

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



**Financial Statement (un-audited)
For the nine months period ended
March 31, 2011**

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CORPORATE INFORMATION

Board of Directors	Mr. Muhammad Hamid	Chairman
	<u>In Alphabetical Order</u>	
	Mr. Asad Alim	Director
	Mr. Hasan Aziz Bilgrami	Director
	Mr. Mujtaba Hussain Kazmi	Director
	Mr. Muhammad Imran	Director
	Mr. S. Shah Sajid Hussain	Director
Audit Committee	Mr. Tariq Usman Bhatti	Chairman
	Mr. Muhammad Hamid	Member
	Mr. S. Shah Sajid Hussain	Member
Management Team	Mr. Zulfiqar Ali	Chief Executive
	Mr. Muhammad Saad	Chief Operating Officer
	Syed Ahmed Asim	CFO/Company Secretary
	Mr. Tahir Zuberi	Head of Operations
Company Secretary	Syed Ahmed Asim	
Auditors	M. Yousuf Adil Saleem & Co. Chartered Accountants A-35, Cawish Court, Block-7/8, KCHSU, Karachi.	
Bankers & Financers	BankIslami Pakistan Limited Bank Alfalah Limited Meezan Bank Limited	
Registrar & Share Registration Office	Tecnology Trade (Pvt.) Limited Dagja 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

We are pleased to present un-audited Financial Statements of Modaraba Al-Mali for the period ended 31st March 2011, as required under section 245 of the Companies Ordinance 1984, prepared in accordance with the requirements of the International Accounting Standard-34 "Interim Financial Reporting" as applicable in Pakistan.

Operating Results

During the period under review the Modaraba recorded profit of Rs. 0.86 million as against loss of Rs. 10.66 million during the corresponding period ended March 31, 2010. The management's efforts for generating sustainable revenue streams for the Modaraba have started showing results. Accordingly, the operating revenue increased by 35% as compared to corresponding period of last year whereas the operating cost increased by 8% only.

Internal Audit

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

Future Prospects

The management will continue to focus on expansion of its maintenance services business and further improving the performance of its mobile tower and fuel station business. Financing portfolio will also be increased gradually by providing facilities to highly selective clients only. The asset base of the Modaraba will be enhanced through controlled leveraging of presently almost un-leveraged balance sheet.

Acknowledgment

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

On behalf of the Board

-- sd --

Zulfiqar Ali
Chief Executive

Karachi : April 26, 2011

CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)

As at March 31, 2011

		Unaudited March 31, 2011	Audited June 30, 2010
ASSETS			
Current Assets			
Bank balances	4	8,548,509	1,115,190
Current maturity of diminishing musharaka	5	13,255,500	21,629,688
Current maturity of long term investments	9	9,750,000	12,499,980
Current maturity of investment in Ijarah finance	6	3,824,008	3,824,008
Receivables against operating lease rentals and maintenance fee	7	18,310,812	20,854,931
Advances, deposits, prepayments and other receivables	8	15,957,488	15,683,755
Stores and consumables		4,806,977	2,823,623
		74,453,294	78,431,175
Non-Current Assets			
Diminishing musharaka finance	5	-	8,791,536
Long term investments	9	14,706,000	22,270,189
Property and equipment		136,738,764	131,245,167
Property and equipment under ijarah arrangement		6,437,432	6,627,564
Long term deposits		1,926,900	1,492,206
		159,809,096	170,426,662
Total assets		234,262,390	248,857,837
LIABILITIES			
Current liabilities			
Creditors, accrued and other liabilities		13,105,336	21,767,163
Current maturity of liability against ijarah finance		-	7,190,082
Current maturity of security deposits		3,824,007	3,824,007
Unclaimed profit distribution		6,567,294	6,567,310
		23,496,637	39,348,562
Non-current liabilities			
Security deposits liability		10,864,947	10,464,100
Total liabilities		34,361,584	49,812,662
NET ASSETS		199,900,806	199,045,175
FINANCED BY			
CAPITAL AND RESERVES			
Certificate capital			
Authorised - 30,000,000 (June 2010 : 30,000,000)			
Modaraba Certificates of Rs.10/- each		300,000,000	300,000,000
Issued, subscribed and paid-up		184,239,450	184,239,450
Reserves		55,964,329	55,964,329
Accumulated loss		(40,302,973)	(41,158,604)
		15,661,356	14,805,725
		199,900,806	199,045,175
Contingencies	12		

