

**FIDELITY  
LEASING**

**QUARTERLY REPORT  
(UN-AUDITED)  
1ST QUARTER ENDED  
30 SEPTEMBER  
2021**

**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



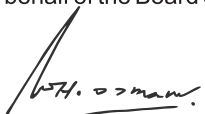
Directors of Fidelity Capital Management (Pvt.) Limited, the management company of First Fidelity Leasing Modaraba are pleased to present un-audited condensed financial statements of the Modaraba for the first quarter ended September 30, 2021.

The Modaraba during the quarter ended September 30, 2021 earned net profit of Rs. 0.091 million, as compared to profit of Rs. 2.061 million earned in the corresponding quarter ended September 30, 2020. 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 2021, after persistent failure of Enplan sponsors' commitment, court cases were initiated against Enplan and its sponsors, which are progressing in respective courts of law however circumstances surrounding COVID 19 has caused delay in court proceedings. 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, 2021  
Lahore



## ڈائریکٹرز رپورٹ

بورڈ آف ڈائریکٹرز فیدلٹی کیپیٹل مینجمنٹ (پرائیویٹ) لمیٹڈ جو کہ فرسٹ فیدلٹی لیزنگ مضاربہ کے 30 ستمبر 2021 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 0.091 ملین کا منافع ہوا جبکہ گزشتہ سال اسی مدت کے دوران 2.061 ملین کا منافع 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 2021 میں بیان کیا گیا تھا۔ این پلان اسپانسرز کی عزم کی مسلسل ناکامی کے بعد عدالت کے مقدمات این پلان اور اس کے سپانسر کے خلاف شروع کیے گئے ہیں۔ جو قانون کے متعلقہ عدالتوں میں زیر التواء ہیں تاہم کوآڈ-19 کے ارد گرد کے حالات نے عدالتی کارروائی میں تاخیر کی ہے اور جبکہ مضاربہ کی 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 لیے کافی فنڈز فراہم کرے گی۔

حسابات مضاربہ کی ویب سائٹ پر ملاحظہ کیے جاسکتے ہیں۔

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

بورڈ اس موقع پر اپنے معزز سٹینڈنگ کمیٹی 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 احسن عثمانی

چیف ایگزیکٹو آفیسر

لاہور

اکتوبر 27، 2021

# BALANCE SHEET

## AS AT 30 SEPTEMBER 2021



	Unaudited 30 September 2021 Rupees	Audited 30 June 2021 Rupees
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and bank balances	61,747	640,804
Short term finances under murabahah investments - secured 4	69,743,000	69,742,999
Ijarah rentals receivable 5	10,975,884	8,641,805
Profit receivable - Secured	5,959,782	4,685,314
Unearned murabaha profit receivable	470,907	1,745,375
Advances, deposits, prepayments and other receivables 6	12,717,493	12,467,325
Advance income tax	569,166	567,302
Current portion of non-current assets	443,163	590,883
	100,941,142	99,081,807
<b>NON-CURRENT ASSETS</b>		
Long term advances and deposits	730,763	730,763
Long term investment	3,510,000	3,510,000
Assets leased out under Ijarah contracts	41,873,124	44,518,074
Property and equipments	226,602,582	226,550,035
	272,716,469	275,308,872
	373,657,611	374,390,679
<b>TOTAL ASSETS</b>		
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Accrued and other liabilities 7	3,786,173	3,335,701
Unclaimed Profit Distribution	16,898,790	16,898,906
Deferred Murabaha Income	470,907	1,745,375
Current portion of non-current liabilities	1,104,080	1,221,649
	22,259,950	23,201,631
<b>NON-CURRENT LIABILITIES</b>		
Security deposits under Ijarah contracts	17,469,457	17,351,888
Employees retirement benefits	394,072	394,072
	17,863,529	17,745,960
	40,123,479	40,947,591
<b>TOTAL LIABILITIES</b>	<b>40,123,479</b>	<b>40,947,591</b>
<b>NET ASSETS</b>	<b>333,534,132</b>	<b>333,443,088</b>
<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	69,396,092	69,305,048
	333,534,132	333,443,088
<b>TOTAL EQUITY AND RESERVES</b>	<b>333,534,132</b>	<b>333,443,088</b>
<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 2021

