

Habib Metro Modaraba

(An Islamic Financial Institution)



**Quarterly Accounts
For the Nine months
March 31, 2022
(Un-audited)**

HABIBMETRO

Modaraba Management

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Corporate Information

MODARABA MANAGEMENT COMPANY

Habib Metropolitan Modaraba Management Company (Private) Limited

BOARD OF DIRECTORS

Syed Rasheed Akhtar	- Chairman (Non-Executive Independent Director)
Mr. Muhammad Shoaib Ibrahim	- Chief Executive Officer
Mr. Usman Nurul Abedin	- Non-Executive Director
Mr. Saeed Uddin Khan	- Non-Executive Independent Director
Mr. Mohammad Shams Izhar	- Non-Executive Director
Dr. Irum Saba	- Non-Executive Director

LEGAL ADVISOR

Mohsin Tayebaly & Company

SHARIAH ADVISOR

Alhamd Shariah Advisory Services (Private) Limited

AUDIT COMMITTEE

Mr. Saeed Uddin Khan	- Chairman
Syed Rasheed Akhtar	- Member
Mr. Mohammad Shams Izhar	- Member
Mr. Intisar M. Usmani	- Secretary

AUDITOR

BDO Ebrahim & Co.
Chartered Accountants

HUMAN RESOURCE COMMITTEE

Syed Rasheed Akhtar	- Chairman
Mr. Saeed Uddin Khan	- Member
Mr. Mohammad Shams Izhar	- Member
Mr. Tehsin Abbas	- Secretary

BANKERS

Habib Metropolitan Bank Limited (Islamic Banking)
Soneri Bank Limited (Islamic Banking)
Meezan Bank Limited
Dubai Islamic Bank Pakistan Limited

COMPANY SECRETARY

Mr. Tehsin Abbas

REGISTERED OFFICE

3rd Floor, Al Manzoor Building
Dr. Ziauddin Ahmed Road, Karachi
Tel : 021-32635949-51
UAN : 111-346-346
Web : www.habibmetromodaraba.com
Email : hmm@habibmetromodaraba.com

REGISTRAR

CDC Share Registrar Services 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

Directors' Report

On behalf of the Board of Directors, it is our great pleasure to present the un-audited accounts of the Habib Metro Modaraba for the quarter ended 31st March, 2022.

Alhamdulillah, business performance of 3rd quarter remained satisfactory. Total disbursement of Rs.57 million was made during the period as compared to Rs.44 million of the previous quarter of last year which increased by around 29%. Due to better disbursement, the size of financing book has been slightly increased to Rs.352 million from Rs.340 million of same period of last year. The profit before tax of the nine months period has also increased to Rs.18.65 million as compared to the corresponding period of last year of Rs.11.99 million.

On the economic front, currently, our country is passing through with difficult and challenging time. The recent political issues due to change of government through the move of no confidence resolution again raised political instability within the country. Now new government has taken over charge and it is expected that country will come out from political uncertainties. Presently, economy is passing through with several challenges i.e., high inflation, rising trade deficit & current account deficit and continuous weakening of Pak rupees.

In an emergent meeting of the Monetary Policy Committee on 7th April, 2022, the State Bank of Pakistan raised the discount rate by 250 basis points from 9.75% to 12.25%. The decision of high increase in policy rate was taken due to worsening situation of inflation keeping in view of significant uncertainty in international commodity prices due to the Russian-Ukraine conflict, widening trade deficit and depleting foreign exchange reserves. The huge increase in discount rate will accelerate hardships of businesses which are already struggling with other issues of high import cost and utilities prices. Due to high growth of GDP of last year and various stimulates package of SBP, the banking credit has increased manifold. However, the huge rise in lending rates within last 6 to 8 months will impact the repayment ability of borrowers.

Keeping in view present circumstances and domestic challenges including external threats of commodity prices will lead towards slower growth. As usual, we shall move forward cautiously and in a very prudent manner.

