



**FIDELITY  
LEASING**

**CONDENSED INTERIM  
FINANCIAL INFORMATION  
(UN-AUDITED)  
FOR THE HALF YEAR ENDED  
31 DECEMBER  
2014**

**FIRST FIDELITY LEASING MODARABA**

Managed By:

Fidelity Capital Management (Private) Limited



## CORPORATE INFORMATION

### Board of Directors

Fidelity Capital Management (Private) Limited.

Chairman Siyyid Tahir Nawazish

Chief Executive Mr. Wasim-ul-Haq Osmani

Directors Sheikh Muhammad Nasim  
Mr. Abdul Hameed Kiayani

**Company Secretary / CFO** Mr. Mohammed Waheed

**Auditors of Modaraba** Rahman Sarfaraz Rahim Iqbal Rafiq  
Chartered Accountants

### Audit Committee

Chairman Mr. Abdul Hameed Kiyani

Members Siyyid Tahir Nawazish  
Sheikh Muhammad Nasim

Secretary Mr. Muhammad Arshad

### Credit Committee

Chairman Siyyid Tahir Nawazish

Members Mr. Wasim-ul-Haq Osmani  
Mr. Muhammad Younas Chaudhry

### Human Resource & Remuneration Committee

Chairman Sheikh Muhammad Nasim

Members Siyyid Tahir Nawazish  
Mr. Abdul Hameed Kiyani

Secretary Mr. Muhammad Younas Chaudhry

**Legal Advisor** Salim & Baig (Advocates)

**Bankers** Samba Bank Limited  
MCB Bank Limited  
NIB Bank Limited  
Faysal Bank Limited  
Meezan Bank Limited

**Registered Office** Ground Floor, 90, A-1  
Canal Bank Gulberg -II, Lahore  
Tel: 0 4 2 – 3 5 7 1 3 4 6 1 – 6 4  
Fax: 0 4 2 – 3 5 7 5 9 1 2 2  
Email: [info@fidelitymodaraba.com](mailto:info@fidelitymodaraba.com)  
**Website: [www.fidelitymodaraba.com](http://www.fidelitymodaraba.com)**

**Registrars** Corptec Associates (Private) Limited  
503-E, Johar Town Lahore.  
Tel: 0 4 2 – 3 5 1 7 0 3 3 6 - 7  
Fax: 0 4 2 – 3 5 1 7 0 3 3 8  
Email: [corptecassociates@gmail.com](mailto:corptecassociates@gmail.com)

## DIRECTORS' REPORT



Directors of Fidelity Capital Management (Pvt.) Limited, the management company of First Fidelity Leasing Modaraba are pleased to present second quarter un-audited condensed interim financial information of the Modaraba for the half year ended December 31, 2014, together with auditors' review report thereon.

The Modaraba during the half year ended December 31, 2014, sustained a loss of Rs. 2.29 million, as compared to a profit of Rs. 5.37 million earned in the corresponding six months period. The operations of the Modaraba remain stunted due to non disposal of its major investment in a corporate tower near Kalma Chowk, Lahore. The management expects better offers in coming period enabling Modaraba to divest from the project on profitable terms. On realization of this investment, the Modaraba will focus on its core activities like leasing, morabaha, etc. for generation of regular stream of income.

The half yearly accounts can also be accessed at [www.fidelitymodaraba.com](http://www.fidelitymodaraba.com).

The Directors wish to place on record their thanks to the certificate holders, regulatory authorities for their valuable support, guidance and cooperation extended to the Modaraba and look forward to their continued patronage in future. The dedication and hard work put in by the officers and staff of the Modaraba is also acknowledged.

