

Habib Metro Modaraba

(An Islamic Financial Institution)

(Managed by: HabibMetro Modaraba Management)



Quarterly Account
For the Nine Months Ended
March 31, 2020

HABIBMETRO
Modaraba Management

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CORPORATE INFORMATION

BOARD OF DIRECTORS

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

LEGAL ADVISOR

Mohsin Tayebaly & Company

AUDIT COMMITTEE

Mr. Saeed Uddin Khan	- Chairman
Mr. Syed Rasheed Akhtar	- Member
Mr. Mohammad Shams Izhar	- Member
Mr. Sarfraz Bin Wasim	- Secretary

HUMAN RESOURCE COMMITTEE

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

COMPANY SECRETARY

Mr. Tehsin Abbas (Officiating Company Secretary)

REGISTRAR

CDC Share Registrar Services Limited
Share Registrar Department
CDC House, 99-B, Block "B",
S.M.C.H.S
Main Shahr-e-Faisal,
Karachi,
Pakistan. Tel: 111-111-500

AUDITOR

BDO Ebrahim & Co.
Chartered Accountants

BANKERS

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

REGISTERED OFFICE

3rd Floor, Al Manzoor Building
Dr. Ziauddin Ahmed Road, Karachi
Tel : 021-32635949-51
Fax : 021-32627373
Web : www.habibmetromodaraba.com
Email : hmm@habibmetromodaraba.com

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, 2020.

By the Grace of Almighty Allah, Habib Metro Modaraba has completed its quarter ended March 31, 2020 and the Modaraba has earned profit of Rs.25.329 million as compared to profit of Rs5.961 million for the previous corresponding period. During the third quarter, we made disbursement of Rs.31.482 million and the total financing portfolio reached to Rs.204.612 million. We could not manage to achieve desired disbursement targets during quarter due to economic slowdown, high prices of motor cars and high lending rates. We were facing these economic and business challenges since the beginning of current financial year. However, outbreak of COVID-19 which started in later part of 3rd quarter had further intensified distress and misery within the economy and businesses.

The outbreak of Coronavirus has brought all commercial activities standstill with unparalleled and unforeseen impact in our lives, our economy, our societies and our livelihoods. Economies all over the world, including Pakistan are now experiencing a slowdown. Besides, countrywide lockdown has now turned into socio-political-economic meltdown as well. Presently we are going through with testing times as Coronavirus (COVID-19) is unfolding one of the worst healthcare crises across the globe and has a rampant impact on the key economic indicators of Pakistan. The impact of COVID-19 on Pakistan's economy can be severe and may lead to a reduction in GDP growth, deterioration in current & fiscal balances, disruption in supply chain and increased unemployment.

We are carefully watching and assessing the current situation. At present our prime concern is the safety of health of our staff members and their families. We have taken various measures to ensure protection of staff members while discharging their duties in line with guidelines of WHO and our regulators including our parent bank. We have also relaxed our office timings and attendance requirements for our staff members.

We are also concerned with the health and safety of our customers and their businesses. We do realize that our worthy customers are facing hardships and difficulties in running their business operations. Our concerned officers and team members are studying current situation of businesses of various sector. We are also working on ability of our liquidity profile to accommodate various customer's request on rescheduling of their long term credit facilities. State Bank of Pakistan (SBP) has already issued various circulars regarding deferment of credit facilities after going through with merit of customer's request. However, so far we have not received any direction from Registrar Modaraba, Securities & Exchange Commission of Pakistan.

The Government of Pakistan has also taken a number of steps to tackle the economic crisis due to COVID-19 and its upcoming challenges. The idea is to take on the economic impact through stimulating businesses in the urban cities and agriculture in rural areas. A massive support plan for affected families has been unveiled. A lucrative package for construction industry for various types of tax incentives for builders and buyers have been announced to accelerate the activities in said sector. The Central Bank has also drastically reduced policy rate by 4.25% during last one month. The purpose of massive reduction is to ease the pressure of debt servicing by the businesses which are presently suffering due to coronavirus pandemic and lockdown.

Business Continuity Plans (BCP) for respective areas is in place and tested. The Modaraba has significantly enhanced monitoring for all cyber security risks during these times from its information security protocols. The remote work capabilities were enabled for all staff and related risk and control measures were assessed to make sure that they are fully protected using virtual private network (“VPN”) connections. Further, the Modaraba has also ensured that its remote access capabilities are well protected to any unwanted cyber-attacks.

