

**QUARTERLY REPORT
(UN-AUDITED)
1ST QUARTER ENDED
30 SEPTEMBER
2018**



FIRST FIDELITY LEASING MODARABA

Managed by:
Fidelity Capital Management (Private) Limited

CONTENTS



CORPORATE INFORMATION	4
DIRECTORS' REPORT	5
BALANCE SHEET	7
PROFIT AND LOSS ACCOUNT	8
STATEMENT OF COMPREHENSIVE INCOME	9
CASH FLOW STATEMENT	10
STATEMENT OF CHANGES IN EQUITY	11
SELECTED NOTES TO THE FINANCIAL STATEMENTS	12



CORPORATE INFORMATION

Board of Directors

Fidelity Capital Management (Private) Limited.

Chairman	Siyyid Tahir Nawazish
Chief Executive	Mr. Wasim-ul-Haq Osmani
Directors	Mr. Noor-ud-Din Ahmed Mr. Muhammad Farooq Abid Tung

Company Secretary / CFO

Mr. Ijaz Fazal
hi_ij@hotmail.com

Auditors of Modaraba

Rahman Sarfaraz Rahim Iqbal Rafiq
Chartered Accountants

Audit Committee

Chairman	Mr. Muhammad Farooq Abid Tung
Members	Siyyid Tahir Nawazish Mr. Noor ud Din Ahmed
Secretary	Mr. Muhammad Ilyas Shafiq

Credit Committee

Chairman	Siyyid Tahir Nawazish
Members	Mr. Wasim-ul-Haq Osmani Mr. Muhammad Younas Chaudhry

Human Resource & Remuneration Committee

Chairman	Mr. Noor ud Din Ahmed
Members	Mr. Muhammad Farooq Abid Tung Siyyid Tahir Nawazish
Secretary	Mr. Muhammad Younas Chaudhry

Legal Advisor

Salim & Baig (Advocates)

Bankers

MCB Bank Limited
Meezan Bank Limited

Registered Office

93, B-1 Canal Park, 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
Website: 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

DIRECTORS' REPORT



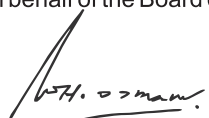
Directors of Fidelity Capital Management (Pvt.) Limited, the management company of First Fidelity Leasing Modaraba are pleased to present un-audited condensed financial statements of the Modaraba for the first quarter ended September 30, 2018.

The Modaraba during the quarter ended September 30, 2018 earned net profit of Rs. 1.10 million, as compared to loss of Rs. (1.712) million sustained in the corresponding quarter of September 30, 2017. Modaraba's major investment at present is in Corporate Tower- a project of Enplan (Pvt) Ltd, which remained stuck up. As explained in the Annual Report 2018, after persistent failure of Enplan sponsors' commitment, court cases have been initiated against Enplan and its sponsors, which are pending in respective courts of law. The Modaraba has meritorious grounds to have the cases decided in its favor. The management is anxious to get Modaraba's funds back at earliest. The ultimate resolution of court cases shall not only bring in lost opportunity cost of funds it shall provide substantial funds for deployment in regular recurring business activities in coming periods.

The accounts can also be accessed at www.fidelitymodaraba.com.

The Board wish to place on record their thanks to the certificate holders, regulatory authorities and financial institutions 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)

October 30, 2018
Lahore



ڈائریکٹرز رپورٹ

بورڈ آف ڈائریکٹرز فیڈیلیٹی کیپیٹل مینجمنٹ (پرائیویٹ) لمیٹڈ جو کہ فرسٹ فیڈیلیٹی لیزنگ مضاربہ کے 30 ستمبر 2018 کو ختم ہونے والی سہ ماہی مدت کے غیر احتساب شدہ مالی حسابات پیش کرتے ہیں۔

مضاربہ کو زیرے غور سہ ماہی مدت کے دوران 1.10 ملین کا منافع ہوا جبکہ گزشتہ سال اسی مدت کے دوران (1.712) ملین کا خسارہ ہوا تھا۔

