

# First Habib Modaraba



## QUARTERLY ACCOUNTS

for the period ended  
SEPTEMBER 30, 2012  
(Unaudited)

# DIRECTORS' REPORT

On behalf of the Board of Directors, it is my pleasure to present the un-audited accounts of the Modaraba for the 1st Quarter ended September 30, 2012.

By the Grace of Allah, the performance of Modaraba for the three months period under review has been satisfactory. During the period we have made disbursement of Rs.571.03 as compared to Rs.371.0 of corresponding period and also maintained the profitability of 1st quarter.

The 1st quarter of fiscal year has not shown any significant change on economic front. The prolong issues i.e. energy crisis, law and order issues, weakening Pak rupees and low Foreign Direct Investment are persistently prevailing within the economy and hampering the economic growth of the country.

On positive side the current account balance has slightly improved, the Stock market touches all-time high in the month of October, 2012, since 2008. Due to slight dip in inflation in September, 2012, the State bank of Pakistan has reduced discount rate by 50bps in their recent monetary policy, which has greatly supported for increase of index of equity market. The investor confidence has also improved with the decision of SBP on reduction of policy rate.

However, the government borrowing is also growing at high level and seriously damaging the economic activities. Private sector credit off take is not at desire level and banks preferred to invest in government paper instead to take risk on private businesses.

Keeping in view of our 1st quarter's business volume and profitability of our Modaraba, we expect that in coming quarters we will maintain pace of business and will Insha'Allah achieve our targeted results.

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

For and on behalf of Board of Directors

Karachi: October 25, 2012

Muhammad Shoaib Ibrahim  
Chief Executive Officer

# FIRST HABIB MODARABA

## CONDENSED INTERIM BALANCE SHEET

### AS AT September 30, 2012

	September 30, 2012 Rupees Unaudited	June 30, 2012 Rupees Audited
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Fixed assets - tangible		
Ijarah (lease) assets	2,686,556,372	2,501,152,946
Assets in own use	9,260,302	8,039,208
	2,695,816,674	2,509,192,154
Intangible assets	1,944,461	2,125,559
Long-term deposits prepayments and advances	2,467,050	1,516,850
Diminishing musharaka financing	230,313,417	234,071,492
	2,930,541,602	2,746,906,055
<b>CURRENT ASSETS</b>		
Investments	1,479,774,685	1,486,001,027
Diminishing musharaka financing - current portion	165,707,244	148,365,839
Ijarah (lease) installments receivable - Secured-considered good	5,022,448	3,417,703
Advances and short term prepayments	2,045,630	5,090,731
Other receivables	34,346,748	24,849,608
Tax refund due from Government	28,395,755	28,395,755
Cash and bank balances	2,756,489	122,394,087
	1,718,048,999	1,818,514,750
<b>TOTAL ASSETS</b>	<b>4,648,590,601</b>	<b>4,565,420,805</b>
<b>EQUITY AND LIABILITIES</b>		
<b>CAPITAL AND RESERVES</b>		
Certificate capital :		
Authorized :		
220,000,000 (2011: 220,000,000) certificates of Rs.5 each	1,100,000,000	1,100,000,000
Issued, subscribed and paid-up	1,008,000,000	1,008,000,000
Reserves	1,996,580,423	2,119,196,045
Certificate holders' equity	3,004,580,423	3,127,196,045
<b>NON-CURRENT LIABILITIES</b>		
Security deposits against ijarah assets	217,854,670	209,078,717
<b>CURRENT LIABILITIES</b>		
Certificates of musharaka - current portion	-	3,000,000
Certificate of musharaka	1,149,442,534	966,290,959
Security deposits - current portion	64,599,379	57,881,505
Unearned ijarah (lease) rentals and diminishing musharaka installments	25,068,187	17,501,347
Advance ijarah (lease) rentals and diminishing musharaka installments	21,152,047	18,705,457
Trade and other payables	93,224,167	111,452,021
Profit payable on certificate of musharaka	40,255,960	31,712,221
Taxation	2,790,833	2,790,833
Unclaimed profit distribution	19,781,215	19,811,700
Profit distribution payable	9,841,186	-
	1,426,155,508	1,229,146,043
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>4,648,590,601</b>	<b>4,565,420,805</b>

The annexed notes form an integral part of these financial statements.

sd/-  
Chief Executive

sd/-  
Director

sd/-  
Director

**FIRST HABIB MODARABA**  
**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2012**  
**(UNAUDITED)**

	September 30, 2012 Rupees	September 30, 2011 Rupees
Income from Ijarah (leasing)	89,937,928	82,598,675
Profit on diminishing musharaka financing	<u>13,216,967</u>	<u>9,354,559</u>
	<b>103,154,895</b>	<b>91,953,234</b>
Administrative expenses	<u>21,385,960</u>	<u>18,624,670</u>
	<b>81,768,935</b>	<b>73,328,564</b>
Other income	<u>19,548,717</u>	<u>17,525,163</u>
	<b>101,317,652</b>	<b>90,853,727</b>
Financial expenses	<u>30,587,281</u>	<u>19,528,667</u>
	<b>70,730,371</b>	<b>71,325,060</b>
Modaraba Management Company's remuneration	<u>-</u>	<u>(7,132,506)</u>
Profit for the period	<u><b>70,730,371</b></u>	<u><b>64,192,554</b></u>
Earnings per certificate - basic and diluted	<u><b>0.35</b></u>	<u><b>0.32</b></u>

