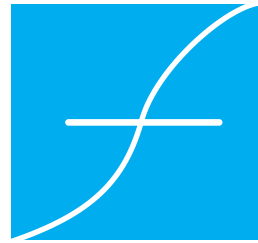
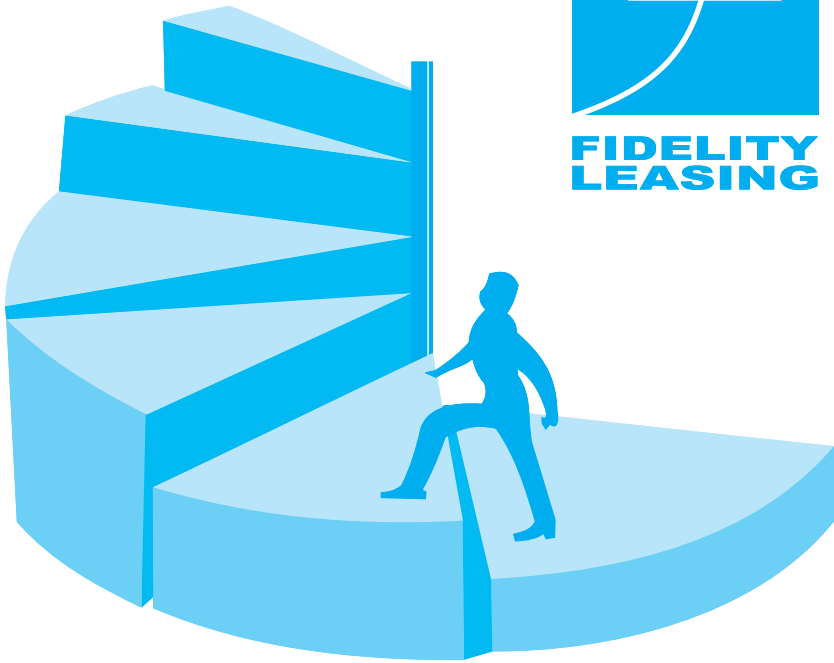


**QUARTERLY REPORT  
(UN-AUDITED)  
1ST QUARTER ENDED  
30 SEPTEMBER  
2020**



**FIDELITY  
LEASING**



**FIRST FIDELITY LEASING MODARABA**

Managed by:  
Fidelity Capital Management (Private) Limited

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## 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

CROWE HUSSAIN CHAUDHURY & CO.,  
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](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

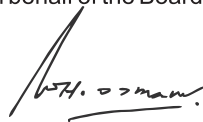
Directors of Fidelity Capital Management (Pvt.) Limited, the management company of First Fidelity Leasing Modaraba are pleased to present un-audited condensed financial statements of the Modaraba for the first quarter ended September 30, 2020.

The Modaraba during the quarter ended September 30, 2020 earned net profit of Rs. 2.06 million, as compared to profit of Rs. 1.002 million earned in the corresponding quarter ended September 30, 2019. 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 2020, after persistent failure of Enplan sponsors' commitment, court cases were initiated against Enplan and its sponsors, which are progressing in respective courts of law. The Modaraba has meritorious grounds to have the cases decided in its favor and expect early resolution. 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](http://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 27, 2020  
Lahore



## ڈائریکٹرز رپورٹ

بورڈ آف ڈائریکٹرز فیدلٹی کیپیٹل مینجمنٹ (پرائیویٹ) لمیٹڈ جو کہ فرسٹ فیدلٹی لیزنگ مزاربہ کے 30 ستمبر 2020 کو ختم ہونے والی سہ ماہی مدت کے غیر احتساب شدہ مالی حسابات پیش کرتے ہیں۔

مزاربہ کو زیرے غور سہ ماہی مدت کے دوران 2.06 بلین کا منافع ہوا جبکہ گزشتہ سال اسی مدت کے دوران 1.002 بلین کا منافع ہوا تھا۔

مزاربہ 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 مزاربہ رپورٹ 2020 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 جبکہ مزاربہ کے حق میں ہی فیصلہ ہو گا۔ مزاربہ 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 مزاربہ کی ویب سائٹ پر ملاحظہ کیے جاسکتے ہیں۔

