

Modaraba Al-Mali

Managed by:

BankIslami Modaraba Investments Ltd.



BankIslami Modaraba
In v e s t m e n t s

**First Quarter Report
September 30, 2020
(Un-audited)**

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CORPORATE INFORMATION

Board of Directors	Mr.Sohail Sikandar Ms.Ayesha Ashraf Jangda Mr.Kashif Nisar Mr.Muhammad Hamid Mr.Khurram Jamil Mr.Rizwan Qamar Lari Mr.Muhammad Haris Munawar Mr.Mohammad Sadiq Sheikh	Chairman Director Director Director Director Director Director Chief Executive Officer
Audit Committee	Mr.Muhammad Hamid Mr.Kashif Nisar Mr.Sohail Sikandar Mr.Khurram Jamil Mr.Rizwan Qamar Lari	Chairman Member Member Member Member
HR & Remuneration Committee	Mr.Muhammad Hamid Mr.Sohail Sikandar Mr.Mohammad Sadiq Sheikh	Chairman Member Member
Management Team	Mr.Mohammad Sadiq Sheikh Rashid Matin Khan	Chief Executive Officer Chief Financial Officer & Company Secretary
Auditors	A.F. Ferguson & Co. Chartered Accountants	
Credit Rating Appraiser	The Pakistan Credit Rating Agency Limited	
Shari'ah Advisor	Mufti Ameerullah	
Legal Advisor	Bawany & Partners Mohsin Tayeabaly & Company-Advocate	
Bankers & Financiers	BankIslami Pakistan Limited Bank Alfalah Limited Dubai Islamic Bank Ltd. Meezan Bank Limited	
Share Registrar	JWAFFS Registrar Services (Pvt.) Ltd.	
Share Registration Office	407, 408 Al-Ameera Centre, Shahrah-e-Iraq, 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	On behalf of the Board -- sd -- Mohammed Sadiq Sheikh Chief Executive Officer

Directors' Review

On behalf of the Board of Directors, I am pleased to present un-audited interim Financial Statements of Modaraba Al-Mali for the quarter ended September 30, 2020.

Performance Review:

During the quarter under review your Modaraba has earned a net profit after tax of Rs 2.694 M as compared to Rs 2.820 M during the corresponding period last year. Major components of revenue were profit from sale of fuel, rental income and return on bank deposits. Administrative and operative expenses for the quarter were Rs 1.730 M as compared to Rs 1.642 M in the corresponding quarter last year.

Despite these challenging times the management of your Modaraba continued to remain vigilant and managed investment activities prudently for better returns.

Future Prospects:

As pandemic curve continues to flatten out, signs of economic recovery have gained some momentum. The management of your Modaraba remains focused on maximizing certificate holder returns through investments in profitable ventures.

Acknowledgement:

The Board of Directors wishes to place on record its appreciation for the support and guidance provided by the Registrar Modarabas and Securities and Exchange Commission of Pakistan. The Board also extends its gratitude to the certificate-holders for their patronage and hardworking of employees.

For and on behalf of the Board of Directors.

Karachi: October 28, 2020

CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)

As at September 30, 2020

	Unaudited September 30, 2020	Audited June 30, 2020
	<i>Note</i>	-----(Rupees)-----
ASSETS		
Current assets		
Cash and bank balances	5	78,861,730
Ijarah finance	6	3,755,007
Murabaha finance	7	-
Current portion of Diminishing musharaka		7,466,591
Receivable against ijarah rentals and maintenance service	8	-
Advances, deposits, prepayments, other assets and receivables	9	6,281,861
Tax refunds due from government		29,830,422
Inventory		1,008,765
		<u>127,204,376</u>
Non-current assets		
Long-term portion of Diminishing musharaka		2,751,783
Investment Property-at fair value		72,090,400
Property and equipment	10	68,663,078
Property and equipment under Ijarah arrangements	11	-
		<u>143,505,261</u>
Total assets		<u>270,709,637</u>
LIABILITIES		
Current liabilities		
Creditors, accrued and other liabilities		6,973,221
Current portion of security deposits		3,777,138
Unclaimed profit distribution		8,404,664
Dividend payable-2020 year		12,896,762
		<u>32,051,785</u>
Non-current liabilities		
Security deposits		100,000
		<u>100,000</u>
Total liabilities		<u>32,151,785</u>
NET ASSETS		<u>238,557,852</u>
REPRESENTED BY: CAPITAL AND RESERVES		<u>248,759,669</u>
Authorised certificate capital		
30,000,000 Modaraba certificates of Rs.10 each		<u>300,000,000</u>
Issued, subscribed and paid-up certificate capital		184,239,450)
Capital reserves		133,929,056
Revenue reserve		(79,610,654)
		<u>238,557,852</u>
CONTINGENCIES AND COMMITMENTS	12	<u>248,759,669</u>

