

HabibMetro Modaraba

(An Islamic Financial Institution)

(Managed by: HabibMetro Modaraba Management)



Half Yearly Accounts

for the period from October 06, 2017

to December 31, 2017

(Un-audited)

HABIBMETRO

Modaraba Management

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Wazir Mumtaz Ahmed	- Chairman (Non-Executive Director)
Mr. Muhammad Shoab Ibrahim	- Chief Executive Officer
Mr. Mohammad Hashim	- (Non-Executive Director)
Mr. Syed Rasheed Akhtar	- (Non-Executive Independent Director)

LEGAL ADVISOR

Mohsin Tayebaly & Company

BANKERS

Habib Metropolitan Bank Limited (Islamic Banking)

AUDIT COMMITTEE

Mr. Syed Rasheed Akhtar	- Chairman
Mr. Wazir Mumtaz Ahmed	- Member
Mr. Mohammad Hashim	- Member
Mr. Shakeel Ahmed	- Secretary

REGISTERED OFFICE

5th Floor, HBZ Plaza (Hirani Centre)
I.I. Chundrigar Road, Karachi.
Tel : 021-32635949-51
Fax : 021-32627373
Web : www.habibmetromodaraba.com
Email : hmm@habibmetromodaraba.com

HUMAN RESOURCE COMMITTEE

Mr. Syed Rasheed Akhtar	- Chairman
Mr. Wazir Mumtaz Ahmed	- Member
Mr. Mohammad Hashim	- Member

REGISTRAR

Central Depository Company of Pakistan Limited
Share Registrar Department
CDC House, 99-B, Block "B",
S.M.C.H.S
Main Shahrah-e-Faisal,
Karachi,
Pakistan. Tel: 111-111-500

AUDITOR

BDO Ebrahim & Co.
Chartered Accountants

DIRECTORS' REPORT

On behalf of Board of Directors of Habib Metropolitan Modaraba Management Company (private) Limited, it is indeed a great pleasure for me to present an un-audited Financial Statements of Habib Metro Modaraba, for the period ended December 31, 2017.

Modaraba Certificates of Habib Metro Modaraba (HMM) was offered to the general public for the subscription in September, 2017. The public issue was well received and oversubscribed against the offered amount. Allhamdulillah, HMM has commenced its business operations and gradually moving towards its core business activities i.e., Residual Value Car Financing and financing of Solar Power Equipment. As on the report date not much activity was recorded in assets booking due to long que in delivery of locally assembled motor vehicles. For Solar Power Equipment, discussions with local suppliers and asset managers of solar power equipment are under process and soon Service Level Agreement (SLA) with reputable market vendors for maintenance and financing of said equipment will be finalized.

By the grace of Almighty Allah, the Modaraba started its business journey with positive bottom line of profit at the end of the period. Since the products of Residual Car Financing and Solar Power Equipment are quite new in Pakistan's market and we are carefully moving towards assets booking in said business segments. For the period ended we made little amount of profit due to operational working of around 2½ months and charging of portion of preliminary/ public offering expenses in profit and loss account. However, we are hopeful that we will be able to build good asset quality portfolio for strong base of Modaraba growth in prudent manner and also make good profits for better return to Modaraba Certificate Holders.

The Board wish to place on records our appreciation and thanks to investors in reposing confidence in subscribing Modaraba Certificates at the time of its formation. We also extend our deep gratitude to Securities & Exchange Commission of Pakistan (SECP), Registrar Modaraba, Securities Market Department of SECP, Pakistan Stock Exchange, Central Depository Company, Consultant and Bankers to the Issue for their valuable guidance, support and assistance for successful public subscription of new Modaraba.

The Board also appreciates dedication, high level of professionalism and hard work of staff members of Modaraba for its incorporation, public floatation and satisfactory results.

For and on behalf of Board of Directors

Muhammad Shoab Ibrahim
Chief Executive Officer

Karachi: February 07, 2018

ڈائریکٹرز کی رپورٹ

میرے لیے یہ بات یقیناً انتہائی خوشی کی ہے کہ میں حبیب میٹرو پولیٹن مضاربہ مینجمنٹ کمپنی (پرائیویٹ) لمیٹڈ کے بورڈ آف ڈائریکٹرز کی جانب سے ۳۱ دسمبر ۲۰۱۷ء کی اختتام پذیر مدت کے حبیب میٹرو مضاربہ کے غیر محتسب شدہ مالیاتی دستاویزات پیش کروں۔

ستمبر ۲۰۱۷ء میں حبیب میٹرو مضاربہ (HMM) کے مضاربہ سرٹیفیکیٹس کو عوام الناس کو خریداری (subscription) کے لیے پیش کیا گیا۔ عوام نے اس کا اچھا خیر مقدم کیا اور ان پیش کردہ مالیت سے زیادہ کی خریداری کی پیشکش کی گئی۔ الحمد للہ، HMM نے اپنے کاروباری عمل کا آغاز کر دیا ہے اور رفتہ رفتہ اپنی بنیادی کاروباری سرگرمیوں کی جانب بڑھ رہا ہے۔ یعنی بقایا مالیت کی کار کی سرمایہ کاری (Residual Value Car Financing) اور شمسی توانائی کے آلات کی سرمایہ کاری۔ جیسا کہ مذکورہ تاریخ پر اثاثہ جات کے کتابوں میں زیادہ سرگرمیوں کا اندراج نہیں کیا گیا تھا جس کی وجہ سے مقامی طور پر بنائی گئی گاڑیوں کی فراہمی کی ایک طویل قطار ہے۔ شمسی توانائی کے آلات کے سلسلے میں مقامی سپلائرز اور شمسی توانائی کے اثاثہ بیجزر سے گفت و شنید جاری ہے اور جلد ہی ان آلات کی دیکھ بھال کے لیے سروس لیول اور ان کی سرمایہ کاری معاہدات کو حتمی شکل دے دی جائے گی۔