In the month of March, 2022, the Board of Directors, in principle proposed the merger of Habib Metro Modaraba (HMM) with First Habib Modaraba (FHM) subject to approval from SECP and other relevant authorities. The Board is of the view that keeping in view of withdrawal of tax exemption on Modaraba sector it would be difficult to distribute better profit to Modaraba Certificate holder of HMM. The merger with FHM will add great value for HMM certificate holders. It will also support for cost saving, improve economies of scale, bring competitive edge in auto financing market and better return in the shape of dividends. The management of HMM is confident that the proposed merger will be beneficial and will support for long sustainability of business and profits. The initial work for propose merger has been initiated and expected that it will take 5 to 6 months to complete the merger process.

In conclusion, we would like to express our sincere thanks and gratitude for the continued support and guidance provided by Securities & Exchange Commission of Pakistan and Registrar Modaraba, customers of the Modaraba for their patronage and Certificate holders who have remained committed to HMM. We also appreciate dedication, high level of professionalism and hard work of employees of HMM for smooth operations and achieving satisfactory results.

For and on behalf of Board of Directors

Syed Rasheed Akhtar
Director

Muhammad Shoaib Ibrahim
Chief Executive Officer

Karachi: 21 April, 2022

ڈائریکٹرز رپورٹ

یہ میرے لئے باعث مسرت سببکہ میں بورڈ آف ڈائریکٹرز کی جانب سے ۳۱ مارچ، ۲۰۲۲ کو ختم ہونے والی سہ ماہی کے مدت اختتام پر حبیب میٹرو مضاربہ کے غیر محتسب شدہ کھاتے پیش کروں۔

الحمد للہ، تیسری سہ ماہی میں کاروباری کارکردگی اطمینان بخش رہی۔ گزشتہ سال کی پچھلی سہ ماہی کے ۴۴ ملین روپے کے مقابلے میں اس مدت کے دوران ۵۷ ملین روپے کی کل ادائیگیاں کی گئی جس میں تقریباً ۲۹ فیصد اضافہ ہوا۔ بہتر ادائیگیوں کی وجہ سے، فنانسنگ بک کا حجم پچھلے سال کی اسی مدت کے ۳۴۰ ملین روپے سے تھوڑا سا بڑھ کر ۳۵۲ ملین روپے ہو گیا ہے۔ نو ماہ کی مدت کا قبل از ٹیکس منافع بھی گزشتہ سال کی اسی مدت کے ۱۱۹۹ ملین روپے کے مقابلے بڑھ کر ۱۸۶۶ ملین روپے ہو گیا ہے۔

معاشی محاذ پر، ابھی ہمارا ملک ایک مشکل اور کھٹن وقت سے گزر رہا ہے۔ عدم اعتماد کی قرارداد کے ذریعے حکومت کی تبدیلی کی وجہ سے حالیہ سیاسی مسائل نے ملک کے اندر ایک بار پھر سیاسی عدم استحکام کو جنم دیا۔ اب نئی حکومت نے چارج سنبھال لیا ہے اور توقع ہے کہ ملک سیاسی غیر یقینی صورتحال سے نکل آئے گا۔ اس وقت معیشت کئی چیلنجز سے گزر رہی ہے، یعنی بلند افراط زر، بڑھتا ہوا تجارتی خسارہ اور کرنٹ اکاؤنٹ خسارہ اور پاکستانی روپے کا مسلسل کمزور ہونا۔

۷ اپریل ۲۰۲۲ کو مانیٹری پالیسی کمیٹی کے ایک ہنگامی اجلاس میں اسٹیٹ بینک آف پاکستان نے ڈسکاؤنٹ ریٹ کو ۲۵۰ بیس پوائنٹس سے بڑھا کر ۷۵۰ فیصد سے بڑھا کر ۱۲.۲۵ فیصد کر دیا۔ پالیسی ریٹ میں اضافے کا فیصلہ روس یوکرین تنازعہ کے باعث بین الاقوامی اجناس کی قیمتوں میں نمایاں اضافہ، غیر یقینی صورتحال، تجارتی خسارے میں اضافہ اور زر مبادلہ کے ذخائر میں کمی کے باعث افراط زر کی بگڑتی ہوئی صورتحال کے پیش نظر کیا گیا۔ ڈسکاؤنٹ ریٹ میں زبردست اضافہ ان کاروباروں کی مشکلات کو تیز کرے گا جو پہلے ہی اعلیٰ درآمدی لاگت اور یوٹیلیٹی کی قیمتوں کے دیگر مسائل سے نبرد آزما ہیں۔ گزشتہ سال کی جی ڈی پی کی بلند شرح نمو اور اسٹیٹ بینک کے مختلف حوصلہ افزا سیکجز کی وجہ سے، بینکنگ کریڈٹ کی گنا بڑھ گیا ہے۔ تاہم، گزشتہ ۶ سے ۸ مہینوں کے اندر قرضے کی شرح میں زبردست اضافہ قرض لینے والوں کی واپسی کی صلاحیت کو متاثر کرے گا۔

