

First Habib Modaraba



HALF YEARLY ACCOUNTS

for the period ended
DECEMBER 31, 2014
(Unaudited)

DIRECTORS' REPORT

On behalf of the Board of Directors, it is my great pleasure to present the un-audited accounts of the Modaraba for the half year ended 31st December 2014.

By the Grace of Allah, we have successfully managed and maintained growth in business volume and profitability in the six months of the FY 2014-15. During the period, Profit after tax has increased by 9 % to Rs. 173.0 million from Rs. 160 million over the corresponding period of last year.

The rapid decline in oil prices and commodities are adding to the business slow down and uncertainties within the global economy. All these developments are having significant impact on Pakistan's economy. However, on contrary the Pakistan's trade deficit expanded by 34% during July-December, 2014 due to fall in exports earning and persistent double digit growth in imports. The government is facing difficulties in attracting foreign currency reserves through non-debt creating instruments.

Banks investment in government papers during 2014 reached an all-time high while the credit penetration remained the lowest in region. Massive investment in government papers has not only crowded out private sector, but created a liquidity gap in the banking system. As per statistics, the Investment to Deposit Ratio of banks increased to 61.2pc in 2014 as compared to 54.1pc in the preceding year. Investment in government securities touched new peak as such a high IDR level has never been achieved previously.

In light of the continuing deceleration of inflation in the preceding four months, SBP has further decreased discount rate by 100bps in the month of January'15. It's more of the international crude oil phenomena which turned advantageous for the economy. Along with fuel price adjustment, GoP has adjusted the power tariff as well, which further magnifies the impact of lower oil prices.

Due to cut in policy rate of SBP the rate of KIBOR in money market has also reduced. Since our major financing portfolio is based on floating rate linked with KIBOR, therefore, we expect slight profits reduction in coming months. However, we try our level best to manage the profitability through increase of volume so that we can achieve our desire profit target.

I am extremely grateful to our valued customers, Senior Officials of Securities & Exchange Commission, Registrar Modaraba for their patronage, to our employees for their continued commitment, our certificate holder for their trust and confidence and other regulatory bodies for their continued guidance.

For and on behalf of Board of Directors

Karachi: February 20, 2015

Muhammad Shoaib Ibrahim
Managing Director & CEO

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 **First Habib Modaraba** as at December 31, 2014, and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity together with the notes forming part thereof (here-in-after referred to as the 'condensed interim financial information'), for the six months ended December 31, 2014. The Management Company is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan. Our responsibility is to express a conclusion on this interim financial information based on our review.

The figures for the quarters ended December 31, 2014 and December 31, 2013 in the condensed interim profit and loss account and condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion on them.

Scope of Review

We conducted our review in accordance with the 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 condensed interim financial information as at and for the six months period ended December 31, 2014 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan relating to interim financial reporting.

Karachi: February 20, 2015

Muniff Ziauddin & Co.
Chartered Accountants
Engagement Partner
Muhammad Moin Khan