اللہ تعالیٰ کی مہربانی سے مضاربہ نے اس مدت کے اختتام پر اپنے کاروبار کا آغاز مثبت فیصلہ کن نتائج سے کیا ہے۔ کیونکہ بقایا مالیت کی کار کی سرمایہ کاری (Residual Value Car Financing) کا سلسلہ پاکستان کی منڈی میں بالکل نیا ہے اور مذکورہ شعبہ جات میں ہم محتاط طور پر اثاثہ جات کی بنگ کی کر رہے ہیں۔ اس اختتام پذیر ۲۱/۲ ماہ کی مدت کے آپریشن میں کھاتہ نفع و نقصان (profit and loss account) میں ابتدائی / پبلک پیشکش کے اخراجات کے بعد ہم نے مختصر مالیت کا منافع بنایا۔ تاہم، ہم پر امید ہیں کہ، ہم مضاربہ کی نمو کی مستحکم بنیاد کی تعمیر کرنے کے لیے محتاط انداز میں اچھے اثاثہ جات کا پورٹ فولیو بنا سکیں گے اور اچھا منافع بھی حاصل کر کے مضاربہ کے سرٹیفیکیٹس کنندگان کو ان کے سرمایہ پر منافع دے سکیں گے۔

بورڈ اپنے سرمایہ کاروں کا مضاربہ کے تشکیل کے موقع پر مضاربہ سرٹیفیکیٹس کی خریداری پر ان کے اعتماد کرنے کے عمل کو سراہتے ہوئے اس بات کو رکارڈ پر لانا چاہتا ہے۔ ہم سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، (SECP) رجسٹرڈ مضاربہ کمپنیز، SECP کا سیکیورٹیز مارکیٹنگ کا شعبہ، پاکستان اسٹاک ایکسچینج، سینٹرل ڈپازٹوری کمپنی آف پاکستان لمیٹڈ، کنسلٹنٹ اور اجراء کے بینکاروں کا، ایک نئے مضاربہ کے مضاربہ سرٹیفیکیٹس کے عوامی اجراء کی خریداری کے سلسلے میں ان کی قیمتی رہنمائی، حمایت اور تعاون کے لیے شکریہ ادا کرنا چاہتے ہیں۔

بورڈ، مضاربہ کے عملے کے ارکان کا ادارے کی تشکیل، عوامی اجراء اور اطمینان بخش نتائج کے حاصل کرنے کے سلسلے میں ان کی لگن، اعلیٰ پائے کی پیشہ ورانہ خصوصیات اور سخت جدوجہد کو بھی سراہتا ہے۔

بورڈ آف ڈائریکٹرز کی جانب سے اور ان کے لیے

محمد شعیب ابراہیم

چیف ایگزیکٹو آفیسر

کراچی: ۷ فروری ۲۰۱۸

INDEPENDENT AUDITORS' REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION TO THE CERTIFICATE HOLDERS

Introduction

We have reviewed the accompanying condensed interim balance sheet of Habib Metro Modaraba ("the Modaraba") as at December 31, 2017 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement, condensed interim statement of changes in equity and notes to the accounts for the period from October 06, 2017 to December 31, 2017 (here-in-after referred as the "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information as at and for the period from October 06, 2017 to December 31, 2017 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

KARACHI
DATED: February 07, 2018

BDO Ebrahim & Co.
Chartered Accountants
Engagement Partner: Raheel Shah Nawaz

CONDENSED INTERIM BALANCE SHEET

As at December 31, 2017

	Note	(Un-audited) December 31, 2017 Rupees
ASSETS		
NON CURRENT ASSETS		
Property and equipment	4	5,037,902
Preliminary expenses and floatation costs	5	8,404,544
		<u>13,442,446</u>
CURRENT ASSETS		
Short term investments	6	100,000,000
Accrued profit	7	2,896,397
Taxation	8	326,362
Cash and bank balances	9	184,362,212
		<u>287,584,971</u>
TOTAL ASSETS		<u><u>301,027,417</u></u>
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Authorized capital		
30,000,000 Modaraba certificates of Rs. 10/- each		300,000,000
Issued, subscribed and paid-up certificate capital	10	300,000,000
Unappropriated profit		91,746
		<u>300,091,746</u>
CURRENT LIABILITIES		
Creditors, accrued and other liabilities	11	935,671
TOTAL EQUITY AND LIABILITIES		<u><u>301,027,417</u></u>
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The annexed notes from 1 to 25 form an integral part of this condensed interim financial information.

For Habib Metropolitan Modaraba Management Company (Private) Limited
(Modaraba Management Company)

CHIEF EXECUTIVE

DIRECTOR

DIRECTOR

CHIEF FINANCIAL OFFICER

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED)
FOR THE PERIOD FROM OCTOBER 06, 2017 TO DECEMBER 31, 2017

For the period from
October 06, 2017
to
December 31, 2017

	Note	Rupees
INCOME		
Profit on Islamic certificates		3,482,330
Profit on bank balances		2,677,666
		<u>6,159,996</u>
EXPENSES		
Amortization of preliminary expenses and floatation costs		4,017,556
Administrative expenses	13	2,036,895
		<u>6,054,451</u>
		105,545
Modaraba management company's fee	14	10,555
Sales tax on Modaraba management company's fee		1,372
Provision for Workers' Welfare Fund		1,872
Profit before taxation		<u>91,746</u>
Taxation	15	-
Profit for the period		<u><u>91,746</u></u>
Earnings per certificate - basic and diluted		<u><u>0.01</u></u>

The annexed notes from 1 to 25 form an integral part of this condensed interim financial information.