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

For BankIslami Modaraba Investment Limited
Modaraba Management Company

Chief Financial Officer

Chief Executive

Director

Director

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)

For the quarter ended September 30, 2020

	September 30, 2020	September 30, 2019
	<i>Note</i>	-----(Rupees)-----
Ijarah rentals - net		- 71,772
Income from operation of a fuel station	13	2,775,697 2,601,998
Income on term deposits with Islamic bank		933,631 -
Income on deposits with Islamic bank		164,493 1,019,748
Income on diminishing musharaka transactions		400,823 634,838
Rental Income		1,921,413 1,746,741
		<u>6,196,057</u> 6,075,097
Depreciation on assets under Ijarah arrangements		- (58,700)
Reversal of provision against doubtful Ijarah rentals		- 44,822
Expenses on fuel station operations	13	(1,500,013) (1,359,424)
Administrative and operating expenses	14	4,696,044 4,701,795
Modaraba Management Company's remuneration		- -
Provision for services sales tax on management		(415) (428)
company's remuneration		(58,146) (59,982)
Provision for Workers' Welfare Fund		2,907,311 2,999,096
Profit for the quarter before taxation		
Taxation	16	(212,366) (178,262)
Profit for the quarter after taxation		<u>2,694,945</u> 2,820,834
Other comprehensive income for the period		- -
Total comprehensive income for the period		<u>2,694,945</u> 2,820,834
Earnings per certificate - basic & diluted		<u>0.158</u> 0.163

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

For BankIslami Modaraba Investments Limited
Modaraba Management Company

Chief Financial Officer

Chief Executive

Director

Director

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
For the quarter ended September 30, 2020

Note	September 30, 2020	September 30, 2019
	----- (Rupees)-----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the quarter before taxation	2,907,311	2,999,096
Adjustments for non-cash charges and other items:		
Depreciation on assets under Ijarah arrangements	-	58,700
Depreciation on fixed assets in own use	131,581	136,336
Gain on disposal of own assets	-	-
Gain on disposal of Ijarah assets	-	-
(Increase) / decrease in assets		
Receivable against ijarah rentals and maintenance service	12,647,513	6,740,672
Advances, deposits, prepayments and other receivable	(2,500,271)	(1,154,991)
Diminishing Musharaka	1,528,900	1,411,029
Inventory	560,603	(878,079)
	12,236,745	6,118,631
Increase / (decrease) in current liabilities		
Creditors, accrued and other liabilities	(236,854)	145,281
Security deposits	(4,064,000)	-
Cash generated from operations		
Income taxes paid	10,974,783	9,458,044
Net cash (used) / generated from operating activities	(656,626)	(484,409)
	10,318,157	8,973,635
CASH FLOWS FROM INVESTING ACTIVITIES		
Disposal of assets under Ijarah arrangements	4,064,000	-
Net cash generated from investing activities		
Net (decrease) / increase in cash and cash equivalents	14,382,157	8,973,635
Cash and cash equivalents at the beginning of the period	64,479,573	64,479,573
Cash and cash equivalents at the end of the period	5 78,861,730	73,453,208

