

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



**Financial Statements (un-audited)  
For the nine months period ended  
March 31, 2015**

10th Floor, Progressive Square, Opposite Nursery, Sharea Faisal, Karachi.  
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**Modaraba Al-Mali**

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## 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
	Mr. Muhammad Faisal Shaikh	Member
HR & Remuneration Committee	Mr. Hasan Aziz Bilgrami	Member
	Mr. Aziz Adil	Member
	Mr. Muhammad Faisal Shaikh	Member
Shariah Advisor	Mufti Irshad Ahmed Aijaz	
Management Team	Mr. Aziz Adil	Chief Executive Officer
	Mr. Zafar Ahmed Khan	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, Shahrah-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 March, 2015 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*

For the quarter ended March 31, 2015, Modaraba has incurred a loss of Rs.3.605 million as compared to loss of Rs. 0.186 million during the corresponding period. The loss for the quarter is a result of one isolated incident where a legal suit filed against Modaraba in 1994 ended in a settlement in front of Supreme Court of Pakistan wherein Modaraba had to pay to the plaintiff an amount of Rs. 6.480 million in full and final settlement of his claim. Till December 31, 2014 this was appearing in financial statements of Modaraba as a contingent liability.

Apart from this, during the nine months period ended March 31, 2015, Modaraba has kept its momentum towards progress in all areas and have registered a profit (before provision for settlement of law suit, provision for WWF and taxation) of Rs. 9.112 million as compared to a loss of Rs. 6.673 million during corresponding period of 2014. During the same period, gross revenue once again registered more than 100% growth whereas consistent monitoring and tight control over expenditures resulted in negative growth of operating expenses by over 10% over March 31, 2014. We remained focused to make recoveries against non performing receivables and investments and report that thus far Rs.5.956 million have been recovered during the nine months ended on March 31, 2015 and recognized in these accounts. Our efforts will continue and we expect more recoveries 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 financing business. During the nine month period under review, we were able to book assets worth Rs. 35.681million whereas assets of another Rs. 30 million are in the pipeline and currently appearing as "advance against property and equipment under Ijarah Agreement" under "advances, deposits, prepayments and other receivables". Modaraba has adequate liquidity in hand and it will remain focused to book good quality assets through controlled leveraging of balance sheet. Capitalization will be improved in line with the intentions of the Board.

*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: April, 23, 2015

**Modaraba Al-Mali**

**CONDENSED INTERIM BALANCE SHEET ( UN-AUDITED)**  
*AS AT MARCH 31, 2015*

		Unaudited March 31 2015	Audited June 30 2014
	<i>Note</i>	<i>------(Rupees)-----</i>	
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and bank balances	4	12,389,700	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	(142,418)	10,654,397
Advances, deposits, prepayments and other receivables	9	60,642,273	42,986,557
Inventory		1,863,240	1,261,598
<b>Total current assets</b>		<b>78,507,802</b>	<b>88,478,472</b>
<b>Non-current Assets</b>			
Property and equipment	10	73,682,237	77,405,085
Property and equipment under ijarah arrangement	11	57,924,742	34,851,929
Long term deposits		-	7,171,900
<b>Total non-current assets</b>		<b>131,606,979</b>	<b>119,428,914</b>
<b>Total Assets</b>		<b>210,114,781</b>	<b>207,907,386</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Creditors, accrued and other liabilities		18,980,817	18,953,118
Current portion of security deposits		11,126,357	10,583,356
Unclaimed profit distribution		6,841,858	6,858,298
<b>Total current liabilities</b>		<b>36,949,032</b>	<b>36,394,772</b>
<b>Non-Current Liabilities</b>			
Security deposits		16,966,178	17,569,980
<b>Total liabilities</b>		<b>53,915,210</b>	<b>53,964,752</b>
<b>NET ASSETS</b>		<b>156,199,571</b>	<b>153,942,634</b>
<b>REPRESENTED BY</b>			
<b>CAPITAL AND RESERVES</b>			
<b>Authorized capital</b>			
30,000,000 Modaraba certificates of Rs. 10 each		<u>300,000,000</u>	<u>300,000,000</u>
Issued, subscribed and paid-up		184,239,450	184,239,450
18,423,945 Modaraba certificates of Rs. 10 each		56,582,879	56,582,879
Reserves □		(84,622,758)	(86,879,695)
Accumulated loss □		(28,039,879)	(30,296,816)
<b>Total capital and reserves</b>		<b>156,199,571</b>	<b>153,942,634</b>
Contingencies and commitments	12		

