

# Habib Metro Modaraba

(An Islamic Financial Institution)



## QUARTERLY ACCOUNTS

For the period ended September 30, 2021  
(UN-AUDITED)

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

# Contents

Corporate Information .....	4
Directors' Report .....	5
Condensed Interim Balance Sheet .....	7
Condensed Interim Profit and Loss Account (unaudited) .....	8
Condensed Interim Statement of Comprehensive Income (unaudited) .....	9
Condensed Interim Cash Flow Statement (unaudited) .....	10
Condensed Interim Statement of Changes In Equity (unaudited) .....	11
Notes To The Condensed Interim Financial Statements (unaudited) .....	12



## 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. Anas Majid	- 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

3<sup>rd</sup> Floor, Al Manzoor Building  
Dr. Ziauddin Ahmed Road, Karachi  
Tel : 021-32635949-51  
UAN : 111-346-346  
Web : [www.habibmetromodaraba.com](http://www.habibmetromodaraba.com)  
Email : [hmm@habibmetromodaraba.com](mailto: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 period ended September 30, 2021.

The first quarter of financial year of the modaraba has ended with profit before tax of Rs. 4.1 million as compared to a profit of Rs. 4.21 million for the previous corresponding period. Balance sheet footing of the Modaraba stood at Rs. 360.069 million as compare to Rs. 354.222 million for the previous corresponding period. Similarly, Certificate holder's equity increased to Rs. 330.038 million from Rs. 315.087 million as compare to the previous corresponding period.

Although there was slight improvement in balance sheet size to last year, however, the profit is reduced due to low lending rates on financing assets. HMM is trying to add good financing assets in its portfolio and the marketing team is working hard to achieve the desired goal by way of adding high net worth individuals and sound corporate entities in diversified sectors. Presently, the economic & business conditions are moving in positive direction. Pakistan's economy has made a good start after the ease down of long lockdown due to Pandemic. The major indicators of economy showed a satisfactory trend.

Hopefully, the Modaraba will perform well in the upcoming years as enquiries from auto financing customers have considerably increased and the business environment is on growing trend.

Last month, the State Bank of Pakistan (SBP) has increased policy rate by 25 basis points. According to Monetary Policy Committee (MPC), the pace of economic recovery has exceeded the expectation. The high prices of commodity in international market, robust recovery in domestic demand has accelerated import bill and a rise in the current account deficit are the main reason of upsurge in policy rate. Presently, there are two main challenges for Pakistan's economy in fiscal year 2021-22. One is inflation and another is current account deficit. Both segments are very critical and needs careful management and control. Due to high import, the SBP has issued revised guidelines for consumer auto financing and further stringent the same to minimize the import of luxury and other vehicles.

The high current account and trade deficit, further depreciation of Pak Rupees, high oil prices & food inflation and rising trend of discount rate of SBP, are cause of concern and may impact our current year GDP growth which may lead to slow down economic and business activities. However, good pace of exports, strong foreign remittances and stable domestic demands are encouraging indicators and may support to achieve growth target. The achieving high numbers of COVID-19 vaccination and the expansion of social protection programs are also moving towards inclusive and sustainable growth.

Keeping in view of the performance of first quarter, we are optimistic about better economic and business conditions. However, rising trend of inflation and lending rates are really cause of concern and if it is not managed in effective manner, the same may lead to slow down the economic and business growth.

As reported in our last annual report, the Federal Government has withdrawn tax exemption status of Modaraba sector. By virtue of said directives, the income of Modaraba will be subject to tax from current year i.e., FY 2021-22 and accordingly we have made tax provision in our first quarter of current year. Last year our NBFIs and Modaraba Association has made several communications and made representation to Tax Authorities, Finance Minister and SECP for restoration of tax exemption status of Modarabas sector. However, said withdrawal was not restored and finally said amendment made the part of Finance Bill 2021-22. Presently, our association is again planning to re-engage relevant authorities for restoration of tax exemption status. Withdrawal of tax exemption status is cause of concern for us and will have impact on net profitability and dividend distributions to our investors.

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.