	<u>Unaudited</u> 30 September 2021 Rupees	<u>Unaudited</u> 30 September 2020 Rupees
<b>INCOME</b>		
Income from Ijarah financing	4,046,185	5,747,743
Profit on murabahah financing	1,274,468	1,235,249
Net other income	5,311	562,829
	<hr/> 5,325,964	<hr/> 7,545,821
<b>EXPENSES</b>		
Amortization of assets leased out under ijarah contracts	2,619,366	3,152,638
Administrative and general expenses	2,611,177	2,316,182
Financial charges	4,377	15,563
	<hr/> 5,234,920	<hr/> 5,484,383
<b>PROFIT BEFORE PROVISIONS AND TAXATION</b>	<hr/> 91,044	<hr/> 2,061,438
<b>TAXATION</b>	<hr/> -	<hr/> -
<b>PROFIT AFTER TAXATION</b>	<hr/> 91,044	<hr/> 2,061,438
<b>PROFIT PER CERTIFICATE - BASIC AND DILUTED</b>	<hr/> <hr/> 0.003	<hr/> <hr/> 0.08

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 2021**



	<b>Unaudited 30 September 2021 Rupees</b>	<b>Unaudited 30 September 2020 Rupees</b>
PROFIT	91,044	2,061,438
TOTAL COMPREHENSIVE INCOME FOR THE QUARTER	<u>91,044</u>	<u>2,061,438</u>

Handwritten signature of the Chief Executive.

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

Handwritten signature of the Director.

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

Handwritten signature of the 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 2021

	<b>Unaudited 30 September 2021 Rupees</b>	<b>Unaudited 30 September 2020 Rupees</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Profit / Loss before taxation</b>	91,044	2,061,438
<b>Adjustment for non cash charges and other items:</b>		
Depreciation	2,619,366	3,152,638
Financial charges	4,377	15,563
Profit on murabahah finances	(1,274,468)	(1,235,249)
Return on bank deposits	(1,441)	(12,432)
	1,347,834	1,920,520
<b>(Increase) / decrease in operating assets</b>		
Murabahah finances	(1)	(2,443,081)
Ijarah rentals receivable	2,334,079	1,333,949
Fixed assets acquired	(52,547)	30,161
Advances, deposits, prepayments and other receivables	(2,473,596)	(20,263)
	(192,065)	(1,099,234)
<b>(Increase)/decrease in operating liabilities</b>		
Creditors, accrued and other liabilities	(450,472)	(247,508)
	(450,472)	(247,508)
	796,341	2,635,216
<b>Cash generated from / (used in) operations</b>		
Financial charges paid	(4,377)	(15,563)
Profit received on murabahah finances	1,274,468	1,235,249
Profit on bank deposits	1,441	12,432
Income tax	(1,864)	(3,481)
	1,269,668	1,228,637
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Security deposits against ijarah assets	-	2,114,000
Proceeds from disposal of ijarah assets	(2,644,950)	(6,720,658)
Proceeds from sale of investment properties	-	-
<b>Net cash from / (used in) investing activities</b>	(2,644,950)	(4,606,658)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
<b>Profit distribution</b>	(116)	-
<b>Net cash used in financing activities</b>	(116)	-
<b>Net increase / (decrease) in cash and cash equivalents</b>	(579,057)	(742,805)
<b>Cash and cash equivalents at the beginning of the year</b>	640,804	1,426,007
<b>Cash and cash equivalents at the end of the quarter</b>	61,747	683,202

  
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 2021

	CERTIFICATE CAPITAL		CAPITAL RESERVES		REVENUE RESERVE		TOTAL
	Rupees	STATUTORY	FAIR VALUE	SUB TOTAL	UNAPPROPRIATED		
					Y	Rupees	
Balance as at 30 June 2020	264,138,040	94,620,283	-	94,620,283	(22,408,063)		336,350,260
(Loss)/Profit after taxation for the year					(2,907,172)		(2,907,172)
Transfer to statutory reserve							
Balance as at 30 June 2021	264,138,040	94,620,283	-	94,620,283	(25,315,235)		333,443,088
Profit for the quarter					91,044		91,044
Balance as at 30 September 2021	264,138,040	94,620,283	-	94,620,283	(25,224,191)		333,534,132

  
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 2021

### **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 2021.

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 2021.

**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE QUARTER ENDED 30 SEPTEMBER 2021



		<u>Unaudited</u> 30 September 2021 Rupees	<u>Audited</u> 30 June 2021 Rupees
<b>4</b>	<b>SHORT TERM FINANCES UNDER MURABAHAH ARRANGEMENTS-SECURED</b>		
	Considered Good	4.1 34,743,000	34,743,000
	Considered doubtful	227,754,232	227,754,231
		<u>262,497,232</u>	<u>262,497,231</u>
	Deffered\Unearned murabahah income	-	-
		<u>262,497,232</u>	<u>262,497,231</u>
	Accumulated Impairment	4.2 (192,754,232)	(192,754,232)
		<u>69,743,000</u>	<u>69,742,999</u>

**4.1** The Modaraba has sold goods to Murabaha customers with appropriate profit margins under the Murabaha arrangements whereby payment is deferred over the time period agreed with customers. These finances are secured against mortgage of properties, demand promissory notes and personal guarantees. Profit margin on murabaha investments ranges from 13% to 22% (2020: 12.98% to 19%) per annum.