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

For BankIslami Modaraba Investment Limited
Modaraba Management Company

Chief Financial Officer

Chief Executive

Director

Director

**CONDENSED INTERIM STATEMENT
OF CHANGES IN EQUITY (UN-AUDITED)**
For the quarter ended September 30, 2020

	Paid-up certificate capital	Premium on issue of certificates	Statutory reserve	Accumulated Losses	Total Reserves	Surplus on valuation of Investment Property	Total
	----- (Rupees)-----						
Balance as at July 01, 2019							
	184,239,450	511,409	63,164,012	66,532,230	(81,147,423)	49,060,228	233,299,678
Comprehensive Income							
Final cash dividend of Re. 0.16 per certificate for the year ended June 30, 2019	-	-	-	-	(2,947,831)	(2,947,831)	(2,947,831)
Profit for the period ended June 30, 2020					18,607,024	18,607,024	18,607,024
Other comprehensive profit/(loss) for the year for the year ended June 30, 2020	-	-	-	-	(199,202)	(199,202)	(199,202)
Transfer to statutory reserve	-	-	3,721,405	-	(3,721,405)	-	-
Balance as at June 30, 2020	184,239,450	511,409	66,885,417	66,532,230	(69,408,837)	64,520,219	248,759,669
Balance as at July 01, 2020	184,239,450	511,409	66,885,417	66,532,230	(69,408,837)	64,520,219	248,759,669
Comprehensive Income							
Profit for the quarter ended September 30, 2020	-	-	-	-	-	2,694,945	2,694,945
Final cash dividend of Re. 0.70 per certificate for the year ended June 30, 2020	-	-	-	-	-	(12,896,762)	(12,896,762)
Transfer to statutory reserve	-	-	-	-	-	-	-
Balance as at September 30, 2020	184,239,450	511,409	66,885,417	66,532,230	(79,610,654)	(12,896,762)	238,557,852

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 this condensed interim financial information.

For BankIslami Modaraba Investment Limited
Modaraba Management Company

Chief Financial Officer

Chief Executive

Director

Director

**NOTES TO AND FORMING PART OF THE CONDENSED
INTERIM FINANCIAL INFORMATION (UN-AUDITED)**

For the quarter ended September 30, 2020

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 (Floatation and Control) Ordinance, 1980 ("Modaraba Ordinance, 1980"), and Modaraba Companies and Modaraba Rules, 1981 (Modaraba Rules, 1981) and is managed by BankIslami Modaraba Investments Limited (the "Management Company"), a company registered under the Companies Ordinance, 1984. The Modaraba is listed on the Pakistan Stock Exchange Limited. Registered office is situated at 10th Floor, Progressive Square, Shahrae Faisal, Karachi, in the province of Sindh.

The Modaraba is engaged in the business of leasing, murabaha, musharaka financing, operation of petrol and diesel filling / service station. Pakistan Credit Rating Agency (PACRA) has maintained long term entity rating of BBB+ and short term rating of A2, of the Modaraba.

2. BASIS OF PREPARATION

2.1 Statement of compliance

2.1.1 These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards as applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017;
- Requirements of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 and Modaraba Companies and Modaraba Rules, 1981;
- Provisions of and directives issued by the Securities and Exchange Commission of Pakistan (SECP) under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980.

Wherever the requirements of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, IFAS, Modaraba Companies and Modaraba Rules, 1981 and directives issued by the SECP differ from the Companies Act and IFRS Standards, the requirements of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, IFASs, Modaraba Companies and Modaraba Rules, 1981, or the provisions of and directives issued by the SECP under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 have been followed.

2.1.2 The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. This condensed interim financial information does not include all the information required for a full set of financial statements and should be read in conjunction with the annual published financial statements of the Modaraba for the year ended June 30, 2020.

2.2 Functional and presentation currency

This condensed interim financial information has been presented in Pakistani Rupees, which is the functional and presentational currency of the Modaraba.