The annexed notes form an integral part of these financial statements.

sd/-  
Chief Executive

sd/-  
Director

sd/-  
Director

**FIRST HABIB MODARABA**  
**CONDENSED INTERIM**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2012**  
**(UNAUDITED)**

	September 30, 2012 Rupees	September 30, 2011 Rupees
<b>Profit for the period</b>	<b>70,730,371</b>	64,192,554
<b>Other comprehensive income:</b>		
Net unrealised (loss)/gain on available for sale investments	<b>8,254,007</b>	(82,532,960)
Comprehensive income / (loss) transferred to equity	<u><b>78,984,378</b></u>	<u>(18,340,406)</u>

The annexed notes form an integral part of these financial statements.

sd/-  
Chief Executive

sd/-  
Director

sd/-  
Director

# FIRST HABIB MODARABA

## CONDENSED INTERIM CASH FLOW STATEMENT

### FOR THE PERIOD ENDED SEPTEMBER 30, 2012 (UNAUDITED)

	Note	September 30, 2012 Rupees	September 30, 2011 Rupees
<b>Cash flow from operating activities</b>			
Cash generated from operations	4	355,412,616	316,796,626
Purchase of ijarah (lease) assets		(511,985,979)	(321,544,151)
Diminishing musharaka financing		(13,583,330)	(24,387,396)
Proceeds from transfer of ijarah (lease) assets		57,194,294	54,380,340
Security deposits against ijarah (lease) assets :			
Received		32,311,066	19,306,350
Refunded / adjusted		(16,817,239)	(12,435,584)
Net security deposits		15,493,827	6,870,766
Financial charges paid		(22,028,189)	(23,321,775)
Tax deducted at source		(39,251)	-
Net cash (outflow) / inflow from operating activities		(119,536,012)	8,794,410
<b>Cash flow from investing activities</b>			
Purchase of assets owned (including intangibles)		(2,015,010)	(1,801,200)
Proceeds from disposal of own assets		8,000	-
Purchase of investments-available for sale		(5,519,652)	(4,555,199)
Redemption of sukuk / HIIC		20,000,000	20,000,000
Dividend received		13,000	450,050
Long-term advances and deposit		(950,200)	773,850
Net cash inflow from investing activities		11,536,138	14,867,501
<b>Cash flow from financing activities</b>			
Dividend paid		(191,789,299)	(213,282,546)
Certificates of musharika		180,151,575	146,287,376
Net cash outflow from financing activities		(11,637,724)	(66,995,170)
<b>Net (decrease) in cash and cash equivalents</b>		(119,637,598)	(43,333,259)
<b>Cash and cash equivalents at the beginning of the year</b>		122,394,087	161,527,915
<b>Cash and cash equivalents at the end of the period</b>		2,756,489	118,194,656

The annexed notes form an integral part of these financial statements.

sd/-  
Chief Executive

sd/-  
Director

sd/-  
Director

**FIRST HABIB MODARABA**  
**CONDENSED INTERIM**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2012**  
**(UNAUDITED)**

	Paid-up capital	Certificate Premium	Statutory reserve	General reserve	Unrealized gain/(loss) on investments Rupees	Unappropriated profit	Total Reserves	Total Equity
Balance as at July 01, 2011	1,008,000,000	378,000,000	440,873,447	50,000,000	956,819,063	225,931,937	2,051,624,447	3,059,624,447
Profit distribution for the year ended June 30, 2011 @ 22%	-	-	-	-	-	(221,760,000)	(221,760,000)	(221,760,000)
Comprehensive income for the period	-	-	-	-	(82,532,960)	64,192,554	(18,340,406)	(18,340,406)
Balance as at September 30, 2011	<u>1,008,000,000</u>	<u>378,000,000</u>	<u>440,873,447</u>	<u>50,000,000</u>	<u>874,286,103</u>	<u>68,364,491</u>	<u>1,811,524,041</u>	<u>2,819,524,041</u>
Balance as at July 01, 2012	1,008,000,000	378,000,000	578,891,321	50,000,000	901,105,975	211,198,749	2,119,196,045	3,127,196,045
Profit distribution for the year ended June 30, 2012 @ 20%	-	-	-	-	-	(201,600,000)	(201,600,000)	(201,600,000)
Comprehensive income for the period	-	-	-	-	8,254,007	70,730,371	78,984,378	78,984,378
Balance as at September 30, 2012	<u>1,008,000,000</u>	<u>378,000,000</u>	<u>578,891,321</u>	<u>50,000,000</u>	<u>909,359,982</u>	<u>80,329,120</u>	<u>1,996,580,423</u>	<u>3,004,580,423</u>

