

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



**Financial Statements (un-audited)
For the nine months period ended
March 31, 2016**

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

CONTENTS

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

CORPORATE INFORMATION

Board of Directors	Mr. Muhammad Hamid	Chairman
	<u>In Alphabetical Order</u>	
	Mr. Muhammad Faisal Shaikh	Director
	Mr. Rehan Shuja Zaidi	Director
	Mr. Syed Mujtaba Hussain Kazmi	Director
	Mr. Syed Akhtar Ausaf	Director
	Mr. Tariq Usman Bhatti	Director
	Mr. Aziz Adil	Chief Executive
Audit Committee	Mr. Rehan Shuja Zaidi	Chairman
	Mr. Muhammad Hamid	Member
	Mr. Muhammad Faisal Shaikh	Member
HR & Remuneration Committee	Mr. Syed Mujtaba Hussain Kazmi	Chairman
	Mr. Muhammad Faisal Shaikh	Member
	Mr. Aziz Adil	Member
Management Team	Mr. Aziz Adil	Chief Executive
	Mr. Zafar Ahmed Khan	CFO & Company Secretary
	Mr. Zeeshan Bin Farrukh	Head Of I.T / Admin
	Mr. Shah Muhammad Abdullah	Head Of CAD
Auditors	Ernst & Young Ford Rhodes Sidat Hyder Chartered Accountants Progressive Plaza Beaumont Road Karachi.	
Bankers & Financiers	BankIslami Pakistan Limited Bank Alfalah Limited Dubai Islamic Bank Ltd. 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, Sharea 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 March 31, 2016 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

Modaraba has earned profit after tax of Rs. 3.34 million for nine months ended March 31, 2016 as compared to profit of Rs.2.25 million earned during comparative period of 2015. Significant progress has been witnessed in core business areas of Modaraba's during the period under review. Ijarah income (net of depreciation) increased to Rs. 6.48 million from Rs.3.59 million earned in comparative period registering an increase of over 80%. Fuel station operations yet again registered encouraging results for the period under review by posting a net profit of Rs. 1.801 million suggesting an increase of over 100% over profit earned in comparative period of Rs. 0.898 million. Strict control over administrative expenses again rewarded Modaraba as total administrative expenses for the period under review of Rs. 10.15 million registered a negative growth of almost 20% over expenses of Rs. 12.686 million incurred during comparative period. On balance sheet front, Musharaka arrangement with M/s BankIslami Modaraba Investments Limited, Management Company of Modaraba, stood at Rs. 21.49 million.

Future Prospects

Financing business is the focus of Modaraba. Our endeavor to optimum and efficient utilization of our own resources as well as controlled leveraging of the balance sheet to book and gradually build good quality assets portfolio continues.

Acknowledgement

We wish to place on record our appreciation and sincere gratitude to the regulators for their guidance, customers for their confidence, certificate-holders for their continued support 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 19, 2016

CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)
AS AT MARCH 31, 2016

		Unaudited March 2016	Audited June 30 2015
	Note	----- (Rupees) -----	
ASSETS			
Current assets			
Cash and bank balances	4	3,011,787	12,284,683
Ijarah finance	5	3,755,007	3,755,007
Murabaha finance	6	-	-
Investments	7	-	-
Receivable against ijarah rentals and maintenance service	8	2,373,155	676,379
Advances, deposits, prepayments and other receivables	9	30,631,627	32,286,421
Inventory		2,405,406	964,102
		42,176,982	49,966,592
Non-current assets			
Property and equipment	10	72,621,020	73,560,861
Property and equipment under ijarah arrangement	11	113,616,609	82,184,500
Total non-current assets		186,237,629	155,745,361
Total assets		228,414,611	205,711,953
LIABILITIES			
Current liabilities			
Current portion of musharika finance	12	7,628,736	-
Creditors, accrued and other liabilities		9,419,444	11,729,957
Current portion of security deposits		7,160,686	16,205,406
Unclaimed profit distribution		7,554,050	6,841,858
		31,762,916	34,777,221
Non-current liabilities			
Long term portion of musharika finance	12	13,861,428	-
Security deposits		24,366,157	12,168,025
Total liabilities		69,990,501	46,945,246
NET ASSETS		158,424,110	158,766,707
REPRESENTED BY			
CAPITAL AND RESERVES			
Authorized capital			
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		57,523,263	57,523,263
Accumulated loss		(83,338,603)	(82,996,006)
		(25,815,340)	(25,472,743)
Total capital and reserves		158,424,110	158,766,707
Contingencies and commitments	13		