For Habib Metropolitan Modaraba Management Company (Private) Limited
(Modaraba Management Company)

CHIEF EXECUTIVE

DIRECTOR

DIRECTOR

CHIEF FINANCIAL OFFICER

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

FOR THE PERIOD FROM OCTOBER 06, 2017 TO DECEMBER 31, 2017

For the period from
October 06, 2017
to
December 31, 2017

Rupees

Profit for the period	91,746
Other comprehensive income	-
Total comprehensive income for the period	<u>91,746</u>

The annexed notes from 1 to 25 form an integral part of this condensed interim financial information.

For Habib Metropolitan Modaraba Management Company (Private) Limited
(Modaraba Management Company)

CHIEF EXECUTIVE

DIRECTOR

DIRECTOR

CHIEF FINANCIAL OFFICER

CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE PERIOD FROM OCTOBER 06, 2017 TO DECEMBER 31, 2017

	For the period from October 06, 2017 to December 31, 2017
Note	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES	
Profit before taxation	91,746
Adjustment of non-cash and other items:	
Depreciation	257,478
Profit on investments - net	(6,159,996)
	<u>(5,902,518)</u>
	(5,810,772)
Increase in current liabilities	
Creditors, accrued and other liabilities	935,671
Cash used in operations	<u>(4,875,101)</u>
Taxes paid	(326,362)
Net cash used in operating activities	<u>(5,201,463)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Additions to property and equipment	(5,295,380)
Preliminary expenses and floatation costs	(8,404,544)
Investment-net	(100,000,000)
Income received on investments	3,263,599
Net cash used in investing activities	<u>(110,436,325)</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Issuance of certificate capital and net cash generated from financing activities	300,000,000
Net increase in cash and cash equivalents during the period	<u>184,362,212</u>
Cash and cash equivalent at the beginning of the period	-
Cash and cash equivalent at the end of the period	<u><u>184,362,212</u></u>

The annexed notes from 1 to 25 form an integral part of this condensed interim financial information.

For Habib Metropolitan Modaraba Management Company (Private) Limited
(Modaraba Management Company)

CHIEF EXECUTIVE

DIRECTOR

DIRECTOR

CHIEF FINANCIAL OFFICER

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

FOR THE PERIOD FROM OCTOBER 06, 2017 TO DECEMBER 31, 2017

	Certificate capital	Unappropriated profit	Total
	-----Rupees-----		
Balance as at October 6, 2017	-	-	-
Certificate capital issued during the period	300,000,000	-	300,000,000
Profit for the period	-	91,746	91,746
Other comprehensive income	-	-	-
Total comprehensive income for the period	-	91,746	91,746
Balance as at December 31, 2017	<u>300,000,000</u>	<u>91,746</u>	<u>300,091,746</u>

The annexed notes from 1 to 25 form an integral part of this condensed interim financial information.

For Habib Metropolitan Modaraba Management Company (Private) Limited
(Modaraba Management Company)

CHIEF EXECUTIVE

DIRECTOR

DIRECTOR

CHIEF FINANCIAL OFFICER

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

FOR THE PERIOD FROM OCTOBER 06, 2017 TO DECEMBER 31, 2017

1 NATURE AND STATUS OF BUSINESS

Habib Metro Modaraba (the Modaraba) is a multipurpose, perpetual modaraba floated under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 and the Rules framed there under and is managed by Habib Metropolitan Modaraba Management Company (Private) Limited (the Modaraba Management Company). After receiving certificate of minimum subscription, the Modaraba commenced its business operations with effect from October 06, 2017. The address of registered office is 3rd Floor, Al-Manzoor Building, I.I. Chundrigar Road, Karachi.

The Modaraba is listed on the Pakistan Stock Exchange Limited. The Modaraba is engaged in Residual Value car financing model on Ijarah basis, providing financing for solar power equipments and other related business.

As at the balance sheet date, 60% certificates are held by Habib Metropolitan Bank Limited (the Holding Company).

2 BASIS OF PREPARATION

2.1 Statement of compliance

This condensed interim financial information of the Modaraba for the period from October 06, 2017 to December 31, 2017 has been prepared in accordance with the requirements of the International Accounting Standard 34 - "Interim Financial Reporting" and provisions of and directives issued under the Modaraba Companies and Modarabas (Floatation and Control) Ordinance, 1980, the Modaraba Companies and Modaraba Rules, 1981 and Prudential Regulations for Modarabas.

In case where requirements differ, the provisions of or directives issued under the Modaraba Companies and Modarabas (Floatation and Control) Ordinance, 1980, the Modaraba Companies and Modaraba Rules, 1981 and Prudential Regulations for Modarabas have been followed.

The SECP has issued directive (vide SRO 431 (I) / 2007 dated May 22, 2007) that Islamic Financial Accounting Standard 2 (IFAS-2) shall be followed in preparation of the condensed interim financial informations by Companies and Modarabas while accounting for Lease Financing transactions as defined by the said standard. The Modaraba has adopted the said standard.

The disclosures made in this condensed interim financial information have been limited, based on the requirements of International Accounting Standard 34 - "Interim Financial Reporting". This condensed interim financial information does not include all the information and disclosures required in the annual financial information.