مضاربہ ہذا کی زیادہ تر سرمایہ کاری کارپوریٹ ٹاور میں ہے جو کہ این پلان پرائیویٹ لمیٹڈ کا پروجیکٹ ہے۔ جو پھنس گیا ہے۔ جیسا کہ مضاربہ رپورٹ 2018 میں بیان کیا گیا تھا۔ این پلان اسپانسرز کی عزم کی مسلسل ناکامی کے بعد عدالت کے مقدمات این پلان اور اس کے اسپانسرز کے خلاف شروع کیے گئے ہیں۔ جو قانون کے متعلقہ عدالتوں میں زیر التواء ہیں اور جس کا مضاربہ کے حق میں ہی فیصلہ ہوگا۔ مضاربہ کے فنڈز کو جلد سے جلد حاصل کرنے کے لئے انتظامیہ فکر مند ہے۔ عدالتوں کے مقدمات کا حتمی حل نہ صرف کھوے جانے والے موقع پر لاگو اخراجات میں لائے گی بلکہ آنے والے دوروں میں باقاعدہ بار بار کاروباری سرگرمیاں تعینات کرنے کے لئے کافی فنڈز فراہم کرے گی۔

حسابات مضاربہ کی ویب سائٹ پر ملاحظہ کیے جاسکتے ہیں۔ www.fidelitymodaraba.com

بورڈ اس موقع پر اپنے معزز سٹیفیکٹ ہولڈرز کا، نگران اداروں کا ان کی مسلسل حمایت، رہنمائی اور تعاون کے لئے شکریہ ادا کرنا چاہتا ہے۔ اور اس کے ساتھ ساتھ انتظامیہ اور عملے کا ان کی پر عزم اور دل سے کی جانے والی خدمات کا خصوصی شکریہ ادا کرتا ہے۔

اذ طرف بورڈ آف ڈائریکٹرز:-

وسیم الحق اکرمی
چیف ایگزیکٹو آفیسر

لاہور

اکتوبر 2018ء

CONDENSED INTERIM BALANCE SHEET

AS AT 30 SEPTEMBER 2018



		Unaudited 30 September 2018 Rupees	Audited 30 June 2018 Rupees
ASSETS			
CURRENT ASSETS			
Cash and bank balances		1,440,383	10,040,527
Short term finances under murabahah investments - secured	4	67,883,348	67,883,348
Ijarah rentals receivable	5	4,179,610	1,225,740
Profit receivable - Secured		812,500	437,500
Advances, deposits, prepayments and other receivables	6	20,822,564	12,229,197
Advance income tax		1,606,459	1,591,335
Current portion of non-current assets		-	106,951
		96,744,864	93,514,598
NON-CURRENT ASSETS			
Long term advances and deposits		37,500	256,016
Long term investment		3,510,000	3,510,000
Assets leased out under Ijarah contracts		77,006,502	77,273,418
Property and equipments		224,451,295	224,480,051
		305,005,297	305,519,485
		401,750,161	399,034,083
TOTAL ASSETS			
LIABILITIES			
CURRENT LIABILITIES			
Accrued and other liabilities	7	11,736,774	11,218,633
Unclaimed Profit Distribution		10,624,732	10,652,112
Current portion of non-current liabilities		1,187,000	1,187,208
		23,548,506	23,057,953
NON-CURRENT LIABILITIES			
Security deposits under Ijarah contracts		19,509,258	18,384,950
Employees retirement benefits		568,501	568,852
		20,077,759	18,953,802
		43,626,265	42,011,755
		358,123,896	357,022,328
TOTAL LIABILITIES			
NET ASSETS			
REPRESENTED BY			
Authorised Certificate capital			
62,500,000 (2017:62,500,000) modaraba certificates of Rs. 10 each		625,000,000	625,000,000
Issued, subscribed and Paid up capital			
26,413,804 (2017:26,413,804) modaraba certificates of Rs. 10 each		264,138,040	264,138,040
Reserves		93,985,856	92,884,288
		358,123,896	357,022,328
TOTAL EQUITY AND RESERVES			
CONTINGENCIES AND COMMITMENTS			
		-	-

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 FOR THE QUARTER ENDED 30 SEPTEMBER 2018