**Muhammad Shoaib Ibrahim**  
Chief Executive Officer

**Syed Rasheed Akhtar**  
Director

**Karachi:** October 26, 2021

## ڈائریکٹر زر پورٹ

یہ میرے لئے باعثِ مسرت ہیکہ میں بورڈ آف ڈائریکٹرز کی جانب سے ۳۰ ستمبر، ۲۰۲۱ کو ختم ہونے والی پہلی سہ ماہی کے مدتِ اختتام پر حبیب میٹرو مضاربہ کے غیر مختب شدہ کھاتے پیش کر دوں۔

مضاربہ کے مالی سال کی پہلی سہ ماہی ۲۷ ملین روپے کے ٹیکس سے قبل منافع کے ساتھ ختم ہوئی ہے جبکہ گزشتہ اسی مدت کے دوران ۲۱ ملین روپے کا منافع ہوا تھا۔ مضاربہ کی بیننس شیٹ کی بنیاد ۲۹۶۰۰۶۹ ملین روپے رہی جبکہ گزشتہ اسی مدت کے مقابلے میں یہ ۲۲۲۰۳۵۴ ملین روپے تھی۔ اسی طرح سرٹیفکیٹ ہولڈر کی ایکویٹی گزشتہ اسی مدت کے مقابلے میں ۸۷۰۳۱۵ ملین روپے سے بڑھ کر ۸۰۳۸۰۳۳۰ ملین روپے ہو گئی۔

اگرچہ گزشتہ سال سے بیلنس شیٹ کے سائز میں معمولی بہتری آئی ہے تاہم فنانسنگ اثاثوں پر قرض کی کم شرح کی وجہ سے منافع میں کمی واقع ہوئی ہے۔ ایچ ایم ایم اپنے پورٹ فولیو میں اچھے فنانسنگ اثاثوں کو شامل کرنے کی کوشش کر رہی ہے اور مارکیٹنگ ٹیم متنوع شعبوں میں اعلیٰ خالص مالیت کے افراد اور مضبوط کارپوریٹ اداروں کو شامل کر کے مطلوبہ مقصد کے حصول کے لئے سخت محنت کر رہی ہے۔ اس وقت معاشی اور کاروباری حالات مثبت سمت میں بڑھ رہے ہیں۔ وبا کی وجہ سے طویل لاک ڈاؤن میں آسانی کے بعد پاکستان کی معیشت نے اچھا آغاز کیا ہے۔ معیشت کے بڑے اشاریوں نے اطمینان بخش رجحان ظاہر کیا۔

امید ہے کہ مضارب آنے والے برسوں میں اچھی کارکردگی کا مظاہرہ کرے گا کیونکہ آٹوٹرانسنگ صارفین سے پوچھ گچھ میں کافی اضافہ ہوا ہے اور کاروباری ماحول بڑھتا ہوا رجحان پر ہے۔

گزشتہ ماہ اسٹیٹ بینک آف پاکستان (اسٹیٹ بینک) نے پالیسی ریٹ میں ۲۵ بیس پوائنٹس کا اضافہ کیا ہے۔ مالیاتی پالیسی کمیٹی (ایم پی سی) کے مطابق اقتصادی بحالی کی رفتار توقع سے تجاوز کر گئی ہے۔ بین الاقوامی مارکیٹ میں اجناس کی اونچی قیمتیں، مقامی مانگ میں مضبوط بحالی نے درآمدی بل میں تیزی لائی ہے اور کرنٹ اکاؤنٹ خسارے میں اضافہ پالیسی ریٹ میں اضافے کی بنیادی وجہ ہے۔ اس وقت مالی سال ۲۰۲۱-۲۲ میں پاکستان کی معیشت کے لیے دو اہم چیلنجز ہیں۔ ایک افراط زر اور دوسرا کرنٹ اکاؤنٹ خسارہ ہے۔ دونوں حصے، بہت اہم ہیں اور انہیں محتاط انتظام اور کنٹرول کی ضرورت ہے۔ زیادہ درآمد کی وجہ سے اسٹیٹ بینک نے گزریہ موز آؤف فنانسنگ کے لئے نظر ثانی شدہ رہنما گائیڈ لائنز جاری کیے ہیں اور لکٹری اور دیگر گاڑیوں کی درآمد کو کم سے کم کرنے کے لئے اسے مزید سخت کیا ہے۔

کرنٹ اکاؤنٹ اور تجارتی خسارہ، پاک روپے کی قدر میں مزید کمی، تیل کی اونچی قیمتوں اور اشیائے خورد و نوش کی افراط زر اور اسٹیٹ بینک کی رعایتی شرح میں اضافے کا رجحان تشویش کا باعث ہے اور اس سے ہماری رواں سال کی جی ڈی پی نمو متاثر ہو سکتی ہے جس سے معاشی اور کاروباری سرگرمیاں سست پڑ سکتی ہیں۔ تاہم برآمدات کی اچھی رفتار، مضبوط غیر ملکی ترسیلات زر اور مستحکم ملکی مانگ اشاریوں کی حوصلہ افزائی کر رہے ہیں اور ترقی کے ہدف کے حصول میں معاون ہو سکتے ہیں۔ کوویڈ-۱۹ اینیٹیشن کی بہترین تعداد کے حصول اور سماجی تحفظ کے پروگراموں کی توسیع بھی جامع اور پائیدار ترقی کی طرف بڑھ رہی ہے۔

