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CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Wazir Mumtaz Ahmed	- Chairman (Non-Executive Director)
Mr. Muhammad Shoab Ibrahim	- Chief Executive Officer
Mr. Abbas Ali Muhammad	- (Non-Executive Director)
Mr. Mohammad Hashim	- (Non-Executive Director)
Mr. Syed Rasheed Akhtar	- (Non-Executive Independent Director)

AUDITORS

Muniff Ziauddin & Company
Chartered Accountants

LEGAL ADVISOR

Mohsin Tayebaly & Company
Ahmed & Qazi Advocates & Legal Consultants

AUDIT COMMITTEE

Mr. Syed Rasheed Akhtar	- Chairman
Mr. Abbas Ali Muhammad	- Member
Mr. Wazir Mumtaz Ahmed	- Member
Mr. Shakeel Ahmed	- Secretary

HUMAN RESOURCE COMMITTEE

Mr. Syed Rasheed Akhtar	- Chairman
Mr. Abbas Ali Muhammad	- Member
Mr. Wazir Mumtaz Ahmed	- Member

COMPANY SECRETARY

Mr. Adnan Thanwey

REGISTRAR:

Noble Computer Services (Pvt.) Limited
Mezzanine Floor, House of Habib Building
(Siddiqsons Tower),
3-Jinnah Cooperative Housing Society,
Main Shahrah-e-Faisal, Karachi, Pakistan.
Tel: 021-34325482-87

BANKERS

Habib Metropolitan Bank Limited (Islamic Banking)
Meezan Bank Limited
Al Baraka Bank Pakistan Limited
Bankislami Pakistan Limited
Burj Bank Limited
Dubai Islamic Bank Pakistan Limited
Soneri Bank Limited (Islamic Banking)

REGISTERED OFFICE

5th Floor, HBZ Plaza (Hirani Centre)
I.I. Chundrigar Road, Karachi.
Tel : 021-32635949-51
Fax : 021-32627373
UAN : 111-346-346
Web : www.habibmodaraba.com
Email : fhm@habibmodaraba.com

GEOGRAPHICAL PRESENCE - BRANCH OFFICES

Lahore Branch:

1st Floor, 5-Z Block, Phase III, Defence Housing
Authority, Lahore.
Tel: 042-35693074-76, Fax: 042-35693077

Islamabad Branch:

Office No. 7, Mezzanine Floor, Razia Shareef Plaza
Blue Area, Islamabad.
Tel: 051-32278865-67, Fax: 051-2278868

Multan Branch:

Mezzanine Floor, Abdali Tower,
Abdali Road, Multan.
Tel : 061-4500121-3, Fax : 061-4588810



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 period ended September 30, 2015.

Alhamdulillah, we have completed first quarter of our current financial year with satisfactory financial numbers. Our disbursement of the quarter has been increased to around 50% as compared to financing of similar quarter of last year. With best efforts of our branches, good disbursements were made in sound clientele during the quarter particularly in car financing. Since last year, the SBP policy rate has been reduced by 350pbs which has diluted our profitability to some extent. However, by the grace of God, we have managed and maintain our profitability through increased of business volume during said quarter.

From the economic front, mix trend of major indicators have been noticed. Exports have been witnessing declining since last year whereas our import has increasing trend which has widened our trade deficit. On other side our current account balance of the country has shown a considerable improvement in recent month. This is mainly due to sharp reduction in oil prices and consistent increase in home remittances. Due to low inflation and improvement in foreign exchange reserves, the State Bank of Pakistan (SBP) further lowered the policy rate by 50 bps in their monetary policy announced on 12th September, 2015.

Pakistan's economy is gradually moving a higher growth trajectory due to implementation of stabilization policies and marked improvement in macroeconomic indicators. In current scenario, the economic performance is moving in right direction, whereas growth in other emerging economies like China, India and South Africa has slightly slowed down. Security condition of the country has also improved which has further support for significant improvement in economic indicators. The development under the China Pakistan Economic Corridor will also provide a solid foundation of infrastructure and economic activity to start growth in several segments of Pakistan's economy. However, increases in exports and foreign direct investments are vital for sustainability of growth. The major structural bottlenecks especially in the textile sector and low international commodity prices are hampering the exports outlook.

Going forward, due to substantial reduction in financing rate, we foresee little impact on overall profitability of FHM. However, as stated earlier, we are confident that by increasing of business volume particularly on financing side, we will be able to maintain our profitability at year end.

The Board would like to express its 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 & business and Certificate holders who have remained committed to FHM. The Board also appreciates dedication, high level of professionalism and hard work of employees of FHM for smooth operations and achieving satisfactory results.