موجودہ حالات اور ڈیویڈنڈ سٹیک چیلنجز بشمول اجناس کی بڑھتی قیمتوں کے بیرونی خطرات کو مد نظر رکھتے ہوئے ترقی کی طرف سست روی سے لے کر جائے گا۔ ہمیشہ کی طرح، ہم محتاط انداز میں اور انتہائی ہوشیاری سے آگے بڑھیں گے۔

مارچ ۲۰۲۲ کے مہینے میں، بورڈ آف ڈائریکٹرز نے اصولی طور پر حبیب میٹرو مضاربہ (ایچ ایم ایم) کے فرسٹ حبیب مضاربہ (ایف ایچ ایم) کے ساتھ انضمام کی تجویز پیش کی جس کی منظوری ایس ای سی پی اور دیگر متعلقہ حکام سے مشروط ہے۔ بورڈ کا موقف ہے کہ مضاربہ سیکٹرز پر ٹیکس استثنیٰ واپس لینے کے پیش نظر ایچ ایم ایم کے مضاربہ سرٹیفکیٹ ہولڈرز کو بہتر منافع تقسیم کرنا مشکل ہو گا۔ ایف ایچ ایم کے ساتھ انضمام سے ایچ ایم ایم سرٹیفکیٹ ہولڈرز کے لیے بڑی قدر میں اضافہ ہو گا۔ یہ لاگت کی بچت، بڑے پیمانے پر معیشت کو بہتر بنانے، آٹو فنانسنگ مارکیٹ میں مسابقتی برتری اور منافع کی شکل میں بہتر واپسی کے لیے بھی معاونت کرے گا۔ ایچ ایم ایم کی انتظامیہ کو یقین ہے کہ مجوزہ انضمام فائدہ مند ہو گا اور کاروبار اور منافع کی طویل پائیداری کے لیے معاون ثابت ہو گا۔ انضمام کی تجویز کے لیے ابتدائی کام شروع کر دیا گیا ہے اور توقع ہے کہ انضمام کے عمل کو مکمل کرنے میں ۵ سے ۶ ماہ لگیں گے۔

آخر میں ہم سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور رجسٹرار مضاربہ، مضاربہ کے صارفین کی سرپرستی اور سرٹیفکیٹ ہولڈرز کی جانب سے فراہم کردہ مسلسل معاونت اور رہنمائی پر دلی شکر یہ اور ستائش ادا کرنا چاہتے ہیں جو ایچ ایم ایم کے ساتھ پر عزم رہے۔ ہم بہتر سرگرمیوں اور اطمینان بخش نتائج کے حصول کے لئے ایچ ایم ایم کے ملازمین کی لگن، اعلیٰ سطح کی پیشہ ورانہ مہارت اور محنت کو بھی سراہتے ہیں۔

