

# First Habib Modaraba

(An Islamic Financial Institution)

(Managed by: HabibMetro Modaraba Management)



**Half Yearly Accounts  
For the period ended  
December 31, 2020  
(Un-audited)**

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## Corporate Information

### 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  
Ahmed & Qazi Advocates & Legal Consultants

### AUDIT COMMITTEE

Mr. Saeed Uddin Khan	- Chairman
Syed Rasheed Akhtar	- Member
Mr. Mohammad Shams Izhar	- Member
Mr. Anas Majid	- Secretary

### HUMAN RESOURCE COMMITTEE

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

### SHARES 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

### AUDITORS

EY Ford Rhodes  
Chartered Accountants

### COMPANY SECRETARY

Mr. Tehsin Abbas

### BANKERS

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

### REGISTERED OFFICE

6<sup>th</sup> 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

#### Karachi Branch:

3rd Floor, Al-Manzoor Building,  
Dr. Ziauddin Ahmed Road, Karachi.  
Tel: 021-32635949-51, Fax: 021-32627373

#### Lahore Branch:

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

#### Islamabad Branch:

Office No. 508, 5th Floor, ISE Towers, Jinnah Avenue  
Blue Area, Islamabad.  
Tel: 051-28994571-73, Fax: 051-2894574

#### 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 our great pleasure to present the un-audited accounts of the Modaraba for the six months ended December 31, 2020.

Allhamdulillah, performance of first half of current year remained satisfactory. During the period, we had made disbursement of Rs.2.778 billion as compared to Rs.2.044 billion of corresponding period of last year, increased by around 35%. Profits of first half also remain as per target set at the beginning of the year. However, it is slightly reduced in comparison of profits of last corresponding period due to low lending rates. We have also managed to increase overall size of balance sheet to Rs.10.289 billion as compare to size of Rs.9.913 billion at the end of June, 2020. As per our performance of first half, Alhamdulillah, our all business targets are in line with our business budget of current financial year. In last 2 months of 2nd quarter we have booked good numbers of financing assets. Our branches are inducting new customers within financing portfolio having sound financials and market reputation.

Presently, overall economic activities have been largely restored to pre-COVID levels. Despite tough economic conditions due to pandemic, policy intervention and swift deployment of constructive measures have helped in restoring the normal functioning of the economy. The uptrend indicates a promising growth ahead in all major sectors like agriculture, industries and services. High numbers of foreign remittances, improved exports earning, slight gain of Pak rupees against US dollars and stability in policy rate of State Bank of Pakistan, altogether have restored investors' confidence and supported well for better business environment. The initiative of SBP for facilitation of Non-Resident Pakistan (NRP) to open Roshan Digital Account (RDA) for conventional and Islamic banking has made encouraging development. So far foreign exchange inflows through RDA is promising and reflecting growing confidence in the SBP's initiative.

As per SBP's report on first quarter, it is expected that keeping in view of positive trend in major economic indicators, country will have their GDP growth rate between 2.0% to 2.50% against negative growth rate of last year. However, due to accelerated growth, the gap between imports and exports is again widening. This is mainly due to increase in imports to support industrial and agriculture activities which are supporting to expand overall economic activities within the country. It is also expected that trade deficit may remain higher side in coming months in the wake of opening of local and global economies particularly imports in machineries and food commodities. Imports of machinery are gradually picking up due to support of concessionary loans for setting up new industrial projects and expansion of existing ones under the Temporary Economic Refinance Facility (TERF) by State Bank of Pakistan.

Going forward it is expected that economic activities will remain in positive directions due to economic supportive policies of government and overall high business sentiments. According to said performance it is witnessing that now businesses have picked up and credit demand from customer are also increasing. We are optimistic for better performance in current half till close of financial year of June, 2021. However, better performance optimistic view is depending on complete settlement of Pandemic within the country since the issue of deadly virus is not completely washed out.

On behalf of Board of Directors, 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 FHM. We also appreciate 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

Syed Rasheed Akhtar

Director

Muhammad Shoaib Ibrahim

Chief Executive Officer

Karachi: 23rd February, 2021

## ڈائریکٹرز کی رپورٹ

یہ ہمارے لئے باعثِ مسرت ہے کہ ہم بورڈ آف ڈائریکٹرز کی جانب سے ۳۱ دسمبر، ۲۰۲۰ کو ختم ہونے والی ششماہی مدت کے اختتام پر مضاربہ کی غیر محتسب شدہ کھاتے پیش کریں۔

الحمد للہ، اس سال بھی پہلی مدت کی کارکردگی اطمینان بخش رہی ہے۔ اس مدت کے دوران ہم نے ۷۸.۷۲ بلین روپے کی ادائیگیاں کی جو کہ پچھلے سال اسی مدت کے دوران ۲۰۴۴ بلین تھی، جو کہ ۳۵ فیصد زیادہ ہے۔ سال کے شروع میں اس مدت کیلئے منافع کا جو ہدف تھا وہ بھی پورا ہوا۔ تاہم، اس میں پچھلے مدت کے مقابلے اس مدت میں قرض کی شرح میں کمی کے باعث تھوڑی کمی رہی۔ ہم اپنی بیلنس شیٹ کے حجم کو بھی ۱۰.۲۸۹ بلین روپے تک لے گئے جو کہ جون ۲۰۲۰ کے اختتام پر ۹.۹۱۳ بلین روپے تھا۔ جہاں تک پہلی مدت کے دوران کارکردگی کی بات ہے، الحمد للہ، ہمارے تمام کاروبار مالی سال کے اہداف کے مطابق کاروباری بجٹ میں مکمل طور پر چل رہے ہیں۔ دوسری سہ ماہی کے آخری دو مہینوں میں ہم نے اچھے خاصے مالی اثاثوں کو بک کیا ہے۔ ہماری برانچز/شاخیں نئے کسٹمرز کو ان مالیاتی پورٹ فولیو میں شامل کر رہی ہیں جن کی مالیاتی اور کاروبار کی ساکھ اچھی ہے۔