FIRST HABIB MODARABA

CONDENSED INTERIM BALANCE SHEET

AS AT December 31, 2014

		December 31, 2014 (Unaudited) Rupees	June 30, 2014 (Audited) Rupees
ASSETS			
NON CURRENT ASSETS			
Fixed assets - tangible			
Ijarah (lease) assets		2,678,120,172	2,868,616,975
Assets in own use		9,632,194	11,204,147
	5	2,687,752,366	2,879,821,122
Intangible assets		1,010,854	1,500,691
Long term advances, deposit and prepayments		764,450	1,200,050
Diminishing musharaka financing	6	837,052,167	616,572,857
		3,526,579,837	3,499,094,720
CURRENT ASSETS			
Investments	7	961,625,334	975,232,743
Diminishing musharaka financing - current portion	6	540,208,004	444,546,723
Ijarah (lease) rental receivable	8	4,390,864	9,915,676
Advances and short term prepayments		2,033,926	8,455,814
Other receivables (Unsecured - considered good)		51,725,674	53,303,169
Tax refund due from Government	9	31,314,018	31,314,018
Cash and bank balances		220,007,439	371,131,886
		1,811,305,259	1,893,900,029
		5,337,885,096	5,392,994,749
TOTAL ASSETS			
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Certificate capital			
Authorized capital			
220,000,000 (June 2014: 220,000,000) certificates of			
Rs. 5/- each			
		1,100,000,000	1,100,000,000
Issued, subscribed and paid up capital		1,008,000,000	1,008,000,000
Reserves		2,122,365,033	2,200,619,366
Certificate holders' equity		3,130,365,033	3,208,619,366
NON CURRENT LIABILITIES			
Security deposits against ijarah (lease) assets		292,182,789	290,104,583
CURRENT LIABILITIES			
Certificate of musharaka		1,561,702,192	1,533,668,767
Security deposits against ijarah (lease) assets (current portion)		79,240,879	81,132,842
Unearned ijarah (lease) rentals and diminishing musharaka installments		10,785,628	3,979,895
Advance ijarah (lease) rentals and diminishing musharaka installments		19,722,395	32,471,878
Trade and other payables		168,867,167	188,147,386
Profit payable on certificate of musharaka		45,725,704	28,379,755
Taxation	10	2,790,833	2,790,833
Unclaimed profit distribution		23,522,538	23,699,444
Profit distribution payable		2,979,939	-
		1,915,337,275	1,894,270,800
CONTINGENCIES AND COMMITMENTS			
	11	-	-
		5,337,885,096	5,392,994,749

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.

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

sd/-
Chief Executive

sd/-
Director

sd/-
Director

FIRST HABIB MODARABA
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT
FOR THE HALF YEAR ENDED DECEMBER 31, 2014
(UNAUDITED)

	Note	Half year ended		Quarter ended	
		December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
Rupees					
Income from Ijarah (Leasing)		150,627,397	166,714,736	74,512,204	81,720,988
Profit on Diminishing Musharaka Financing		70,457,085	35,362,282	37,455,460	19,589,735
		221,084,482	202,077,018	111,967,664	101,310,723
Administrative expenses		(41,718,656)	(41,236,092)	(19,488,041)	(16,506,153)
		179,365,826	160,840,926	92,479,623	84,804,570
Other income	12	66,737,399	53,497,941	30,908,536	27,245,301
Other charges	13	(3,842,594)	(3,575,806)	(2,118,123)	(1,854,640)
		242,260,631	210,763,061	121,270,036	110,195,231
Financial charges		(68,889,112)	(51,040,936)	(33,702,466)	(27,455,774)
		173,371,519	159,722,125	87,567,570	82,739,457
Modaraba company's management fee		-	-	-	-
PROFIT FOR THE PERIOD		173,371,519	159,722,125	87,567,570	82,739,457
Earning per certificate - basic and diluted	14	0.86	0.79	0.43	0.41

Appropriations have been reflected in the statement of changes in equity.

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.

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

sd/-
Chief Executive

sd/-
Director

sd/-
Director

FIRST HABIB MODARABA
CONDENSED INTERIM
STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED DECEMBER 31, 2014
(UNAUDITED)

	Half year ended		Quarter ended	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
	Rupees			
Profit for the period	173,371,519	159,722,125	87,567,570	82,739,457
Net unrealizable gain on investments available for sale	(29,865,852)	24,361,044	(19,206,559)	9,742,587
Total comprehensive income for the period	<u>143,505,667</u>	<u>184,083,169</u>	<u>68,361,011</u>	<u>92,482,044</u>

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.