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

For BankIslami Modaraba Investment Limited
Modaraba Management Company

Chief Executive

Director

Director

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)

For the nine months period ended March 31, 2011

		Nine months period ended		Quarter ended	
		March 31, 2011	March 31, 2010	March 31, 2011	March 31, 2010
		(Rupees)		(Rupees)	
	Note				
Income from maintenance services		26,987,507	16,972,531	9,759,905	7,291,407
Income from Ijarah finance (leasing arrangements)		22,406,491	14,512,056	7,720,613	5,206,684
Profit on investment		877,431	1,787,771	174,983	580,111
Profit on diminishing musharaka finances		2,664,654	5,821,835	692,580	1,695,622
Loss from operation of Fuel station-net	13	(839,894)	-	(239,394)	-
Profit on morabaha finances		36,639	395,512	11,816	54,286
Other operating income	14	5,162,198	2,874,308	1,492,775	1,025,759
		57,295,026	42,364,013	19,613,278	15,853,869
Profit distribution on borrowings		157,739	970,044	-	242,921
Ijarah lease rental		2,312,285	-	805,905	-
Depreciation of assets under Ijarah arrangements		2,559,132	2,061,242	949,577	791,821
Operating costs	15	50,234,060	48,375,806	17,615,352	19,750,626
		55,263,216	51,407,092	19,370,834	20,785,368
		2,031,810	(9,043,079)	242,444	(4,931,499)
Impairment loss - net		(1,081,109)	(1,616,655)	68,178	(20,617)
		950,701	(10,659,734)	310,622	(4,952,116)
		950,701	(10,659,734)	310,622	(4,952,116)
Modaraba company's management fee		(95,070)	-	(31,062)	-
Profit / (loss) for the period before taxation		855,631	(10,659,734)	279,560	(4,952,116)
Taxation	16	-	-	-	-
Profit /(Loss) for the period		855,631	(10,659,734)	279,560	(4,952,116)
Other comprehensive income / (loss)		-	-	-	-
Total comprehensive income / (loss)		855,631	(10,659,734)	279,560	(4,952,116)
Profit / (loss) per certificate - basic and diluted		0.05	(0.58)	0.02	(0.27)

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

For BankIslami Modaraba Investment Limited
Modaraba Management Company

Chief Executive

Director

Director

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

For the nine months period ended March 31, 2011

A. CASH FLOWS FROM OPERATING ACTIVITIES	Note	March 31, 2011 Rupees	March 31, 2010 Rupees
Net income /(loss) before taxation		855,631	(10,659,734)
Adjustment :			
Depreciation-Property & equipment - owned		6,366,656	8,566,617
Gain on disposal of property and equipment-owned		(506,000)	(586,342)
Depreciation on property and equipment-Ijarah		2,559,132	2,061,242
Provision of impairment loss-net		1,081,109	1,616,655
Profit n Ijarah finances		157,739	970,044
		10,514,267	1,968,482
Decrease /(increase) in operating assets			
Diminishing musharaka finances		17,165,724	12,538,907
Net investments in ijarah finances		-	418,940
Morabaha finances-short term		-	4,093,366
Receivables against lease rentals and maintenance service		2,544,119	(8,534,102)
Advances, deposits, prepayments and other receivables		2,148,168	5,806,693
Stores, consumables and lubricants		(1,983,354)	(3,686,502)
Morabaha finances-Long term		-	55,487
Recovery against doubtful receivables		653,877	-
		20,528,534	10,692,789
Increase / (decrease) in operating liabilities			
Creditors, accrued and other liabilities		(7,161,849)	3,186,370
Security deposits		400,847	1,683,810
		(6,761,002)	4,870,180
		13,767,532	15,562,969
Income taxes paid		(2,842,712)	(1,458,697)
Profit distribution on borrowings		(157,739)	(742,300)
		21,281,348	15,330,454
B. CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property and equipment- ijarah		(2,369,000)	(4,023,000)
Purchase of property and equipment- own		(12,014,253)	(11,443,975)
Proceeds from disposal of property and equipment- own		660,000	982,000
Redemption of long-term investments		7,500,000	-
Net cash used in investing activities		(6,223,253)	(14,484,975)
C. CASH FLOWS FROM FINANCING ACTIVITIES			
Long term deposits		(434,694)	-
Liability against ijarah finance - net		(7,190,082)	(3,585,916)
Profit distribution		-	(33,391)
Net cash used in financing activities		(7,624,776)	(3,619,307)
Net decrease in cash and cash equivalents		7,433,319	(2,773,828)
Cash and cash equivalents at beginning of the period		1,115,190	10,489,533
		8,548,509	7,715,705