This condensed interim financial information is un-audited. However, limited scope review has been performed by the statutory auditors in accordance with the requirement of clause (xxi) of the Code of Corporate Governance and are being submitted to the Certificate holders as required by Rule 10 of Modaraba Companies and Modaraba Rules, 1981.

This condensed interim financial information comprise of condensed interim balance sheet as at December 31, 2017 and the related condensed interim profit and loss account, condensed interim statement of

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE PERIOD FROM OCTOBER 06, 2017 TO DECEMBER 31, 2017

comprehensive income, condensed interim statement of cash flows, condensed interim statement of changes in equity and notes thereto, for the period from October 06, 2017 to December 31, 2017.

2.2 Basis of measurement

This condensed interim financial information has been prepared on the historical cost basis except for the measurement at fair value of certain financial instruments in accordance with the requirements of IAS 39 "Financial Instruments: Recognition and Measurement", wherever applicable.

This condensed interim financial information has been prepared following basis of accounting except for cash flow information.

Permissible Islamic financial products including Murabaha (as a liability) and Musharaka have been used by the Modaraba, in line with similar industry practices. The accounting and presentation of the same are in line with the substance of the transaction and are limited to the extent of actual amount of facility utilized and mutually agreed profit thereon. Accordingly, purchases, sales and Musharaka profits / reserves are not reflected in these condensed interim financial informations except for Murabaha facility (as an asset) which has been accounted for in line with Islamic Financial Accounting Standard 1.

2.3 Functional and presentation currency

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

2.4 Significant accounting estimates and judgments

The preparation of condensed interim financial information in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Modaraba's accounting policies. Estimates and judgments are continually evaluated and are based on historic experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future period effected. In the process of applying the Modaraba's accounting policies, management has made the following estimates and judgments which are significant to the condensed interim financial information.

Useful lives, pattern of flow of economic benefits and impairment

Estimates with respect to residual values and depreciable lives and pattern of flow of economic benefits are based on the analysis by the management of the Modaraba. Further, the Modaraba reviews the value of the assets for possible impairment on an annual basis and any change in the estimates in the future might affect the carrying amount of respective item of property and equipment, with a corresponding effect on the depreciation charge and impairment.

3 SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the presentation of this condensed interim financial information are set out below.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

FOR THE PERIOD FROM OCTOBER 06, 2017 TO DECEMBER 31, 2017

3.1 Property and equipment

In own use and depreciation

These are stated at cost less accumulated depreciation. Depreciation is charged to income applying the straight line method whereby the cost of an asset is written off over its estimated useful life. In respect of additions and disposals during the period, depreciation is charged on monthly basis on those assets which are purchased and disposed on or before 15th day of any month.

Maintenance and normal repairs are charged to income as and when incurred. Major renewals and improvements are capitalized if the recognition criteria are met.

The carrying values are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each year end.

Gain or loss on disposal of assets, if any, is recognized as and when incurred.

The Modaraba assesses at each balance sheet date whether there is any indication that assets excluding inventory may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amounts. Where the carrying value exceeds the recoverable amount, assets are written down to the recoverable amount and the difference is charged to the profit and loss account.

3.2 Financial assets

Financial assets in the scope of IAS 39, are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets, as appropriate. When financial assets are recognized initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction cost. The Modaraba determines the classification of its financial assets after initial recognition and, where allowed and appropriate, re-evaluates this designation at each financial year-end.

3.2.1 Financial assets at fair value through profit or loss

Financial assets classified as held for trading are included in the category 'Financial assets at fair value through profit or loss'. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. Derivatives, if any, are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on investments held for trading are recognized in profit and loss account.

3.2.2 Held-to-maturity

Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Modaraba has the positive intention and ability to hold to maturity. Investments intended to be held for an undefined period are not included in this classification. Other long-term investments, that are intended to be held-to-maturity, are subsequently measured at amortized cost.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

FOR THE PERIOD FROM OCTOBER 06, 2017 TO DECEMBER 31, 2017

This cost is computed as the amount initially recognized minus principal repayments, plus or minus the cumulative amortization, using the effective interest rate method, of a difference between the initially recognized amount and the maturity amount. This calculation includes all fees and charges paid or received between parties to the contract that are an integral part of the effective interest rate, transaction cost and all other premiums and discounts. For investments carried at amortized cost, gains and losses are recognized in profit and loss account when the investments are derecognized or impaired, as well as, through the amortization process.

3.2.3 Loans and receivables

Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortized cost using the effective interest rate method. Gains and losses are recognized in profit and loss account when the loans and receivables are derecognized or impaired, as well as, through the amortization process.

3.2.4 Available-for-sale

Available-for-sale financial assets are those non derivative financial assets that are designated as available-for-sale or are not classified in any of the three preceding categories. After initial recognition available-for-sale financial assets are measured at fair value with gains and losses being recognized in equity through other comprehensive income until the investment is derecognized or until the investment is determined to be impaired at which time the cumulative gain or loss previously reported in equity is included in the profit and loss account.

The fair value of investments that are actively traded in organized financial markets is determined by reference to quoted market bid price at the close of business on the balance sheet date. For investments where there is no active market, value is determined using valuation techniques.

3.3 Trade date accounting

All 'regular way' purchases and sales of quoted equity securities are recognized on the trade date i.e. the date that the Modaraba commits to purchase / sell the asset. 'Regular way' purchases or sales of quoted investments require delivery within three working days after the transaction date as per stock exchange regulations.

3.4 Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into. Significant financial liabilities are security deposits against lease financing assets declared, unclaimed profit distribution and other liabilities.