To keep reasonable liquidity within the system is also a most challenging part in present circumstances. Allhamdulillah, your Modaraba is maintaining satisfactory liquidity positions. Our entire financing book has been funded through equity fund and so far Modaraba has not borrowed any amount from banking sector or through issuance of short term deposits instruments.

In present difficult time, the management of your Modaraba is closely monitoring the situation and has invoked required action to manage the operation. Our most important task is to ensure safety of health of our staff members and best possible services to our worthy customers. Currently, businesses at country level have extremely slowed down and we also expect very low business and disbursement volume in next few months. Keeping in view present circumstances, we move forward very cautiously and gear up all available resources to counter any operational and business contingencies.

In such a difficult time we pray that ALLAH (SWT) may keep all of us safe from deadly virus and wish you and your loved ones safety and good health as we continue to fight COVID-19 together.

On behalf of Board of Directors, I would like to express my 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. I 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

Karachi: April 23th, 2020

Syed Rashid Akhtar
Chairman

Muhammad Shoaib Ibrahim
Chief Executive Officer

ڈائریکٹر کی رپورٹ

یہ ہمارے لئے باعث مسرت ہے کہ ہم بورڈ آف ڈائریکٹر کی جانب سے، ۳۱ مارچ، ۲۰۲۰ کو ختم ہونے والی تیسری سہ ماہی کی مدت اختتام پر مضاربہ کی غیر مختص شدہ کھاتے پیش کریں۔

اللہ تعالیٰ کے فضل و کرم سے، حبیب میٹرو مضاربہ نے ۳۱ مارچ، ۲۰۲۰ کو تیسری سہ ماہی مکمل کر لی ہے اور مضاربہ نے ۲۵،۳۲۹ ملین روپے کا منافع کمایا جو کہ پچھلے سال اسی مدت کے دوران ۵،۹۶۱ ملین روپے تھا۔ تیسری سہ ماہی کے دوران، ہم نے ۳۱،۴۸۲ ملین روپے کی ادائیگیاں کیں اور کل فنانسنگ پورٹ فولیو ۲۰،۴۶۱ ملین روپے تک پہنچ گیا۔ معاشی سست روی، موٹر کار کی بڑھتی ہو قیمتوں اور قرضوں پر زیادہ شرح منافع کے باعث ہم اپنے مطلوبہ ادائیگیوں کے اہداف مکمل نہ کر سکے۔ موجودہ مالی سال کے آغاز سے ہی ہمیں ان معاشی اور کاروباری چیلنجز کا سامنا ہے۔ تاہم، کووڈ-۱۹ کا پھیلاؤ جو کہ تیسری سہ ماہی کے اگلے حصے میں اس نے معیشت اور کاروباری اداروں میں پریشانی اور بد حالی کو مزید تیز کر دیا تھا۔

کرونا وائرس کے پھیلاؤ کے باعث تمام کمرشل سرگرمیاں سکوت کا شکار ہو گئیں جس کا ہماری معیشت، معاشرے اور ہماری زندگیوں پر اثر ناقابل بیان اور اندیکھا ہے۔ دنیا بھر کی معیشت بشمول پاکستان کی معیشت سست روی کا شکار ہو گئیں ہیں۔ جبکہ ملکی لاٹ ڈاؤن / تالہ بندی اب معاشرتی-سیاسی-معاشی زوال کا بھی شکار ہو چکی ہے۔ اس وقت ہم ایک آزمائش کے دور سے گزر رہے ہیں کیونکہ کرونا وائرس (کووڈ-۱۹) اس وقت دنیا کے صحت کے بدترین بحرانوں میں سے ایک بحران کو سامنے لا رہا ہے اور اس کا اچھا خاصا اثر پاکستانی معاشی اشاریوں پر بھی ہو رہا ہے۔ پاکستان کی معیشت پر کووڈ-۱۹ کا اثر شدید ہو سکتا ہے اور اس سے جی ڈی پی کی نمو میں کمی، موجودہ اور مالی توازن میں بگاڑ، سپلائی چین میں رکاوٹ اور بے روزگاری میں اضافہ ہو سکتا ہے۔