	<u>Unaudited</u> 30 September 2018 Rupees	<u>Unaudited</u> 30 September 2017 Rupees
INCOME		
Income from Ijarah financing	6,584,213	463,469
Profit on murabahah financing	375,000	137,118
Net other income	68,566	77
	<u>7,027,779</u>	<u>600,664</u>
EXPENSES		
Amortization of assets leased out under Ijarah contracts	3,048,680	316,063
Administrative and general expenses	2,872,461	1,995,617
Financial charges	5,070	1,746
	<u>5,926,211</u>	<u>2,313,426</u>
(LOSS) / PROFIT BEFORE PROVISIONS AND TAXATION	<u>1,101,568</u>	<u>(1,712,762)</u>
	<u>1,101,568</u>	<u>(1,712,762)</u>
(LOSS) / PROFIT	<u>1,101,568</u>	<u>(1,712,762)</u>
(LOSS) / PROFIT PER CERTIFICATE - BASIC AND DILUTED	<u>0.042</u>	<u>(0.06)</u>

Chief Executive
Fidelity Capital Management
(Private) Limited

Director
Fidelity Capital Management
(Private) Limited

Director
Fidelity Capital Management
(Private) Limited

**CONDENSED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 30 SEPTEMBER 2018**



	Unaudited 30 September 2018 Rupees	Unaudited 30 September 2017 Rupees
(LOSS) / PROFIT	1,101,568	(1,712,762)
TOTAL COMPREHENSIVE (LOSS) / INCOME FOR THE QUARTER	<u><u>1,101,568</u></u>	<u><u>(1,712,762)</u></u>


Chief Executive
 Fidelity Capital Management
 (Private) Limited


Director
 Fidelity Capital Management
 (Private) Limited


Director
 Fidelity Capital Management
 (Private) Limited



CONDENSED INTERIM CASH FLOW STATEMENT FOR THE QUARTER ENDED 30 SEPTEMBER 2018

	Unaudited 30 September 2018 Rupees	Unaudited 30 September 2017 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / Loss before taxation	1,101,568	(1,712,762)
Adjustment for non cash charges and other items:		
Depreciation	3,048,680	401,567
Financial charges	5,070	1,746
Profit on murabahah finances	(375,000)	(137,118)
Return on bank deposits	(13,057)	-
	2,665,693	266,195
(Increase) / decrease in operating assets		
Ijarah rentals receivable	(2,903,870)	(99,337)
Advances, deposits, prepayments and other receivables	(8,918,834)	(265,375)
	(11,822,704)	(364,712)
(Increase)/decrease in operating liabilities		
Creditors, accrued and other liabilities	518,889	1,792,157
	518,889	1,792,157
	(7,536,554)	(19,122)
Cash generated from / (used in) operations		
Financial charges paid	(5,070)	(1,746)
Profit received on murabahah finances	375,000	270,985
Income tax	(15,124)	(4,392)
	354,806	264,847
CASH FLOWS FROM INVESTING ACTIVITIES		
Security deposits against ijarah assets	(1,124,100)	-
Proceeds from disposal of ijarah assets	(266,916)	-
Net cash from / (used in) investing activities	(1,391,016)	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Profit distribution	(27,380)	(1,473)
Net cash used in financing activities	(27,380)	(1,473)
Net increase / (decrease) in cash and cash equivalents	(8,600,144)	244,252
Cash and cash equivalents at the beginning of the year	10,040,527	24,406
Cash and cash equivalents at the end of the quarter	1,440,383	268,658

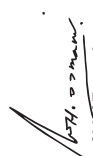

Chief Executive
Fidelity Capital Management
(Private) Limited


Director
Fidelity Capital Management
(Private) Limited


Director
Fidelity Capital Management
(Private) Limited

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 30 SEPTEMBER 2018**

	CAPITAL RESERVES				REVENUE RESERVE UNAPPROPRIATED PROFIT / (ACCUMULATED LOSS)	TOTAL
	CERTIFICATE CAPITAL	STATUTORY	FAIR VALUE	SUB TOTAL		
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Balance as at 30 June 2017	264,138,040	79,377,508	-	79,377,508	(19,854,815)	323,660,733
Profit after taxation for the year					33,361,595	33,361,595
Transfer to statutory reserve		15,012,718	-	15,012,718	(15,012,718)	
Balance as at 30 June 2018	264,138,040	94,390,226	-	94,390,226	(1,505,938)	357,022,328
Profit for the quarter					1,101,568	1,101,568
Balance as at 30 September 2018	264,138,040	94,390,226	-	94,390,226	(404,370)	358,123,896