اس وقت، تمام معاشی سرگرمیاں بڑے پیمانے پر کوویڈ سے پہلے کی سطح پر بحال ہو چکی ہیں۔ اس وبائی مرض کی وجہ سے مشکل معاشی حالات کو، پالیسی میں مداخلت اور مثبت تعمیری اقدامات کی وجہ سے معمول کی معاشی سرگرمیاں بحال کرنے میں مدد ملی۔ یہ چلتا ہوا سلسلہ تمام شعبوں جیسے کہ زراعت، صنعتوں اور خدمات میں اچھی ترقی کی نشاندہی کر رہا ہے۔ بڑی تعداد میں غیر ملکی ترسیلات، برآمدات میں بہتری، امریکی ڈالر کے مقابلے میں پاکستانی روپے کا معمولی سا اضافہ اور اسٹیٹ بینک آف پاکستان کے پالیسی ریٹ میں استحکام نے مجموعی طور پر سرمایہ کاروں کا اعتماد بحال کیا ہے اور بہتر کاروباری ماحول کیلئے ان کی حمایت کی ہے۔ اسٹیٹ بینک آف پاکستان نے غیر رہائشی پاکستانی (این آر پی) کو اسلامک اور کنونینشل بینکاری کیلئے روشن ڈیجیٹل اکاؤنٹ کھولنے کا حوصلہ افزاء سہولت فراہم کیا ہے، اب تک آر ڈی اے کے ذریعہ زر مبادلہ کی آمد بہترین رہی ہے جو کہ اسٹیٹ بینک آف پاکستان کے اقدامات پر اعتماد کی عکاسی کر رہا ہے۔

پہلی سہ ماہی پر اسٹیٹ بینک کی رپورٹ کے مطابق، یہ توقع کی جاتی ہے کہ بڑے معاشی اشاریوں میں مثبت رجحان کو مد نظر رکھتے ہوئے، ملک میں پچھلے سال کی منفی شرح نمو کے مقابلے میں ۲.۰ فیصد سے ۲.۵۰ فیصد کے درمیان ہوگی۔ تاہم، تیز رفتار نمو/بڑھوتری کی وجہ سے درآمدات اور برآمدات کے درمیان خلیج وسیع ہوتی جا رہی ہے۔ اس کی بنیادی وجہ صنعتی اور زرعی سرگرمیوں کی مدد کیلئے درآمدات میں اضافہ ہے جو ملک کے اندر معاشی سرگرمیوں کو بڑھانے کیلئے مددگار ثابت ہوگی۔ یہ بھی توقع کی جا رہی ہے کہ مقامی اور عالمی معیشتوں خاص طور پر مشینریوں اور اشیائے خورد و نوش میں درآمدات کے آغاز کے بعد آنے والے مہینوں میں تجارتی خسارہ زیادہ ہی رہے گا۔ اسٹیٹ بینک آف

پاکستان کے ذریعہ عارضی معاشی ری فنانسینگ سہولت (ٹی ای آر ایف) کے تحت نئے صنعتی منصوبوں کے قیام کیلئے مراعات والے قرضوں کی حمایت اور موجودہ قرضوں کی توسیع کی وجہ سے مشینری کی درآمدات آہستہ آہستہ بڑھ رہی ہیں۔

آگے بڑھتے ہوئے اس بات کی امید ہے کہ حکومت کی معاشی مددگار پالیسیاں اور مجموعی طور پر اعلیٰ کاروباری حوصلے کی وجہ سے معاشی سرگرمیاں مثبت سمتوں میں رہیں گی۔ موجودہ کارکردگی کے مطابق یہ بات دیکھنے میں آرہی ہے کہ اب کاروبار میں تیزی آئی ہے اور صارفین کی طرف سے کریڈٹ کی مانگ بھی بڑھ رہی ہے۔ ہم ختم ہونے والے مالی سال تک جو کہ جون ۲۰۲۱ میں اختتام پذیر ہو رہا ہے تک بہترین کارکردگی کی امید رکھتے ہیں۔ تاہم، بہتر کارکردگی کی امید ملک میں وبائی مرض کے مکمل تصفیہ تک ہے کیونکہ یہ مہلک وائرس ابھی مکمل طور پر ختم نہیں ہوا ہے۔

بورڈ آف ڈائریکٹرز کی طرف سے ہم سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کا اور رجسٹرار مضاربہ کے بہت ہی مشکور ہیں جنہوں نے ہماری مسلسل رہنمائی اور سرپرستی کی، اپنے قابل قدر کسٹمز کا، اپنے سرٹیفیکیٹ ہولڈرز کا کہ انہوں نے ہم پر بھروسہ کیا اور فرسٹ حبیب 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 کے لئے اور ان کی جانب سے

سید رشید اختر  
ڈائریکٹر

محمد شعیب ابراہیم  
چیف ایگزیکٹو آفیسر

کراچی۔ فروری، ۲۳، ۲۰۲۱

## INDEPENDENT AUDITORS' REVIEW REPORT

To the Certificate Holders of First Habib Modaraba

Report on review of Interim Financial Statements.