ہم بہت محتاط طریقے سے اس حالیہ صورتحال کو دیکھ اور جانچ رہے ہیں۔ اس وقت ہماری بنیادی ترجیح ہمارے اسٹاف اور ان کے خاندانوں کی صحت اور تحفظ ہے۔ ہم نے اپنے اسٹاف کے تحفظ کو یقینی بنانے کے لئے مختلف اقدامات اٹھائے ہیں تاکہ ہمارا اسٹاف اپنی فرائض کی انجام دہی ڈیوٹی اور ہمارے سربراہ بینک کے ہدایات کی روشنی میں دیں۔ ہم نے اسٹاف ممبران کیلئے حاضری اور دفتری اوقات کار میں نرمی کر دی ہے۔

ہم اپنے صارفین اور اُن کے کاروبار کی تحفظ اور ان کی صحت کے بارے میں بھی فکر مند ہیں۔ ہمیں احساس ہے کہ ہمارے قابل قدر صارفین کو اپنے کاروبار چلانے میں مشکلات اور پریشانیوں کا سامنا ہے۔ ہمارے متعلقہ افسران اور ٹیم ممبر مختلف شعبوں میں کاروبار کی موجودہ صورتحال کا مطالعہ کر رہے ہیں۔ ہم اپنے لیکویڈیٹی پروفاںل کی قابلیت پر بھی کام کر رہے ہیں تاکہ صارفین کی طویل المیعاد کریڈٹ سہولیات کی بحالی پر متعدد درخواستوں کو ایڈجسٹ کیا جاسکے۔ اسٹیٹ بینک آف پاکستان (ایس بی پی) پہلے ہی صارفین کی

درخواست کے میرٹ سے گزرنے کے بعد مؤخر یا کرڈٹ سہولیات کے حوالے سے مختلف سرکلر جاری کرچکا ہے۔ تاہم، ابھی تک ہمیں رجسٹر افسار، سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان سے کوئی ہدایت نہیں ملی ہے۔ حکومت پاکستان نے کوویڈ-۱۹ اور اس کے آنے والے چیلنجوں کی وجہ سے معاشی بحران سے نمٹنے کے لئے بھی متعدد اقدامات اٹھائے ہیں۔ خیال یہ ہے کہ دیہی علاقوں میں شہری شہروں اور زراعت میں متحرک کاروبار کے ذریعہ معاشی اثرات مرتب ہوں گے۔ متاثرہ خاندانوں کے لئے بڑے پیمانے پر امدادی منصوبے کا افتتاح شروع کیا گیا ہے۔ تعمیراتی صنعت سے منسلک بلڈروں اور خریداروں کے لئے مختلف اقسام کے ٹیکس مراعات اور ایک منافع بخش ٹیکس کا اعلان کیا گیا ہے جس سے اُمید کی جارہی ہے کہ اس سیکٹر میں سرگرمیاں تیز ہوگی۔ مرکزی بینک نے بھی پچھلے مہینے کے دوران پالیسی کی شرح میں ۲۵ فیصد کمی کی ہے۔ اس بڑے پیمانے پر کمی کا مقصد ان کاروباری اداروں کے ذریعہ قرضوں کی فراہمی کے دباؤ کو کم کرنا ہے جو اس وقت وبائی بیماری کو روکنا وائرس اور لاک ڈاؤن کی وجہ سے دوچار ہیں۔

متعلقہ علاقوں کے لئے کاروباری تسلسل کے منصوبے (بی سی پی) اپنی جگہ پر اور جانچے ہوئے ہیں۔ مضاربہ نے انفارمیشن سیکورٹی پروٹوکولز سے موجودہ حالات کے دوران سائبر سیکورٹی کے تمام خطرات سے بچنے کیلئے نگرانی میں نمایاں اضافہ کیا ہے۔ ریہوٹ کام کی صلاحیتوں کو تمام عملے کے لئے فعال کیا گیا ہے اور اس سے متعلق خطرے اور کٹرول کے اقدامات کو یقینی بنایا گیا ہے کہ وہ ورچوئل پرائیوٹ نیٹ ورک (VPN) کے استعمال سے مکمل طور پر محفوظ رہیں۔ مزید یہ کہ مضاربہ نے یہ بھی یقینی بنایا ہے کہ اس کی ریہوٹ رسائی کی صلاحیتیں کسی ناپسندیدہ سائبر حملوں سے بخوبی محفوظ رہیں۔