For and on behalf of the Board of Directors

**Wasim ul Haq Osmani**  
(Chief Executive)

Lahore:  
February 26, 2015



## AUDITOR' REPORT TO CERTIFICATE HOLDERS ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION

### **Introduction**

We have reviewed the accompanying condensed interim balance sheet of **First Fidelity Leasing Modaraba** ("the Modaraba") as at December 31, 2014 and the related condensed interim profit and loss account, condensed interim statement of profit or loss and other comprehensive income, condensed interim cash flow statement, condensed interim statement of changes in equity and notes to the condensed interim financial statements for the six months period then ended (here-in-after referred to as ("the condensed interim financial information"). Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review. The figures for three months ended December 31, 2014 of the condensed interim profit and loss account and condensed interim statement of profit or loss and other comprehensive income have not been reviewed as we are required to review only cumulative figures for the six months period ended on that date.

### **Scope of Review**

We conducted our review in accordance with 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 consist 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.

### **Basis of Qualified Conclusion**

As referred to in note 6.2 to the condensed interim financial information, the construction of the Tower was due to be completed by December 28, 2013 as per the settlement agreement and agreement sell and buy back. However, the construction work has stalled at the plinth level. Settlement of the advance is dependent upon completion of the Tower through raising further funds or disposal of the tower in existing state to an interested party for which the management as well as the Contractor are actively working upon. Pending the outcome of the aforesaid efforts, management has not measured the recoverable amount of the advance. Accordingly, impairment loss, if any, has not been recognized in this condensed interim financial information.

### **Conclusion**

Based on our review, except for the effect, if any, of matter described in Basis for Qualified Conclusion paragraph, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

The condensed interim financial information for six months ended December 31, 2013 was reviewed by another auditor whose report date February 26, 2014 expressed a qualified conclusion on that condensed interim financial information.

**RAHMAN SARFARAZ RAHIM IQBAL RAFIQ**  
**Chartered Accountants**  
**Engagement Partner: ZUBAIR IRFAN MALIK**

**Date: FEBRUARY 26, 2015**

**Place: LAHORE**

## SHARI'AH ADVISOR'S REPORT



I have conducted the Shari'ah review of First Fidelity Leasing Modaraba (FFLM) managed by Fidelity Capital Management (Private) Limited, for the half year ended December 31,2014 in accordance with the requirements of Shari'ah Compliance and Shari'ah Audit Mechanism for Modarabas. According to my observations, followings are my opinion in this regard:

- i. The Modaraba's mechanism for Shariah Compliance is working in letter and spirit and the systems, procedures and policies adopted by the Modaraba are in line with the Shariah principles:
- ii. The agreements entered into by the Modaraba are Shariah compliant and the financing agreements have been executed on the formats as approved by the Religious Board and all the related conditions have been met.
- iii. To the best of my information and according to the explanation given to me, the business transactions undertaken by the Modaraba and all other matters incidental thereto are in conformity with the Shariah requirements as well as the requirements of the Prospectus, Islamic Financial Accounting Standards as applicable in Pakistan and Shariah Audit Regulations for Modarabas.
- iv. Profit sharing ratios, profits and charging of losses (if any) relating to any deposit raising product conform to the basis and principles of Shariah.
- v. No earning have been realized by any means prohibited by Shariah.
- vi. The earning that have been realized from the sources or by means prohibited by Shariah have been credited to charity accounts.

In my opinion, the operations of First Fidelity Leasing Modaraba are in conformity with the Shariah Compliance and Audit Mechanism for Modarabas.