### Introduction

We have reviewed the accompanying condensed interim balance sheet of First Habib Modaraba (the Modaraba) as at 31 December 2020, the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement, condensed interim statement of changes in equity, and notes to the interim financial statements for the six month period then ended (here-in-after referred to as "interim financial statements"). Management Company is responsible for the preparation and presentation of these interim financial statements in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review. The figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarters ended 31 December 2020 and 31 December 2019 have not been subject to limited scope review by the external auditors as we are only required to review the cumulative figures for the six-month period ended 31 December 2020.

### Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Statements Performed by the Independent Auditor of the Entity". A review of interim financial statements 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 interim financial statements are not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. The engagement partner on the audit resulting in this independent auditors' report is Shaikh Ahmed Salman.



Chartered Accountants  
Karachi  
Date: 24 February 2021

## CONDENSED INTERIM BALANCE SHEET

AS AT DECEMBER 31, 2020

	Note	(Un-audited)	(Audited)
		December 31, 2020	June 30, 2020
-----Rupees-----			
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Lease financing assets	4	1,252,858,403	1,719,650,990
Assets in own use	5	63,565,820	69,428,828
Intangible assets		141,281	198,711
Diminishing musharaka financing	6	4,962,961,274	4,282,849,332
Long term prepayments and deposits		1,227,850	1,218,850
		<b>6,280,754,628</b>	6,073,346,711
<b>CURRENT ASSETS</b>			
Investments	7	669,925,707	768,406,670
Current portion of diminishing musharaka financing	6	3,045,847,005	2,719,651,582
Lease financing installments receivables		359,717	1,003,375
Diminishing musharaka financing installments receivables		286,401	2,785,509
Advances, deposits and prepayments		3,283,688	4,440,028
Other receivables		10,138,083	21,102,159
Income tax refundable	8	167,077,006	153,711,487
Cash and bank balances		111,443,343	168,609,750
		<b>4,008,360,950</b>	3,839,710,560
<b>TOTAL ASSETS</b>		<b>10,289,115,578</b>	9,913,057,271
<b>EQUITY AND LIABILITIES</b>			
<b>CAPITAL AND RESERVES</b>			
Authorized certificate capital 220,000,000 (June 30, 2020: 220,000,000) certificates of Rs.5 each		1,100,000,000	1,100,000,000
Issued, subscribed and paid-up certificate capital		1,008,000,000	1,008,000,000
Reserves		2,421,114,426	2,538,683,912
Certificate holders' equity		3,429,114,426	3,546,683,912
<b>SURPLUS ON REVALUATION OF INVESTMENTS</b>	7	178,500,563	86,870,111
<b>NON-CURRENT LIABILITIES</b>			
Security deposits against lease financing assets		179,574,745	232,284,208
Liability against right of use assets	11	22,335,990	21,771,196
		201,910,735	254,055,404
<b>CURRENT LIABILITIES</b>			
Certificates of investment (musharaka)	10	5,764,055,534	5,279,731,965
Security deposits - current portion		80,242,682	124,155,383
Current maturity of liability against right of use assets	11	1,283,119	1,095,504
Unearned lease financing and diminishing musharaka installments		7,657,205	7,204,778
Advance lease financing and diminishing musharaka installments		13,823,996	15,193,649
Trade and other payables		468,973,384	419,261,414
Profit payable on certificates of investment (musharaka)		96,718,712	135,580,868
Unclaimed profit distributions		46,835,222	43,224,283
		<b>6,479,589,854</b>	6,025,447,844
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>10,289,115,578</b>	9,913,057,271

**CONTINGENCIES AND COMMITMENTS**

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The annexed notes from 1 to 20 form an integral part of these interim financial statements.

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

Chief Executive Officer

Chief Financial Officer

Director

Director



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

FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2020

	Note	Half year ended		Quarter ended	
		December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
(Rupees)					
Income from lease financing		46,485,970	83,799,738	14,517,792	36,783,731
Income from diminishing musharaka financing		377,593,200	513,428,582	214,067,290	260,442,576
Provision in respect of diminishing musharaka		(19,845,310)	(5,588,950)	(23,038,864)	4,473,822
Administrative expenses		(76,985,035)	(75,568,715)	(40,215,884)	(40,974,598)
		<b>327,248,825</b>	516,070,655	<b>165,330,334</b>	260,725,531
Other income	13	56,123,946	79,823,045	34,640,088	43,822,581
		<b>383,372,771</b>	595,893,700	<b>199,970,422</b>	304,548,112
Financial charges		(193,935,186)	(395,637,164)	(103,372,321)	(203,033,133)
Modaraba Management Company's remuneration	14	(18,943,759)	(20,025,654)	(9,659,810)	(10,151,497)
Sales tax on Modaraba Management Company's remuneration	14	(2,462,689)	(2,603,335)	(1,255,776)	(1,319,695)
Provision for Sindh Workers' Welfare Fund		(3,360,623)	(3,552,551)	(1,713,651)	(1,800,875)
<b>Profit before taxation</b>		<b>164,670,514</b>	174,074,997	<b>83,968,864</b>	88,242,912
Taxation	15	-	-	-	-
<b>Profit for the period</b>		<b>164,670,514</b>	174,074,997	<b>83,968,864</b>	88,242,912
<b>Earning per certificate - basic and diluted</b>	16	<b>0.82</b>	0.86	<b>0.42</b>	0.44

The annexed notes from 1 to 20 form an integral part of these interim financial statements.