[www.fidelitymodaraba.com](http://www.fidelitymodaraba.com)

بورڈ اس موقع پر اپنے معزز سرٹیفکیٹ 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۔

از طرف بورڈ آف ڈائریکٹرز:-

وسیم الحق اعظمی  
چیف ایگزیکٹو آفیسر

لاہور

اکتوبر 27، 2020

# BALANCE SHEET

AS AT 30 SEPTEMBER 2020



	Unaudited 30 September 2020 Rupees	Audited 30 June 2020 Rupees
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and bank balances	683,202	1,426,007
Short term finances under murabahah investments - secured 4	65,843,080	63,399,999
Ijarah rentals receivable 5	10,543,402	7,160,527
Profit receivable - Secured	3,518,246	2,299,077
Advances, deposits, prepayments and other receivables 6	15,009,700	13,555,254
Advance income tax	822,067	818,586
Current portion of non-current assets	-	250,484
	96,419,697	88,909,934
<b>NON-CURRENT ASSETS</b>		
Long term advances and deposits	-	1,059,014
Long term investment	3,510,000	3,510,000
Assets leased out under Ijarah contracts	53,466,452	60,187,110
Property and equipments	224,292,410	224,322,571
	281,268,862	289,078,695
<b>TOTAL ASSETS</b>	377,688,559	377,988,629
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Accrued and other liabilities 7	3,706,419	3,913,660
Unclaimed Profit Distribution	16,904,004	16,904,004
Current portion of non-current liabilities	625,000	757,657
	21,235,423	21,575,321
<b>NON-CURRENT LIABILITIES</b>		
Security deposits under Ijarah contracts	17,766,037	19,747,380
Employees retirement benefits	275,401	315,668
	18,041,438	20,063,048
<b>TOTAL LIABILITIES</b>	39,276,861	41,638,369
<b>NET ASSETS</b>	338,411,698	336,350,260
<b>FINANCED BY</b>		
Authorised Certificate capital		
62,500,000 (2019:62,500,000) modaraba certificates of Rs.10 each	625,000,000	625,000,000
Issued, subscribed and Paid up capital		
26,413,804 (2019:26,413,804) modaraba certificates of Rs.10 each	264,138,040	264,138,040
Reserves	74,273,658	72,212,220
<b>TOTAL EQUITY AND RESERVES</b>	338,411,698	336,350,260
<b>CONTINGENCIES AND COMMITMENTS</b>	-	-

Chief Executive  
Fidelity Capital Management  
(Private) Limited

Director  
Fidelity Capital Management  
(Private) Limited

Director  
Fidelity Capital Management  
(Private) Limited

CFO/Company Secretary



## PROFIT AND LOSS ACCOUNT FOR THE QUARTER ENDED 30 SEPTEMBER 2020

	<u>Unaudited</u> 30 September 2020 Rupees	<u>Unaudited</u> 30 September 2019 Rupees
<b>INCOME</b>		
Income from Ijarah financing	5,747,743	4,439,854
Profit on murabahah financing	1,235,249	366,044
Net other income	562,829	2,182,850
	<u>7,545,821</u>	<u>6,988,748</u>
<b>EXPENSES</b>		
Amortization of assets leased out under ijarah contracts	3,152,638	2,801,281
Administrative and general expenses	2,316,182	3,183,586
Financial charges	15,563	1,599
	<u>5,484,383</u>	<u>5,986,466</u>
<b>PROFIT BEFORE PROVISIONS AND TAXATION</b>	<u>2,061,438</u>	<u>1,002,282</u>
	<u>2,061,438</u>	<u>1,002,282</u>
<b>PROFIT BEFORE TAXATION</b>	<u>2,061,438</u>	<u>1,002,282</u>
<b>PROFIT AFTER TAXATION</b>	<u>2,061,438</u>	<u>1,002,282</u>
<b>PROFIT PER CERTIFICATE - BASIC AND DILUTED</b>	<u>0.078</u>	<u>0.04</u>

