,516	879,516
Maintenance service income	-	15,006,939	6,687,035	6,687,035
Bank charges	2,038	9,066	3,601	3,601
Vehicle purchase on maturity of Ijarah	-	1,889,401	-	-
Ijarah lease rentals	5,046,266	10,825,067	4,388,655	4,388,655
<b>Other related parties (key management personnel)</b>				
Salaries and benefits	1,656,252	3,447,794	908,304	1,621,994
Contributions to staff provident fund	78,166	149,935	43,711	74,290
Contribution to staff gratuity fund	22,788	457,602	-	228,801

### 18. GENERAL

Certain prior period figures have been reclassified for the purpose of comparison. However, there are no material reclassifications in the report.

### 19. DATE OF AUTHORISATION

This condensed interim financial information was authorised for issue by the board of directors of the management company in their meeting held on February 24, 2015 .

For BankIslami Modaraba Investment Limited  
Modaraba Management Company

Chief Executive

Director

Director