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

For BankIslami Modaraba Investment Limited
Modaraba Management Company

Chief Executive

Director

Director

CONDENSED INTERIM STATEMENT OF
CHANGES IN EQUITY (UN-AUDITED)

For the nine months period ended March 31, 2011

	Reserves				Total
	Certificate Capital	Capital reserves Certificate premium	Statutory reserve *	Revenue reserves (Accumulated loss)	
	------(Rupees)-----				
Balance on 01 July 2009	184,239,450	511,409	55,452,920	(28,245,515)	211,958,264
Total comprehensive loss	-	-	-	(10,659,734)	(10,659,734)
Balance as at 31 March 2010	184,239,450	511,409	55,452,920	(38,905,249)	201,298,530
Total comprehensive loss	-	-	-	(2,253,355)	(2,253,355)
Balance as at 30 June 2010	184,239,450	511,409	55,452,920	(41,158,604)	199,045,175
Total comprehensive Profit	-	-	-	855,631	855,631
Balance as at 31 March 2011	184,239,450	511,409	55,452,920	(40,302,973)	199,900,806

* The statutory reserve representing profits set aside in accordance with the provisions of prudential regulations for modarabas promulgated by the Securities and Exchange Commission of Pakistan, is transferred annually at the year end.

For BankIslami Modaraba Investment Limited
Modaraba Management Company

Chief Executive

Director

Director

**SELECTED EXPLANATORY NOTES TO THE CONDENSED
INTERIM FINANCIAL INFORMATION (UN-AUDITED)**

For the six months period ended March 31, 2011

1. LEGAL STATUS AND NATURE OF BUSINESS

Modaraba Al-Mali ("the Modaraba") is a multipurpose and perpetual Modaraba floated in Pakistan on July 8, 1987 under the Modaraba Companies and Modaraba (Floation and Control) Ordinance, 1980, having its registered office at Progressive Square, Shahrae Faisal, Karachi and is managed by BankIslami Modaraba Investments Limited, a company registered under the Companies Ordinance 1984. It is engaged in the business of leasing, morabaha financing, musharika financing, construction and renting of mobile towers, maintenance services, operating a petrol and diesel filling / service station and other related business. The Modaraba is listed on the Karachi, Lahore and Islamabad Stock Exchanges. Its registered office is situated at Progressive Square, Shahrae Faisal, Karachi, in the province of Sindh.

These financial statements are presented in Pak Rupees which is the modaraba's functional and presentation currency.

2. STATEMENT OF COMPLIANCE

2.1 These condensed interim financial information comprise of condensed interim balance sheet, condensed interim profit and loss, condensed interim cash flow statement and condensed interim statement of changes in equity together with selected explanatory notes forming part thereof. The disclosures made in these condensed interim financial information have, however, been limited based on the requirements of the International Accounting Standard 34, 'Interim Financial Reporting'. It does not include all the information and disclosures made in the annual published audited financial statements and should be read in conjunction with the annual audited financial statements of the Modaraba for the year ended June 30, 2010.

2.2 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.

***2.3* Basis of preparation**

These condensed interim financial information have been prepared under the "historical cost convention" except for certain investments that are carried at fair value.