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 PROFIT AND LOSS ACCOUNT (UNAUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2016

		Nine Months period ended		Quarter ended	
		March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
CONTINUING OPERATIONS					
	Note	----- Rupees -----			
INCOME					
Income from ijarah finance - net		33,811,253	15,335,897	13,823,644	6,563,581
Profit from operation of a fuel station - net	14	1,801,187	898,193	614,689	436,028
Profit on Islamic Saving accounts		284,248	1,907,466	24,204	651,772
		35,896,688	18,141,556	14,462,537	7,651,381
EXPENDITURE					
Depreciation on property and equipment - ijarah		27,328,393	11,737,945	11,380,013	5,293,437
Musharaka profit expense		809,277	-	557,317	-
		28,137,670	11,737,945	11,937,330	5,293,437
		7,759,018	6,403,611	2,525,207	2,357,944
Other income		5,212,027	9,438,027	2,151,252	3,579,594
Operating expenses	15	(10,150,903)	(12,686,027)	(3,459,954)	(3,430,880)
Reversal of provision against impairment	16	1,024,082	5,956,003	-	419,601
		3,844,224	9,111,614	1,216,505	2,926,259
Provision for settlement of law suit		-	(6,480,000)	-	(6,480,000)
		3,844,224	2,631,614	1,216,505	(3,553,741)
Modaraba company's management fee		-	-	-	-
Service sales tax on managemnet fee		(538)	-	(170)	-
Provision for workers welfare fund		(76,884)	(52,632)	(25,367)	71,075
Profit /(Loss) for the period before taxation		3,766,801	2,578,982	1,190,967	(3,482,666)
Taxation	17	(424,609)	(322,045)	(224,774)	(122,210)
Net profit/(Loss) for the period after taxation		3,342,192	2,256,937	966,193	(3,604,876)
Other comprehensive income					
Items that will not be reclassified subsequently through profit and loss account					
Remeasurement of defined benefit liability-gratuity		-	-	-	-
Total comprehensive profit/(loss)for the period		3,342,192	2,256,937	966,193	(3,604,876)
Earning per certificate - basic and diluted		0.18	0.12	0.05	(0.20)

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 CASH FLOW STATEMENT (UNAUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2016