2.3 Applicability of International Accounting Standard (IAS) 17 'Leases' and Islamic Financial Accounting Standard (IFAS) 2 'Ijarah'

2.3.1 SECP vide its circular No. 10 of 2004 dated February 13, 2004 had deferred, till further orders, the applicability of International Accounting Standard (IAS) 17 "Leases" on modarabas with effect from July 1, 2003 and advised the management companies of modarabas that they may continue to prepare the financial statements of the modarabas without applying the requirements of IAS 17 to the modarabas. Currently, lease transactions (both for assets given and assets obtained) are being accounted for in accordance with the requirements of IFAS 2 as explained in note 2.3.2.

2.3.2 Islamic Financial Accounting Standard (IFAS) 2 'Ijarah' issued by the Institute of Chartered Accountants of Pakistan was adopted by the SECP vide SRO 431(1)/ 2007 dated May 5, 2007. Under the above IFAS 2, the Ijarah transactions are accounted for in the following manner:

- Mu'jir (lessor) presents assets subject to Ijarah in their balance sheet according to the nature of the asset, distinguished from the assets in own use.
- Costs, including depreciation on the assets given on Ijarah, incurred in earning the Ijarah income are recognised as expense.
- Ijarah income is recognised in income on an accrual basis as and when the rental becomes due, unless another systematic basis is more representative of the time pattern in which the benefit of the use derived from the leased asset is diminished.

SECP, vide its letter No. SC/M/RW/SCM/2009 dated March 9, 2009, allowed that in case of Modarabas, IFAS 2 shall be applied for Ijarah transactions executed on or after July 1, 2008. Accordingly, the Modaraba has accounted for leasing transactions executed before July 01, 2008 as finance leases and has treated the leasing transactions executed on or after July 01, 2008 in accordance with the requirements of IFAS 2.

3. CRITICAL ACCOUNTING POLICIES, ESTIMATES AND JUDGMENTS

3.1 The accounting policies adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of the annual published financial statements of the Modaraba for the year ended June 30, 2020.

3.2 Standards, interpretations and amendments to published approved accounting standards that are effective in the current period

There are certain new and amended standards, interpretations and amendments that are mandatory for the Modaraba's accounting periods beginning on or after July 1, 2020 but are considered not to be relevant or do not have any significant effect on the Modaraba's operations and are therefore not detailed in this condensed interim financial information.

3.3 The preparation of this condensed interim financial information requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

3.4 The significant judgments made by the management in applying the Modaraba's accounting policies and key sources of estimation uncertainty were the same as those that were applied to the annual published financial statements for the year ended June 30, 2020.

4. RISK MANAGEMENT POLICIES

The financial risk management objectives and policies are consistent with those disclosed in the annual published financial statements of the Modaraba for the year ended June 30, 2020.

5. CASH AND BANK BALANCES

Balances with banks in:

- profit and loss sharing accounts
- term deposit accounts
- current accounts

Note	Un-audited September 30, 2020	Audited June 30, 2020
------	-------------------------------------	-----------------------------

-----(Rupees)-----

Balances with banks in:		
- profit and loss sharing accounts	5.1 & 5.2	16,371,109
- term deposit accounts	5.3	60,000,000
- current accounts	5.1	1,757,171
		78,128,280
Balances with State Bank of Pakistan		14,191
Cash in hand		78,142,471
Stamp Paper		719,009
		250
		78,861,730
		63,628,670
		14,191
		63,642,861
		836,462
		250
		64,479,573

5.1 Balances with banks include an amount of Rs.10.13 million (June 30,2020: Rs.16.70 million) held with BankIslami Pakistan Limited,(parent company of the Modaraba Management Company).

5.2 These accounts carry profit at rates ranging from 2.74% to 3.30% (June 30, 2020: 2.74% to 6.21%) per annum.

5.3 These represent amount placed with BankIslami Pakistan Limited, holding company of the Modaraba Management Company under Islami Amadni Certificates amounting to Rs. 60 million (June 30,2020:Rs.45 million). These certificates will mature on October 9, 2020. The profit on these certificates is 6.50% (June 30, 2020: 7.50%) per annum.