***2.4* Summary of significant accounting policies**

The accounting policies adopted for the preparation of these condensed interim financial information are consistent with those applied for the preparation of the audited financial statements for the year ended June 30, 2010 except for the following new accounting policies which have been adopted by the Modaraba during the period:

***2.4.1* Revenue recognition of fuel station**

Revenue from the sale of petroleum products are recognised when the significant risks and rewards of ownership have passed to the buyer, usually on delivery.

***2.4.2* Oil and fuel**

Stock-in-trade are stated at the lower of cost and net realizable value. Cost is determined on moving average less allowance for obsolete and slow moving stock.

Net realizable value represents the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

3. RISK MANAGEMENT POLICIES

Risk management policies are consistent with those disclosed in the financial statements for the year ended June 30, 2010.

	March 31, 2011	June 30, 2010
4. BANK BALANCES		
	Note	------(Rupees)-----
With banks:		
In profit and loss sharing accounts	3.1 8,510,660	1,101,263
Balance with State Bank of Pakistan	12,539	2,327
	<u>8,523,199</u>	<u>1,103,590</u>
On hand:		
Security stationery	25,310	11,600
	<u>8,548,509</u>	<u>1,115,190</u>
<i>4.1</i> These carry profit rates ranging from 5.00% to 6.49% per annum. (June 2010: 5.01% to 6.52%)		
5. DIMINISHING MUSHARAKA FINANCE		
Considered good - secured	13,255,500	30,421,224
Receivable within one year	<u>(13,255,500)</u>	<u>(21,629,688)</u>
	<u>-</u>	<u>8,791,536</u>
<i>5.1</i> Above facilities carry profit rates ranging from 15.85% to 17.35% per annum. These facilities mature between October 2011 to January 2012. These are secured against charge on specific assets comprising of motor vehicles and generators.		
6. INVESTMENT IN IJARAH FINANCE		
Ijarah contracts commencing upto 30 June 2008 - accounted for as finance leases		
Minimum lease payments receivable	41,362,309	41,602,952
Residual value of leased assets	3,824,008	3,824,008
Lease contracts receivable	<u>45,186,317</u>	<u>45,426,960</u>
Suspended lease income (including unearned income)	(7,742,184)	(7,742,184)
Impairment against potential lease losses	<u>(33,620,125)</u>	<u>(33,860,768)</u>
	<u>(41,362,309)</u>	<u>(41,602,952)</u>
	3,824,008	3,824,008
Current portion of net investment in Ijarah finance	<u>(3,824,008)</u>	<u>(3,824,008)</u>
	<u>-</u>	<u>-</u>
7. RECEIVABLE AGAINST OPERATING LEASE RENTALS AND MAINTENANCE SERVICE		
Considered good		
Operating lease rentals	8,402,373	9,244,167
Maintenance fee	9,908,439	11,610,764
	18,310,812	20,854,931
Considered doubtful		
Operating lease rentals	10,194,320	10,194,320
Provision against doubtful receivables	<u>(10,194,320)</u>	<u>(10,194,320)</u>
	<u>-</u>	<u>-</u>
	<u>18,310,812</u>	<u>20,854,931</u>

Modaraba Al-Mali

	March 31, 2011	June 30, 2010
8. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES	Note	------(Rupees)-----
Advances - considered good		
- Advance tax	7,655,698	5,233,797
- Advances- others	3,766,592	1,327,165
	11,422,290	6,560,962
Deposits	357,000	3,325,965
Prepayments	8.1 2,295,137	4,632,933
Other receivables - consider doubtful		
- Terminated leases	6,242,260	6,242,260
- Miscellaneous amount recoverable from the lessees	1,188,872	1,358,739
- Dividend receivable	16,275	16,275
- Receivable from brokers	22,422	22,422
- Others	303,220	303,220
	7,773,049	7,942,916
Provision for impairment loss against doubtful debts	(7,773,049)	(7,942,916)
	-	-
Others - considered good	1,675,600	228,312
Profit accrued on morabaha finances, sukuk investment certificates and diminishing musharaka finances	207,461	935,583
	<u>15,957,488</u>	<u>15,683,755</u>

8.1 Prepayments includes prepaid rent of Rs.0.57 million (June 30, 2010 : Rs.3.52 million) in respect of the sites hired for installation of mobile towers.