	Nine Months period ended		Quarter ended	
	March 31 2016	March 31 2015	March 31 2016	March 31 2015
A CASH FLOWS FROM OPERATING ACTIVITIES				
----- Rupees -----				
Profit /(Loss) before taxation	3,766,801	2,631,614	1,190,967	(3,553,741)
Adjustments of non-cash and other items				
Depreciation on:				
Property and equipment- own use	684,165	1,022,118	200,627	319,049
Property and equipment - ijarah	27,328,393	11,737,945	11,380,013	5,293,437
property and equipment - fuel operations	328,340	376,893	110,433	108,081
Loss / (gain) on disposal of property and equipment - Ijarah	(19,366)	5,646	-	5,646
Loss / (gain) on disposal of property and equipment - own use	(763,268)	(4,154,091)	(763,268)	(398,258)
(Reversal of) / provision for impairment loss	(1,024,082)	(5,956,003)		(419,601)
	30,300,984	5,664,122	12,118,773	1,354,613
Decrease / (increase) in current assets				
Ijarah finance	24,082	166,731	-	-
Receivable against operating lease rentals and maintenance service	(1,696,776)	13,474,109	(1,696,776)	573,990
Advances, deposits, prepayments and other receivables	2,222,522	(16,850,799)	22,481,997	(23,643,631)
Inventory	(1,441,304)	(509,663)	(2,201,426)	(1,239,596)
	(891,476)	(3,719,622)	18,583,795	(24,309,237)
Increase / (decrease) in current liabilities				
Creditors, accrued and other liabilities	(2,310,513)	(24,933)	(3,989,749)	2,832,001
Security deposits received (paid)	2,936,092	(60,801)	(2,290,390)	(141,924)
	625,579	(85,734)	(6,280,139)	2,690,077
	30,035,087	1,858,766	24,422,429	(20,264,547)
Income taxes paid	(992,255)	(1,106,978)	(221,046)	(298,485)
Net cash generated from operating activities	29,042,832	751,788	24,201,383	(20,563,032)
B CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of property and equipment- ijarah	(63,148,000)	(35,681,388)	(20,000,000)	(11,362,040)
Purchase of property and equipment- own use	(259,382)	(338,707)	450	(156,639)
Proceeds from disposal of property and equipment- own use	950,000	6,816,635	950,000	953,935
Proceeds from disposal of property and equipment- Ijarah	4,624,088	865,000	4,028,070	565,000
Proceeds from disposal of long term investments	1,000,000	3,000,000	-	-
Net cash used in investing activities	(56,833,294)	(25,338,460)	(15,021,480)	(9,999,744)
C CASH FLOWS FROM FINANCING ACTIVITIES				
Dividend paid	(2,972,597)	(16,440)	(5,828,601)	(16,440)
Long term deposits received	-	7,171,900		-
Musharaka finance	21,490,164		(9,814,018)	
Net cash generated from financing activities	18,517,567	7,155,460	(15,642,619)	(16,440)
Net increase in cash and cash equivalents (A+B+C)	(9,272,895)	(17,431,212)	(924,306)	(30,579,216)
Cash and cash equivalents at beginning of the period	12,284,683	29,820,913	3,936,093	42,968,916
Cash and cash equivalents at end of the period	3,011,787	12,389,700	3,011,787	12,389,700

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 NINE MONTHS PERIOD ENDED MARCH 31, 2016

	Reserves					
		<i>Capital reserves</i>	<i>Revenue reserves</i>			
	<i>Certificate Capital</i>	<i>Certificate premium</i>	<i>Statutory reserve*</i>	<i>Accumulated loss</i>	<i>Total Reserves</i>	<i>Total</i>
	------(Rupees)-----					
Balance at July 01, 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 loss 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
Comprehensive income						
Profit for the period ended						
June 30, 2015	-	-	-	2,444,983	2,444,983	2,444,983
Other comprehensive income	-	-	-	122,153	122,153	122,153
Transfer to statutory reserve	-	-	940,384	(940,384)	-	-
Total comprehensive income for the period	-	-	940,384	1,626,752	2,567,136	2,567,136
Balance at June 30, 2015	184,239,450	511,409	57,011,854	(82,996,006)	(25,472,743)	158,766,707
Comprehensive income						
Profit for the period ended						
March 31, 2016	-	-	-	3,342,192	3,342,192	3,342,192
Other comprehensive income	-	-	-	-	-	-
Total comprehensive profit for the period	-	-	-	3,342,192	3,342,192	3,342,192
Transaction with owners:						
Final cash dividend of Re.0.20						
per certificate for the year ended June 30, 2015	-	-	-	(3,684,789)	(3,684,789)	(3,684,789)
Balance at March 31, 2016	184,239,450	511,409	57,011,854	(83,338,603)	(25,815,340)	158,424,110

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, 2016

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 Pakistan 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, 2016 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, 2015.

2.2 This condensed interim financial information has been prepared under the historical cost convention.

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.

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, 2015.

3.2 Standard, interpretations and amendments to approved accounting standards are not yet effective.

The following revised standards, amendments and interpretations with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretation or amendment:

Standard or Interpretation	Effective date (accounting periods beginning on or after)
IFRS 10 – Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 27 Separate Financial Statements – Investment Entities: Applying the Consolidation Exception (Amendment)	01 January 2016
IFRS 11- Joint Arrangements - Accounting for Acquisition of Interest in Joint Operation (Amendment)	01 January 2016
IAS 1-Presentation of Financial Statements - Disclosure Initiative (Amendment)	01 January 2016
IAS 16- Property, Plant and Equipment and IAS 38 intangible assets - Clarification of Acceptable Method of Depreciation and Amortization (Amendment)	01 January 2016

The Company expects that the adoption of the above revisions, amendments and interpretations of the standards will not materially affect the Company's financial statements in the period of initial application.