**Mufti Muhammad Umar Ashraf**

Shari'ah Advisor

February 25, 2015



## CONDENSED INTERIM BALANCE SHEET AS AT 31 DECEMBER 2014

	<i>Note</i>	December 31, 2014	June 30, 2014
		<i>Rupees</i> <i>(Un-Audited)</i>	<i>Rupees</i> <i>(Audited)</i>
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and bank balances		366,437	10,169,776
Short term investments	4	26,417	25,442
Short term finances under murabahah arrangements - <i>Secured</i>		89,743,160	81,606,010
Ijarah rentals receivable - <i>Secured</i>		340,197	620,442
Profit receivable - <i>Secured</i>		4,193,784	1,741,587
Advances, deposits, prepayments and other receivables		14,661,505	14,914,559
Advance income tax		1,194,895	1,286,857
Current portion on non-current assets		1,763,101	734,555
		<b>112,289,496</b>	<b>111,099,228</b>
<b>Non-current assets</b>			
Long term prepayments		-	7,289
Long term finances under murabahah arrangements - <i>Secured</i>		624,078	791,746
Long term advances and deposits		1,270,103	1,345,371
Long term investment		5,750,000	5,750,000
Membersihp assets		6,280,000	6,280,000
Assets leased out under ijarah contracts	5	19,583,985	23,058,600
Property and equipment	6	226,841,514	227,469,114
		<b>260,349,680</b>	<b>264,702,120</b>
		<b>372,639,176</b>	<b>375,801,348</b>
<b>TOTAL ASSETS</b>			
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Deferred murabahah income		2,172,758	1,736,010
Accrued and other liabilities		5,272,444	3,374,819
Management fee payable		-	-
Unclaimed profit distribution		10,731,423	10,751,531
Current portion of non-current liabilities		64,358	3,438,913
		<b>18,240,983</b>	<b>19,301,273</b>
<b>Non-current liabilities</b>			
Deferred taxation		2,554	2,544
Security deposits		6,459,146	6,342,807
Employees retirement benefits		1,388,954	1,190,359
Deferred murabahah income		-	119,944
		<b>7,850,654</b>	<b>7,655,654</b>
Contingencies and commitments	7	-	-
		<b>26,091,637</b>	<b>26,956,927</b>
<b>TOTAL LIABILITIES</b>		<b>26,091,637</b>	<b>26,956,927</b>
<b>NET ASSETS</b>		<b>346,547,539</b>	<b>348,844,421</b>
<b>REPRESENTED BY</b>			
<b>Authorized Certificate Capital</b>			
20,000,000 modaraba certificates of Rs. 10 each		<b>200,000,000</b>	<b>200,000,000</b>
Issued, subscribed and paid-up capital		<b>264,138,040</b>	<b>264,138,040</b>
Reserves		<b>82,409,499</b>	<b>84,706,381</b>
		<b>346,547,539</b>	<b>348,844,421</b>

*The annexed notes from 1 to 12 form an integral part of these financial statements*

  
**Chief Executive**  
 Fidelity Capital Management  
 (Private) Limited

  
**Director**  
 Fidelity Capital Management  
 (Private) Limited

  
**Director**  
 Fidelity Capital Management  
 (Private) Limited

## CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR THE HALF YEAR ENDED 31 DECEMBER 2014

Note	Six months ended		Three months ended	
	December 31 2014	December 31 2013	December 31 2014	December 31 2013
	Rupees	Rupees	Rupees	Rupees
<b>INCOME</b>				
Income from ijarah financing	6,199,558	3,185,429	1,548,191	1,473,278
Profit on murabahah financing	2,675,616	4,199,144	1,433,849	3,965,680
Other income	28,311	14,137,102	9,817	14,112,079
	8,903,485	21,521,675	2,991,857	19,551,037
<b>EXPENSES</b>				
Amortization of assets leased out	(2,320,533)	(2,514,318)	(1,236,709)	(1,362,320)
Administrative and general expenses	(8,905,359)	(9,156,728)	(4,753,686)	(5,590,872)
Stock exchange and CDC charges	(4,579)	(120,498)	-	(45,063)
Financial charges	(12,284)	(19,950)	(6,804)	(14,136)
	(11,242,755)	(11,811,494)	(5,997,199)	(7,012,391)
Changes in impairment allowance for non-performing assets	17,423	(3,732,240)	17,423	(7,784,904)
<b>Profit before management fee and taxation</b>	<b>(2,321,847)</b>	<b>5,977,941</b>	<b>(2,987,919)</b>	<b>4,753,742</b>
Management fee	-	(597,794)	-	(486,503)
<b>Profit before taxation</b>	<b>(2,321,847)</b>	<b>5,380,147</b>	<b>(2,987,919)</b>	<b>4,267,239</b>
Taxation	8 24,000	(9,000)	-	(9,000)
<b>Profit after taxation</b>	<b>(2,297,847)</b>	<b>5,371,147</b>	<b>(2,987,919)</b>	<b>4,258,239</b>
<b>Earnings per certificate - basic and diluted</b>	<b>(0.09)</b>	<b>0.20</b>	<b>(0.11)</b>	<b>0.16</b>