3.5 Recognition and derecognition of financial instruments

Financial assets are recognized initially at fair value or in case of financial assets that are not carried at fair value through profit or loss, at fair value plus transaction cost.

All financial assets and liabilities are recognized at the time when the entity becomes party to the contractual provisions of the instrument and are recognized in case of assets, when the contractual rights

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

FOR THE PERIOD FROM OCTOBER 06, 2017 TO DECEMBER 31, 2017

under the instrument are recognized, expired or surrendered and in case of a liability, when the obligation is discharged, cancelled or expired.

Any gain / (loss) on the recognition and derecognition of the financial assets and liabilities is included in the profit / (loss) for the period in which it arises.

Assets and liabilities that are not of contractual nature and that are created as a result of statutory requirements imposed by the Government are not financial instruments of the Modaraba.

3.6 Offsetting financial assets and financial liabilities

A financial asset and a financial liability is offset and the net amount reported in the balance sheet, if the Modaraba has a legal enforceable right to set off the transaction and also intends either to settle on a net basis or to realise the asset and settle the liability simultaneously. Corresponding income on the assets and charge on the liability is also off- set.

3.7 Cash and cash equivalents

Cash and cash equivalents are carried at cost. For the purpose of the cash flow statement, cash and cash equivalents consist of cash in hand, balances at banks in current and deposit accounts and stamps in hand. Investment normally qualifies as a cash equivalent only when it has a short maturity of, say, three months or less from the date of acquisition.

3.8 Impairment

3.8.1 Financial assets

Impairment is recognized by the Modaraba on the basis of provision requirements given under Prudential Regulations for Modaraba and subjective evaluation carried out on an ongoing basis.

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

3.8.2 Available-for-sale investments

For available-for-sale financial investments, the Modaraba assesses at each balance sheet date whether there is an objective evidence that an investment or a group of investments is impaired. In the case of equity investments classified as available-for-sale, objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost. Where there is evidence of impairment, the cumulative loss, measured as the difference between the acquisition cost and the current fair value less any impairment loss on that investment previously recognized in the income statement, is removed from equity and recognized in the profit and loss account. Impairment losses on equity investments are not reversed through the income statement; increases in their fair value after impairment are recognized in equity through other comprehensive income.

In the case of debt instruments classified as available-for-sale, impairment is assessed based on the same criteria as financial assets carried at amortized cost. If, in a subsequent year, the fair value of a debt

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE PERIOD FROM OCTOBER 06, 2017 TO DECEMBER 31, 2017

instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognized in the income statement, the impairment loss is reversed through the profit and loss account.

All impairment losses are recognized in profit or loss. Any cumulative loss in respect of available-for-sale financial assets recognized previously in equity is transferred to profit or loss. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized.

For financial assets measured at amortized cost and available-for-sale financial assets that are debt securities, the reversal is recognized in profit or loss. For available-for-sale financial assets that are equity securities, the reversal is recognized in equity through other comprehensive income.

3.8.3 Non-financial assets

The Modaraba assesses at each balance sheet date whether there is any indication that assets may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment loss is recognized in profit and loss account. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Where impairment loss for asset subsequently reverses, the carrying amount of the asset is increased to the revised recoverable amount but limited to the extent of initial cost of the asset. Reversal of impairment loss is recognized as income in profit and loss account.

3.9 Dividend income

Dividend is recognized as income when the Modaraba's right to receive dividend is established.

3.9.1 Gain and losses on sale of investment

Gains and losses on sale of investments are accounted for when their commitment (trade date) for sale of security is made.

3.9.2 Income on investments and bank deposits

Profit on investments and bank deposits are recognized on accrual basis using effective interest rate method.

3.10 Taxation

3.10.1 Current tax

The charge for current taxation is based on taxable income at the current rates of taxation after taking into account tax credit and tax rebates realisable, if any. Under clause 100 of Part I of the Second Schedule to the Income Tax Ordinance, 2001, the non-trading income of modarabas is exempt from income tax, provided not less than 90% of its profits, after appropriation to statutory reserves as required under Modaraba Regulations, are distributed to the certificate holders.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

FOR THE PERIOD FROM OCTOBER 06, 2017 TO DECEMBER 31, 2017

3.10.2 Deferred tax

The Modaraba accounts for deferred taxation on all material temporary differences using the liability method arising between the amounts attributed to assets and liabilities for financial reporting purposes and condensed interim financial informations used for taxation purposes. However, deferred tax liability has not been provided in these condensed interim financial informations as the management believes that the future income of Modaraba will not be taxable in the foreseeable future due to the fact that the Modaraba intends to continue availing the tax exemption through profit distribution to the extent of 90 percent of distributable profit.

3.11 Provisions

Provisions are recognized when the Modaraba has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made.

3.12 Foreign currencies translation

Monetary assets and liabilities in foreign currencies are translated into Pak Rupees at the rates of exchange approximating to those prevalent on the balance sheet date. Foreign currency transactions are converted into Pak Rupees at the rate of exchange prevailing on the date of transactions. Exchange gains and losses on translation are recognized in profit and loss account.

3.13 Profit distribution and other appropriations of profit

Profit distributions to the certificate holders and other appropriations of profit are recognized in the year in which these are approved. Transfer to statutory reserve and any of the mandatory appropriations as may be required by law are recognized in the period to which these relate.

3.14 Segment reporting

As per IFRS 8, "Operating Segments", operating segments are reported in a manner consistent with the internal reporting used by the chief operating decision maker. The Chief Executive Officer of the management company has been identified as the chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments.

The Chief Executive Officer is responsible for Modaraba's entire product portfolio and consider business to have a single operating segment. The Modaraba's assets allocation decisions are based on a single integrated investment strategy and the Modaraba's performance is evaluated on a overall basis.