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

Chief Executive Officer

Chief Financial Officer

Director

Director

## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN -AUDITED)

FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2020

	Half year ended		Quarter ended	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
	(Rupees)			
<b>Profit for the period</b>	<b>164,670,514</b>	174,074,997	<b>83,968,864</b>	88,242,912
<b>Components of other comprehensive income reflected below equity</b>				
<b>Items that will not be reclassified subsequently to profit and loss account</b>				
Surplus on revaluation of investments classified as 'at fair value through other comprehensive income' - net	<b>91,630,448</b>	27,155,172	<b>57,956,412</b>	-
<b>Total comprehensive income for the period</b>	<b>256,300,962</b>	201,230,169	<b>141,925,276</b>	88,242,912

The annexed notes from 1 to 20 form an integral part of these interim financial statements.

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

Chief Executive Officer

Chief Financial Officer

Director

Director

## CONDENSED INTERIM CASH FLOW STATEMENT (UN -AUDITED)

FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2020

	Note	December 31, 2020	December 31, 2019
-----Rupees-----			
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Profit for the period		164,670,514	174,074,997
Adjustment for:			
Depreciation and amortization		394,055,863	575,262,177
Financial charges		193,539,485	395,342,314
Gain on transfer of lease financing assets - net		(13,650,574)	(7,690,378)
Gain on disposal of assets in own use - net		(700,694)	(12,999)
Provision in respect of diminishing musharaka		19,845,310	5,588,950
Loss on termination of lease contract		-	20,834
Dividend income	13	(10,234,519)	(6,953,100)
		582,854,871	961,557,798
<b>Changes in working capital</b>			
<b>Decrease / (increase) in current assets</b>			
Lease financing installments receivables		643,658	8,540,745
Diminishing musharaka financing installments receivables		(17,346,202)	15,326,248
Advances, deposits and prepayments		1,156,340	2,686,313
Income tax refundable		(13,365,519)	(16,679,563)
Other receivables		11,616,059	25,320,323
		(17,295,664)	35,194,066
<b>(Decrease) / increase in current liabilities</b>			
Unearned lease financing and diminishing musharaka installments		452,427	6,221,052
Advance lease financing and diminishing musharaka installments		(1,369,653)	(1,321,024)
Trade and other payables		49,711,970	(13,770,873)
		48,794,744	(8,870,845)
<b>Cash generated from operations</b>		779,024,465	1,161,956,016
Purchase of lease financing assets		(99,558,829)	(438,157,809)
Proceeds from transfer of lease financing assets		195,033,031	143,808,360
Diminishing musharaka financing - net		(1,006,307,365)	(31,181,225)
Long term advances, deposits and prepayments		(9,000)	(17,611,905)
Security deposits against lease financing assets		(96,622,164)	(11,333,574)
Financial charges paid		(230,826,474)	(369,289,797)
Tax paid		(651,983)	(2,613,951)
		(1,238,942,784)	(726,379,901)
<b>Net cash (outflow) / inflow from operating activities</b>		(459,918,319)	435,576,115
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of assets in own use		(4,709,392)	(4,193,785)
Proceeds from sale / maturity of investments		500,000,000	65,847,897
Payments of lease rentals		(822,758)	(11,001,591)
Proceeds from sale of assets in own use		2,243,621	13,003
Dividends received		10,234,519	6,953,100
<b>Net cash generated from investing activities</b>		506,945,990	57,618,624
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Dividends paid		(278,629,062)	(277,220,216)
Payment on maturity of murabaha financing		-	100,000,000
Profit paid on murabaha financing		-	(21,704,421)
Advance against / (payment on maturity of) murabaha financing		-	(225,000,000)
Certificates of investment (musharaka)		484,323,569	98,668,946
<b>Net cash (outflow)/ inflow from financing activities</b>		205,694,507	(325,255,691)
Net increase / (decrease) in cash and cash equivalents during the period		252,722,178	167,939,048
Cash and cash equivalents at the beginning of the period		168,609,750	50,624,704
<b>Cash and cash equivalents at the end of the period</b>	9	421,331,928	218,563,752

The annexed notes from 1 to 20 form an integral part of these interim financial statements.

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

Chief Executive Officer

Chief Financial Officer

Director

Director

## CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN -AUDITED)

FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2020

	Certificate capital	Capital reserves		Revenue reserves		Total equity
		Certificate premium	Statutory reserves*	General reserves	Unappropriated profit	
(Rupees)						
Balance as at July 01, 2019	1,008,000,000	378,000,000	1,119,474,106	640,000,000	366,248,017	3,511,722,123
Profit distribution for the year ended						
June 30, 2019 @ Rs. 1.40 per certificate	-	-	-	-	(282,240,000)	(282,240,000)
Total comprehensive income for the period	-	-	-	-	174,074,997	174,074,997
Surplus transferred to unappropriated profit during the period	-	-	-	-	(96,327)	(96,327)
<b>Balance as at December 31, 2019</b>	<b>1,008,000,000</b>	<b>378,000,000</b>	<b>1,119,474,106</b>	<b>640,000,000</b>	<b>257,986,687</b>	<b>3,403,460,793</b>
Balance as at July 01, 2020	1,008,000,000	378,000,000	1,135,308,260	640,000,000	385,375,652	3,546,683,912
Profit distribution for the year ended						
June 30, 2020 @ Rs. 1.40 per certificate	-	-	-	-	(282,240,000)	(282,240,000)
Total comprehensive income for the period	-	-	-	-	164,670,514	164,670,514
Surplus transferred to unappropriated profit during the period	-	-	-	-	-	-
<b>Balance as at December 31, 2020</b>	<b>1,008,000,000</b>	<b>378,000,000</b>	<b>1,135,308,260</b>	<b>640,000,000</b>	<b>267,806,166</b>	<b>3,429,114,426</b>

\* 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 (SECP).

The annexed notes from 1 to 20 form an integral part of these interim financial statements.

