



# First Habib Modaraba

(An Islamic Financial Institution)

(Managed by: HabibMetro Modaraba Management)

FHM/PSX/37261/2023

April 11, 2023

Mr. Wasim A Sattar  
Senior Manager  
Listed Companies Compliance Department - RAD  
Stock Exchange Building,  
Stock Exchange Road,  
Karachi

**Re: Non – Submission of Documents for De listing of Habib Metro Modaraba**

Dear Sir,

With reference to your email dated February 09, 2023, regarding captioned subject.

We are attaching herewith following documents as required.

- i. Auditors Certificate.
- ii. Form 3 as filed with Registrar Modaraba.
- iii. Free Float certificate after merger.
- iv. Cheque of PSX additional listing fees and supervisory fees.

Thanking you,

Yours Truly

Aeraj Abeer  
Company Secretary

## AGREED-UPON PROCEDURES REPORT ON REVISED AUTHORISED AND PAID-UP CAPITAL OF FIRST HABIB MODARABA AFTER MERGER OF HABIB METRO MODARABA WITH AND INTO FIRST HABIB MODARABA

To  
Chief Executive Officer  
First Habib Modaraba (the Modaraba)  
Karachi

### *Scope and purpose*

We have performed the procedures enumerated below, which were agreed to by First Habib Modaraba [the Modaraba] (the "Engaging Party") and Central Depository Company [CDC] (together, "Acknowledging Parties"), solely to assist you in determining the revised Authorised and paid-up Share Capital of the Modaraba, ("Subject Matter"), and may not be suitable for another purpose.

### *Restricted use*

This agreed-upon procedures report ("AUP Report") is intended solely for the information and use of the Engaging Party and CDC and is not intended to be and should not be used by anyone else.

### *Responsibilities of the Engaging Party*

The Modaraba has acknowledged that the agreed-upon procedures are appropriate for the purpose of the engagement.

The Modaraba, is responsible for the Subject Matter on which the agreed-upon procedures are performed. The sufficiency of these procedures is solely the responsibility of the Acknowledging Parties.

### *Responsibilities of the Practitioner*

We have conducted the agreed-upon procedures engagement in accordance with the International Standard on Related Services (ISRS) 4400 (Revised), *Agreed-Upon Procedures Engagements*. An agreed-upon procedures engagement involves our performing the procedures that have been agreed with the Modaraba, and reporting the findings, which are the factual results of the agreed-upon procedures performed. We make no representation regarding the appropriateness, or the sufficiency of the agreed-upon procedures described below either for the purpose for which this AUP Report has been requested or for any other purpose.

This agreed-upon procedures engagement is not an assurance engagement. Accordingly, we do not express an opinion or an assurance conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported.

### *Our independence and quality control*

In performing the Agreed-Upon Procedures engagement, we complied with the ethical requirements in the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA). We are not required to be independent for the purpose of this engagement; however, we complied with the independence requirements of the IESBA Code that apply to assurance engagements other than financial audit or review engagements. We are the independent auditor of the Entity and therefore we also complied with the independence requirements of the IESBA Code, together with the ethical requirements that are relevant in Pakistan.

*mb*



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Our firm applies International Standard on Quality Control 1, *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements*, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

*Description of procedures performed*

We have performed the procedures described below, which were agreed upon with the Modaraba in the terms of engagement letter AD/TS/1954/23 dated 27 March 2023, in determining the revised Authorised and paid-up Share Capital of the Modaraba:

Sr. #	Procedures	Findings
1	Obtained and checked the board resolution of Habib Metropolitan Modaraba Management Company (Private) Limited (Management company) approving the amalgamation transaction.	No exception noted.
2	<p>Checked compliance of the requirements of Section 282 of the Companies Act, 2017 (the Act) in lieu of the amalgamation transaction.</p> <p>We have been given to understand by the management that under S.R.O. 840 (I) of 2017 dated 17 August 2017, the powers of the Commission conferred by sections 279 to 283 and 285 of the Act in respect of public interest companies shall be exercised by the Company Bench of the High Court having jurisdiction under the said Act.</p> <p>We accordingly performed the following procedures:</p> <ul style="list-style-type: none"><li>checked if the Modaraba has submitted application to the High Court of Sindh for sanction of a scheme of arrangement for merger of Habib Metro Modaraba with and into First Habib Modaraba;</li><li>checked if the Modaraba has circulated the required documents under section 282(2) for the meetings so ordered by the High Court of Sindh;</li><li>checked if the Modaraba has forwarded to the registrar [within seven days from the date of the order] a copy of the order passed by the High Court of Sindh sanctioning the amalgamation, duly certified by an authorised officer.</li></ul>	No exception noted.

*my hr*





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Sr. #	Procedures	Findings
3	Traced Authorised Share Capital of Rs.1,100,000,000 (equivalent to 220,000,000 Modaraba certificates) of the Modaraba before merger from the latest prospectus filed with Securities and Exchange Commission of Pakistan (SECP).	No exception noted.
4	<p>Checked revised Authorized Share Capital of Rs.1,400,000,000 (equivalent to 280,000,000 Modaraba certificates) from Form 7 filed with SECP after the merger of Habib Metro Modaraba with and into First Habib Modaraba;</p> <p>Further, also checked revised paid-up share capital of the Modaraba.</p> <p>Further, we have been given to understand by management of the Modaraba that as per Article 9.1 of the Scheme of Arrangement sanctioned by the High Court of Sindh vide order dated 07 February 2023: 20,061,000 new Modaraba certificates will be allotted.</p> <p>Accordingly, post allotment of Modaraba certificates and recording in the members' register in CDC, the Modaraba has ensured all conditions imposed by concerned regulatory bodies that have been complied with and the revised paid-up Share Capital of the Modaraba would be Rs.1,108,305,000 (equivalent to 221,661,000 Modaraba certificates).</p>	No exception noted.

We further confirm that we are the Statutory Auditor of the Modaraba.

Yours faithfully

EY Ford Rhodes  
Chartered Accountants  
Progressive Plaza, Beaumont Road  
Karachi

Date: 30 March 2023