The internal reporting provided to the Chief Executive Officer for the Modaraba's assets, liabilities and performance is prepared on a consistent basis with the measurement and recognition principles of approved accounting standards as applicable in Pakistan.

The Modaraba's is domiciled in Pakistan. All of the Modaraba's income is from the investments in entities incorporated in Pakistan.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

FOR THE PERIOD FROM OCTOBER 06, 2017 TO DECEMBER 31, 2017

3.15 Earnings per certificate

The Modaraba presents earnings per certificate (EPC) data for its certificates. Basic EPC is calculated by dividing the profit or loss attributable to certificate holders of the Modaraba by weighted average number of certificates outstanding during the period. Diluted EPC is determined by adjusting the profit or loss attributable to certificate holders and the weighted average number of certificates outstanding for the effects of all dilutive potential certificates.

3.16 Related party transactions

All transactions with the related parties are priced on arm's length basis.

3.17 Preliminary expenses and floatation costs

Preliminary expenses and floatation costs represents expenses incurred in respect of issue of modaraba certificates to the public inclusive of cost of organization and floatation of the Modaraba, cost of printing, publication and distribution of this prospectus, underwriting expenses, commission to the bankers to the issue and brokerage etc. This cost shall be amortized on prorata basis till the financial year end i.e. June 30, 2018 which is in line with clause 3.7 of the prospectus of the Modaraba.

4 PROPERTY AND EQUIPMENT

	Leasehold improvements	Furniture and fixtures	Office equipment	Vehicle	Total
-----Rupees-----					
Owned assets					
Net carrying value basis					
Year ended December 31, 2017					
Opening net book value	-	-	-	-	-
Additions	2,502,870	213,100	585,410	1,994,000	5,295,380
Depreciation	(69,523)	(7,708)	(39,005)	(141,242)	(257,478)
Closing net book value	<u>2,433,347</u>	<u>205,392</u>	<u>546,405</u>	<u>1,852,758</u>	<u>5,037,902</u>
Year ended December 31, 2017					
Cost	2,502,870	213,100	585,410	1,994,000	5,295,380
Accumulated depreciation	(69,523)	(7,708)	(39,005)	(141,242)	(257,478)
Net book value	<u>2,433,347</u>	<u>205,392</u>	<u>546,405</u>	<u>1,852,758</u>	<u>5,037,902</u>
Annual rate of depreciation (% per annum)	<u>16.67%</u>	<u>20%</u>	<u>25% - 33.33%</u>	<u>16.67%</u>	

(Un-audited)
December 31,
2017
Rupees

5 PRELIMINARY EXPENSES AND FLOATATION COSTS

Preliminary expenses and floatation costs	5.1	12,422,100
Amortization during the period		(4,017,556)
		<u>8,404,544</u>

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE PERIOD FROM OCTOBER 06, 2017 TO DECEMBER 31, 2017

5.1 This represents expenses incurred in respect of issue of modaraba certificates to the public inclusive of cost of organization and floatation of the Modaraba, cost of printing, publication and distribution of this prospectus, underwriting expenses, commission to the bankers to the issue and brokerage etc. As per clause 3.7 of the Prospectus of the Modaraba, the preliminary expenses and expenses to the issue shall be paid by the Modaraba and shall be charged to the profit and loss account of the Modaraba during the first year of operations. Accordingly, the Modaraba is amortizing the preliminary expenses and floatation costs on prorata basis till the financial year end i.e. June 30, 2018.

(Un-audited)
December 31,
2017
Rupees

6 SHORT TERM INVESTMENTS

Loans and receivables

Islamic term deposit certificates	6.1	<u><u>100,000,000</u></u>
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6.1 This represents investments in Habib Islamic Income Certificates issued by Habib Metropolitan Bank Limited, the Holding Company having tenure of six months and carry profit at the rate of 5.50% per annum.

7 ACCRUED PROFIT

Accrued profit on:

Islamic term deposit certificates		2,855,617
Bank accounts		<u>40,780</u>
		<u><u>2,896,397</u></u>

8 TAXATION

Advance tax		<u><u>326,362</u></u>
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9 CASH AND BANK BALANCES

Cash in hand		5,000
Cash with banks in:		
PLS savings accounts	9.1	9,252,631
Current accounts		<u>104,581</u>
Islamic term deposit certificates	9.2	<u><u>175,000,000</u></u>
		<u><u>184,362,212</u></u>

9.1 These carry profit at rates ranging from 3.75% to 5.00% per annum.

9.2 This represents investments in Habib Islamic Income Certificates issued by Habib Metropolitan Bank Limited, the Holding Company having tenure ranging from one to three months and carry profit at the rates ranging from 5.00% to 5.25% per annum.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

FOR THE PERIOD FROM OCTOBER 06, 2017 TO DECEMBER 31, 2017

10 ISSUED, SUBSCRIBED AND PAID-UP CERTIFICATE CAPITAL

Modaraba certificates of Rs. 10 each	Note	(Un-audited) December 31, 2017 Rupees
<u>Number of</u> 2017		
30,000,000	Certificates issued as fully paid in cash	<u>300,000,000</u>

Habib Metropolitan Modaraba Management Company (Private) Limited (the Management Company) held 3,000,000 (10%) certificates of Rs. 10 each as at December 31, 2017.

Habib Metropolitan Bank Limited, held 18,000,000 (60%) certificates of Rs.10 each as at December 31, 2017.