For and on behalf of Board of Directors

Muhammad Shoaib Ibrahim
Chief Executive Officer

Karachi: October 28, 2015

CONDENSED INTERIM BALANCE SHEET

As At September 30, 2015

	Unaudited	Audited
	September 30, 2015	June 30, 2015
ASSETS	Rupees	
NON-CURRENT ASSETS		
Fixed assets - tangible		
Lease Financing assets	2,954,266,516	3,072,311,550
Assets in own use	8,863,123	8,637,666
	2,963,129,638	3,080,949,216
Intangible assets	567,503	661,638
Long-term deposits prepayments and advances	687,450	687,450
Diminishing musharaka financing	1,204,617,637	1,029,713,235
	4,169,002,228	4,112,011,539
CURRENT ASSETS		
Investments	999,517,924	985,220,547
Diminishing musharaka financing - current portion	858,795,038	699,404,010
Lease Financing installments receivable - Secured-considered good	4,989,593	3,601,077
Advances and short term prepayments	2,554,832	3,571,280
Other receivables	26,622,774	42,784,358
Tax refund due from Government	59,184,873	59,184,873
Cash and bank balances	139,170,461	487,512,972
	2,092,835,495	2,281,279,116
TOTAL ASSETS	6,261,837,725	6,393,290,656
EQUITY AND LIABILITIES		
CAPITAL AND RESERVES		
Certificate capital :		
Authorized :		
220,000,000 (2015: 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	2,106,557,598	2,248,855,321
Certificate holders' equity	3,114,557,598	3,256,855,321
NON-CURRENT LIABILITIES		
Security deposits against Lease Financing assets	321,093,411	343,300,486
CURRENT LIABILITIES		
Certificate of musharaka	2,181,683,275	2,360,079,584
Security deposits - current portion	88,133,903	75,200,074
Unearned Lease Financing rentals and diminishing musharaka installments	21,884,502	13,002,325
Advance Lease Financing rentals and diminishing musharaka installments	17,118,934	16,521,499
Trade and other payables	220,414,301	251,292,016
Profit payable on certificate of musharaka	46,828,349	48,570,764
Taxation	2,790,833	2,790,833
Unclaimed profit distribution	25,572,619	25,677,754
Profit distribution payable	221,760,000	-
	2,826,186,716	2,793,134,849
TOTAL EQUITY AND LIABILITIES	6,261,837,725	6,393,290,656

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

CHIEF EXECUTIVE

DIRECTOR

DIRECTOR



CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED)

FOR THE PERIOD ENDED SEPTEMBER 30, 2015

	September 30, 2015	September 30, 2014
	Rupees	
Income from Lease Financing	70,032,335	76,115,193
Profit on diminishing musharaka financing	47,269,749	33,001,625
	<u>117,302,084</u>	<u>109,116,818</u>
Administrative expenses	22,912,908	21,138,695
	<u>94,389,176</u>	<u>87,978,123</u>
Other income	27,486,219	35,828,863
	<u>121,875,395</u>	<u>123,806,986</u>
Financial expenses	35,522,094	35,102,397
	<u>86,353,301</u>	<u>88,704,589</u>
Modaraba Management Company's remuneration	-	-
	<u>86,353,301</u>	<u>88,704,589</u>
WWF & other charges	2,739,127	2,900,640
	<u>83,614,174</u>	<u>85,803,949</u>
Profit for the period	83,614,174	85,803,949
Earnings per certificate - basic and diluted	0.41	0.43

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

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

CHIEF EXECUTIVE

DIRECTOR

DIRECTOR

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

FOR THE PERIOD ENDED SEPTEMBER 30, 2015

	September 30, 2015	September 30, 2014
	-----Rupees-----	
Profit for the period	83,614,174	85,803,949
Other comprehensive income:		
Net unrealised (loss)/gain on available for sale investments	(4,151,897)	(10,659,293)
Comprehensive income / (loss) transferred to equity	<u>79,462,277</u>	<u>75,144,656</u>

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

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

CHIEF EXECUTIVE

DIRECTOR

DIRECTOR



CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)