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

*For BankIslami Modaraba Investments Limited  
Modaraba Management Company*

Chief Executive

Director

Director

**Modaraba Al-Mali**

**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED)**  
*FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2015*

		<i>Nine Months Period ended</i>		<i>Quarter ended</i>	
	<i>Note</i>	<i>March 31, 2015</i>	<i>March 31, 2014</i>	<i>March 31, 2015</i>	<i>March 31, 2014</i>
<b>CONTINUING OPERATIONS</b>					
<b>INCOME</b>					
Income from ijarah finance - net		15,335,897	8,155,761	6,563,581	3,271,623
Profit from operation of a fuel station - net	13	898,193	1,251,140	436,028	240,664
Profit on Islamic Saving accounts		1,907,466	208,881	651,772	82,864
Other income		9,438,027	3,005,725	3,579,594	930,519
		<u>27,579,583</u>	<u>12,621,507</u>	<u>11,230,975</u>	<u>4,525,670</u>
<b>EXPENDITURE □</b>					
Depreciation on property and equipment - ijarah		11,737,945	5,424,716	5,293,437	2,050,490
Operating expenses □	14	12,686,027	14,149,982	3,430,880	4,080,982
		<u>24,423,972</u>	<u>19,574,698</u>	<u>8,724,317</u>	<u>6,131,472</u>
		3,155,611	(6,953,191)	2,506,658	(1,605,802)
Reversal of provision against impairment □	15	5,956,003	279,703	419,601	122,482
		<u>9,111,614</u>	<u>(6,673,488)</u>	<u>2,926,259</u>	<u>(1,483,320)</u>
Provision for settlement of law suit □	16	(6,480,000)	(6,673,488)	(6,480,000)	(1,483,320)
		<u>2,631,614</u>	<u>(6,673,488)</u>	<u>(3,553,741)</u>	<u>(1,483,320)</u>
Provision for workers welfare fund		(52,632)	-	71,075	-
Modaraba company's management fee		-	-	-	-
Profit/(Loss) for the period before taxation		2,578,982	(6,673,488)	(3,482,666)	(1,483,320)
Taxation	17	(322,045)	(241,700)	(122,210)	(75,048)
Net profit/(loss) for the period after taxation from continuing operations		<u>2,256,937</u>	<u>(6,915,188)</u>	<u>(3,604,876)</u>	<u>(1,558,368)</u>
<b>DISCONTINUED OPERATIONS</b>					
Net profit / (loss) for the period from discontinued operations		-	3,391,172	-	1,372,523
<b>PROFIT / LOSS FOR THE PERIOD</b>		<u>2,256,937</u>	<u>(3,524,016)</u>	<u>(3,604,876)</u>	<u>(185,845)</u>
<b>Other comprehensive income</b>					
<i>Items that will not be reclassified subsequently through profit and loss account</i>					
Remeasurement of defined benefit liability-gratuity		-	(289,992)	-	
<b>Total comprehensive profit/(loss) for the period</b>		<u>2,256,937</u>	<u>(3,814,008)</u>	<u>(3,604,876)</u>	<u>(185,845)</u>
<b>Continuing operations</b>					
<i>Earning per certificate - basic and diluted</i>		<u>0.12</u>	<u>(0.38)</u>	<u>(0.20)</u>	<u>(0.08)</u>
<b>Discontinued operations</b>					
<i>Earning per certificate - basic and diluted</i>		<u>-</u>	<u>0.18</u>	<u>-</u>	<u>0.074</u>
<i>The annexed notes form an integral part of these condensed interim financial information.</i>					