بورڈ آف ڈائریکٹرز کیلئے اور ان کی جانب سے

سید رشید اختر

ڈائریکٹر

محمد شعیب ابراہیم

چیف ایگزیکٹو آفیسر

۱۲ اپریل ۲۰۲۲

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2022

	Note	(Un audited) March 31, 2022	(Audited) June 30, 2021
		Rupees	
ASSETS			
NON-CURRENT ASSETS			
Property and Equipment		1,154,548	2,251,810
Diminishing Musharakah Financing		202,630,863	166,663,132
Preliminary expense and floating costs		657,099	2,626,807
		204,442,511	171,541,749
CURRENT ASSETS			
Short Term Investment		-	40,000,000
Current portion of diminishing Musharakah financing		114,080,103	118,329,824
Advances and short term prepayments		1,763,875	781,621
Accrued profits		778,734	379,769
Taxation - net		2,582,642	7,766,305
Cash and bank balances		28,751,043	10,879,709
		147,956,397	178,137,228
TOTAL ASSETS		352,398,908	349,678,977
EQUITY AND LIABILITIES			
CERTIFICATE CAPITAL AND RESERVES			
Authorized capital			
30,000,0000 Modaraba certificates of Rs. 10/- each		300,000,000	300,000,000
Issued subscribed and paid-up certificate capital		300,000,000	300,000,000
Statutory reserve		11,876,005	11,876,005
Unappropriated Profit		16,502,000	15,254,023
		328,378,005	327,130,028
CURRENT LIABILITIES			
Creditors, accrued and other liabilities		23,888,462	22,439,990
Unclaimed profit distribution		132,441	108,959
TOTAL EQUITY AND LIABILITIES		352,398,908	349,678,977
CONTINGENCIES AND COMMITMENTS			

4

The annexed notes from 1 to 10 form an integral part of these condensed interim financial information.

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

CHIEF FINANCIAL OFFICER

CHIEF EXECUTIVE

DIRECTOR

DIRECTOR

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (Un-audited)
FOR THE PERIOD ENDED MARCH 31, 2022

	Note	Nine months Ended		Quarter Ended	
		31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21
		Rupees	Rupees	Rupees	Rupees
Income from diminishing musharaka financing		28,683,976	20,151,806	12,011,364	7,105,704
Administrative expenses		(9,913,365)	(11,151,227)	(2,997,773)	(3,716,029)
		<u>18,770,611</u>	<u>9,000,579</u>	<u>9,013,591</u>	<u>3,389,675</u>
Other Income		4,404,022	6,881,001	1,241,150	2,246,140
		<u>23,174,633</u>	<u>15,881,580</u>	<u>10,254,741</u>	<u>5,635,815</u>
Financial Charges		(112,322)	(113,488)	(34,958)	(30,246)
Amortization of preliminary expenses and floatation cost		(1,969,708)	(1,969,708)	(646,984)	(646,984)
Modaraba Management Company's remuneration		(1,829,625)	(1,379,838)	(677,645)	(495,858)
Sales tax on Modaraba Management Company's remuneration		(255,371)	(179,379)	(105,614)	(64,462)
Provision for Sindh Workers' Welfare Fund		(348,484)	(244,783)	(144,123)	(87,965)
Profit before taxation		<u>18,659,123</u>	<u>11,994,384</u>	<u>8,645,417</u>	<u>4,310,300</u>
Taxation	5	(5,411,146)	-	(2,860,246)	-
Net profit for the period	6	<u>13,247,977</u>	<u>11,994,384</u>	<u>5,785,171</u>	<u>4,310,300</u>
Earnings per certificate - basic and diluted		0.44	0.40	0.19	0.14

The annexed notes from 1 to 10 form an integral part of these condensed interim financial information.

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

CHIEF FINANCIAL OFFICER

CHIEF EXECUTIVE

DIRECTOR

DIRECTOR

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (Un-audited)
FOR THE PERIOD ENDED MARCH 31, 2022

	Nine months Ended		Quarter Ended	
	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21
	Rupees	Rupees	Rupees	Rupees
Net profit for the period	13,247,977	11,994,384	5,785,171	4,310,300
Total comprehensive Profit for the period	13,247,977	11,994,384	5,785,171	4,310,300

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

CHIEF FINANCIAL OFFICER

CHIEF EXECUTIVE

DIRECTOR

DIRECTOR

CONDENSED INTERIM STATEMENT OF CASH FLOWS (Un-audited)