FOR THE PERIOD ENDED SEPTEMBER 30, 2015

Note	September 30, 2015	September 30, 2014
	Rupees	
Cash flow from operating activities		
Cash generated from operations	4	384,498,737
Purchase of Lease Financing assets		(258,602,113)
Diminishing musharaka financing		(334,295,430)
Proceeds from transfer of Lease Financing assets		104,608,687
Security deposits against Lease Financing assets :		
Received		18,572,192
Refunded / adjusted		(27,845,438)
Net security deposits		(9,273,246)
Financial charges paid		(37,264,509)
Tax deducted at source		(192,788)
Net cash inflow from operating activities		(150,520,662)
Cash flow from investing activities		
Purchase of assets owned (including intangibles)		(1,496,324)
Purchase of investments-available for sale		(19,142,493)
Sale proceed fo investments - available for sale		703,167
Dividend received		615,246
Long-term advances and deposit		-
Net cash inflow/ (outflow) from investing activities		(19,320,404)
Cash flow from financing activities		
Dividend paid		(105,136)
Certificates of musharaka		(178,396,309)
Net cash outflow from financing activities		(178,501,445)
Net (decrease) in cash and cash equivalents		(348,342,511)
Cash and cash equivalents at the beginning of the year		487,512,972
Cash and cash equivalents at the end of the period		139,170,461

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

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

CHIEF EXECUTIVE

DIRECTOR

DIRECTOR

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2015

	Capital Reserves			Revenue Reserves			Total Reserves	Total
	Paid-up capital	Certificate Premium	Statutory reserve	General reserve	Unrealized gain on investments	Unappropriated profit		
	----- Rupees -----							
Balance as at July 01, 2014	1,008,000,000	378,000,000	834,540,718	640,000,000	107,835,091	240,252,008	2,200,627,817	3,208,627,817
Profit distribution for the year ended June 30, 2014 @ 22%	-	-	-	-	-	(221,760,000)	(221,760,000)	(221,760,000)
Comprehensive income for the period	-	-	-	-	(10,659,293)	85,843,445	75,184,152	75,184,152
Balance as at September 30, 2014	<u>1,008,000,000</u>	<u>378,000,000</u>	<u>834,540,718</u>	<u>640,000,000</u>	<u>97,175,798</u>	<u>104,335,453</u>	<u>2,054,051,969</u>	<u>3,062,051,969</u>
Balance as at July 01, 2015	1,008,000,000	378,000,000	911,165,803	640,000,000	71,203,913	248,485,605	2,248,855,321	3,256,855,321
Profit distribution for the year ended June 30, 2015 @ 22%	-	-	-	-	-	(221,760,000)	(221,760,000)	(221,760,000)
Comprehensive income for the period	-	-	-	-	(4,151,897)	83,614,174	79,462,277	79,462,277
Balance as at September 30, 2015	<u>1,008,000,000</u>	<u>378,000,000</u>	<u>911,165,803</u>	<u>640,000,000</u>	<u>67,052,016</u>	<u>110,339,779</u>	<u>2,106,557,598</u>	<u>3,114,557,598</u>

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

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

CHIEF EXECUTIVE

DIRECTOR

DIRECTOR



NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

FOR THE PERIOD ENDED SEPTEMBER 30, 2015

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 Lease Financing, 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 theses financial statements are same as those applied in the preparing the financial statements for the year ended June 30, 2015.

	Note	September 30, 2015	September 30, 2014
Rupees			
4. CASH GENERATED FROM OPERATIONS			
Profit for the period		83,614,174	85,803,949
Adjustment for :			
Profit on transfer of assets-			
Lease Financing		(6,748,266)	(4,297,062)
Depreciation - Lease Financing assets		278,786,727	290,076,288
- assets in own use		1,270,865	1,128,584
Amortization of intangible assets		94,135	275,912
Provision for gratuity		450,000	420,000
Gain on sale of investment - available for sale		(9,948)	-
Dividend income		(615,246)	(1,452,220)
Profit on :			
Certificates of musharika		35,522,094	35,102,397
Movement in working capital	4.1	(7,865,798)	6,556,835
		<u>384,498,737</u>	<u>413,614,683</u>

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2015

	September 30, 2015	September 30, 2014
	-----Rupees-----	
4.1 Movement in working capital:		
(Increase)/decrease in current assets:		
Advances and short term prepayments	1,016,448	5,156,776
Other receivables	14,354,372	18,555,924
Lease Financing rentals receivable	(1,388,516)	5,211,051
(Decrease)/increase in current liabilities:		
Advance Lease Financing and diminishing musharaka rentals received	597,435	(2,577,417)
Unearned Lease Financing and diminishing musharaka rentals	8,882,177	1,697,306
Trade and other payables	(31,327,714)	(21,486,805)
	<u>(7,865,798)</u>	<u>6,556,835</u>

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

CHIEF EXECUTIVE

DIRECTOR

DIRECTOR