Prudential Regulations for Modarabas issued by Securities and Exchange Commission of Pakistan requires creation of reserve fund to which shall be credited:

- a) an amount not less than 20% and not more than 50% of its after tax profits till such time the reserve fund equals the amount of paid-up capital; and
- b) thereafter a sum not less than 5% of its after tax profits.

11 CREDITORS, ACCRUED AND OTHER LIABILITIES

Modaraba management fee payable	14	10,555
Sales tax on Modaraba management fee payable	14	1,372
Provision for Workers' Welfare Fund		1,872
Utilities expenses payable		300,000
Preliminary expenses and floatation costs payable	11.1	459,872
Audit fee payable		162,000
		<u>935,671</u>

11.1 This represents balance amount payable to Habib Metropolitan Modaraba Management Company (Private) Limited, the Modaraba Management Company in respect of preliminary expenses and floatation costs as detailed in note 5.1 to the condensed interim financial information.

12 CONTINGENCIES AND COMMITMENTS

12.1 Contingencies

There were no contingencies as at December 31, 2017.

12.2 Commitments

There were no commitments as at December 31, 2017.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE PERIOD FROM OCTOBER 06, 2017 TO DECEMBER 31, 2017

	Note	(Un-audited) For the period from October 06, 2017 to December 31, 2017 Rupees
13 ADMINISTRATIVE EXPENSES		
Salaries, allowances and other benefits		1,152,400
Printing and stationery		39,748
Utilities expenses		300,000
Depreciation on owned assets		257,478
Auditor's remuneration	13.1	162,000
Miscellaneous expense		125,269
		<u>2,036,895</u>
13.1 Auditor's remuneration		
Half yearly review fee		100,000
Special reports, certification and sundry advisor services		50,000
Sales tax		12,000
		<u>162,000</u>
14 MODARABA MANAGEMENT COMPANY'S FEE		
<p>In accordance with the Modaraba Companies and Modaraba Rules, 1981, the Modaraba has accrued management fee at the rate of 10% of profits during the period which is payable to the Modaraba Management Company amounting to Rs. 10,555. Furthermore, during the current period, an amount of Rs. 1,372 was charged on account of sales tax on management fee levied through Sindh Sales Tax on Services Act, 2011.</p>		
15 TAXATION		
<p>The income of non-trading modarabas is exempt from tax under clause 100 of the second schedule of the Income Tax Ordinance 2001, provided not less than 90% of its profits after appropriation to statutory reserves as required under Modaraba Regulations is distributed to the certificate holders. The Modaraba has decided to continue availing the tax exemption and hence no provision has been made this condensed interim financial information for tax liabilities for the period.</p>		
16 UTILIZATION OF PROCEEDS OF INITIAL PUBLIC OFFERING		
<p>The break-up of utilization of proceeds of initial public offering is being presented under the requirements of Regulation 16(i) of Chapter VIII of Public Offering Regulations, 2017. The Modaraba has utilized the proceeds from initial public offering as follows:</p>		
Proceeds realized		<u>300,000,000</u>
Purchase of property, plant and equipment		5,295,380
Investments made		100,000,000
Preliminary expense and floatation cost paid		11,962,228
Held for working capital, purchase of additional assets / investments etc.		182,742,392
		<u>300,000,000</u>

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

FOR THE PERIOD FROM OCTOBER 06, 2017 TO DECEMBER 31, 2017

	(Un-audited) For the period from October 06, 2017 to December 31, 2017 Rupees
17 REMUNERATION OF OFFICERS AND OTHER EMPLOYEES	
Remuneration	1,083,500
Medical expenses	-
Retirement benefits	-
	<u>1,083,500</u>
Number of officers / executives at the end of the period	<u>2</u>

The executives are also provided with the free use of vehicles owned by the Modaraba.

18 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Modaraba's objective in managing risk is the creation and protection of certificate holders' value. Risk is inherent in the Modaraba's activities, but it is managed through monitoring and controlling activities which are primarily setup to be performed, based on limits established by the Modaraba Management Company, Modaraba's constitutive documents and the regulations and directives of the SECP. The Modaraba's activities expose it to a variety of financial risks: market risk (including profit rate risk, equity price risk and fair value risk), credit risk and liquidity risk. The Board of Directors of the Modaraba Management Company has overall responsibility for the establishment and oversight of the Modaraba's risk management framework.

The Modaraba's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Modaraba's financial performance.

The Modaraba primarily invests in ijarah assets, musharaka, diversified portfolio of listed securities, sukuk certificates, Ijarah sukuk bonds and Islamic Investment Instruments. Such investments are subject to varying degrees of risk, which emanate from various factors that include but are not limited to market risk, credit risk and liquidity risk.

18.1 Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as profit rates, foreign exchange rates and equity prices.

18.2 Profit rate risk

Profit rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market profit rates.

18.3 Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Modaraba does not have any financial instruments in foreign currencies and hence is not exposed to such risk.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE PERIOD FROM OCTOBER 06, 2017 TO DECEMBER 31, 2017

18.4 Liquidity risk

Liquidity risk is defined as the risk that the Modaraba will encounter difficulty in meeting obligations associated with financial liabilities. Liquidity risk arises because of the possibility that the Modaraba could be required to pay its liabilities earlier than expected. The Modaraba's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressful conditions, without incurring unacceptable losses or risking damage to the Modaraba's reputation.

The table below summarizes the maturity profile of the Modaraba's financial liabilities based on contractual undiscounted payments.