Chief Executive  
Fidelity Capital Management  
(Private) Limited

Director  
Fidelity Capital Management  
(Private) Limited

Director  
Fidelity Capital Management  
(Private) Limited

CFO/Company Secretary

**STATEMENT OF COMPREHENSIVE INCOME**  
FOR THE QUARTER ENDED 30 SEPTEMBER 2020



	<b>Unaudited 30 September 2020 Rupees</b>	Unaudited 30 September 2019 Rupees
PROFIT	2,061,438	1,002,282
TOTAL COMPREHENSIVE INCOME FOR THE QUARTER	<u>2,061,438</u>	<u>1,002,282</u>

Handwritten signature of the Chief Executive.

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

Handwritten signature of a Director.

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

Handwritten signature of a Director.

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

Handwritten signature of the CFO/Company Secretary.

CFO/Company Secretary





## CASH FLOW STATEMENT FOR THE QUARTER ENDED 30 SEPTEMBER 2020

	<b>Unaudited 30 September 2020 Rupees</b>	<b>Unaudited 30 September 2019 Rupees</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Profit / Loss before taxation</b>	2,061,438	1,002,282
<b>Adjustment for non cash charges and other items:</b>		
Depreciation	3,152,638	2,801,281
Financial charges	15,563	1,599
Profit on murabahah finances	(1,235,249)	(366,044)
Return on bank deposits	(12,432)	(7,023)
	1,920,520	2,429,813
<b>(Increase) / decrease in operating assets</b>		
Murabahah finances	(2,443,081)	9,000,000
Ijarah rentals receivable	1,333,949	(2,243,205)
Fixed assets acquired	30,161	25,574
Advances, deposits, prepayments and other receivables	(20,263)	(10,207,039)
	(1,099,234)	(3,424,670)
<b>(Increase)/decrease in operating liabilities</b>		
Creditors, accrued and other liabilities	(247,508)	(1,126,431)
	(247,508)	(1,126,431)
	2,635,216	(1,119,006)
<b>Cash generated from / (used in) operations</b>		
Financial charges paid	(15,563)	(1,599)
Profit received on murabahah finances	1,235,249	366,044
Profit on bank deposits	12,432	7,023
Income tax	(3,481)	(1,751)
	1,228,637	369,717
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Security deposits against ijarah assets	2,114,000	(947,455)
Proceeds from disposal of ijarah assets	(6,720,658)	(600,285)
Proceeds from sale of investment properties	-	-
<b>Net cash from / (used in) investing activities</b>	(4,606,658)	(1,547,740)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
<b>Profit distribution</b>	-	-
<b>Net cash used in financing activities</b>	-	-
<b>Net increase / (decrease) in cash and cash equivalents</b>	(742,805)	(2,297,029)
<b>Cash and cash equivalents at the beginning of the year</b>	1,426,007	3,416,953
<b>Cash and cash equivalents at the end of the quarter</b>	683,202	1,119,924

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


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

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

  
**CFO/Company Secretary**

**STATEMENT OF CHANGES IN EQUITY**  
FOR THE QUARTER ENDED 30 SEPTEMBER 2020

	CAPITAL RESERVES		REVENUE RESERVE		TOTAL	
	CERTIFICATE CAPITAL	STATUTORY	FAIR VALUE	SUB TOTAL		UNAPPROPRIATED PROFIT / (ACCUMULATED LOSS)
	Rupees	Rupees	Rupees	Rupees	Rupees	
Balance as at 30 June 2019	264,138,040	94,620,283	-	94,620,283	(17,755,062)	341,003,261
(Loss)/Profit after taxation for the year					(4,653,001)	(4,653,001)
Transfer to statutory reserve					-	
Balance as at 30 June 2020	264,138,040	94,620,283	-	94,620,283	(22,408,063)	336,350,260
Profit for the quarter					2,061,438	2,061,438
Balance as at 30 September 2020	264,138,040	94,620,283	-	94,620,283	(20,346,625)	338,411,698

  
Chief Executive  
Fidelity Capital Management  
(Private) Limited

  
Director  
Fidelity Capital Management  
(Private) Limited

  
Director  
Fidelity Capital Management  
(Private) Limited

  
CFO/Company Secretary





## **NOTES TO THE FINANCIAL STATEMENTS**

FOR THE QUARTER ENDED 30 SEPTEMBER 2020

### **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. The Modaraba is a corporate member of the Islamabad Stock Exchange (Guarantee) Limited and National Commodity Exchange Limited.