*For BankIslami Modaraba Investments Limited  
Modaraba Management Company*

Chief Executive

Director

Director

# Modaraba Al-Mali

## CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2015

	Nine Months Period ended		Quarter ended	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
<b>A □ CASH FLOWS FROM OPERATING ACTIVITIES</b>	----- Rupees -----			
Profit / (loss) before taxation	2,631,614	(3,282,316)	(3,553,741)	(110,797)
Adjustments of non-cash and other items				
Depreciation on:				
Property and equipment- own use	1,022,118	3,989,877	319,049	1,319,495
Property and equipment - ijarah	11,737,945	5,424,716	5,293,437	2,050,490
Property and equipment - fuel operations	376,893	328,897	108,081	109,260
Loss / (gain) on disposal of property and equipment - Ijarah	5,646	(28,865)	5,646	
Loss / (gain) on disposal of property and equipment - own use	(4,154,091)	(1,292,561)	(398,258)	(1,298,593)
(Reversal of) / provision for impairment loss	(5,956,003)	(279,703)	(419,601)	(122,482)
	5,664,122	4,860,045	1,354,613	1,947,373
Decrease / (increase) in current assets				
Ijarah finance	166,731	279,703	-	122,482
Receivable against operating lease rentals and maintenance service	13,474,109	12,354,153	573,990	12,354,153
Advances, deposits, prepayments and other receivables	(16,850,799)	(712,536)	(23,643,631)	(9,861,921)
Inventory	(509,663)	2,558,441	(1,239,596)	1,379,293
	(3,719,622)	14,479,761	(24,309,237)	3,994,007
Increase / (decrease) in current liabilities				
Creditors, accrued and other liabilities	(24,933)	6,530,523	2,832,001	3,225,789
Security deposits received (paid)	(60,801)	(6,830,897)	(141,924)	(641,497)
	(85,734)	(300,374)	2,690,077	2,584,292
	1,858,766	19,039,432	(20,264,547)	8,525,672
Income taxes paid	(1,106,978)	(5,166,693)	(298,485)	(1,540,089)
Net cash generated from operating activities	751,788	13,872,739	(20,563,032)	6,985,583
<b>B □ CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Purchase of property and equipment- ijarah	(35,681,388)	(12,221,000)	(11,362,040)	-
Purchase of property and equipment- own use	(338,707)	(2,118,147)	(156,639)	(52,500)
Proceeds from disposal of property and equipment- own use	6,816,635	2,612,000	953,935	2,587,000
Proceeds from disposal of property and equipment- Ijarah	865,000	177,000	565,000	-
Proceeds from disposal of long term investments	3,000,000	-	-	177,000
Net cash used in investing activities	(25,338,460)	(11,550,147)	(9,999,744)	2,711,500
<b>C □ CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Dividend paid □	(16,440)	(2,010,628)	(16,440)	(302,806)
Long term deposits received □	7,171,900	12,809,090		
Net cash generated from financing activities □	7,155,460	10,798,462	(16,440)	(302,806)
Net increase in cash and cash equivalents (A+B+C) □	(17,431,212)	13,121,054	(30,579,216)	9,554,774
Cash and cash equivalents at beginning of the period □	29,820,913	8,756,714	42,968,916	12,322,994
Cash and cash equivalents at end of the period	12,389,700	21,877,768	12,389,700	21,877,768