موجودہ حالات میں نظام کے اندر معقول لیکویڈیٹی رکھنا بھی سب سے مشکل مرحلہ ہے۔ الحمد للہ، آپ کے مضاربہ نے اطمینان بخش لیکویڈیٹی کو برقرار رکھا ہے۔ ہماری پوری مالیاتی ٹیم کی فنڈنگ ایجوٹی فنڈ کے ذریعے فراہم کی گئی ہے اور اب تک مضاربہ نے بینکاری کے شعبے سے یا قلیل مدتی ڈپازٹ کے اجراء کے ذریعہ کوئی رقم ادھار نہیں لی ہے۔

موجودہ مشکل وقت میں، آپ کے مضاربہ کی انتظامیہ اس صورتحال کی قریبی نگرانی کر رہا ہے اور آپریشن کو سنبھالنے کے لئے ضروری کارروائی کی درخواست کی ہے۔ ہمارا سب سے اہم کام ہمارے عملے کے ممبروں کی صحت کی حفاظت اور ہمارے قابل صارفین کو بہترین ممکنہ خدمات کی فراہمی کو یقینی بنانا ہے۔ فی الحال، ملکی سطح پر کاروبار انتہائی سست ہو چکا ہے اور یہ اگلے چند مہینوں میں بہت کم کاروبار اور ادا کیگیوں کی مقدار کی توقع بھی کرتے ہیں۔ موجودہ حالات کو مد نظر رکھتے ہوئے، ہم اپنے تمام دستیاب وسائل کو بروئے کار لاتے ہوئے محتاط انداز میں آگے بڑھ رہے ہیں اور ان حالات کا مقابلہ کر رہے ہیں۔

اس طرح کے مشکل وقت میں ہم دعا کرتے ہیں کہ اللہ سبحانہ تعالیٰ ہم سب کو اس مہلک وائرس سے محفوظ رکھے اور آپ اور آپ کے چاہنے والوں کی سلامتی اور اچھی صحت کے خواہشمند ہیں کیونکہ ہم سب نے مل کر کووڈ-۱۹ کا مقابلہ کرنا ہے۔

بورڈ آف ڈائریکٹرز کی طرف سے ہم سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کا، رجسٹرڈ مضاربہ کے بہت ہی مشکور ہیں جنہوں نے ہماری مسلسل رہنمائی اور سرپرستی کی، اپنے قابلِ قدر کسٹمرز کا، اپنے سرٹیفیکیٹ ہولڈرز کا کہ انہوں نے ہم پر بھروسہ کیا اور حبیب میٹرو مضاربہ کے ساتھ بنے رہے ہم اپنے ملازمین کی اعلیٰ پائے کی پیشہ ورانہ مہارت اور مسلسل بے انتہا محنت کا جس کی وجہ سے ہم نے اطمینان بخش نتائج حاصل کئے۔

بورڈ آف ڈائریکٹرز کیلئے اور ان کی جانب سے

۲۳ اپریل ۲۰۲۰

سید رشید اختر
چئیرمین

شعیب ابراہیم
چیف ایگزیکٹو آفیسر

CONDENSED INTERIM BALANCE SHEET

As at March 31, 2020

	(Unaudited) March 31, 2020	(Audited) June 30, 2019
Note	-----Rupees-----	
ASSETS		
NON-CURRENT ASSETS		
Property and Equipment	3,605,461	4,341,744
Intangible assets	95,716	181,856
Vehicle available for diminishing musharaka financing	-	28,889,899
Diminishing Musharakah Financing	142,230,921	131,053,719
Preliminary expense and floating costs	5,904,861	7,881,758
	151,836,959	172,348,976
CURRENT ASSETS		
Short Term Investment	50,000,000	70,000,000
Current portion of diminishing Musharakah financing	62,381,931	36,963,869
Advances and short term prepayments	3,074,422	2,122,049
Accrued profits	1,279,837	1,010,497
Taxation - net	4,505,605	4,697,122
Cash and bank balances	65,070,985	32,275,789
	186,312,780	147,069,326
TOTAL ASSETS	338,149,739	319,418,302
EQUITY AND LIABILITIES		
CERTIFICATE CAPITAL AND RESERVES		
Authorized capital		
30,000,0000 Modaraba certificates		
(June 30,2019: 30,000,000) 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	3,021,377	802,415
Unappropriated Profit	26,164,397	11,304,473
	329,185,774	312,106,888
CURRENT LIABILITIES		
Creditors, accrued and other liabilities	8,941,352	7,304,847
Dividend payable	22,614	6,567
TOTAL EQUITY AND LIABILITIES	338,149,739	319,418,302
CONTINGENCIES AND COMMITMENTS		