پہلی سہ ماہی کی اطمینان بخش کارکردگی کے پیش نظر ہم بہتر معاشی اور کاروباری حالات کے بارے میں پر امید ہیں۔ تاہم افراط زر اور قرضوں کی شرح میں اضافہ واقعی تشویش کا باعث ہے اور اگر اس کا موثر طریقے سے انتظام نہ کیا گیا تو اس سے معاشی اور کاروباری ترقی سست پڑ سکتی ہے۔

جیسا کہ ہماری آخری سالانہ رپورٹ میں بتایا گیا ہے کہ وفاقی حکومت نے مضاربہ سیکٹر کی ٹیکس چھوٹ کا استثنیٰ واپس لے لیا ہے۔ مذکورہ ہدایات کی بدولت مضاربہ کی آمدنی موجودہ سال یعنی مالی سال ۲۰۲۱-۲۲ سے ٹیکس سے مشروط ہوگی اور اس کے مطابق ہم نے موجودہ سال کی اپنی پہلی سہ ماہی میں ٹیکس کی فراہمی کی ہے۔ گزشتہ سال ہماری NBFI اور مضاربہ ایسوسی ایشن نے متعدد رابطے کیے ہیں اور مضاربہ سیکٹر کی ٹیکس چھوٹ کا استثنیٰ کی بحالی کے لئے ٹیکس حکام، وزیر خزانہ اور SECP کو نمائندے بھیجے۔ تاہم کہا گیا کہ استثنیٰ بحال نہیں کیا گیا اور آخر میں بتایا گیا کہ ترمیم کے ذریعے اسے فنانس بل ۲۰۲۱-۲۲ حصہ بنادیا ہے۔ فی الحال، ہماری ایسوسی ایشن دوبارہ ٹیکس استثنیٰ کی بحالی کے لئے متعلقہ حکام کو دوبارہ شامل کرنے کا منصوبہ بنا رہی ہے۔ ٹیکس استثنیٰ کی حیثیت واپس لینا ہمارے لئے تشویش کا باعث ہے اور اس کا اثر ہمارے سرمایہ کاروں پر خالص منافع اور منافع کی تقسیم پر پڑے گا۔

آخر میں ہم سیکیورٹیز اینڈ انویسٹمنٹ کمیشن آف پاکستان اور رجسٹرار مضاربہ، مضاربہ کے صارفین کی سرپرستی اور سرٹیفیکیٹ ہولڈرز کی جانب سے فراہم کردہ مسلسل معاونت اور رہنمائی پر دلی شکر ادا کرتا ہوں اور اس ناکامی کو جو انچ ایم ایم کے ساتھ پر عزم رہے، ہم ہموار سرگرمیوں اور اطمینان بخش نتائج کے حصول کے لئے انچ ایم ایم کے ملازمین کی لگن، اعلیٰ سطح کی پیشہ ورانہ مہارت اور محنت کو بھی سراہتے ہیں۔

بورڈ آف ڈائریکٹرز کیلئے اور اُن کی جانب سے

محمد شعیب ابراہیم

چیف ایگزیکٹو آفیسر

سید رشید اختر

ڈائریکٹر

کراچی: بتاریخ ۲۶ اکتوبر، ۲۰۲۱

## CONDENSED INTERIM BALANCE SHEET

As at September 30, 2021

		(Un audited) Sep 30, 2021	(Audited) June 30, 2021
	Note	Rupees	Rupees
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property and Equipment		1,981,262	2,251,810
Diminishing Musharakah Financing	4	168,831,382	166,663,132
Preliminary expense and floating costs	5	1,965,446	2,626,807
		172,778,090	171,541,749
<b>CURRENT ASSETS</b>			
Short Term Investment		41,534,442	40,000,000
Current portion of diminishing Musharakah financing	5	116,080,103	118,329,824
Advances and short term prepayments		1,319,979	781,621
Accrued profits		315,279	379,769
Taxation - net		6,609,381	7,766,305
Cash and bank balances		21,431,595	10,879,709
		187,290,779	178,137,228
<b>TOTAL ASSETS</b>		<b>360,068,869</b>	<b>349,678,977</b>
<b>EQUITY AND LIABILITIES</b>			
<b>CERTIFICATE CAPITAL AND RESERVES</b>			
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		18,162,182	15,254,023
		330,038,187	327,130,028
<b>CURRENT LIABILITIES</b>			
Creditors, accrued and other liabilities		29,924,106	22,439,990
Unclaimed profit distribution		106,576	108,959
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>360,068,869</b>	<b>349,678,977</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	6		