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

# Modaraba Al-Mali

## CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2015

	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 period ended						
March 31, 2014	-	-	-	(3,524,016)	(3,524,016)	(3,524,016)
Other comprehensive income	-	-	-	(289,992)	(289,992)	(289,992)
Total comprehensive loss for the period	-	-	-	(3,814,008)	(3,814,008)	(3,814,008)
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 March 31, 2014	184,239,450	511,409	56,071,470	(67,645,288)	(11,062,409)	173,177,041
Comprehensive income						
Loss for the period ended						
June 30, 2014	-	-	-	(20,907,524)	(20,907,524)	(20,907,524)
Other comprehensive income	-	-	-	1,673,117	1,673,117	1,673,117
Total comprehensive income for the period	-	-	-	(19,234,407)	(19,234,407)	(19,234,407)
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 period ended						
March 31, 2015	-	-	-	2,256,937	2,256,937	2,256,937
Other comprehensive income	-	-	-	-	-	-
Total comprehensive profit for the period	-	-	-	2,256,937	2,256,937	2,256,937
Balance at March 31, 2015	184,239,450	511,409	56,071,470	(84,622,758)	(28,039,879)	156,199,571

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 NINE MONTHS PERIOD ENDED MARCH 31, 2015**

**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 10th Floor Progressive Square, Shahr-e Faisal, Karachi, in the province of Sindh.

**2. BASIS OF PREPARATION**

- 2.1 This condensed interim financial information of the Modaraba for the period ended March 31, 2015 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.

		Unaudited March 31 2015	Audited June 30 2014
	Note	------(Rupees)-----	
<b>4. CASH AND BANK BALANCES</b>			
With banks: □			
In profit and loss sharing accounts	4.1	11,664,726	29,208,553
In current accounts		291,094	291,094
Balance with State Bank of Pakistan □		11,516	11,516
		<u>11,967,336</u>	<u>29,511,163</u>
On hand:			
Cash		420,514	297,750
Stamp paper		1,850	12,000
		<u>12,389,700</u>	<u>29,820,913</u>

- 4.1 These carry profit rates ranging from 3.40% to 7.30% 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	(33,056,229)	(33,222,960)
	<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 during current year.

## Modaraba Al-Mali

8.	RECEIVABLE AGAINST OPERATING LEASE RENTALS AND MAINTENANCE SERVICE	Note	Unaudited March 31 2015	Audited June 30, 2014
	Unsecured			
	Considered good			
	- Maintenance fee	8.1	233,740	10,886,043
	- Ijarah rentals received in advance		(376,158)	(231,646)
	Considered doubtful			
	- Maintenance fee		5,350,439	8,027,733
	- Operating lease rentals		10,194,320	10,194,320
			15,402,341	28,876,450
	Provision for impairment loss against doubtful recoveries		(15,544,759)	(18,222,053)
			(142,418)	10,654,397

8.1 This receivable are related to discontinued operations.

9.	ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES			
	Considered good			
	- Income tax refundable□		23,793,184	23,008,251
	- Advance against property and equipment□ under Ijarah arrangement□		30,000,000	7,513,000
	- Current portion of security deposits□		-	4,053,950
	- Advances to Supplier□		222,649	989,458
	- Advances to employees□		260,453	241,706
	- Prepayments□		813,985	267,307
	- Defined benefit plan - staff gratuity□		1,962,840	1,962,840
	- Others deposits		57,900	61,899
			57,111,011	38,098,411
	Other receivables			
	- Premises rent receivable		1,793,228	1,457,738
	- Receivable against common group expenses		82,394	905,895
	- Receivable against sale of fuel		561,272	528,397
	- Receivable against sale of scrap		-	849,090
	- Receivable from management company		120,148	26,060
	- Others		974,220	1,120,966
			3,531,262	4,888,146
	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		248,732	248,732
			8,073,663	8,073,663
	Provision for impairment loss against doubtful recoveries		(8,073,663)	(8,073,663)
			-	-
			60,642,273	42,986,557

## Modaraba Al-Mali

Unaudited March 31 2015	Audited June 30, 2014
------(Rupees)-----	

**10. PROPERTY AND EQUIPMENT- OWN USE**

Operating property and equipment - in own use	73,278,527	77,055,085
Towers and allied equipment-held for operating lease/ijarah	350,000	350,000
Capital work in progress	53,710	-
	73,682,237	77,405,085