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

sd/-
Chief Executive

sd/-
Director

sd/-
Director

FIRST HABIB MODARABA
CONDENSED INTERIM CASH FLOW STATEMENT
FOR THE HALF YEAR ENDED DECEMBER 31, 2014
(UNAUDITED)

	December 31, 2014 Rupees	December 31, 2013 Rupees
CASH FLOW FROM OPERATING ACTIVITIES		
Profit for the period	173,371,519	159,722,125
Adjustment for:		
Depreciation and amortization	578,995,648	589,940,402
Financial charges	68,889,112	51,040,936
Provision for gratuity	-	900,000
Gain / (loss) on sale of shares	-	915
Gain on transfer of ijarah (lease) assets	(8,375,460)	(5,257,441)
Gain on disposal of assets in own use	(20,977)	(10,711)
Dividend income	(3,695,210)	(2,494,280)
Changes in working capital	635,793,113	634,119,821
(Increase) / decrease in current assets		
Ijarah (lease) rental receivable	5,524,812	(1,804,422)
Advances and short term prepayments	6,421,888	8,711,863
Other receivables (Unsecured - considered good)	1,781,321	(3,770,671)
	13,728,021	3,136,770
Increase / (decrease) in current liabilities		
Unearned ijarah (lease) rentals and diminishing musharaka installments	6,805,733	(9,941,890)
Advance ijarah (lease) rentals and diminishing musharaka installments	(12,749,483)	3,115,841
Trade and other payables	(19,280,219)	(91,064,871)
	(25,223,969)	(97,890,920)
Cash generated from operations	797,668,684	699,087,796
Purchase of ijarah (lease) assets	(539,675,317)	(608,128,555)
Proceeds from transfer of ijarah (lease) assets	162,278,799	108,925,387
Investment in diminishing musharka	(316,140,591)	(275,636,065)
Long term advances and deposits	435,600	1,447,999
Net Musta'jir's security deposits	186,243	19,702,563
Financial charges paid	(51,543,164)	(41,726,786)
Tax paid	(203,826)	(38,564)
	(744,662,256)	(795,454,021)
Net cash generated from / (used in) operating activities	53,006,428	(96,366,225)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of assets in own use	(665,208)	(3,490,375)
Purchase of investments	(16,258,443)	(7,143,406)
Proceed from disposal of investments (net)	-	47,259
Proceeds from disposal of assets in own use	21,108	15,200
Redemption of sukuk bond	-	50,160,000
Dividend received	3,695,210	2,494,280
Net cash (used) in / generated from investing activities	(13,207,333)	42,082,958
CASH FLOW FROM FINANCING ACTIVITIES		
Dividend paid	(218,956,967)	(199,192,465)
Certificate of Musharaka	28,033,425	290,927,070
Cash used in financing activities	(190,923,542)	91,734,605
Net decrease in cash and cash equivalents	(151,124,447)	37,451,338
Cash and cash equivalents at the beginning of the period	371,131,886	130,639,915
Cash and cash equivalents at the end of the period	220,007,439	168,091,253

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.

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

sd/-
Chief Executive

sd/-
Director

sd/-
Director

FIRST HABIB MODARABA
CONDENSED INTERIM
STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED DECEMBER 31, 2014
(UNAUDITED)

	Certificate capital	Capital reserves		General reserves	Revenue reserves		Total reserve	Total equity
		Certificate premium	Statutory reserves		Unrealized gain on investment	Unappropriated profit		
Rupees								
Balance as at July 01, 2013	1,008,000,000	378,000,000	777,452,032	50,000,000	36,683,068	802,807,678	2,044,942,778	3,052,942,778
Profit distribution for the year ended June 30, 2013 @ 20%	-	-	-	-	-	(201,600,000)	(201,600,000)	(201,600,000)
Transfer to general reserve	-	-	-	590,000,000	-	(590,000,000)	-	-
Total comprehensive income for the period	-	-	-	-	24,361,044	159,722,125	184,083,169	184,083,169
Balance as at December 31, 2013	<u>1,008,000,000</u>	<u>378,000,000</u>	<u>777,452,032</u>	<u>640,000,000</u>	<u>61,044,112</u>	<u>170,929,803</u>	<u>2,027,425,947</u>	<u>3,035,425,947</u>
Balance as at July 01, 2014	1,008,000,000	378,000,000	834,540,718	640,000,000	107,835,091	240,243,557	2,200,619,366	3,208,619,366
Profit distribution for the year ended June 30, 2014 @ 22%	-	-	-	-	-	(221,760,000)	(221,760,000)	(221,760,000)
Transfer to general reserve	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	(29,865,852)	173,371,519	143,505,667	143,505,667
Balance as at December 31, 2014	<u>1,008,000,000</u>	<u>378,000,000</u>	<u>834,540,718</u>	<u>640,000,000</u>	<u>77,969,239</u>	<u>191,855,076</u>	<u>2,122,365,033</u>	<u>3,130,365,033</u>

The statutory reserve represents profit set aside as required under the Prudential Regulation for Modarabas as issued by the Securities and Exchange Commission of Pakistan.