The annexed notes from 1 to 12 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

# 1ST QUARTERLY REPORT 2021-22

## CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN -AUDITED)

For the period ended September 30, 2021

	Note	Three months ended	
		30-Sep-21	30-Sep-20
		-----Rupees-----	
Income from diminishing musharaka financing		7,579,907	6,328,660
Administrative expenses		(3,479,419)	(3,472,386)
		<u>4,100,488</u>	<u>2,856,274</u>
Other Income		1,295,566	2,686,281
		<u>5,396,054</u>	<u>5,542,555</u>
Financial Charges		(22,641)	(22,209)
Amortization of preliminary expenses and floatation cost	5	(661,361)	(661,361)
Modaraba Management Company's remuneration		(471,205)	(485,899)
Sales tax on Modaraba Management Company's remuneration		(61,257)	(63,167)
Provision for Sindh Workers' Welfare Fund		(83,592)	(93,634)
<b>Profit before taxation</b>		<u>4,095,998</u>	<u>4,216,285</u>
<b>Taxation</b>	7	(1,187,839)	-
<b>Net profit for the period</b>		<u>2,908,159</u>	<u>4,216,285</u>
Profit / (Loss) per certificate - basic and diluted	8	<u>0.10</u>	<u>0.14</u>

The annexed notes from 1 to 12 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 September 30, 2021

	-----Three months ended-----	
	30-Sep-21	30-Sep-20
	Rupees	Rupees
Net profit for the period	2,908,159	4,216,285
<b>Total comprehensive Profit /(loss) for the period</b>	<b>2,908,159</b>	<b>4,216,285</b>

The annexed notes from 1 to 12 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 CASH FLOW STATEMENT (UN -AUDITED)**

For the period ended September 30, 2021

	-----Three months ended-----	
	30-Sep-21	30-Sep-20
	Rupees	Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Cash Generated form Operations</b>		
Profit / (loss) before taxation	4,095,998	4,216,285
Adjustment of non-cash and other items:		
Depreciation expense	270,548	305,709
Amortization of preliminary expense and flotation cost	661,361	661,361
Amortization of intangible assets	-	28,713
Profit on Modaraba's deposit account	(951,612)	(2,166,989)
	(19,703)	(1,171,206)
(Increase) / decrease in Current assets:		
Advance and short term prepayments	(538,358)	(519,087)
Current portion of diminishing Musharakah financing	2,249,721	(852,688)
Increase / (decrease) in Current liability		
Creditors, Accrued and other liabilities	7,484,116	4,088,152
	9,195,479	2,716,377
Cash generated from operations	13,271,774	5,761,456
Advances	-	(19,825,000)
Diminishing Musharakah financing	(2,168,250)	10,411,856
Advance tax paid	(30,916)	(36,371)
Net cash generated from / (used in) operating activities	11,072,608	(3,688,059)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Profit received on Modaraba's deposit account	1,016,103	2,198,341
Net cash (used in) / generated from investing activities	(518,339)	2,198,341
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividend paid	(2,383)	(137)
Net cash used in financing activities	(2,383)	(137)
Net increase / (decrease) in cash and cash equivalents during the year	10,551,886	(1,489,855)
Cash and cash equivalent at the beginning of the year	10,879,709	34,522,609
Cash and cash equivalent at the end of the year	21,431,595	33,032,754

The annexed notes from 1 to 12 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 (UN -AUDITED)

For the period ended September 30, 2021

	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 year	-	-	4,216,286	4,216,286
Other comprehensive income	-	-	-	-
Total comprehensive income for year	-	-	4,216,286	4,216,286
Transfer to statutory reserve		-	-	-
Transaction with owners				
Dividend paid during the year			(21,000,000)	(21,000,000)
				-
Balance as at September 30, 2020	300,000,000	8,624,156	6,462,913	315,087,069
Balance as at July 01, 2021	300,000,000	11,876,005	15,254,023	327,130,028
Profit for the year	-	-	2,908,159	2,908,159
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	-	2,908,159	2,908,159
Transfer to statutory reserve		-	-	-
Balance as at September 30, 2021	300,000,000	11,876,005	18,162,182	330,038,187