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

	Additions / (transfers) *	Disposals /(transfers) *
	Unaudited March 31, 2015	Audited June 30, 2014
	------(Rupees)-----	
Vehicles - maintenance services☐	-	-
Vehicles☐	-	22,605,154
Furniture and fixtures	237,168	7,812,092
Office and computer equipment	47,829	2,580,666
Tower and allied equipment	-	962,869
Other allied equipment	-	354,480
Capital work in progress	-	1,450,339
	53,710	53,358,073
	338,707	16,451,614
	7,807,066	-
	8,436,294	97,408,715

**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 March 31, 2015	Audited June 30, 2014
	------(Rupees)-----	
Machinery & Equipments	3,917,353	-
Vehicles	31,764,051	-
	35,681,404	1,371,000
	24,665,280	1,673,000

**12. CONTINGENCIES AND COMMITMENTS**

*Contingencies*

The Additional Commissioner of Income Tax (ACIT) amended the assessment for the tax year 2007, dismissed the exemption claimed by the Modaraba on the contention of non distribution of profit as per the provisions of the respective tax laws and created tax demand of Rs. 1.93 million. The Modaraba filed an appeal against the said order to the Commissioner of Income Tax (CIT) who in his order maintained the treatment of the ACIT. The second appeal filed against the said order with the Appellate Tribunal Inland Revenue was also decided against the Modaraba. Now, the Modaraba has filed a reference in the High Court and application for review to the Appellate Tribunal Inland Revenue (the tribunal) against the order of the tribunal and is hopeful for a favorable outcome and therefore, no provision is made in these financial statements.

Unaudited March 31, 2015	Audited June 30, 2014
------(Rupees)-----	

Commitments

Future rentals of Ijarah finance under IFAS 2 "Ijarah Finance"	-	13,168,909
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## Modaraba Al-Mali

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

		Nine Months Period ended		Quarter ended	
		March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
	Note	----- (Rupees) -----		----- (Rupees) -----	
-----Unaudited-----					
<b>Income</b>					
Sale of fuel	13.1	94,430,702	108,385,228	28,122,508	36,718,988
Cost of sales		(91,207,630)	(105,119,960)	(26,936,171)	(35,767,089)
		3,223,072	3,265,268	1,186,337	951,899
Rental income	13.2	855,000	820,000	285,000	285,000
Other Income		48,232	-	48,232	-
		4,126,304	4,085,268	1,519,569	1,236,899
<b>Expenses</b>					
Salaries and allowances		1,055,193	1,092,883	356,072	271,266
Generator fuel		360,360	437,543	111,917	154,572
Depreciation		376,893	328,897	108,081	109,260
Professional fees		-	2,550	-	-
Electricity		199,800	168,732	43,159	64,579
Repairs and maintenance		228,106	251,043	152,404	214,559
Printing and stationery		15,869	4,855	1,499	3,990
Security guards		514,800	207,900	171,600	69,300
Transportation		15,000	17,300	8,000	1,200
Insurance		48,155	18,954	18,676	7,602
Telephone		15,265	35,363	3,581	11,344
Hired equipment Rentals		129,600	12,903	32,400	-
Rent rates & taxes		159,091	154,990	55,232	70,328
Miscellaneous		109,979	100,215	20,920	18,235
		3,228,111	2,834,128	1,083,541	996,235
		898,193	1,251,140	436,028	240,664

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.