In addition to the above standards and amendments, improvements to various accounting standards have also been issued by the IASB in September 2014. Such improvements are generally effective for accounting periods beginning on or after 01 January 2016. The Company expects that such improvements to the standards will not have any material impact on the Company's financial statements in the period of initial application.

Further, following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

Modaraba Al-Mali

		IASB Effective date (annual periods beginning on or after)
Standard		
IFRS 9 – Financial Instruments: Classification and Measurement		01 January 2018
IFRS 14 – Regulatory Deferral Accounts		01 January 2016
IFRS 15 – Revenue from Contracts with Customers		01 January 2018
IFRS 16 – Leases		01 January 2019
4. CASH AND BANK BALANCES		
	<i>Note</i>	
		Unaudited March 31 2016
		Audited June 30 2015
		------(Rupees)-----
With banks:		
In profit and loss sharing accounts	4.1	991,795
In current accounts		1,627,425
Balance with State Bank of Pakistan		11,516
		<u>2,630,736</u>
On hand:		
Cash		358,051
Stamp paper		23,000
		<u>3,011,787</u>
		<u>12,284,683</u>
4.1	These carry profit rates ranging from 1.88% to 4.91% per annum. (June 2015: 3.00% to 7.02%)	
5. IJARAH FINANCE		
Ijarah contracts commencing up to June 30, 2008		
- accounted for as finance leases		
Minimum lease payments due		40,480,939
Residual value of leased assets		3,755,007
Total receivable		<u>44,235,946</u>
Suspended lease income		(7,491,364)
Provision for Impairment against potential lease losses	5.1	(32,989,575)
		<u>(40,480,939)</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
Provision for impairment loss against doubtful recoveries		<u>(2,517,068)</u>
		<u>-</u>
6.1	These represent amount receivable against Morabaha transactions i.e. sale of goods on a deferred payment basis at a specified profit margin ranging from 10% to 24% per annum. The finance is non-performing and no income is accrued on it in accordance with the Prudential Regulations for Modarabas.	

Modaraba Al-Mali

	<i>Note</i>	Unaudited March 31 2016	Audited June 30, 2015
7. INVESTMENTS			
<i>Available-for-sale investments</i>			
New Allied Electronics Industries (Private) Limited - Sukuk Certificates		------(Rupees)-----	
Cost		1,000,000	4,000,000
Disposed		<u>(1,000,000)</u>	<u>(3,000,000)</u>
		-	1,000,000
Provision for impairment loss against doubtful recovery		<u>-</u>	<u>(1,000,000)</u>
		<u>-</u>	<u>-</u>
8. RECEIVABLE AGAINST OPERATING LEASE RENTALS AND MAINTENANCE SERVICE			
Unsecured			
Considered good			
- Maintenance fee	8.1	233,740	233,740
- Ijarah rentals received in advance		<u>2,139,415</u>	<u>442,639</u>
Considered doubtful			
- Maintenance fee		4,275,537	4,275,537
- Operating lease rentals		<u>10,194,320</u>	<u>10,194,320</u>
		<u>16,843,012</u>	<u>15,146,236</u>
Provision for impairment loss against doubtful recoveries		<u>(14,469,857)</u>	<u>(14,469,857)</u>
		<u>2,373,155</u>	<u>676,379</u>
8.1	This receivable are related to discontinued operations.		
9. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES			
<i>Considered good</i>			
- Income tax refundable		25,233,068	24,665,422
- Advance against property and equipment under Ijarah arrangement		-	1,059,000
- Advances to suppliers		48,309	1,972,381
- Loans to employees		179,169	243,304
- Prepayments		701,776	274,794
- Defined benefit plan - staff gratuity		2,087,176	2,087,176
- Others deposits		57,900	57,899
		<u>28,307,398</u>	<u>30,359,976</u>
<i>Other receivables</i>			
- Premises rent receivable		1,215,967	354,746
- Receivable against common group expenses		165,625	140,952
- Receivable against sale of fuel		8,018	524,911
- Others		934,619	905,836
		<u>2,324,229</u>	<u>1,926,445</u>
<i>Considered doubtful</i>			
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	228,732
		<u>8,053,663</u>	<u>8,053,663</u>
Provision for impairment loss against doubtful recoveries		<u>(8,053,663)</u>	<u>(8,053,663)</u>
		<u>-</u>	<u>-</u>
		<u>30,631,627</u>	<u>32,286,421</u>