9. LONG TERM INVESTMENT

- Available for sale

Un-listed securities

	March 31, 2011	June 30, 2010			
Number of Shares					
1,800,000	1,800,000		Al-Hamra Hills (Private) Limited	9.1	14,706,000
					17,520,169
Sukuk certificates					
2,000	2,000		New Allied Electronics Industries (Private) Limited	9.2	10,000,000
			Shown under current maturity		(6,000,000)
			Impairment loss		(4,000,000)
					-
					1,000,020
750	2,250		Haq Bahu Sugar Mills (Private) Limited	9.3	3,750,000
			Shown under current maturity		(3,750,000)
					-
					3,750,000
					<u>14,706,000</u>
					<u>22,270,189</u>

Modaraba Al-Mali

9.1 The Securities and Exchange Commission of Pakistan, vide its letter dated 1 November 2004, has waived the applicability of regulation no. 7(7) of Part II of the Prudential Regulations on Modaraba Al-Mali relating to investment in an unlisted company. The above regulation, subject to certain conditions, restricts the investments by a modaraba in the shares of unlisted companies, except in cases where the modaraba is engaged in venture capital business. Since the prospectus of Modaraba Al-Mali allows it to engage in venture capital business, the Registrar Modaraba has waived the applicability of the above regulation.

Modaraba holds 1,800,000 ordinary shares of Rs. 10 each in Al Hamra Hills (Private) Limited, which represents 2.12% of issued share capital of the investee company. Financial statements for the year ended June 30, 2010 shows break-up value of the investee company significantly reduced to Rs. 8.17 per share, therefore, the carrying value of this investment has been reduced by recording impairment loss of Rs. 2,814,169.

9.2 This represents sukuk certificates of New Allied Electronics Industries (Private) Limited. Redemption / coupon representing the profit of Rs. 0.759 million due on 3 December 2008 was received on 17 December 2008. However, since then, the profit coupon due have not been received. The investee company is under financial crisis. Accordingly the Management Company has made a provision of Rs. 4 million against the gross exposure of Rs. 10 million, no further provision is made because the management consider it as sufficient keeping in view of available securities. No accrual of profit has been made on this investment.

These certificates carry profit at 3 months KIBOR +220 bps with floor of 7% and cap of 20% payable semi annually. The tenor of the instrument is for five years including a grace period of two years and is repayable in six equal consecutive semi annual installments from May 29, 2010 to November 29, 2012, These certificates are secured against first pari passu charge over all present and future fixed assets of the company, first pari passu charge over all present and future current assets of the company and personal guarantees of the sponsoring directors.

9.3 These certificates carry profit at 6 months KIBOR + 325 bps with floor of 11% and cap of 30% payable semi annually. The tenor of the above instrument is for three years including a grace period of one year and is repayable in four equal consecutive semi annual installments. These certificates are secured against first pari passu charge on all present and future assets of the Company with 25% margin and personal guarantee of sponsoring directors. These certificates are not quoted and are being carried in the financial statements at cost.

10. PROPERTY AND EQUIPMENT- OWN

Following additions and disposals in property and equipment-own, at cost, were made during the period: -

	Additions / Transfers (Unaudited) March 31, 2011	(Audited) June 30, 2010	Disposals / Transfers (Unaudited) March 31, 2011	(Audited) June 30, 2010
Office and computer equipment	726,888	1,345,328	-	-
Motor Vehicles	9,595,439	10,965,775	768,000	1,165,288
Furniture and fixtures	86,660	352,539	-	-
Land - Fuel operation (transferred from capital work in progress)	65,428,266	-	-	-
Building - Fuel operation (transferred from capital work in progress)	8,120,655	-	-	-
Capital work in progress	-	7,618,959	73,548,921	1,668,000
	<u>83,957,908</u>	<u>20,282,601</u>	<u>74,316,921</u>	<u>2,833,288</u>