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## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE HALF YEAR ENDED 31 DECEMBER 2014

	Six months ended		Three months ended	
	December 31 2014	December 31 2013	December 31 2014	December 31 2013
	Rupees	Rupees	Rupees	Rupees
<i>Items that may be reclassified subsequently to profit or loss</i>				
Changes in fair value of available for sale financial assets	975	1,439	975	1,439
Taxation	(10)	(144)	(10)	(144)
	965	1,295	965	1,295
<i>Items that will not be reclassified to profit or loss</i>				
Other comprehensive income	965	1,295	965	1,295
(Loss)/profit after taxation	(2,297,847)	5,371,147	(2,987,919)	4,258,239
Total comprehensive (loss)/income	(2,296,882)	5,372,442	(2,986,954)	4,259,534

The annexed notes from 1 to 12 form an integral part of these financial statements

  
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(Private) Limited

  
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Director  
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(Private) Limited



## CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE HALF YEAR ENDED 31 DECEMBER 2014



	December 31, 2014	December 31, 2013
	<i>Rupees</i>	<i>Rupees</i>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	(2,321,847)	5,380,147
Adjustments for non-cash items and other items	874,607	(7,310,276)
Operating profit before changes in working capital	<u>(1,447,240)</u>	<u>(1,930,129)</u>
Changes in working capital	<u>(8,403,541)</u>	<u>(2,706,666)</u>
Cash generated from operations	(9,850,781)	(4,636,795)
<b>(Payments)/receipts for</b>		
Income taxes	115,962	308,331
Profit distribution	(20,108)	-
<b>Net cash used in operating activities</b>	<u>(9,754,927)</u>	<u>(4,328,464)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property and equipment	(48,412)	(845,300)
Proceeds from disposal of investment property		18,550,000
Purchase of short term investments	-	(9,100,000)
Proceeds from sale of short term investments	-	9,190,000
<b>Net cash generated from/(used in) investing activities</b>	(48,412)	17,794,700
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
	-	-
<b>Net increase/(decrease) in cash and cash equivalents</b>	<u>(9,803,339)</u>	<u>13,466,236</u>
<b>Cash and cash equivalents at the beginning of the period</b>	<u>10,169,776</u>	<u>25,717,356</u>
<b>Cash and cash equivalents at the end of the period</b>	<u><u>366,437</u></u>	<u><u>39,183,592</u></u>

*The annexed notes from 1 to 12 form an integral part of these financial statements*

  
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**Director**  
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 (Private) Limited