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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 PROFIT AND LOSS ACCOUNT (UNAUDITED)

For the quarter & nine months period ended March 31, 2020

	Nine Months Ended		Quarter Ended	
	For the period ended March 31, 2020	For the period ended March 31, 2019	March 31, 2020	March 31, 2019
Note	-----Rupees-----			
INCOME				
Profit on Islamic certificates	1,697,261	2,799,397	327,055	686,521
Income from diminishing musharaka financing	24,383,039	7,337,662	8,831,404	4,507,105
Profit on Modaraba's deposits account	9,041,044	1,220,334	3,360,689	918,838
Other finance income	4,321,600	7,684,100	1,013,000	3,005,100
Other Income	225,122	165,857	76,442	82,504
	39,668,065	19,207,350	13,608,590	9,200,068
EXPENSE				
Amortization of preliminary expenses and floatation cost	1,976,897	1,969,711	654,173	(646,989)
Administrative expenses	11,720,810	11,245,365	3,771,061	(4,118,364)
Financial Charges	124,555	-	30,484	-
	13,822,262	13,215,076	4,455,718	(4,765,353)
Modaraba management company's fee	-	-	-	-
Provision for Sindh Workers' Welfare Fund	516,917	31,151	183,058	-
Profit before taxation	25,328,886	5,961,123	8,969,814	4,434,715
Taxation	-	-	-	-
Net profit for the period	25,328,886	5,961,123	8,969,814	4,434,715
Profit / (Loss) per certificate - basic and diluted 6	0.84	0.20	0.30	0.15

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 (UNAUDITED)

For the quarter & nine months period ended March 31, 2020

	Nine Months Ended		Quarter Ended	
	For the period ended March 31, 2020	For the period ended March 31, 2019	March 31, 2020	March 31, 2019
	-----Rupees-----			
Net profit for the period	25,328,886	5,961,123	8,969,814	4,434,715
Total comprehensive Profit /(loss) for the period	<u>25,328,886</u>	<u>5,961,123</u>	<u>8,969,814</u>	<u>4,434,715</u>

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 CASH FLOW (UNAUDITED)

For the period ended March 31, 2020

	For the period ended March 31, 2020	For the period ended March 31, 2019
	-----Rupees-----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Generated form Operations		
Profit / (loss) before taxation	25,328,886	5,961,123
Adjustment of non-cash and other items:		
Depreciation expense	912,781	822,707
Amortization of preliminary expense and flotation cost	1,976,897	1,969,711
Amortization of intangible assets	86,140	86,140
Profit on Islamic certificates	(1,697,261)	(2,799,397)
Profit on Modaraba's deposit account	(9,041,044)	(1,220,334)
	<u>(7,762,486)</u>	<u>(1,141,173)</u>
(increase) in Current assets:		
Advance and short term prepayments	(952,373)	(1,457,212)
Current portion of diminishing Musharakah financing	(25,418,062)	(30,771,238)
Increase in Current liability		
Creditors, Accrued and other liabilities	1,636,505	6,015,232
	<u>(24,733,931)</u>	<u>(26,213,219)</u>
Cash generate (used in) operations	<u>(7,167,531)</u>	<u>(21,393,268)</u>
Vehicle available for dimnishing musharaka financing	28,889,899	(39,514,399)
Advances	-	190,321,049
Diminishing Musharakah financing	(11,177,202)	(112,099,833)
Advance tax paid	191,519	(2,252,124)
Net cash generated from operating activities	<u>10,736,685</u>	<u>15,061,425</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to Property and equipment	(176,500)	(576,394)
Investment - net	20,000,000	50,000,000
Profit received on investment HIIC	1,974,658	4,316,418
Profit received on Modaraba's deposit account	8,494,306	768,390
Net cash generated from investing activities	<u>30,292,464</u>	<u>54,508,414</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(8,233,953)	(2,989,153)
Net cash (used in) financing activities	<u>(8,233,953)</u>	<u>(2,989,153)</u>
Net increase in cash and cash equivalents during the period	32,795,196	66,580,685
Cash and cash equivalent at the beginning of the year	32,275,789	33,525,457
Cash and cash equivalent at the end of the period	<u>65,070,985</u>	<u>100,106,142</u>