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

Chief Executive Officer

Chief Financial Officer

Director

Director

# CONDENSED INTERIM NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2020

## 1. STATUS AND NATURE OF BUSINESS

First Habib Modaraba (the Modaraba) is a perpetual, multi-purpose modaraba floated and managed by Habib Metropolitan Modaraba Management Company (Private) Limited (the Modaraba Management Company) The Modaraba is listed on Pakistan Stock Exchange Limited. The Modaraba is engaged in the business of Leasing, Musharaka, Murabaha financing and other related business. The affairs, activities and transactions, performed by the Modaraba during the period comply with the rules and principles of Islamic Shariah in light of the guidelines and directives given by the Shariah Advisor and guidelines issued by office of the Registrar Modaraba, Securities and Exchange Commission of Pakistan Limited (SECP). The registered office of the Modaraba is at 6th Floor at HBZ Plaza (Hirani Centre), I.I. Chundrigar Road, Karachi.

## 2. BASIS OF PREPARATION

**2.1** These interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. Such standards comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017; and
- The requirements of Modaraba Companies and Modarabas (Floatation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981 and Prudential Regulations for Modarabas (hereinafter referred to as the relevant laws).

The SECP has issued directive (vide SRO 431 (I) / 2007 dated May 22, 2007) that Islamic Financial Accounting Standard 2 (IFAS 2) shall be followed in preparation of the financial statements by Companies and Modarabas while accounting for Lease Financing transactions as defined by the said standard. The Modaraba has adopted the said standard.

Where the provisions of and directives issued under the Companies Act 2017, the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981 and Prudential Regulation for Modarabas and IFAS differ from International Financial Reporting Standards, the provision of and directives issued under the Companies Act, 2017 the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981 and Prudential Regulations for Modarabas and IFAS have been followed.

Where the provisions of and directives issued under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981 and Prudential Regulation for Modarabas differ from Companies Act 2017, the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981 and Prudential Regulation for Modarabas shall prevail.

**2.2** The 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, 2020.

**2.3** These 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.

**2.4** These interim financial statements have been presented in Pak Rupee, which is the functional currency of the Modaraba.

## CONDENSED INTERIM NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2020

### 3. SIGNIFICANT ACCOUNTING POLICIES, ESTIMATES AND JUDGEMENTS

**3.1** The accounting policies and methods of computation followed for the preparation of these interim financial statements are the same as those applied in preparing the financial statements for the year ended June 30, 2020 except for the following amended IFRS interpretations which became effective during the period as mentioned in note 3.2 below:

**3.2** New / Revised Standards, Interpretations and Amendments

The Modaraba has adopted the following accounting standards, interpretations, amendments and improvements of IFRSs which became effective for the current period:

IFRS 14 – Regulatory Deferral Accounts

IFRS 16 - COVID 19 Related Rent Concessions (Amendments)

Amendment to IFRS 3 ‘Business Combinations’ – Definition of a Business

Amendments to IFRS 9, IAS 39 and IFRS 7 - Interest Rate Benchmark Reform

Amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes

in Accounting Estimates and Errors - Definition of Material

The SECP has deferred the applicability of IFRS-9 for Modarabas which is now applicable for reporting period / year ending on or after 30 June 2021 via SRO 321(I) / 2020 dated April 17, 2020. Accordingly, the Modaraba has made the provision against Islamic financing in accordance with requirement of the Prudential Regulations and Modaraba's policies for the period ended December 31, 2020. The management is currently evaluating the impact of provisioning on Islamic financing as per IFRS 9 which will be incorporated in the financial statements for the year ending 30 June 2021.

The adoption of the above standards, amendments and improvements to accounting standards and interpretations did not have any effect on the interim financial statements.

**3.3** The preparation of 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, 2020.

**3.4** The financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Modaraba for the year ended June 30, 2020.

		(Un-audited)	(Audited)
		December 31, 2020	June 30, 2020
		-----Rupees-----	
<b>4. LEASE FINANCING ASSETS</b>	<b>Note</b>		
Lease financing assets	4.1	<b>1,250,943,403</b>	1,691,512,990
Advance against lease financing assets		<b>1,915,000</b>	28,138,000
		<b>1,252,858,403</b>	1,719,650,990

# CONDENSED INTERIM NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2020

		(Un-audited)	(Un-audited)
		December 31, 2020	December 31, 2019
		-----Rupees-----	
<b>4.1</b>	<b>Additions and disposals in lease financing assets</b>		
	<b>Additions during the period</b>		
	Plant, machinery and equipment	86,526,619	-
	Vehicles	38,049,710	413,952,033
		<b>124,576,329</b>	<b>413,952,033</b>
	<b>Disposal (at book value) during the period</b>		
	Plant, machinery and equipment	52,715,738	6,268,972
	Vehicles	127,461,219	130,659,004
		<b>180,176,957</b>	<b>136,927,976</b>
		(Un-audited)	(Audited)
		December 31, 2020	June 30, 2020
		-----Rupees-----	
<b>5.</b>	<b>ASSETS IN OWN USE</b>		
	Assets in own use	38,445,106	41,012,823
	Capital work-in-progress	-	756,769
	Right of use assets	25,120,714	27,659,236
		<b>63,565,820</b>	<b>69,428,828</b>
		(Un-audited)	(Un-audited)
		December 31, 2020	December 31, 2019
		-----Rupees-----	
<b>5.1</b>	<b>Additions and disposals in assets in own use</b>		
	<b>Additions during the period</b>		
	Office equipment	1,078,253	1,226,388
	Furniture and fixture	454,850	710,602
	Vehicles	2,834,999	1,794,738
	Leasehold improvements	1,098,059	1,677,746
		<b>5,466,161</b>	<b>5,409,474</b>
	<b>Disposal (at book value) during the period</b>		
	Office equipment	14,681	1
	Furniture and fixture	58,341	2
	Vehicles	1,469,903	1
		<b>1,542,925</b>	<b>4</b>
		(Un-audited)	(Audited)
		December 31, 2020	June 30, 2020
		-----Rupees-----	
<b>5.2</b>	Opening	27,659,236	-
	Impact of adoption of IFRS 16	-	33,419,015
	Adjusted opening	27,659,236	33,419,015
	Depreciation Expense	(2,538,522)	(5,097,125)
	Terminated during the period	-	(662,654)
	Closing	<b>25,120,714</b>	<b>27,659,236</b>