	Nine Months Period ended		Quarter ended	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
	----- (Rupees) -----		----- (Rupees) -----	
<b>14. OPERATING EXPENSES</b>				
Salaries, allowances and other benefits	5,424,444	7,500,024	1,748,983	2,307,221
Rent, rates and taxes	204,817	226,406	59,907	112,420
Depreciation	1,022,118	885,545	319,049	294,825
Fuel and conveyance	394,678	954,972	71,960	257,058
Repairs and maintenance	799,696	423,301	98,861	176,175
Ijarah lease rentals	-	79,610	-	-
Legal and professional	1,279,364	995,281	321,775	288,401
Electricity	614,378	463,370	35,240	74,055
Telephone	219,498	408,530	59,251	127,929
Travelling and accommodation	161,741	-	10,150	-
Entertainment	62,744	159,460	22,642	44,957
Insurance	155,229	157,418	42,843	47,970
Printing and stationery	598,690	527,524	128,666	76,331
Gratuity	21,045	415,881	-	138,627
Auditors' remuneration	338,975	133,200	167,675	10,000
Registrar services	186,336	152,030	69,068	50,750
Others	1,202,274	667,430	274,810	74,263
	12,686,027	14,149,982	3,430,880	4,080,982

## Modaraba Al-Mali

### 15. REVERSAL OF PROVISION AGAINST IMPAIRMENT

	Nine Months Period ended	
	March 31, 2015	March 31, 2014
	--- Rupees ---	--- Rupees ---
Unaudited		
Investment	3,000,000	-
Ijarah finance	166,731	279,703
Receivables against maintenance fees	2,677,294	-
Inventory	91,978	-
Others	20,000	-
	5,956,003	279,703

16. A contingent liability was appearing in the financial statements of Modaraba till haly year ended December 31,2014 about a suit was filed against the Modaraba in 1994 for Rs. 6.48 million being the claim for refund of security deposit in respect of a lease finance. The case was decided by the Banking Court in favour of Plaintiff along with 10% mark-up and Modaraba's appeal against this decision was also dismissed by the honorable High Court of Sindh. The Modaraba had filed an appeal in the honorable Supreme Court of Pakistan challenging the judgment passed by the Banking Court mainly on the point of jurisdiction and limitation stating that the Banking Court has no Jurisdiction. Honorable Supreme Court in his hearing dated April 06,2014 advised both parties to negotiate a settlement,both parties reach to mutual agreement and Modaraba agreed to make a payment of Rs. 6,480,000 to the Plaintiff toward full and final settlement of the subject matter. A provision to this effect has been made in these financial statements.

### 17. 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.

### 18. 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:



## Modaraba Al-Mali

### 18.1 Balances outstanding at year end

<i>Relationship</i>	<i>Nature of transaction</i>	Unaudited March 31, 2015 Rupees	Audited June 30, 2014 Rupees
BankIslami Modaraba (Investments Limited the management company)	Amount receivable in respect of fuel & insurance premium	120,148	26,060
BankIslami Pakistan Limited ( parent company of the management company)	Bank deposits	1,978,126	25,523,703
	Amount payable in respect of ijarah arrangement	-	2,283,123
	Amount receivable in respect of maintenance services	233,740	10,886,043
	Amount receivable in respect of genset and premises rent income and others	1,875,622	2,363,633
	Security deposit in respect of ijarah arrangement	-	11,225,850

### 18.2 Transactions during the period

	<i>Nine Months Period ended</i>		<i>Quarter ended</i>	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
<b>BankIslami Pakistan Limited (holding company of the management company)</b>	<b>Rupees</b>			
	<b>Unaudited</b>			
Profit on Islamic profit and loss sharing account	1,076,633	189,291	78,744	79,116
Rental income	3,167,111	2,641,255	1,064,511	882,223
Maintenance service income	-	21,857,147	-	6,850,208
Bank charges	3,017	12,613	979	3,547
Vehicle purchase on maturity of Ijarah	-	1,889,401	-	-
Ijarah lease rentals	5,046,266	14,649,058	-	3,823,991
<b>Other related parties (key management personnel)</b>				
Salaries and benefits	2,521,200	4,620,794	864,948	1,621,994
Contributions to staff provident fund	121,876	207,572	43,710	74,290
Contribution to staff gratuity fund	22,788	686,403	-	228,801

### 19. GENERAL

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

### 20. 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 April 23, 2015.

For BankIslami Modaraba Investment Limited  
*Modaraba Management Company*

Chief Executive

Director

Director