### **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 2020.

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 2020.

**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE QUARTER ENDED 30 SEPTEMBER 2020



	<u>Unaudited</u> <b>30 September</b> <b>2020</b> <b>Rupees</b>	<u>Audited</u> <b>30 June</b> <b>2020</b> <b>Rupees</b>
<b>4 SHORT TERM FINANCES UNDER MURABAHAH ARRANGEMENTS-SECURED</b>		
Considered Good	30,843,080	28,400,000
Considered doubtful	227,754,232	227,754,231
	<u>258,597,312</u>	<u>256,154,231</u>
Deffered\Unearned murabahah income	-	-
	<u>258,597,312</u>	<u>256,154,231</u>
Accumulated Impairment	<u>(192,754,232)</u>	<u>(192,754,232)</u>
	<u>65,843,080</u>	<u>63,399,999</u>
<b>4.1</b>	These represent receivables against morabaha transactions on deferred payment basis at a profit margin rate ranging from 12.98% to 19% (2019: 12.98% to 19%) per annum. These are secured against mortgage of properties, pledge of machinery, personal guarantees and demand promissory notes.	
<b>4.2</b>	This includes provision of Rupees 192 million(2019: 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.	
<b>4.3</b>	These include an amount of Rupees 35.00 million (2019: 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.	
<b>5 IJARAH RENTALS RECEIVABLE - SECURED</b>		
Considered good	10,543,402	7,160,527
Considered doubtful	36,792,391	37,816,854
Less: Provision for doubtful ijarah rentals receivable	36,792,391	37,816,854
	-	-
	<u>10,543,402</u>	<u>7,160,527</u>
<b>5.1 Provision for doubtful ijarah rentals receivable</b>		
Opening balance	37,816,854	36,920,823
Add: Provision charged / (reversed) during the year	(1,024,463)	896,031
Closing balance	<u>36,792,391</u>	<u>37,816,854</u>
<b>6 ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES</b>		
Prepayments	-	-
Receivable from clients - Secured	7,244,723	7,244,723
Receivable from Hajveri Modaraba Management Company (Private) Limited	6.2 2,028,775	2,028,924
Other receivables	5,736,202	4,281,607
	<u>15,009,700</u>	<u>13,555,254</u>
<b>6.1 Receivable from clients - Secured</b>		
Considered good	6.1.1 7,244,723	7,244,723
Considered doubtful	9,624,907	9,624,907
	16,869,630	16,869,630
Accumulated Impairment	<u>(9,624,907)</u>	<u>(9,624,907)</u>
	<u>7,244,723</u>	<u>7,244,723</u>



## NOTES TO THE FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 SEPTEMBER 2020

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.

	2020 Rupees	2020 Rupees
<b>7 CREDITORS, ACCRUED AND OTHER LIABILITIES</b>		
Due to customers	639,142	27,628
Advance Ijarah rentals and security deposits	-	342,719
Management Company's remuneration payable	47,988	153,988
Accrued liabilities	649,863	1,482,536
Provision for worker's welfare fund	177,149	177,149
Others	2,192,277	1,729,640
	<u>3,706,419</u>	<u>3,913,660</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:

	2020 Rupees	2020 Rupees
<b>Balances with related parties</b>		
Payable to provident fund trust	243,915	446,441
Ijarah rentals receivable	32,072	202,784
Ijarah rentals suspended	-	-

## 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 27, 2020.
- 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

  
CFO/Company Secretary

















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-  Stock trading simulator  
(based on live feed from KSE)
-  Knowledge center
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-  Financial calculator
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