The annexed notes from 1 to 12 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 (Un-audited)

For the period ended September 30, 2021

## 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 September 30, 2021 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 Diminishing Musharakah Financing

Diminishing musharaka financing

Advance against diminishing musharaka financing

Less: Current portion of diminishing musharaka financing

(Un-audited) 30-Sep-21 (Rupees)	(Audited) 30-Jun-21 (Rupees)
218,873,435	230,126,231
66,038,050	54,866,725
(116,080,103)	(118,329,824)
<b>168,831,382</b>	<b>166,663,132</b>
<b>2,626,807</b>	5,250,688
<b>(661,361)</b>	(2,623,881)
<b>1,965,446</b>	<b>2,626,807</b>

## 5 PRELIMINARY EXPENSES AND FLOATATION COSTS

Preliminary expenses and floatation costs

Amortization during the period

## Notes to the Condensed Interim Financial Statements (Un-audited)

For the period ended September 30, 2021

- 5.1** This represents expenses incurred in respect of issue of the Modaraba certificates to the public and includes cost of organization and floatation of the Modaraba, cost of printing, publication and distribution of the prospectus, underwriting expenses, commission to the bankers to the issue and brokerage and other ancillary cost. Preliminary expenses and floatation costs are being amortized on prorata basis over the period of 5 years as per Third Schedule of Modaraba Companies and Modaraba Rules, 1981.

### 6 CONTINGENCIES AND COMMITMENTS

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

-----Un-audited-----	
	30-Sep-21 (Rupees)
	30-Sep-20 (Rupees)
<b>7 TAXATION</b>	
Provision for taxation	1,187,839

- 7.1** "On March 22, 2021, the President of Pakistan promulgated the Tax Law (Second Amendment) Ordinance, 2021,(Ordinance 2021) whereby Clause 100 of the Part 1 of the Second Schedule to the Income Tax Ordinance, 2001 relating to the Tax Exemption available to the Modarabas stands withdrawn.

Accordingly, provision for Income Tax has been made in the quarterly accounts for the period ended July 1, 2021 to September 30, 2021."

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

	30-Sep-21 (Rupees)	30-Sep-20 (Rupees)
Net profit for the period	2,908,159	4,216,285
Weighted average number of certificate outstanding	30,000,000	30,000,000
Earning / (Loss) per certificate - Basic and Diluted	0.10	0.14

There were no convertible diluted potential ordinary certificate outstanding as on September 30, 2021 which have dilutive effect on loss per certificate

### 9 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:

	(Un-audited) 30-Sep-21 (Rupees)	(Audited) 30-Jun-21 (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
	300,000,000	300,000,000



## Notes to the Condensed Interim Financial Statements (Un-audited)

For the period ended September 30, 2021

### 10 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, Digital Payment Solutions 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.

		-----Un-audited-----	
Relationship with the Modaraba	Nature of transactions	30-Sep-21 (Rupees)	30-Sep-20 (Rupees)
Transcation Held			
Holding Company			
Habib Metropolitan Bank Limited	Profit on Modaraba's deposit account and Islamic term deposit certificates	951,612	2,166,989
	Investments purchased	-	-
	Investments matured	-	-
	Bank charges	22,641	22,209
	Dividend paid		-
Associate Company			
Habib Metro Modrarba Employees Provident Fund	Provident Fund Contribution	31,554	23,385
Management Company			
Habib Metropolitan Modaraba Management Company (Private) Limited	Management Fee expense	471,205	485,899
		(Un-audited) 30-Sep-21 (Rupees)	(Audited) 30-Jun-21 (Rupees)
Relationship with the Modaraba	Nature of transactions		
Period end balances			
Holding Company			
Habib Metropolitan Bank Limited	Bank balances	21,391,980	9,802,068
	Accrued profit on bank account	315,276	165,187
	Prepaid Expense Electricity, Building security and generator service expense	63,524	345,242
Management Company			
Habib Metropolitan Modaraba Management Company (Private) Limited	Management Fee payable	2,341,675	1,870,470

## Notes to the Condensed Interim Financial Statements (Un-audited)

For the period ended September 30, 2021

### 11 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on 26 October 2021 by the Board of Directors of the Modaraba Management Company.

### 12 GENERAL

**12.1** 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. .

**12.2** 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**