As at December 31, 2017	Profit rate	Six months or less	Six to Twelve months	One to five years	Over five years	Total contractual cash flows
Rupees						
Creditors, accrued and other liabilities	-	935,671	-	-	-	935,671
Total	-	935,671	-	-	-	935,671

18.5 Credit risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss for the Modaraba by failing to discharge its obligation. The Modaraba's policy is to enter into financial contracts with reputable counter parties in accordance with the internal guidelines, offering document and regulatory requirements. The table below analyses the Modaraba's maximum exposure to credit risk. The maximum exposure is shown gross, before the effect of mitigation through the use of collateral agreements at reporting date:

	(Un-audited) December 31, 2017 Rupees
Short-term investments	100,000,000
Accrued profit	2,896,397
Cash and bank balances	184,362,212
	<u>287,258,609</u>

Concentration of credit risk exists when changes in economic or industry factors affect the group of counterparties whose aggregate credit exposure is significant in relation to the Modaraba's total credit exposure. The Modaraba's portfolio of financial assets is broadly diversified and transactions are entered into with diverse credit worthy counterparties thereby mitigating any significant concentration of credit risk.

18.6 Financial instruments by category

Financial assets

Loans and receivables at amortised cost

Accrued profit	2,896,397
Cash and bank balances	184,362,212
Short term investments	100,000,000
	<u>287,258,609</u>

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

FOR THE PERIOD FROM OCTOBER 06, 2017 TO DECEMBER 31, 2017

(Un-audited)
December 31,
2017
Rupees

Financial liabilities

Financial liabilities at amortised cost

Creditors, accrued and other liabilities

935,671

935,671

19 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction. Consequently differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Modaraba is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the balance sheet date. The estimated fair value of all other financial assets and liabilities is considered not significantly different from book value as the items are short term in nature.

The carrying values of all financial assets and liabilities reflected in the financial statements are approximate to their fair values. Fair value is determined on the basis of the objective evidence at each required date. The following table compares the carrying amounts and fair values of the Modaraba's financial assets and financial liabilities as at December 31, 2017.

	As at December 31, 2017	
	Carrying amount	Fair value
	-----Rupees-----	
Financial assets		
Loans and receivables at amortised cost		
Accrued profit	2,896,397	2,896,397
Cash and bank balances	184,362,212	184,362,212
Short term investments	100,000,000	100,000,000
Financial liabilities		
Financial liabilities at amortised cost		
Creditors, accrued and other liabilities	935,671	935,671

19.1 Fair value hierarchy

The level in the fair value hierarchy within which the financial asset or financial liability is categorised is determined on the basis of the lowest level input that is significant to the fair value measurement.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
 FOR THE PERIOD FROM OCTOBER 06, 2017 TO DECEMBER 31, 2017

Financial assets and financial liabilities are classified in their entirety into only one of the three levels.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at December 31, 2017, no financial instruments of the Modaraba are carried at fair value.

Transfers during the period

During the period, there were no transfers between level 1 and level 2 fair value measurements and into or out of level 3 fair value measurements.

20 CAPITAL RISK MANAGEMENT

The Modaraba's prime objective when managing capital is to safeguard its ability to continue as a going concern in order to provide adequate returns for certificate-holders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Modaraba may adjust the amount of profit distributed to certificate-holders, issue new certificates or sell assets to reduce debt.

The Modaraba's policy is to maintain a sound capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Modaraba monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total Diminishing Musharaka Term Finance Certificates and borrowings less cash and bank balances.

21 RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions and include a subsidiary company, associated companies with or without common directors, retirement benefit funds, directors, and key management personnel.

The Modaraba has related party relationship with its Holding Company, Associated Undertakings, Employee Benefit Plans, and its Key Management Personnel.

A number of transactions are entered into with related parties in the normal course of business. These include financings, investments, borrowings, sharing of common expenses and rental income.

The detail of transactions with related parties and balances with them, apart from compensation to executives as disclosed in note 17, is given below:

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

FOR THE PERIOD FROM OCTOBER 06, 2017 TO DECEMBER 31, 2017

Relationship with the Modaraba	Nature of transactions / Balances	(Un-audited) For the period from October 06, 2017 to December 31, 2017 Rupees
Holding Company		
Habib Metropolitan Bank Limited	Income on deposit account and Islamic certificates	6,159,996
Habib Metropolitan Bank Limited	Investments purchased	425,000,000
Habib Metropolitan Bank Limited	Investments matured	150,000,000
Modaraba Management Company		
Habib Metropolitan Modaraba Management Company (Private)Limited	Reimbursement of preliminary expenses and floatation costs	10,433,800

(Un-audited)
As at December 31, 2017
Rupees

21.1 Period end balances

Holding Company		
Habib Metropolitan Bank Limited	Bank balances	184,357,212
Habib Metropolitan Bank Limited	Short term investments	100,000,000
Habib Metropolitan Bank Limited	Accrued profit on bank accounts and islamic term deposit	2,896,397
Modaraba Management Company		
Habib Metropolitan Modaraba Management Company (Private) Limited	Preliminary expenses and floatation costs payable	459,872

22 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issue on February 07, 2018 by the Board of Directors of the Habib Metropolitan Modaraba Management Company (Private) Limited.

23 CORRESPONDING FIGURES

As this is first year of operation of the Modaraba after incorporation, therefore, no corresponding figures are disclosed.

24 NUMBER OF EMPLOYEES

The number of employees as at period end was 4 and average number of employees during the period was 4.

25 GENERAL

Amounts have been presented and rounded off to the nearest Pak rupees unless otherwise stated.

For Habib Metropolitan Modaraba Management Company (Private) Limited
(Modaraba Management Company)

CHIEF EXECUTIVE

DIRECTOR

DIRECTOR

CHIEF FINANCIAL OFFICER