Chief Executive
Fidelity Capital Management
(Private) Limited


Director
Fidelity Capital Management
(Private) Limited


Director
Fidelity Capital Management
(Private) Limited





**SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE QUARTER ENDED 30 SEPTEMBER 2018**

1. LEGAL STATUS AND NATURE OF BUSINESS

First Fidelity Leasing Modaraba (“the Modaraba”) was formed under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 and Rules framed there under and is managed by Fidelity Capital Management (Private) Limited. The registered office of the Modaraba is situated at 93, B-1 Canal Park, Gulberg-II, Lahore. The Modaraba commenced its business operations from 5 December 1991. The Modaraba is listed on all the stock exchanges in Pakistan.

The Modaraba is a perpetual, multipurpose and multidimensional modaraba and is primarily engaged in the business of ijarah (leasing), musharika and morabaha financing, equity investment, brokerage and other related business.

2. BASIS OF PREPARATION

This condensed interim financial information is un-audited and is being submitted to certificate holders. This condensed interim financial information has been prepared in accordance with the International Accounting Standard (IAS 34) “Interim Financial Reporting” as applicable in Pakistan and notified by the Securities and Exchange Commission of Pakistan (SECP). This condensed interim financial information should be read in conjunction with the audited annual published financial statements of the Modaraba for the year ended 30 June 2018.

This condensed interim financial information is being submitted to the certificate holders as required under Rule 10 of Modaraba Companies and Modaraba Rules 1981.

3. ACCOUNTING POLICIES

The accounting policies and methods of computations adopted for the preparation of this condensed interim financial information are the same as applied in the preparation of the preceding audited annual published financial statements of the Modaraba for the year ended 30 June 2018.

**SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE QUARTER ENDED 30 SEPTEMBER 2018**



	<u>Unaudited</u> 30 September 2018 Rupees	<u>Audited</u> 30 June 2018 Rupees
4 SHORT TERM FINANCES UNDER MURABAHAH ARRANGEMENTS-SECURED		
Considered Good	10,100,000	10,100,000
Considered doubtful	251,754,232	251,754,232
	<u>261,854,232</u>	<u>261,854,232</u>
Deffered\Unearned murabahah income	-	-
	<u>261,854,232</u>	<u>261,854,232</u>
Accumulated Impairment	(193,970,884)	(193,970,884)
	<u>67,883,348</u>	<u>67,883,348</u>
41.1	These represent receivables against morabaha transactions on deferred payment basis at a profit margin rate ranging from 12.98% to 19% (2017: 12.98% to 19%) per annum. These are secured against mortgage of properties, pledge of machinery, personal guarantees and demand promissory notes.	
4.2	This includes provision of Rupees 192 million(2017: Rupees 192) in respect of classified facilities of Erstwhile First Hajveri Modaraba. Certain recovery suits in this respect are pending adjudication in the honourable Lahore High Court and Banking Court, which are likely to be decided in the Modaraba's favour, however, due to inadequate securities, chances of any substantial recovery are slim.	
4.3	These include an amount of Rupees 35.00 million (2017: Rupees 35.00 million) advanced to Enplan (Private) Limited against Murabahah facility under the terms of settlement agreement dated 01 April 2011. It is secured against equitable as well as registered mortgage over land and building thereon measuring 4 kanals and 1 marla. It carries mark up at the rate of one year 12.98 % per annum. Principal plus profit is receivable in one bullet payment on expiry of the facility.	
5 IJARAH RENTALS RECEIVABLE - SECURED		
Considered good	4,179,610	1,225,740
Considered doubtful	36,075,495	36,125,495
Less: Provision for doubtful ijarah rentals receivable	36,075,495	36,125,495
	-	-
	<u>4,179,610</u>	<u>1,225,740</u>
5.1 Provision for doubtful ijarah rentals receivable		
Opening balance	36,125,495	36,168,780
Add: Provision charged / (reversed) during the year	(50,000)	(43,285)
Closing balance	<u>36,075,495</u>	<u>36,125,495</u>
6 ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES		
Receivable from clients - Secured	7,244,723	7,244,723
Receivable from Hajveri Modaraba Management Company (Private) Limited	3,206,064	3,206,064
Other receivables	10,371,777	1,778,410
	<u>20,822,564</u>	<u>12,229,197</u>
6.1 Receivable from clients - Secured		
Considered good	7,244,723	7,244,723
Considered doubtful	9,624,907	9,624,907
	16,869,630	16,869,630
Accumulated Impairment	(9,624,907)	(9,624,907)
	<u>7,244,723</u>	<u>7,244,723</u>



**SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE QUARTER ENDED 30 SEPTEMBER 2018**

- 6.1.1 These comprise of receivables generated as a consequence of carrying on the business by brokerage division.
- 6.2 This represents amount withdrawn by previous management company of First Hajveri Modaraba from time to time during prior years out of Modaraba Fund on account of remuneration in violation of section 18 of Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980. The present management filed civil suit against the company for recovery of the amount which has been returned for want of jurisdiction. The Modaraba has filed an appeal in the Lahore High Court against the decision of the civil court. The appeal has been adjourned with a date in office. The present management came in possession of 2,053,200 certificates of Erstwhile First Hajveri Modaraba subsequently converted into 578,041 certificates of First Fidelity Leasing Modaraba consequent to amalgamation. The present management has prayed to the Court that these certificates be attached and sold for adjustment of claim of the Modaraba. The suit was returned by the civil court with the objection that the same should be filed with the Modaraba Tribunal. The Modaraba has filed an appeal against this order which is pending in the High Court. During the year the Modaraba has adjusted the receivable with its dividend payable on these shares to First Hajveri Management Company. In view of this, no provision has been made in these financial statements against this receivable.

7 CREDITORS, ACCRUED AND OTHER LIABILITIES	<u>Unaudited</u> 30 September 2018 Rupees	<u>Audited</u> 30 June 2018 Rupees
Due to customers	1,708,200	30,178
Advance Ijarah rentals and security deposits	707,187	1,056,025
Advance against sale of villas at Muree	2,500,000	2,500,000
Management Company's remuneration payable	3,706,844	3,706,844
Accrued liabilities	1,824,982	3,579,070
Provision for worker's welfare fund	177,149	177,149
Others	1,112,412	169,367
	<u>11,736,774</u>	<u>11,218,633</u>

8 TRANSACTIONS WITH RELATED PARTIES

The related parties and associated undertakings comprise of associated companies, Modaraba Management Company, directors and key management personnel and retirement benefits. Transactions with related parties and associated undertakings other than remuneration and benefits to key management personnel under the term of employment, staff retirement benefits and others are as follows:

Balances with related parties

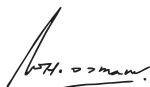
Payable to provident fund trust	193,186	163,284
Ijarah rentals receivable	157,068	97,402
Ijarah rentals suspended	97,402	97,402

9 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of comparison. However, no significant reclassification has been made.

10 GENERAL

- The financial statements of the Modaraba were approved by the directors of Modaraba Management Company and authorized for issue on October 30, 2018.
- 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

















www.jamapunji.pk

 **Jama
Punji**
سرمایہ کاری سمجھداری کے ساتھ





**Be aware, Be alert,
Be safe**
Learn about investing at
www.jamapunji.pk

Key features:

-  Licensed Entities Verification
-  Scam meter*
-  Jamapunji games*
-  Tax credit calculator*
-  Company Verification
-  Insurance & Investment Checklist
-  FAQs Answered
-  Stock trading simulator (based on live feed from KSE)
-  Knowledge center
-  Risk profiler*
-  Financial calculator
-  Subscription to Alerts (event notifications, corporate and regulatory actions)
-  Jamapunji application for mobile device
-  Online Quizzes



Jama Punji is an Investor Education Initiative of Securities and Exchange Commission of Pakistan

 jamapunji.pk  [@jamapunji_pk](https://twitter.com/jamapunji_pk)

*Mobile apps are also available for download for android and ios devices

Book Post

TO:

If undelivered please return to:
93, B-1 Canal Park, Gulberg -II, Lahore
Tel: 042-35713461 - 64, Fax: 042 - 35759122