Modaraba Al-Mali

	Unaudited March 31 2016	Audited June 30, 2015
	------(Rupees)-----	
10. PROPERTY AND EQUIPMENT- OWN USE		
Operating property and equipment - in own use	72,271,020	73,210,861
Operating property and equipment - in own use	350,000	350,000
	<u>72,621,020</u>	<u>73,560,861</u>

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

	Additions		Disposals	
	Unaudited March 31 2016	Audited June 30, 2015	Unaudited March 31 2016	Audited June 30, 2015
	------(Rupees)-----		------(Rupees)-----	
Vehicles	-	-	-	7,812,092
Office premises-leasehold	-	330,000	-	-
Building fuel station	147,870	-	-	-
Furniture and fixtures	-	237,168	-	269,722
Office and computer equipment	111,512	47,829	-	354,480
	<u>259,382</u>	<u>614,997</u>	<u>-</u>	<u>8,436,294</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		Disposals	
	Unaudited March 31 2016	Audited June 30, 2015	Unaudited March 31 2016	Audited June 30, 2015
	------(Rupees)-----		------(Rupees)-----	
Machinery & Equipments	-	44,503,603	1,160,000	-
Vehicles	63,148,000	22,927,801	10,091,860	1,371,000
	<u>63,148,000</u>	<u>67,431,404</u>	<u>11,251,860</u>	<u>1,371,000</u>

12. MUSHARIKA FINANCE

	Unaudited March 31 2016	Audited June 30, 2015
	------(Rupees)-----	
Musharika finance	21,490,164	-
Less: Current portion of musharika finance	(7,628,736)	-
	<u>13,861,428</u>	<u>-</u>

This represents two separate musharika finance arrangements with the Management company wherein the profit will be shared between the Modaraba and Management company at predetermined ratios and are due to mature from October to December 2018. The Modaraba has agreed to use the musharika funds only for financing of ijarah customers. The musharika finance arrangements have been secured against specific charge over moveable assets.

13. CONTINGENCIES AND COMMITMENTS

The status of contingencies is same as stated in annual audited financial statements of the Modaraba for the year ended June 30, 2015.

Modaraba Al-Mali

14. PROFIT FROM OPERATIONS OF FUEL STATION - NET

		Nine Months period ended		Quarter ended	
		March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
	Note	------(Rupees)-----		------(Rupees)-----	
Income		-----Unaudited-----			
Sale of fuel	14.1	90,759,290	94,430,702	28,928,590	28,122,508
Cost of sales		(86,785,994)	(91,207,630)	(27,657,331)	(26,936,171)
		3,973,296	3,223,072	1,271,259	1,186,337
Rental income	14.2	876,000	855,000	306,000	285,000
Other Income		-	48,232	-	48,232
		4,849,296	4,126,304	1,577,259	1,519,569
Expenses					
Salaries and allowances		1,168,651	1,055,193	380,728	356,072
Generator fuel		336,576	360,360	108,922	111,917
Depreciation		328,340	376,893	110,433	108,081
Electricity		238,823	199,800	58,572	43,159
Repairs and maintenance		311,818	228,106	94,984	152,404
Printing and stationery		13,290	15,869	4,110	1,499
Security guards		257,400	514,800	85,800	171,600
Transportation		-	15,000	-	8,000
Insurance		57,348	48,155	16,650	18,676
Telephone		16,218	15,265	5,267	3,581
Hired equipment Rentals		-	129,600	-	32,400
Rent rates & taxes		213,564	159,091	66,171	55,232
Miscellaneous		106,081	109,979	30,883	20,920
		3,048,109	3,228,111	962,520	1,083,541
		1,801,187	898,193	614,739	436,028

14.1 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.