10.1 Capital work in progress represent the lease hold land acquired by the Modaraba and construction on this land for setting up a petrol filling station (filling / service station). The Modaraba had entered in to an agreement dated July 29, 2008 with an oil marketing company (Company) under which the Modaraba sub leased the land for a period of 15 years, renewable for further period on a mutually agreed basis. Under a separate agreement dated August 17, 2008 the cost of the civil work for the setting up of the filling / servise station is to be borne by the Modaraba while equipment will be provided by th Company. The modaraba entered into a retailer agreement dated August 17, 2010 with the company under which the Company has granted the rights to the Modaraba to operate the fuel station. Operation of the fuel station has commenced from October 03, 2010 .

11. PROPERTY AND EQUIPMENT UNDER IJARAH ARRANGEMENT

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

	Additions		Disposals	
	(Unaudited) March 31, 2011	(Audited) June 30, 2010	(Unaudited) March 31, 2011	(Audited) June 30, 2010
	------(Rupees)-----			
Vehicles	2,369,000	3,098,000	-	62,900
Generators	-	925,000	-	-
	<u>2,369,000</u>	<u>4,023,000</u>	<u>-</u>	<u>62,900</u>

12. CONTINGENCIES AND COMMITMENTS

Contingencies

12.1 A suit was filed against the Modaraba in 1994 for Rs. 6.48 million. The case was decided by the Banking Court in favor of Plaintiff along with 10% mark-up and the Modaraba's appeal against this decision was also dismissed by the honorable High Court. The management of the Modaraba is in process of filing an appeal in the honorable Supreme Court. The management is of the view that it stands a fairly good chance for decision of the case in its favor and consequently no provision has been made against this claim.

12.2 the Additional Commissioner of Income Tax (ACIT) amended the assessment for the tax year 2007, dismissed the exemption claimed by 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 has filed an appeal against the said order and is hopeful for a favorable outcome and therefore, no provision is made in these condensed interim financial information.

Commitments

	March 31, 2011 Rupees	June 30, 2010 Rupees
Future rentals of Ijarah finance under IFAS 2 "Ijarah Finance"	7,390,642	8,001,406
Future rentals of Ijarah finance accounted for as Finance lease	-	7,190,082
Future payment for civil works	-	1,189,851
	<u>7,390,642</u>	<u>16,381,339</u>

13. FUEL STATION

	Nine months period ended		Quarter ended	
	March 31, 2011	March 31, 2010	March 31, 2011	March 31, 2010
	------(Rupees)-----			
Income	35,708,188	-	21,957,672	-
Sale of fuel	(34,858,670)	-	(21,504,190)	-
Cost of Sales	849,518	-	453,482	-
Rental income	420,000	-	210,000	-
	<u>1,269,518</u>	<u>-</u>	<u>663,482</u>	<u>-</u>
Expenses				
Salaries and allowances	585,512	-	281,312	-
Legal & Professional	6,000	-	6,000	-
Postage	1,420	-	1,420	-
Marketing	26,950	-	26,950	-
Electricity	167,600	-	100,000	-
Generator fuel	324,909	-	167,918	-
Printing and stationery	10,517	-	2,360	-
Telephone	19,680	-	11,951	-
Repairs and maintenance	152,266	-	11,221	-
Fuel & Conveyance	85,973	-	85,973	-
Professional fees	300,000	-	-	-
Security guard	143,129	-	51,000	-
Insurance	27,214	-	13,916	-
Depreciation	226,112	-	114,023	-
Miscellaneous	32,130	-	28,832	-
	<u>2,109,412</u>	<u>-</u>	<u>902,876</u>	<u>-</u>
	<u>(839,894)</u>	<u>-</u>	<u>(239,394)</u>	<u>-</u>

13.1 During the period, the Modaraba started 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 products of the company on a predetermined margin.