6. IJARAH FINANCE

Ijarah contracts commencing up to June 30, 2008

- accounted for as finance leases

40,480,939	40,480,939
------------	------------

3,755,007	3,755,007
-----------	-----------

40,480,939	40,480,939
3,755,007	3,755,007
44,235,946	44,235,946
(7,491,364)	(7,491,364)
(32,989,575)	(32,989,575)
(40,480,939)	(40,480,939)
3,755,007	3,755,007

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

	Note	Un-audited September 30, 2020	Audited June 30, 2020
		----- (Rupees)-----	
7. MURABAHA			
Considered doubtful	7.1	2,517,068	2,517,068
Provision for impairment loss against doubtful recoveries		(2,517,068)	(2,517,068)
		-----	-----
7.1			
These represent amounts receivable against Murabaha transactions i.e. sale of goods on deferred payment basis at a specified profit margin ranging from 10% to 24% per annum. Since the finance is non-performing, no income is accrued on it in accordance with the Prudential Regulations for Modarabas.			
8. RECEIVABLE AGAINST IJARAH RENTALS AND MAINTENANCE SERVICES			
Considered good			
- Ijarah rentals receivable		-	12,647,513
Considered doubtful			
- Ijarah rentals receivable		-	6,782,496
- Maintenance Fee	8.1	4,275,537	4,275,537
- Ijarah lease rentals of tower and allied equipments		10,194,320	10,194,320
		14,469,857	33,899,866
Less: Provision against potential ijarah losses		(14,469,857)	(14,469,857)
		-----	12,647,513
8.1			
This relates to discontinued operations.			
9. ADVANCES, DEPOSITS, PREPAYMENTS, OTHER ASSETS AND RECEIVABLES			
Considered Good			
Advances		2,456,880	-
- to suppliers		-	62,200
- to employees against salary		908,740	712,693
Prepayments		1,284,354	1,284,354
Defined benefit plan - staff gratuity		40,899	40,899
Other deposits		4,690,873	2,100,146
Other receivables			
- Receivable from BankIslami Pakistan Limited - Related Party		835,362	580,680
- Others		755,626	1,100,764
		1,590,988	1,681,444
Considered doubtful			
Other receivables			
- Terminated leases		6,242,260	6,242,260
- Miscellaneous amount recoverable from the lessees		1,188,872	1,188,872
- Dividend receivable		16,275	16,275
- Receivable from brokers		22,422	22,422
- Receivable against sale of fuel		355,102	355,102
- Others		228,732	228,732
		8,053,663	8,053,663
Provision for impairment loss against doubtful recoveries		(8,053,663)	(8,053,663)
		6,281,861	3,781,590

	Note	Un-audited September 30, 2020	Audited June 30, 2020
		----- (Rupees)-----	
10. PROPERTY AND EQUIPMENT			
Property and equipment - in own use		68,313,078	68,444,659
Towers and allied equipment		350,000	350,000
		68,663,078	68,794,659

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

	Additions		Disposals	
	Unaudited September 30, 2020	Audited June 30, 2020	Unaudited September 30, 2020	Audited June 30, 2020
	----- (Rupees)-----		----- (Rupees)-----	
Office premises	-	-	-	-
Building Fuel Station	-	-	-	-
Vehicles	-	-	-	-
Furniture and fixtures	-	-	-	-
Office and computer equipment	-	-	-	-
	-----	-----	-----	-----

11. PROPERTY AND EQUIPMENT UNDER IJARAH ARRANGEMENT

	Additions		Disposals	
	Unaudited September 30, 2020	Audited June 30, 2020	Unaudited September 30, 2020	Audited June 30, 2020
	----- (Rupees)-----		----- (Rupees)-----	
Equipments	-	-	-	-
Vehicles	-	-	40,640,000	-
	-----	-----	40,640,000	-----

12. CONTINGENCIES AND COMMITMENTS

The status of contingencies is same as stated in the financial statements of the Modaraba for the year ended June 30,2020.