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.

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

sd/-
Chief Executive

sd/-
Director

sd/-
Director

FIRST HABIB MODARABA

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED DECEMBER 31, 2014 (UNAUDITED)

1. LEGAL STATUS AND OPERATION

First Habib Modaraba (the Modaraba) is a perpetual, multi-purpose modaraba floated and managed by Habib Modaraba Management (Private) Limited (the Modaraba Management Company) having its registered office at 5th Floor, HBZ Plaza, I.I. Chundrigar Road, Karachi. The Modaraba is listed on the Karachi, Lahore and Islamabad stock exchanges of Pakistan. The Modaraba is engaged in the business of leasing (Ijarah), Musharaka, Murahaba financing and other related business.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These condensed interim financial statements are unaudited but subject to limited scope review by the external auditors as required by the Code of Corporate Governance and are being submitted to the certificate holders as required under Rule 10 of the Modaraba Companies and Modaraba Rules, 1981.

This condensed interim financial report of the Modaraba for the six months period ended December 31, 2014 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 (Flotation and Control Ordinance, 1980 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 (Flotation and Control) Ordinance 1980, Modaraba Companies and Modarabas Rules, 1981 and Prudential Regulations for Modarabas have been followed.

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 annual financial statements of the Modaraba as at and for the year ended June 30, 2014.

2.2 Basis of measurement

These condensed interim financial statements have been prepared under the historical cost convention, except for investments that are stated at fair value.

These condensed interim financial statements have been prepared following accrual basis of accounting, except for cash flow information.

2.3 Functional and presentation currency

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

3. SIGNIFICANT ACCOUNTING POLICIES

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 financial statements for the year ended June 30, 2014.

4 ESTIMATES

The preparation of condensed interim financial statements requires management to make judgements, 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 judgements made by management in applying the Modaraba's accounting policies and key sources of estimation of uncertainty are the same as those that were applied to the financial statements for the year ended June 30, 2014.