**4.2** This amount represents receivables from 5 customers (2020:5 customers) of erstwhile First Hajveri Modarba under murabaha arrangements. Legal proceedings against these customers are in process in different courts of law. This includes receivable of Rs. 192.75 million (2020:192.75 million) in respect of classified facilities of First Hajveri Modaraba.

**4.3** This also includes receivable of Rs. 35 million (2020: Rs. 35 million) which was given to Enplan (Private) Limited against Murabahah facility for the construction material under the terms of settlement agreement dated April 01, 2011. It is secured against equitable as well as registered mortgage over land and building thereon measuring 4 kanals and 1 marla. It carried profit at 12.98% per annum.

		<u>Unaudited</u> 30 September 2021 Rupees	<u>Audited</u> 30 June 2021 Rupees
<b>5</b>	<b>IJARAH RENTALS RECEIVABLE - SECURED</b>		
	Considered good	10,975,884	8,641,805
	Considered doubtful	40,570,341	40,570,341
	Less: Provision for doubtful ijarah rentals receivable	40,570,341	40,570,341
		-	-
		<u>10,975,884</u>	<u>8,641,805</u>
<b>5.1</b>	<b>Provision for doubtful ijarah rentals receivable</b>		
	Opening balance	40,570,341	37,816,854
	Add: Provision charged / (reversed) during the year	-	2,753,487
	Closing balance	<u>40,570,341</u>	<u>40,570,341</u>



## NOTES TO THE FINANCIAL STATEMENTS

FOR THE QUARTER ENDED 30 SEPTEMBER 2021

	<b>Unaudited</b> <b>30 September</b> <b>2021</b> <b>Rupees</b>	<b>Audited</b> <b>30 June</b> <b>2021</b> <b>Rupees</b>
<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 1,739,903	1,734,123
Other receivables	4,906,796	3,488,479
	<u>13,891,422</u>	<u>12,467,325</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>

**6.1.1** These represent receivables from brokerage clients. These are secured against lien on respective listed shares of the clients in CDC system.

**6.2** This represents amount withdrawn by Hajveri Modaraba Management Company (Private) Limited (the previous management Company) of First Hajveri Modaraba (the Modaraba) from time to time during previous years out of the modaraba's fund. Such amounts were drawn on account of remuneration for services in violation of the section 18 of the Modaraba Companies and Modaraba (Flotation and control) Ordinance, 1980. During the process of amalgamation with the previous management company, 2,053,200 certificates of erstwhile First Hajveri Modaraba were acquired by the Management Company against the above receivables. Such certificates were then converted into 578,041 certificates of this Modaraba. The Management Company intends to apply the sales proceeds of these certificates to settle the receivable and an application for the said arrangement was not entertained by Civil Court Lahore for want of jurisdiction. An application to this effect is now pending with Lahore High Court.

	<b>2021</b> <b>Rupees</b>	<b>2021</b> <b>Rupees</b>
<b>7 CREDITORS, ACCRUED AND OTHER LIABILITIES</b>		
Due to customers	710,556	27,628
Advance Ijarah rentals and security deposits	-	394,589
Management Company's remuneration payable	47,988	47,988
Accrued liabilities	629,733	1,413,104
Provision for worker's welfare fund	177,149	177,149
Others	2,220,747	1,275,243
	<u>3,786,173</u>	<u>3,335,701</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:

	<b>2021</b> <b>Rupees</b>	<b>2021</b> <b>Rupees</b>
<b>Balances with related parties</b>		
Payable to provident fund trust	277,973	245,909
Ijarah rentals receivable	32,072	95,880
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, 2021.
- 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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-  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



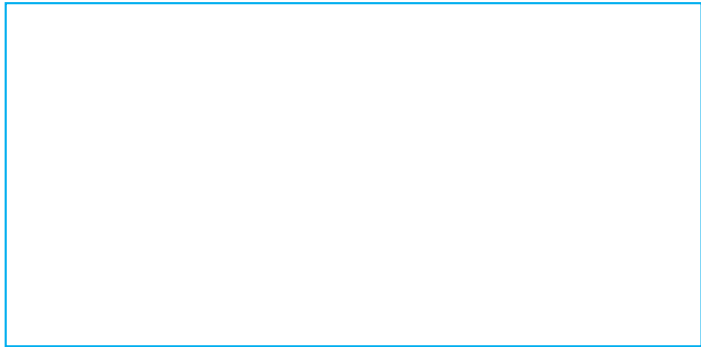
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