FOR THE PERIOD ENDED MARCH 31, 2022

	For the period Ended	
	31-Mar-22	31-Mar-21
	Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Generated form Operations		
Profit before taxation	18,659,123	11,994,384
Adjustment of non-cash and other items:		
Depreciation expense	608,553	908,790
Amortization of preliminary expense and flotation cost	1,969,708	1,969,708
Gain on Sale of Own Assets	(776,718)	17,041
Profit on Modaraba's deposit account	(398,965)	(1,000,296)
	1,402,578	1,895,243
(Increase) / decrease in Current assets:		
Advance and short term prepayments	(982,254)	217,743
Current portion of diminishing Musharakah financing	4,249,721	(40,250,962)
Increase / (decrease) in Current liability		
Creditors, Accrued and other liabilities	1,448,472	3,824,997
	4,715,939	(36,208,222)
Cash generate/(used in) from operations	24,777,640	(22,318,595)
Vehicle available for DM Financing	-	(6,440,000)
Diminishing Musharakah financing	(35,967,731)	(1,009,698)
Advance tax paid	(227,483)	(38,186)
Net cash generated from operating activities	(11,417,574)	(29,806,479)
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment - net	40,000,000	20,000,000
Addition of Fixed Asset	(34,575)	(57,200)
Proceed from sale of Fixed asset in own use	1,300,002	14,000
Profit received on Modaraba's deposit account	-	1,273,482
Net cash (used in) / generated from investing activities	41,265,427	21,230,282
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(11,976,519)	(20,913,017)
Net cash used in financing activities	(11,976,519)	(20,913,017)
Net increase / (decrease) in cash and cash equivalents during the period	17,871,335	(29,489,214)
Cash and cash equivalent at the beginning of the period	10,879,709	34,522,609
Cash and cash equivalent at the end of the period	28,751,044	5,033,395

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

CHIEF FINANCIAL OFFICER

CHIEF EXECUTIVE

DIRECTOR

DIRECTOR

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED MARCH 31, 2022

	Issued, subscribed and paid up capital	Statutory Reserves	Unappropriated Profit	Total
	----- (Rupees) -----			
Balance as at July 01, 2020	300,000,000	8,624,156	23,246,627	331,870,783
Profit for the period	-	-	11,994,384	11,994,384
Profit distribution during the year June 30, 2020 @ 0.70 per certificate	-	-	(21,000,000)	(21,000,000)
Balance as at March 31, 2021	<u>300,000,000</u>	<u>8,624,156</u>	<u>14,241,011</u>	<u>322,865,167</u>
Balance as at July 01, 2021	300,000,000	11,876,005	15,254,023	327,130,028
Profit for the period	-	-	13,247,977	13,247,977
Profit distribution during the year June 30, 2021 @ 0.40 per certificate	-	-	(12,000,000)	(12,000,000)
Balance as at March 31, 2022	<u>300,000,000</u>	<u>11,876,005</u>	<u>16,502,000</u>	<u>328,378,005</u>

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

CHIEF FINANCIAL OFFICER

CHIEF EXECUTIVE

DIRECTOR

DIRECTOR

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD ENDED MARCH 31, 2022

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 ijara 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 These condensed interim financial statements of the Modaraba for the period ended March, 2022 are unaudited and being submitted to the certificate holders as required under Rule 10 of Modaraba Companies and Modaraba Rules, 1981 and have been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting.

2.2 The condensed interim financial statements do not include all the information and disclosures required for full annual financial statements and should be read in conjunction with the financial statements of the Modaraba as at and for the year ended June 2021.

2.3 These condensed interim financial statements have been presented in Pak Rupees, which is the functional currency of the Modaraba.

3 SIGNIFICANT ACCOUNTING POLICIES, ESTIMATES AND JUDGEMENTS

3.1 The accounting policies and methods of computation followed for the preparation of these condensed interim financial statements are the same as those applied in preparing the full financial statements as at and for the year ended June 2021.

3.2 The preparation of condensed interim financial statements requires 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. The significant judgments made by management in applying the Moradabad's accounting policies and key sources of estimation of uncertainty are the same as those that were applied to the full financial statements as at and for the year ended June 2021.

3.3 The financial risk management objectives and policies are consistent with those disclosed in the full financial statements of the Modaraba as at and for the year ended June 2021.