## CONDENSED INTERIM NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2020

	Note	(Un-audited)	(Audited)
		December 31, 2020	June 30, 2020
-----Rupees-----			
<b>6. DIMINISHING MUSHARAKA FINANCING - SECURED</b>			
Diminishing musharka financing		<b>6,863,470,660</b>	6,789,058,938
Less: Provision in respect of Diminishing Musharaka		<b>(129,510,526)</b>	(109,665,216)
		<b>6,733,960,134</b>	6,679,393,722
Less: Current portion		<b>(3,045,847,005)</b>	(2,719,651,582)
		<b>3,688,113,129</b>	3,959,742,140
Advance against diminishing musharaka financing		<b>1,274,848,145</b>	323,107,192
		<b>4,962,961,274</b>	4,282,849,332
<b>7. INVESTMENTS</b>			
At fair value through other comprehensive income			
Investment in shares		<b>280,037,122</b>	188,406,670
Investment in sukuk		<b>80,000,000</b>	80,000,000
		<b>360,037,122</b>	268,406,670
At amortised cost			
Investment in Term Deposit Musharakas (TDMs)	7.1	<b>309,888,585</b>	500,000,000
		<b>669,925,707</b>	768,406,670

**7.1** These carry profit at rates ranging from 5.33% to 12.90% (June 30, 2020: 6.25% to 13.00%) per annum, having latest maturity of March 2021.

	(Un-audited)	(Audited)
	December 31, 2020	June 30, 2020
-----Rupees-----		
<b>7.2 Surplus on revaluation of investments</b>		
Market value of investments	<b>360,037,126</b>	268,406,670
Less: Cost of investments	<b>(181,536,563)</b>	(181,536,559)
	<b>178,500,563</b>	86,870,111
Surplus on revaluation at the beginning of the period / year	<b>86,870,111</b>	124,880,019
Surplus transferred to unappropriated profit during the period / year	-	96,327
Surplus / (deficit) on revaluation during the period / year	<b>91,630,452</b>	(38,106,235)
	<b>91,630,452</b>	(38,009,908)
	<b>178,500,563</b>	86,870,111

**7.2.1** Surplus on revaluation of investments is presented under a separate head below equity as 'surplus on revaluation of investments' in accordance with the requirements of Circular No. SC/M/PRDD/PRs/2017-259 dated December 11, 2017.



## CONDENSED INTERIM NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2020

	Note	(Un-audited)	(Audited)
		December 31, 2020	June 30, 2020
-----Rupees-----			
<b>8. INCOME TAX REFUNDABLE</b>			
Income tax	8.1	<b>167,077,006</b>	153,711,487

**8.1** This represents the advance tax deducted by the various withholding agents under various sections of the Income Tax Ordinance, 2001. The management has claimed the tax deducted in return for the Tax Year 2020, as the management is confident that the same shall be refunded.

	Note	(Un-audited)	(Audited)
		December 31, 2020	June 30, 2020
-----Rupees-----			
<b>9. CASH AND CASH EQUIVALENTS</b>			
Cash and bank balance		<b>111,443,343</b>	168,609,750
Term Deposit Musharakas (TDMs)	7	<b>309,888,585</b>	-
		<b>421,331,928</b>	168,609,750

### 10. CERTIFICATES OF INVESTMENT (MUSHARAKA) - UNSECURED

Certificates of investment (musharaka)	10.1	<b>5,764,055,534</b>	5,279,731,965
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**10.1** These certificates have different denominations and are repayable within three months to one year. The estimated share of profit paid / payable on these certificates ranges between 5.50% to 7.15% (June 30, 2020: 6.55% to 13.90%) per annum.

	Note	(Un-audited)	(Audited)
		December 31, 2020	June 30, 2020
-----Rupees-----			
<b>11. LIABILITY AGAINST RIGHT OF USE ASSETS</b>			
Opening		<b>22,866,700</b>	-
Impact of adoption of IFRS 16		-	32,876,629
Adjusted opening		<b>22,866,700</b>	32,876,629
Finance cost for the period		<b>1,575,167</b>	3,292,359
Payments made during the period		<b>(822,758)</b>	(12,660,469)
Terminated during the period		-	(641,820)
Closing		<b>23,619,109</b>	22,866,700
Less: Current maturity		<b>(1,283,119)</b>	(1,095,504)
		<b>22,335,990</b>	21,771,196

### 12. CONTINGENCIES AND COMMITMENTS

#### 12.1 Contingencies

There is no change in the status of the case related to letter received by the Modaraba from Sindh Revenue Board (SRB) dated August 09, 2018, related to sales tax on lease rentals / lease financing transactions as mentioned in note 25.1 to annual financial statement of the Modaraba for the year ended June 30, 2020.

#### 12.2 Commitments

Commitments in respect of financing transactions amounted to Rs.536 (June 30, 2020: Rs.136) million.