14. OTHER INCOME

Profit on bank balances	357,939	139,328	177,341	23,241
Rental income	2,168,606	1,989,000	728,406	663,000
Gain on disposal of fixed assets and other liabilities	506,000	586,342	462,000	296,866
Miscellaneous	2,129,653	159,368	125,028	42,652
	<u>5,162,198</u>	<u>2,874,038</u>	<u>1,492,775</u>	<u>1,025,759</u>

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15. OPERATING EXPENSES	Nine months period ended		Quarter ended	
	March 31, 2011	March 31, 2010	March 31, 2011	March 31, 2010
	------(Rupees)-----			
Salaries and allowances	16,688,929	11,151,882	5,691,371	4,152,769
Rent, rates and taxes	8,300,891	11,993,833	3,100,946	7,017,505
Depreciation	6,140,544	8,566,617	1,978,421	2,943,976
Maintenance service	4,029,091	3,571,543	1,449,067	1,818,032
Fuel and conveyance	2,852,424	1,596,489	1,057,182	787,230
Security charges	1,901,200	2,244,000	644,000	714,000
Repairs and maintenance	2,140,390	2,200,095	956,998	150,056
Electricity	1,156,091	418,815	393,886	175,810
Legal and professional	1,044,746	1,210,096	344,650	424,180
Telephone	1,107,442	838,281	411,069	278,801
Miscellaneous	1,015,019	1,125,886	376,949	314,336
Travelling and accommodation	773,126	1,055,597	284,309	342,663
Printing and stationery	624,779	582,585	137,446	151,428
Insurance	714,243	338,262	235,617	115,946
Gratuity	514,287	256,392	171,069	85,464
Provident fund contribution	316,608	328,567	89,280	125,039
Subscription	210,691	203,044	13,113	9,096
Shares registrar	159,680	153,280	50,640	67,520
Postage	112,197	122,740	13,242	19,090
Auditors' remuneration	94,250	91,250	44,250	41,250
Compensated absences	83,749	143,509	-	-
Marketing and advertisement	59,650	16,435	13,800	16,435
Worker Welfare Fund	48,517	-	19,631	-
Transportation	145,516	166,608	138,416	-
	<u>50,234,060</u>	<u>48,375,806</u>	<u>17,615,352</u>	<u>19,750,626</u>

16. TAXATION

The income of the Modaraba is exempt from income tax provided that not less than 90% of its current year's profit is distributed to the certificate holders. The Modaraba intends to avail the tax exemption hence no provision is made in these condensed interim financial information for the tax liability for the period ended 31 March 2011.

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 end / year end, if not mentioned elsewhere, are as follows:-

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	March 31, 2011	June 30, 2010
	Rupees	Rupees
17.1 Balances with related parties		
<i>BankIslami Pakistan Limited (holding company of the management company)</i>		
Bank deposits	3,892,318	37,229
Receivable against rent of the premises	814,396	-
Amount payable in respect of ijarah arrangement	15,980	201,122
Amount receivable in respect of maintenance services	5,493,696	10,151,964
<i>BankIslami Modaraba Investments Limited (management company)</i>		
Accrual for management fees	95,070	-

17.2 Transactions during the period	Nine months period ended		Quarter ended	
	March 31, 2011	March 31, 2010	March 31, 2011	March 31, 2010
	------(Rupees)-----			
<i>BankIslami Pakistan Limited (parent company of the management company)</i>				
Profit on Islamic profit and loss sharing account	221,504	30,355	117,910	8,656
Rental income	2,168,606	1,989,000	728,406	663,000
Maintenance service income	20,206,036	16,972,531	7,419,234	7,291,407
Bank charges	28,130	550	10,917	450

BankIslami Modaraba Investments Limited (management company)

Management fee	95,070	-	31,062	-
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Other related parties (key management personnel)

Salaries and benefits	3,375,000	3,261,000	1,125,000	2,229,000
Contributions to staff provident fund	316,608	328,567	89,280	125,039
Contribution to staff gratuity fund	514,287	256,392	171,069	85,464

18. DATE OF AUTHORISATION

These condensed interim financial information were authorised for issue by the board of directors of the management company in their meeting held on April 26, 2011.

19. GENERAL

Figures have been rounded off to the nearest rupees.

For BankIslami Modaraba Investment Limited
Modaraba Management Company

Chief Executive

Director

Director