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

15. OPERATING EXPENSES

		Nine Months period ended		Quarter ended	
		March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
		------(Rupees)-----		------(Rupees)-----	
Salaries, allowances and other benefits		4,806,479	5,424,444	1,711,534	1,748,983
Rent, rates and taxes		156,798	204,817	39,833	59,907
Depreciation		684,165	1,022,118	200,627	319,049
Fuel and conveyance		194,583	394,678	66,534	71,960
Repairs and maintenance		588,807	799,696	69,273	98,861
Legal and professional		1,120,141	1,279,364	541,834	321,775
Electricity		186,621	614,378	35,334	35,240
Telephone		153,093	219,498	50,516	59,251
Travelling and accommodation		-	161,741	-	10,150
Entertainment		66,787	62,744	23,106	22,642
Insurance		131,133	155,229	43,545	42,843
Printing and stationery		379,322	598,690	155,754	128,666
Gratuities		47,918	21,045	15,972	-
Transportation		63,000	-	63,000	-
Auditors' remuneration		344,723	338,975	122,120	167,675
Subscription		314,651	301,853	100,200	101,450
Registrar services		214,373	186,336	62,834	69,068
Postage		101,190	106,421	49,394	21,782
Advertisement		331,702	264,996	69,801	105,121
Others		265,417	529,004	38,497	46,457
		<u>10,150,903</u>	<u>12,686,027</u>	<u>3,459,708</u>	<u>3,430,880</u>

Modaraba Al-Mali

16. REVERSAL OF PROVISION AGAINST IMPAIRMENT

	<i>Nine Month Period Ended</i>	
	March 31, 2016	March 31, 2015
	--- Rupees ---	--- Rupees ---
	----- Unaudited -----	
Investment	1,000,000	3,000,000
Ijarah finance	24,082	166,731
Receivables against maintenance fees	-	2,677,294
Inventory	-	91,978
Others	-	20,000
	<u>1,024,082</u>	<u>5,595,003</u>

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:

18.1 Balances outstanding at the period end

<i>Relationship</i>	<i>Nature of transaction</i>	Unaudited March 31, 2015 Rupees	Audited June 30, 2015 Rupees
BankIslami Modaraba (Investments Limited the management company)	Musharaka finance	<u>21,490,164</u>	<u>-</u>
BankIslami Pakistan Limited (parent company of the management company)	Bank deposits	<u>2,238,640</u>	<u>2,489,424</u>
	Amount receivable in respect of maintenance services	<u>233,740</u>	<u>233,740</u>
	Amount receivable in respect of genset and premises rent income and others	<u>1,381,592</u>	<u>495,698</u>

Modaraba Al-Mali

18.2 Transactions during the period

	<i>Nine months period ended</i>		<i>Quarter ended</i>	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
	----- Rupees -----		----- Rupees -----	
	----- Unaudited -----		----- Unaudited -----	
BankIslami Pakistan Limited (holding company of the management company) Profit on Islamic profit and loss sharing account	41,627	1,076,633	11,207	78,744
Rental income	3,560,527	3,167,111	1,240,663	1,064,511
Bank charges	1,038	3,017	632	979
Ijarah lease rentals	-	5,046,266	-	-

BankIslami Modaraba (Investments Limited Management company)

Musharaka profit expense	809,277	-	557,317	-
Disbursement of Musharaka finance	32,126,000	-	-	-

	<i>Nine months period ended</i>		<i>Quarter ended</i>	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
	----- Rupees -----		----- Rupees -----	
	----- Unaudited -----		----- Unaudited -----	
<i>Other related parties (key management personnel)</i>				
Salaries and benefits	2,477,496	2,521,200	850,608	864,948
<i>Other transactions</i>				
Contributions to staff provident fund	140,808	121,876	48,549	43,710
Contribution to staff gratuity fund	47,918	22,788	15,972	-

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 19, 2016.

For BankIslami Modaraba Investment Limited
Modaraba Management Company

Chief Executive

Director

Director