## CONDENSED INTERIM NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2020

	(Un-audit)			
	Half year ended		Quarter ended	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
	(Rupees)			
<b>13. OTHER INCOME</b>				
Dividend on shares	10,234,519	6,953,100	10,234,519	6,953,100
Gain on transfer of lease financing assets	13,650,574	7,690,378	10,345,567	4,166,715
Gain on sale of owned fixed assets	700,694	12,999	221,162	12,999
Profit on Modaraba's deposit accounts	10,189,834	10,493,314	3,966,632	5,772,716
Profit on Term Deposit				
Musharakas (TDMs)	11,033,198	40,627,918	4,555,219	17,889,465
Profit on sukuk	3,667,354	5,730,329	1,838,194	2,939,486
Miscellaneous income	6,647,773	8,315,007	3,478,795	6,088,100
	<b>56,123,946</b>	<b>79,823,045</b>	<b>34,640,088</b>	<b>43,822,581</b>

### 14. MODARABA MANAGEMENT COMPANY'S FEE INCLUSIVE OF SALES TAX

**14.1** The Modaraba Management Company is entitled to a remuneration for services rendered to the Modaraba under the provisions of the Modaraba Companies and Modarabas (Floatation and Control) Ordinance, 1980 upto a maximum of 10% per annum of the net annual profits of the Modaraba. The fee for the period ended December 31, 2020 has been recognized at 10% (December 31, 2019: 10%) of profit for the period.

**14.2** There is no change in the status of the Sindh Sales Tax levied by the Sindh Government at the rate of 13% (December 31, 2019: 13%) on the remuneration of the Modaraba Management Company, as reported in note 23.6 to the annual financial statements of the Modaraba for the year ended June 30, 2020.

### 15. 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 financial statements.

### 16. EARNINGS PER CERTIFICATE - BASIC AND DILUTED

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

	(Un-audit)			
	Half year ended		Quarter ended	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
	(Rupees)			
Net profit for the period	164,670,514	174,074,997	83,968,864	88,242,912
Weighted average number of ordinary certificates	201,600,000	201,600,000	201,600,000	201,600,000
Basic earnings per certificate	0.82	0.86	0.42	0.44

## CONDENSED INTERIM NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2020

### 17. TRANSACTIONS WITH RELATED PARTIES

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, Habib Metro Modaraba, Habib Metropolitan Financial Services Limited, First Habib Modaraba Employees' Provident Fund, First Habib Modaraba Employees' Gratuity Fund and key management personnel. Transactions and balances outstanding with related parties and associated undertakings are as follows:

			(Un-audited)	(Audited)
			December 31, 2020	June 30, 2020
			-----Rupees-----	
<b>Balances held</b>				
<b>Related party</b>	<b>Related party relationship</b>	<b>Nature of balances</b>		
Habib Metropolitan Bank Limited	Holding Company	Bank Balances	<b>110,636,760</b>	167,733,693
		Investment in Term Deposit Musharaka	<b>109,888,585</b>	100,000,000
		Certificates of investment (musharaka)	<b>1,675,000,000</b>	700,000,000
		Profit receivable	<b>2,051,474</b>	3,855,200
		Financial Charges Payable	<b>16,386,233</b>	13,024,658
		Prepaid Utility charges	-	1,845,689
		Prepaid rent	-	344,556
		Security deposit	<b>130,000</b>	130,000
		Lease financing assets*	-	-
Habib Bank AG Zurich	Ultimate Parent	Lease financing assets*	-	121,821
Habib Metropolitan Modaraba Management Company (Private) Limited	Management Company	Management fee payable	<b>18,943,759</b>	36,431,341
		Sale tax on management fee payable	<b>20,865,608</b>	18,402,912
Staff Retirement Benefit Funds	Associate	Payable to staff Gratuity Fund	<b>1,500,000</b>	-

## CONDENSED INTERIM NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2020

			(Un-audited)	
			December 31, 2020	December 31, 2019
			-----Rupees-----	
Transactions during the period				
Related party	Related party relationship	Nature of transactions		
Habib Metropolitan Bank Limited	Holding Company	Profit on bank accounts	<b>13,124,482</b>	10,379,827
		Bank charges	<b>395,560</b>	371,484
		Utility charges	<b>1,845,689</b>	1,675,682
		Rent expense	<b>344,556</b>	313,236
		Financial charges	<b>36,983,493</b>	307,760,822
		Lease financing installments received*	-	2,473,967
Habib Bank AG Zurich	Ultimate Parent	Lease financing installments received*	-	359,191
Habib Metropolitan Modaraba Management Company (Private) Limited	Management Company	Management fee	<b>18,943,759</b>	20,025,654
		Sale tax on management fee	<b>2,462,689</b>	2,603,335
		Management fee paid	<b>36,431,341</b>	36,776,702
		Dividend paid	<b>28,224,000</b>	28,224,000
Habib Metropolitan Financial Services Limited	Associate	Brokerage commission	-	13,225
		Sale of securities	-	15,847,897
Staff Retirement Benefit Fund	Associate	Gratuity expense	<b>1,500,000</b>	1,440,000
		Contribution made	-	376,174
Provident Fund	Associate	Contribution made	<b>1,527,642</b>	1,412,177

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

**17.2** The Modaraba carries out transactions with related parties at commercial terms and conditions as per Modaraba's policy.

No new financing disbursements have been made to associated undertakings during the period ended December 31, 2020. Further the lease financing outstanding was originally disbursed before March 31, 2017 when these were not associated undertakings (related parties) of the Modaraba.