4 CONTINGENCIES AND COMMITMENTS

There are no contingencies to report as at March 31, 2022, whereas commitments in respect of diminishing Musharakah financing amounting to Rs. Nil (June 30, 2021: Rs. 1.3 million).

5 TAXATION

The tax exemption by virtue of Clause 100 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 had been withdrawn through Tax Laws (Second amendment), 2021 dated March 21, 2021 which was subsequently adopted in Finance Act, 2021. Accordingly, provision for nine months i.e. from July 2021 to March 2022 is recognized in these condensed interim financial statements. Provision for current taxation is based on taxable income for the period at the current rates of taxation after taking into account applicable tax credits, rebates and exemptions available, if any.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD ENDED MARCH 31, 2022

6 THE EARNING PER CERTIFICATE AS REQUIRED BY IAS 33 "EARNING PER SHARE" IS GIVEN BELOW;

	(Unaudited)	(Audited)
	31-Mar-22	30-Jun-21
	Rupees	Rupees
Net profit for the period	<u>13,247,977</u>	<u>7,684,084</u>
Weighted average number of certificate outstanding	<u>30,000,000</u>	<u>30,000,000</u>
Earning / (Loss) per certificate - Basic and Diluted	<u>0.44</u>	<u>0.26</u>

There were no convertible diluted potential ordinary certificate outstanding as on March 31, 2022 which have dilutive effect on loss per certificate

7 UTILIZATION OF PROCEEDS OF INITIAL PUBLIC OFFERING

The break- up of utilization of proceeds of initial public offering is being presented under the requirements of the Regulation 16(l) of Chapter VIII of Public Offering Regulations, 2017. The Modaraba has utilized the proceeds from initial public offering as follows:

	Un-audited	Audited
	31-Mar-22	30-Jun-21
	Rupees	Rupees
Proceeds realized	300,000,000	300,000,000
Purchase of property and equipment	6,537,555	6,537,555
Purchase of intangible assets	344,565	344,565
Preliminary expenses and floatation cost	12,422,100	12,422,100
Vehicles available for diminishing musharaka financing	200,393,688	200,393,688
Held for working capital, purchase of additional assets / investments etc.	80,302,092	80,302,092
	<u>300,000,000</u>	<u>300,000,000</u>

8 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 related parties and associated undertakings comprise the Management Company (Habib Metropolitan Modaraba Management Company (Private) Limited), Habib Metropolitan Bank Limited, Habib Bank AG Zurich, First Habib Modaraba, Habib Metropolitan Financial Services Limited, and Key Management Personnel. Transactions and balances outstanding with related parties and associated undertakings are as follows:

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

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD ENDED MARCH 31, 2022

Relationship with the Modaraba	Nature of transactions	Un-audited	
		31-Mar-22 Rupees	31-Mar-21 Rupees
Transcation Held Holding Company			
Habib Metropolitan Bank Limited	Profit on Modaraba's deposit account and Islamic term deposit certificates Bank charges	1,763,239	1,000,105
	Dividend paid Electricity, Building security and generator service expense	112,322	113,488
		7,200,000	12,600,000
		255,447	92,926
Relationship with the Modaraba			
Associate Company			
Habib Metro Modrarba Employees Provident Fund	Provident Fund Contribution	67,162	70,155
Transcation Held Management Company			
Habib Metropolitan Modaraba Management Company (Private) Limited	Management Fee expense	1,156,066	1,379,839
	Dividend paid	1,200,000	2,100,000
		(Unaudited)	(Audited)
Relationship with the Modaraba			
Period end balances			
Holding Company			
Habib Metropolitan Bank Limited	Bank balances	65,422,662	9,802,068
	Accrued profit on bank account	778,734	165,187
	Prepaid Expense Electricity, Building security and generator service expense	443,024	345,242

9 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on April 21, 2022 by the Board of Directors of the Modaraba Management Company.

10 GENERAL

10.1 Corresponding figures have been reclassified / re-arranged wherever necessary to facilitate comparison in the presentation in the current period. However, there are no material reclassification / re-arrangement to report. .

10.2 Figures have been rounded off to the nearest rupee.

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

CHIEF FINANCIAL OFFICER

CHIEF EXECUTIVE

DIRECTOR

DIRECTOR