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 CHANGES IN EQUITY (UNAUDITED)

For the period ended March 31, 2020

	Issued, subscribed and paid up capital	Statutory Reserves	Unappropriated Profit	Total
	----- (Rupees) -----			
Balance as at July 01, 2018	300,000,000	802,415	209,662	301,012,077
Total comprehensive Profit for the period	-	-	5,961,123	5,961,123
Balance as at March 31, 2019	300,000,000	802,415	6,170,785	306,973,200
Balance as at July 01, 2019	300,000,000	3,021,377	9,085,511	312,106,888
Profit for the period	-	-	25,328,886	25,328,886
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	25,328,886	25,328,886
Transaction with owners				
Dividend paid during the period	-	-	(8,250,000)	(8,250,000)
Balance as at March 31, 2020	300,000,000	3,021,377	26,164,397	329,185,774

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

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the period ended March 31, 2020

1 LEGAL STATUS AND NATURE 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, Dr. Ziauddin Ahmed Road, Karachi.

The Modaraba is listed on the Pakistan Stock Exchange Limited. The Modaraba is engaged in Residual Value car financing model on diminishing musharaka 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 nine months ended March 31, 2020 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 30, 2019.
- 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 30, 2019.
- 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 30, 2019.
- 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 30, 2019.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the period ended March 31, 2020

4 CONTINGENCIES AND COMMITMENTS

There are no contingencies to report as at March 31 2020, whereas commitments in respect of diminishing Musharakah financing amounting to Rs. 3.007 million (June 30, 2019: Rs. 13.037 million).

5 TAXATION

The income of non-trading Modaraba 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.

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

	Nine month ended		Quarter ended	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
	-----Rupees-----			
Net profit for the period	25,328,886	5,961,123	8,969,814	4,434,715
Weighted average number of certificate outstanding	30,000,000	30,000,000	30,000,000	30,000,000
Earning / (Loss) per certificate - Basic and Diluted	0.84	0.20	0.30	0.15

There were no convertible diluted potential ordinary certificate outstanding as on March 31, 2019 which have dilutive effect on loss per certificate

There were no convertible diluted potential ordinary certificate outstanding as on March 31, 2019 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(I) of Chapter VIII of Public Offering Regulations, 2017. The Modaraba has utilized the proceeds from initial public offering as follows:

	March 31, 2020 (Unaudited) (Rupees)	For the year ended June 30, 2019 (Audited) (Rupees)
Proceeds realized	300,000,000	300,000,000
Purchase of property and equipment	3,605,461	4,341,744
Purchase of intangible assets	95,716	181,856
Preliminary expenses and floatation cost	5,904,861	7,881,758
Diminishing musharaka financing and vehicles available there against	204,612,852	196,907,487
Held for working capital, purchase of additional assets / investments etc.	85,781,110	90,687,155
	300,000,000	300,000,000

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the period ended March 31, 2020

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 Metro Modaraba Employees Provident Fund, 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.

The detail of transactions with related parties and balances with them, is given below:

Relationship with the Modaraba	Nature of transactions	March 31, 2020	March 31, 2019
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Transaction Held

Holding Company

Habib Metropolitan Bank Limited	Profit on Islamic certificates (HIIC)	1,697,261	2,799,397
	Profit on Modaraba's deposits account	2,309,171	518,527
	Investments purchased	50,000,000	150,000,000
	Investments matured	75,000,000	200,000,000
	Bank charge	124,555	157,126
	Dividend payment	4,950,000	1,800,000

Management Company

Habib Metropolitan Modaraba Management Company (Private) Limited	Dividend payment	825,000	300,000
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Relationship with the Modaraba	Nature of transactions	March 31, 2020	For the year ended June 30, 2019
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Balances Held

Holding Company

Habib Metropolitan Bank Limited	Bank balances	62,471,824	5,284,166
	Short term investment	-	25,000,000
	Accrued profit on bank accounts and Islamic term deposit certificates	187,144	585,761
	Prepaid expense against Electricity, Building security and generator service	105,000	213,483

Management Company

Habib Metropolitan Modaraba Management Company (Private) Limited		-	-
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Associate Company

Habibi Metro Modaraba Employee Provident Fund	Contribution made	221,200	67,200
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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the period ended March 31, 2020

9 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on April 23, 2020 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

HABIBMETRO
Modaraba Management