### 18. FAIR VALUE OF FINANCIAL INSTRUMENTS

IFRS 13 - 'Fair Value Measurement' establishes a single source of guidance under IFRS for all fair value measurements and disclosures about fair value measurement where such measurements are required as permitted by other IFRSs. It defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. an exit price).

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and financial liabilities is considered not significantly different from book value.

# CONDENSED INTERIM NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2020

The following table shows financial instruments recognised at fair value, analysed between those whose fair value is based on:

- Level 1:** quoted prices in active markets for identical assets or liabilities;
- Level 2:** those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and
- Level 3:** those with inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	December 31, 2020 (Un-audited)							
	Carrying amount				Fair value			
	At Fair value through OCI	At fair value through profit or loss	At amortised cost	Total	Level 1	Level 2	Level 3	Total
(Rupees)				(Rupees)				
<b>Financial assets measured at fair value</b>								
Shares of listed companies	280,037,122	-	-	280,037,122	280,037,122	-	-	280,037,122
Sukuk	80,000,000	-	-	80,000,000	-	80,000,000	-	80,000,000
	<u>360,037,122</u>	<u>-</u>	<u>-</u>	<u>360,037,122</u>	<u>280,037,122</u>	<u>80,000,000</u>	<u>-</u>	<u>360,037,122</u>
<b>Financial assets not measured at fair value (note 18.1)</b>								
Investment in Term Deposit Musharaka (TDMs)	-	-	309,888,585	309,888,585				
Diminishing musharaka financing	-	-	8,008,808,279	8,008,808,279				
Long term deposits	-	-	1,227,850	1,227,850				
Lease financing installments receivables	-	-	359,717	359,717				
Diminishing musharaka financing installments receivables	-	-	286,401	286,401				
Advances, deposits and prepayments	-	-	1,307,905	1,307,905				
Other receivables	-	-	10,138,083	10,138,083				
Cash and bank balances	-	-	111,443,343	111,443,343				
	<u>-</u>	<u>-</u>	<u>8,443,460,163</u>	<u>8,443,460,163</u>				

During the period ended December 31, 2020, there were no transfers between level 1 and level 2 fair value measurements, and no transfer into and out of level 3 fair value measurements.

	June 30, 2020 (Audited)							
	Carrying amount				Fair value			
	At Fair value through OCI	At fair value through profit or loss	At amortised cost	Total	Level 1	Level 2	Level 3	Total
(Rupees)				(Rupees)				
<b>Financial assets measured at fair value</b>								
Shares of listed companies	188,406,670	-	-	188,406,670	188,406,670	-	-	188,406,670
Sukuk	80,000,000	-	-	80,000,000	-	80,000,000	-	80,000,000
	<u>268,406,670</u>	<u>-</u>	<u>-</u>	<u>268,406,670</u>	<u>188,406,670</u>	<u>80,000,000</u>	<u>-</u>	<u>268,406,670</u>
<b>Financial assets not measured at fair value</b>								
Investment in Term Deposit Musharaka (TDMs)	-	-	500,000,000	500,000,000				
Diminishing musharaka financing	-	-	7,002,500,914	7,002,500,914				
Long term advances and deposits	-	-	1,218,850	1,218,850				
Lease financing installments receivables	-	-	1,003,375	1,003,375				
Diminishing musharaka financing installments receivables	-	-	2,785,509	2,785,509				
Advances, deposits and prepayments	-	-	2,043,244	2,043,244				
Other receivables	-	-	6,676,639	6,676,639				
Cash and bank balances	-	-	168,609,750	168,609,750				
	<u>-</u>	<u>-</u>	<u>7,684,838,281</u>	<u>7,684,838,281</u>				

	December 31, 2020 (Un-audited)			June 30, 2020 (Audited)		
	At fair value	Other financial liabilities	Total	At fair value	Other financial liabilities	Total
(Rupees)						
<b>Financial liabilities</b>						
Security deposits against lease financing assets	-	259,817,427	259,817,427	-	356,439,591	356,439,591
Liability against right of use assets	-	23,619,109	23,619,109	-	22,866,700	22,866,700
Certificates of investment (musharaka)	-	5,764,055,534	5,764,055,534	-	5,279,731,965	5,279,731,965
Unearned lease financing and diminishing musharaka installments	-	7,657,205	7,657,205	-	7,204,778	7,204,778
Advance lease financing and diminishing musharaka installments	-	13,823,996	13,823,996	-	15,193,649	15,193,649
Trade and other payables	-	385,642,545	385,642,545	-	338,394,057	338,394,057
Profit payable on certificates of investment (musharaka)	-	96,718,712	96,718,712	-	135,580,868	135,580,868
Unclaimed profit distributions	-	46,835,222	46,835,222	-	43,224,283	43,224,283
	<u>-</u>	<u>6,598,169,750</u>	<u>6,598,169,750</u>	<u>-</u>	<u>6,198,635,891</u>	<u>6,198,635,891</u>

## CONDENSED INTERIM NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2020

**18.1** The Modaraba has not disclosed the fair values for these financial assets, as these are either short term in nature or repriced periodically. Therefore, their carrying amounts are a reasonable approximation of fair value.

### **19. DATE OF AUTHORIZATION FOR ISSUE**

These condensed interim financial statements were authorized for issue on February 23, 2021 by the Board of Directors of the Modaraba Management Company.

### **20. GENERAL**

**20.1** 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.

**20.2** Figures for the quarters ended December 31, 2020 and December 31, 2019 as reported in these interim financial statements have not been subject to limited scope review by the external auditors.

**20.3** Figures have been rounded off to the nearest rupee.

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

Chief Executive Officer

Chief Financial Officer

Director

Director