13. PROFIT FROM OPERATIONS OF FUEL STATION

	(Un-audited) Quarter ended	
	September 30, 2020	September 30, 2019
Note	(Rupees)	
Income		
Sale of fuel	13.1	62,348,568
Cost of sales		(60,002,571)
		2,345,997
Rental income	13.2	429,700
		2,775,697
		67,268,856
		(65,095,858)
		2,172,998
		429,000
		2,601,998
Expenses		
Salaries and allowances		692,997
Generator fuel		46,468
Depreciation		111,346
Electricity		95,014
Repairs and maintenance		167,470
Printing and stationery		6,400
Security guards		233,100
Insurance		27,444
Telephone		5,845
Rent, rates & taxes		62,283
Miscellaneous		38,806
		1,500,013
Profit before taxation		1,359,424
Taxation		1,275,684
Profit after taxation		(212,366)
		1,063,318
		1,242,574
		(178,262)
		1,064,312

13.1 Income relates to the operation of petrol and diesel filling / service station which was started 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.

13.2 The amount represents rent earned in respect of the plot of land used for fuel station under a lease deed dated August 13, 2009 with the oil marketing company. Initial term of the rent agreement is for fifteen years. The amount also includes rental income earned from operation of tyre shop and car wash facility.

14. ADMINISTRATIVE AND OPERATING EXPENSES

Salaries, allowances and other benefits	380,530	328,949
Rent, rates and taxes	21,905	37,430
Depreciation	20,235	22,780
Fuel and conveyance	34,782	34,787
Repairs and maintenance	79,247	80,907
Legal and professional	447,211	348,308
Electricity	68,753	136,244
Telephone	40,099	41,896
Entertainment	9,408	16,563
Insurance	23,706	27,834
Printing and stationery	123,157	121,490
Gratuity	-	-
Auditors' remuneration	161,557	150,900
Subscription	106,773	106,767
Registrar services	42,375	42,375
Postage	27,934	27,770
Advertisement	75,900	102,600
Others	66,600	14,689
	1,730,172	1,642,289

15. WORKERS' WELFARE FUND

The Finance Act, 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance) due to which the Modaraba became liable to pay contribution to the Workers' Welfare Fund (WWF) at the rate of 2% on the higher of the profit before taxation as per the accounts or the return of income.

16. TAXATION

16.1 As per the Second Schedule to the Income Tax Ordinance, 2001, the income of a non-trading modaraba is exempt from income tax provided that it distributes 90% of its profits to its certificate holders for the year after making appropriation for statutory reserves. The Modaraba intends to avail this exemption by distributing 90% of its profits to its certificate holders after making appropriation for statutory reserves. Accordingly, no provision in respect of current and deferred tax has been made in this condensed interim financial information except for minimum tax deducted on certain items which has been treated as a full and final tax charge.

17. RELATED PARTY TRANSACTIONS

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 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.

17.1 Details of transactions with related parties during the quarter are as follows:

	(Un-audited) Quarter ended	
	September 30, 2020	September 30, 2019
	(Rupees)	(Rupees)
BankIslami Pakistan Limited (Holding company of the management company)		
Profit on Islamic profit and loss sharing account	986,267	986,267
Rental income	1,921,413	1,746,741
Other transactions		
Contributions to staff provident fund	23,688	21,534

Modaraba Al-Mali

17.2 Details of balances with related parties as at period / year end are as follows:

	(Un-audited)	(Audited)
	September 30, 2020	June 30, 2020
	----- (Rupees)-----	
BankIslami Modaraba Investments Limited (Modaraba Management Company)		
Dividend payable	<u>1,693,743</u>	-
Receivable against Retainership Fee	<u>123,750</u>	-
 BankIslami Pakistan Limited (Holding company of the management company)		
Bank deposits	<u>10,134,778</u>	<u>45,170,854</u>
Amount receivable in respect of genset and premises rental income and others	<u>835,362</u>	<u>724,824</u>

18. GENERAL

The figures in this condensed interim financial information have been rounded off to the nearest Rupee.

19. DATE OF AUTHORISATION

This condensed interim financial information was authorised for issue by the Board of Directors of the Modaraba Management Company on October 28,2020.

For **BankIslami Modaraba Investment Limited**
Modaraba Management Company

Chief Financial Officer

Chief Executive

Director

Director