**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)  
FOR THE HALF YEAR ENDED 31 DECEMBER 2014**

	Certificate Capital		Capital Reserves		Revenue Reserve		Total equity Rupees
	Rupees	Rupees	Statutory Reserve Rupees	Available for sale financial assets Rupees	Total Rupees	Accumulated profit Rupees	
<b>Balance as at July 01, 2013 - Audited</b>	264,138,040	-	78,624,577	-	78,624,577	2,223,460	344,986,077
<b>Comprehensive income</b>	-	-	-	-	-	5,371,147	5,371,147
Profit after taxation	-	-	-	-	-	-	1,295
Other comprehensive loss	-	-	-	-	-	-	1,295
<b>Total comprehensive income</b>	-	-	-	-	-	5,371,147	5,372,442
<b>Transaction with owners</b>	-	-	1,074,229	-	1,074,229	(1,074,229)	-
Transfer to statutory reserve	-	-	79,698,806	1,295	79,700,101	6,520,378	86,220,479
<b>Balance as at December 31, 2013 - Un-audited</b>	264,138,040	-	79,698,806	1,295	79,700,101	6,520,378	350,358,519
<b>Comprehensive income</b>	-	-	-	-	-	(1,606,491)	(1,606,491)
Profit after taxation	-	-	-	-	-	70,790	92,393
Other comprehensive income	-	-	-	-	-	-	(1,514,098)
<b>Total comprehensive income</b>	-	-	-	-	-	(1,535,701)	(1,514,098)
<b>Transaction with owners</b>	-	-	(321,298)	-	(321,298)	321,298	-
Transfer to statutory reserve	-	-	79,377,508	22,898	79,400,406	5,305,975	84,706,381
<b>Balance as at June 30, 2014 - Audited</b>	264,138,040	-	79,377,508	22,898	79,400,406	5,305,975	348,844,421
<b>Comprehensive income</b>	-	-	-	-	-	(2,297,847)	(2,297,847)
Profit after taxation	-	-	-	-	-	-	965
Other comprehensive income	-	-	-	-	-	-	(2,296,882)
<b>Total comprehensive income</b>	-	-	-	-	-	(2,297,847)	(2,296,882)
<b>Transaction with owners</b>	-	-	-	-	-	-	-
Transfer to statutory reserve	-	-	-	-	-	-	-
<b>Balance as at December 31, 2014 - Un-audited</b>	264,138,040	-	79,377,508	23,863	79,401,371	3,008,128	346,547,539

The annexed notes from 1 to 12 form an integral part of these financial statements

  
**Chief Executive**  
 Fidelity Capital Management  
 (Private) Limited

  
**Director**  
 Fidelity Capital Management  
 (Private) Limited

# SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE HALF YEAR ENDED 31 DECEMBER 2014



## 1 REPORTING ENTITY

First Fidelity Leasing Modaraba ("the Modaraba") is a perpetual, multi-purpose and multi-dimensional modaraba formed under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 and the Rules framed there under and is managed by Fidelity Capital Management (Private) Limited ("the Management Company"), a company incorporated in Pakistan under the Companies Ordinance, 1984. The registered office of the Modaraba is situated at Ground Floor, 90, A-1, Canal Bank, Gulberg II, Lahore. The Modaraba commenced operations on December 05, 1991 and is listed on Karachi, Lahore and Islamabad Stock Exchanges. The Modaraba is primarily engaged in the business of ijarah, musharakah and murabahah financing, brokerage, investment in marketable securities and other related businesses.

## 2 BASIS OF PREPARATION

This interim financial information is not audited and has been presented in condensed form and does not include all the information as is required to be provided in a full set of annual financial statements. This condensed interim financial information should be read in conjunction with the audited financial statements of the Modaraba for the year ended June 30, 2012. The Securities and Exchange Commission of Pakistan vide Circular No. 10 of 2004 date February 13, 2004 has deferred, till further orders, the applicability of the IAS 17 "Leases" with effect from July 01, 2003. Accordingly, this IAS has not been considered for the purpose of preparation of this financial information.

The comparative interim balance sheet as at June 30, 2014 and the related notes to the condensed interim financial information are based on audited financial statements. The comparative interim profit and loss account, interim statement of comprehensive income, interim cash flow statement, interim statement of changes in equity and related notes to the condensed interim financial information for the half year ended December 31, 2013 are based on unaudited, reviewed interim financial information. The interim profit and loss account and interim statement of comprehensive income for the quarters ended December 31, 2014 and December 31, 2013 are neither audited nor reviewed.

### 2.1 Statement of compliance

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 International Accounting Standard 34 - Interim Financial Reporting, and provisions of and directives issued under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 and the rules and regulations made thereunder. In case where requirements differ, the provisions of and directives issued under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 and the rules and regulations made thereunder have been followed.