The annexed notes form an integral part of these financial statements.

sd/-  
Chief Executive

sd/-  
Director

sd/-  
Director

# FIRST HABIB MODARABA

## CONDENSED INTERIM NOTES TO THE ACCOUNTS FOR THE PERIOD ENDED SEPTEMBER 30, 2012 (UNAUDITED)

### 1. THE COMPANY AND ITS OPERATIONS

First Habib Modaraba is a perpetual , multipurpose modaraba floated and managed by Habib Modaraba Management (Pvt) Limited, having its registered office at 5th Floor, HBZ Plaza (Hirani Centre), I.I. Chundrigar Road, Karachi. It is listed on the Karachi, Lahore and Islamabad stock exchanges of Pakistan. The modaraba is authorised to engage in the business of Ijarah, musharika, morabaha financing and other related business.

### 2. BASIS OF PREPARATION

These financial statements are unaudited and are being submitted to certificate holders in accordance with the instructions issued by Securities & Exchange Commission of Pakistan. These accounts have been prepared in accordance with the requirement of the International Accounting Standards 34 "Interim Financial Reporting" as applicable in Pakistan.

### 3. ACCOUNTING POLICIES

The accounting policies and methods of computation followed for the preparation of these financial statements are same as those applied in the preparing the financial statements for the year ended June 30, 2012.

4. CASH GENERATED FROM OPERATIONS	Note	September 30, 2012 Rupees	September 30, 2011 Rupees
Profit for the period		70,730,371	64,192,554
Adjustment for :			
Profit on transfer of assets-			
Ijarah (lease)		(4,590,180)	(8,468,741)
owned		(7,999)	-
Depreciation - Ijarah (lease) assets		273,978,440	253,442,328
- assets in own use		773,902	820,184
Amortization of intangible assets		201,098	7,620
Provision for gratuity		375,000	375,000
Dividend income		(13,000)	(450,050)
Profit on :			
Certificates of musharika		30,571,928	19,512,109
Movement in working capital	4.1	(16,606,944)	(12,634,378)
		<u>355,412,616</u>	<u>316,796,626</u>

#### 4.1 Movement in working capital:

(Increase)/decrease in current assets:			
Advances, deposits and short term prepayments		3,045,101	2,893,556
Other receivables		(9,457,889)	(3,527,487)
Ijarah (lease) rentals receivable		(1,604,745)	62,172
(Decrease)/increase in current liabilities:			
Advance Ijarah (lease) and diminishing musharaka rentals received		2,446,590	1,543,612
Unearned Ijarah (lease) and diminishing musharaka rentals		7,566,840	8,568,913
Trade and other payables		(18,602,841)	(22,175,144)
		<u>(16,606,944)</u>	<u>(12,634,378)</u>

sd/-  
Chief Executive

sd/-  
Director

sd/-  
Director



# بِسْمِ اللّٰهِ الرَّحْمٰنِ الرَّحِیْمِ


All Praise is due to Allah, the Cherisher of the world  
Peace and Blessings be upon the Prophet of Allah, on his family and all his companions, and on those who  
follow him with Iman till the day of Aakhirah

## SHARIAH CERTIFICATE FOR FIRST HABIB MODARABA FOR THE PERIOD ENDED SEPTEMBER 2012

It is to certify, in the context of Shariah review carried out by the undersigned for the period from July 1, 2012 to September 18, 2012 that, the business activities (Transactions) on liability side and asset side executed by FHM during the said period were found as per standard requirements of Shariah.

It is thus ruled that, it is permissible (JAIZ) to invest and to do other business activities with FHM as the total attributable income is HALAL and the business operations are Shariah Compliant.

الخطا منی و الصواب من ملهم الصواب

  
Mufti Abdul Sattar Laghari  
Shariah Advisor  
First Habib Modaraba  
September 18, 2012

### فرسٹ حبیب مضاربہ (FHM) میں جاری تجارتی سرگرمیوں سے متعلق شرعی فتویٰ

فرسٹ حبیب مضاربہ (First Habib Modaraba) میں جاری تجارتی سرگرمیاں، برائے تحصیل ذر (Liability Side) اور  
تعمولی ذر (Asset Side)، برائے مدت اجمالی ۲۰۱۲ تا ۱۸ ستمبر ۲۰۱۲ کا تعمیلی جائزہ لینے کے بعد، ان سرگرمیوں کو احکام  
شرعیہ کے جو زہو انین کے موافق پایا۔

لہذا، اس ادارے میں سرمایہ کاری کرنا اور دیگر تجارتی معاملات کرنا شرعاً جائز ہے، اس لئے کہ اس ادارے کی آمدنی حلال ہے اور تجارتی  
معاملات شریعت کے موافق ہیں۔



ولقد علم بالصواب  
عبدالستار لغاری  
شہرہ علیہ اہل بیت و ائمتہ  
فرسٹ حبیب مضاربہ

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