		December 31, 2014 (Un-audited) Rupees	June 30, 2014 (Audited) Rupees
5. FIXED ASSETS - TANGIBLE			
Ijarah (lease) assets	5.1	2,678,120,172	2,868,616,976
Assets in own use	5.2	<u>9,632,194</u>	<u>11,204,147</u>
		<u>2,687,752,366</u>	<u>2,879,821,123</u>
5.1 Ijarah (lease) assets			
Ijarah (lease) assets	5.1.1	2,470,632,172	2,704,571,676
Advance against ijarah (lease) assets		<u>207,488,000</u>	<u>164,045,300</u>
		<u>2,678,120,172</u>	<u>2,868,616,976</u>
5.1.1 Ijarah (lease) assets			
Book value at the beginning of the period / year		2,704,571,676	2,502,492,869
Additions during the period / year	5.1.2	<u>496,232,617</u>	<u>1,675,947,842</u>
		3,200,804,293	4,178,440,711
Deletion during the period / year at book value	5.1.3	<u>(153,903,339)</u>	<u>(261,907,226)</u>
Impairment during the period / year reversed (net)		-	-
Depreciation charge during the period / year		<u>(576,268,782)</u>	<u>(1,211,961,809)</u>
Book value at the end of the period / year		<u>2,470,632,172</u>	<u>2,704,571,676</u>
5.1.2 Additions during the period / year			
Plant, machinery and equipment		26,657,531	204,100,516
Vehicles		469,575,086	1,471,847,326
Furniture and fixture		-	-
		<u>496,232,617</u>	<u>1,675,947,842</u>
5.1.3 Deletion (at book value) during the period / year			
Plant, machinery and equipment		11,253,217	30,991,820
Vehicles		<u>142,650,122</u>	<u>230,915,406</u>
		<u>153,903,339</u>	<u>261,907,226</u>
5.2 Assets in own use			
Book value at the beginning of the period / year		11,204,147	13,427,992
Additions during the period / year	5.2.1	<u>665,208</u>	<u>4,090,141</u>
		11,869,355	17,518,133
Deletion during the period / year at book value	5.2.2	<u>(133)</u>	<u>(1,471,884)</u>
Depreciation charge during the period / year		<u>(2,237,028)</u>	<u>(4,842,102)</u>
Book value at the end of the period / year		<u>9,632,194</u>	<u>11,204,147</u>
5.2.1 Additions during the period / year			
Office equipment		497,665	1,040,037
Furniture and fixture		167,542	414,604
Vehicles		-	2,635,500
		<u>665,208</u>	<u>4,090,141</u>
5.2.2 Deletion (at book value)			
Office equipment		73	42,513
Furniture and fixture		59	145,985
Vehicles		1	1,283,386
		<u>133</u>	<u>1,471,884</u>
6. DIMINISHING MUSHARKA FINANCING			
Secured			
Diminishing musharka financing		1,248,963,564	1,012,672,680
Less: Current portion		<u>540,208,004</u>	<u>444,546,723</u>
		708,755,560	568,125,957
Advance gainst diminishing musharaka financing		<u>128,296,607</u>	<u>48,446,900</u>
		<u>837,052,167</u>	<u>616,572,857</u>
7. INVESTMENTS			
Available for sale			
Investment in shares - available for sale		159,785,334	146,192,743
Investment in sukuk	7.1	<u>801,840,000</u>	<u>829,040,000</u>
Held to maturity			
Investment I islamic investment certificates		-	-
		<u>961,625,334</u>	<u>975,232,743</u>

- 7.1 These Sukuk Bonds are issued by the Government of Pakistan with the maturity term of 3 years from the date of issue. The profit on the sukuk shall be paid semi-annually on the basis of rental rate announced by the State Bank of Pakistan prior to start of each half year. The Modaraba has obtained permission from Registrar of Modaraba to treat the investment as part of redemption reserve fund to be set aside by the Modaraba to comply with the requirements of the Registrar of Modarabas for the issuance of Certificate of Musharaka.

	December 31, 2014 Rupees	June 30, 2014 Rupees
8. IJARAH (LEASE) RENTALS RECEIVABLES		
Ijarah (Lease) rental due	7,621,616	11,808,772
Less: Suspense Ijarah (Lease) rentals	3,230,752	1,893,096
	<u>4,390,864</u>	<u>9,915,676</u>

- 8.1 Suspense ijarah (lease) rentals represent amounts overdue on Ijarah (lease) assets.

- 8.2 Installments receivable in respect of existing Ijarah (lease) within one year amounts to Rs. 1,141.074 million (June 30, 2014: Rs. 1,200.511 million). Ijarah (lease) installments recoverable within the next twelve months shall be treated as current assets for the purpose of calculating current ratio (as per BPRD circular no. 8 dated April 11, 1998)

	December 31, 2014 Rupees	June 30, 2014 Rupees
9 TAX REFUND DUE FROM GOVERNMENT		
Income tax	<u>31,314,018</u>	<u>31,314,018</u>

10. TAXATION

As per the current tax law, income of non-trading modarabas is exempt from income tax provided that they distribute ninety percent cash profit to certificate holders out of current year's total profit after appropriating to statutory reserves. As the management is intending to follow the aforesaid policy for profit distribution for the current year, no provision with respect to current and deferred taxation has been made in these condensed interim financial statements.

11. CONTINGENCIES AND COMMITMENTS

Contingencies

There are no significant contingencies to report.