### 2.2 Basis of measurement

This condensed interim financial information has been prepared under the historical cost convention except for certain financial instruments at fair value or amortized cost and employees retirement benefits at present value. In this financial information, except for the amounts reflected in the statement of cash flows, all transactions have been accounted for on accrual basis.

### 2.3 Judgements, estimates and assumptions

The preparation of financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions and judgements are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which forms the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

### 2.4 Functional currency

This financial information is prepared in Pak Rupees which is the Modaraba's functional currency.

## 3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of the financial statements of the Modaraba for the year ended June 30, 2014.

**SELECTED NOTES TO THE CONDENSED INTERIM  
FINANCIAL INFORMATION (UN-AUDITED)  
FOR THE HALF YEAR ENDED 31 DECEMBER 2014**

**4 LONG TERM INVESTMENT**

Pursuant to the promulgation of the Stock Exchanges (Corporatisation, Demutualization and Integration) Act, 2012, the ownership rights in a stock exchange were segregated from the right to trade on that stock exchange. This arrangement resulted in allocation of 3,043,603 ordinary shares at Rs. 10 each and Trading Rights entitlement Certificate ('TREC') to the Company by the Islamabad Stock Exchange against cancellation/surrender of membership of Islamabad Stock Exchange. Out of total 3,043,603 shares allocated to the Company, 1,820,762 shares are transferred to CDC sub-account in the Company's name under the exchange's participant IDs with the CDC which will remain blocked until these are divested / sold to strategic investor(s), general public and financial institutions and proceeds are paid to the Company. As the active market for such shares is not available, the investment has been recognized at the carrying value of membership surrendered/cancelled.

		December 31, 2014	June 30, 2014
		<i>Rupees</i> <i>(Un-Audited)</i>	<i>Rupees</i> <i>(Audited)</i>
<b>5 ASSETS LEASED OUT IJARAH CONTRACTS</b>			
Carrying value as at beginning of the period/year		23,058,600	14,665,565
Additions during the period/year	5.1	3,796,900	18,063,800
Net carrying value of disposals during the period/year	5.2	(4,950,989)	(4,587,707)
Amortization for the period/year		(2,320,533)	(5,083,058)
Carrying value as at end of the period/year		<u>19,583,978</u>	<u>23,058,600</u>
<b>5.1 Additions during the period/year</b>			
Plant and machinery		1,875,000	6,970,000
Office equipment		107,900	140,300
Vehicles		1,814,000	10,953,500
		<u>3,796,900</u>	<u>18,063,800</u>
<b>5.2 Carrying value of disposals during the period/year</b>			
Plant and machinery		2,355,804	2,198,659
Office equipment		84,151	201,626
Vehicles		2,511,034	2,187,422
		<u>4,950,989</u>	<u>4,587,707</u>
<b>6 PROPERTY AND EQUIPMENT</b>			
Operating fixed assets	6.1	2,841,514	3,469,114
Capital work in progress	6.2	224,000,000	224,000,000
		<u>226,841,514</u>	<u>227,469,114</u>
<b>6.1 Operating fixed assets</b>			
Net book value as at beginning of the period/year		3,469,114	3,940,145
Additions during the period/year	6.1.1	48,412	848,500
Depreciation for the period/year		(676,012)	(1,319,531)
Net book value as at end of the period/year		<u>2,841,514</u>	<u>3,469,114</u>
<b>6.1.1 Additions during the period/year</b>			
Furniture and fixtures		-	47,300
Computers and equipment		-	76,200
Vehicles		48,412	725,000
		<u>48,412</u>	<u>848,500</u>

**SELECTED NOTES TO THE CONDENSED INTERIM  
FINANCIAL INFORMATION (UN-AUDITED)  
FOR THE HALF YEAR ENDED 31 DECEMBER 2014**



		December 31, 2014	June 30, 2014
		<i>Rupees</i> <i>(Un-Audited)</i>	<i>Rupees</i> <i>(Audited)</i>
<b>6.2 Capital work in progress</b>			
Corporate Tower, Lahore	6.2.1	204,000,000	204,000,000
Residential Villas, Murree		20,000,000	20,000,000
		<u>224,000,000</u>	<u>224,000,000</u>