Commitments

Commitments in respect of Ijarah (lease) transactions amounted to Rs. 96.700 million (June 30, 2014: Rs. 109.900 million)

12. OTHER INCOME

	Half year ended		Quarter ended	
	December 31, 2014 (Un-audited) Rupees	December 31, 2013 (Un-audited) Rupees	December 31, 2014 (Un-audited) Rupees	December 31, 2013 (Un-audited) Rupees
Dividend income	3,695,210	2,494,280	2,242,990	2,473,780
Profit on transfer of ijarah assets	8,375,460	5,257,441	4,078,398	2,468,453
Profit on disposal of assets in own use	20,977	10,711	20,977	15,189
Profit on modaraba deposit account	15,181,440	4,588,788	4,816,948	2,151,364
Gain on sale of shares	-	15,256	-	15,256
Profit on Sukuk	39,077,354	40,825,596	19,559,452	20,062,143
Miscellaneous	386,958	305,869	189,771	59,116
	<u>66,737,399</u>	<u>53,497,941</u>	<u>30,908,536</u>	<u>27,245,301</u>

	Half year ended		Quarter ended	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
	(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)
	Rupees	Rupees	Rupees	Rupees
13 OTHER OPERATING CHARGES				
Workers' welfare fund	3,538,194	3,259,635	1,968,123	1,688,469
Loss on sale of shares	-	16,171	-	16,171
Auditor's remuneration	304,400	300,000	150,000	150,000
	<u>3,842,594</u>	<u>3,575,806</u>	<u>2,118,123</u>	<u>1,854,640</u>

14. EARNINGS PER CERTIFICATE - BASIC AND DILUTED

There is no dilutive effect on earnings per certificate which is based on:

	Half year ended		Quarter ended	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
	Rupees	Rupees	Rupees	Rupees
Net profit for the period	<u>173,371,519</u>	<u>159,722,125</u>	<u>87,567,570</u>	<u>82,739,457</u>
Weighted average number of ordinary certificates.	<u>201,600,000</u>	<u>201,600,000</u>	<u>201,600,000</u>	<u>201,600,000</u>
Basic earnings per certificate	<u>0.86</u>	<u>0.79</u>	<u>0.43</u>	<u>0.41</u>

15. TRANSACTIONS WITH RELATED PARTIES

The related parties and associated undertakings comprise the Management Company (Habib Modaraba Management Company (Private) Limited), First Habib Modaraba Employees' Provident Fund, First Habib Modaraba Employee Gratuity Fund and key management personnel. The balances outstanding to/from these parties have been included in the relevant notes to the financial statements. Transactions with related parties and associated undertakings are as follows:

Relationship	Nature of transaction	December 31, 2014 (Un-audited) Rupees	December 31, 2013 (Un-audited) Rupees
Balances with the related parties			
Staff Retirement Benefit Fund	Payable to staff gratuity fund	<u>840,000</u>	<u>900,000</u>
First Habib Modaraba Provident Fund	Investment in Certificate of Musharaka	<u>27,664,949</u>	<u>-</u>
Expenses			
Staff retirement benefit Fund	Gratuity fund	<u>840,000</u>	<u>900,000</u>
Fund	Provident fund	<u>918,513</u>	<u>957,820</u>
Payments made during the period			
First Habib Modaraba Provident Fund	Contribution to staff provident fund	<u>1,837,026</u>	<u>1,915,640</u>
Modaraba Management Company	Dividend paid	<u>110,551,905</u>	<u>100,501,732</u>

15.1 No remuneration in kind has been paid by the Modaraba to the directors and key management personnel of Management Company.

16. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on 20-02-2015 by the Board of Directors of the Management Company.

17. GENERAL

Figures have been rounded off to the nearest rupee.

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

sd/-
Chief Executive

sd/-
Director

sd/-
Director

BOOK POST
Printed Matter

UNDER POSTAL CERTIFICATE

If undelivered please return to:

FIRST HABIB MODARABA

REGISTRAR:

Noble Computer Services (Pvt.) Ltd.

Mezzanine Floor,

House of Habib Building (Siddiq Sons Tower),

3-Jinnah C.H. Society, Main Shahrah-e-Faisal, Karachi.