**6.2.1 Corporate Tower, Lahore**

This represents advance against purchase of ground floor, measuring 10,221 square feet in Corporate Tower ('the Tower'), Garden Town, Lahore, through settlement of receivable under musharakah arrangements from Enplan (Private) Limited ('the Contractor') amounting to Rs. 99 million and takeover of exposure of Trust Investment Bank Limited to the Contractor amounting to Rs. 105 million vide settlement agreement dated June 28, 2012 and purchase agreement dated June 29, 2012. The contractor was committed to completed the tower within eighteen months from the date of agreement, however, due to deteriorated economic situation and non-availability of finances, the construction work could not commence and has stalled at plinth level.

The Modaraba has registered and equitable mortgage over the floor, which has an estimated value of Rs. 364.852 million as per valuation carried out by an independent valuer as on June 30, 2014. The Modaraba is entitled to have the sale deed of the floor executed in its name and it has the constructive possession of the property. The Modaraba is also entitled to sell the floor to a third party, in case, the floor is not re-purchased by the Contractor within eighteen months from the date of agreement at an agreed price of Rs. 204 million plus profit at 15% per annum for the period from the date of agreement till actual settlement.

The managements of Modaraba as well as the Contractor are actively seeking and negotiating with buyers for sale of further floors to generate funds for completion of the Tower. Possibilities are also being explored to wholly and substantially sell the entire property to some interest party. The management believes that after the construction of Kalma Underpass, the property values in the area have picked up and that Contractor will be able to generate further funds necessary for completion of the Tower in the ensuing year.

**7 CONTINGENCIES AND COMMITMENTS**

**Contingencies**

There is no significant change in the status of contingencies since June 30, 2014.

**Commitments**

There are no significant commitments at the reporting date except for those under ijarah contracts regarding use by lessees of assets leased out to them under ijarah contracts against future rentals.

**8 TAXATION**

No provision for current tax has been made in these financial statements due to availability of unused tax losses. Provision for current tax for the year ended June 30, 2014 has been reversed subsequent to filing of income tax return for tax year 2014.

**9 RELATED PARTY TRANSACTIONS AND BALANCES**

Related parties from the Modaraba's perspective comprise Modaraba's Management Company and post-employment benefit plans. The detail of transactions with related parties is as follows:

		December 31, 2014	December 31, 2013
		<i>Rupees</i> <i>(Un-Audited)</i>	<i>Rupees</i> <i>(Un-Audited)</i>
<b>Nature of relationship</b>	<b>Nature of transaction</b>		
Provident fund trust	Contribution for the period	236,616	236,718
Gratuity fund	Charge for the period	234,717	181,890



**SELECTED NOTES TO THE CONDENSED INTERIM  
FINANCIAL INFORMATION (UN-AUDITED)  
FOR THE HALF YEAR ENDED 31 DECEMBER 2014**

**10 EVENTS AFTER THE REPORTING PERIOD**

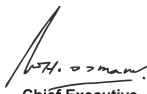
There are no significant events after the reporting period that may require any adjustment or disclosure in this condensed interim financial

**11 DATE OF AUTHORIZATION FOR ISSUE**

This condensed interim financial information have been approved by the Board of Directors of the Management Company and authorized for issue on February 26, 2015

**12 GENERAL**

- 12.1 No further allowances for impairment are required other than those already made as the management does not envisage any other material doubtful recoveries.
- 12.2 There are no other significant activities since June 30, 2014 affecting the interim financial information.
- 12.3 Corresponding figures have been re-arranged where necessary to facilitate comparison.
- 12.4 Figures have been rounded off to the nearest Rupee.



**Chief Executive**  
Fidelity Capital Management  
(Private) Limited



**Director**  
Fidelity Capital Management  
(Private) Limited



**Director**  
Fidelity Capital Management  
(Private) Limited

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