

**FIDELITY
LEASING**

**CONDENSED INTERIM
FINANCIAL INFORMATION
(UN-AUDITED)
FOR THE QUARTER ENDED
31 MARCH**

2015

FIRST FIDELITY LEASING MODARABA

Managed By:

Fidelity Capital Management (Private) Limited

CONTENTS



CORPORATE INFORMATION.....	02
DIRECTORS' REPORT.....	03
BALANCE SHEET	04
PROFIT AND LOSS ACCOUNT.....	05
STATEMENT OF COMPREHENSIVE INCOME.....	06
CASH FLOW STATEMENT.....	07
STATEMENT OF CHANGES IN EQUITY	08
NOTES TO THE ACCOUNTS.....	09



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 RARIQ
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
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

DIRECTORS' REPORT

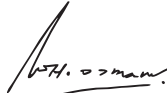
Directors of Fidelity Capital Management (Pvt.) Limited, the management company of First Fidelity Leasing Modaraba are pleased to present third quarter un-audited condensed financial statements of the Modaraba for the period ended March 31, 2015.

The Modaraba during the quarter sustained loss of Rs. 2.304 million, the cumulative after tax loss for nine months ended March 31, 2015, stood at Rs.4.651 million as compared to profit of Rs. 8.456 million earned in the corresponding nine months period ended March 31, 2014. With some expected recoveries Modaraba income is likely to show improvement in the ensuing period.

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

The Directors 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



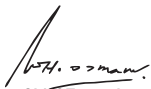
Wasim ul Haq Osmani
(Chief Executive)

Lahore:
April 29, 2015

CONDENSED INTERIM BALANCE SHEET AS AT 31 MARCH 2015

	Note	Un-audited 31 March 2015 Rupees	Audited 30 June 2014 Rupees
ASSETS			
CURRENT ASSETS			
Cash and bank balances		1,387,322	10,169,776
Short term investment	4	-	25,442
Short term morabaha investments - secured		89,362,760	81,606,010
Ijarah rentals receivable		723,945	620,442
Advances, prepayments and other receivables		20,765,413	17,943,003
Current portion of non-current assets	5	271,000	734,555
		<u>112,510,440</u>	<u>111,099,228</u>
NON-CURRENT ASSETS			
Employees benefits - prepayments		-	7,289
Long term morabaha investments - secured	6	819,282	791,746
Long term receivables and deposits	7	1,197,217	1,345,371
Long term investment		5,750,000	5,750,000
Trading right entitlement certificates. Card and room		6,280,000	6,280,000
Ijarah assets		18,383,513	23,058,600
Fixed assets	8	226,517,647	227,469,114
		<u>258,947,659</u>	<u>264,702,120</u>
TOTAL ASSETS		<u>371,458,099</u>	<u>375,801,348</u>
LIABILITIES			
CURRENT LIABILITIES			
Deferred morabaha income		1,350,916	1,736,010
Placement		-	-
Creditors, accrued and other liabilities		18,095,026	14,126,350
Current portion of non-current liabilities	9	612,758	3,438,913
		<u>20,058,700</u>	<u>19,301,273</u>
NON-CURRENT LIABILITIES			
Deferred income tax		-	2,544
Security deposits against ijarah assets		5,910,747	6,342,807
Employee benefits		1,154,230	1,190,359
Deferred morabaha income		141,844	119,944
		<u>7,206,821</u>	<u>7,655,654</u>
TOTAL LIABILITIES		<u>27,265,521</u>	<u>26,956,927</u>
NET ASSETS		<u>344,192,578</u>	<u>348,844,421</u>
FINANCED BY			
Certificate capital			
26,413,804 modaraba certificates (30 June 2012: 26,413,804) of Rupees 10 each		264,138,040	264,138,040
Reserves		80,054,538	84,706,381
TOTAL EQUITY AND RESERVES		<u>344,192,578</u>	<u>348,844,421</u>
CONTINGENCIES AND COMMITMENTS	10	-	-

The annexed notes form an integral part of this condensed interim financial information.



Chief Executive
Fidelity Capital Management
(Private) Limited



Director
Fidelity Capital Management
(Private) Limited



Fidelity Capital Management
(Private) Limited

**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE PERIOD ENDED 31 MARCH 2015**

	PERIOD ENDED		QUARTER ENDED	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
	Rupees	Rupees	Rupees	Rupees
INCOME				
Ijarah rentals	7,848,912	5,343,433	1,649,354	2,158,004
Profit on morabaha investments	2,889,055	8,116,908	213,439	3,917,764
Other income	41,284	14,317,272	12,973	180,170
	10,779,251	27,777,613	1,875,766	6,255,938
EXPENSES				
Depreciation on ijarah assets	(3,520,998)	(3,674,443)	(1,200,472)	(1,160,125)
Administrative and general expenses	(11,907,257)	(13,299,051)	(3,001,898)	(4,142,323)
Stock exchange and CDC charges	(4,579)	(118,876)	-	1,622
Financial charges	(15,141)	(41,255)	(2,857)	(21,305)
	(15,447,975)	(17,133,625)	(4,205,220)	(5,322,131)
OPERATING (LOSS)/PROFIT BEFORE PROVISIONS AND TAXATION	(4,668,724)	10,643,988	(2,329,454)	933,807
Provision (charged)/reversed for non performing receivables	(7,119)	(1,342,240)	24,542	2,390,000
	(4,675,843)	9,301,748	(2,304,912)	3,323,807
Modaraba Company's management fee	-	(845,613)	-	(302,164)
PROFIT BEFORE TAXATION	(4,675,843)	8,456,135	(2,304,912)	3,021,643
Taxation	24,000	-	-	-
PROFIT AFTER TAXATION	(4,651,843)	8,456,135	(2,304,912)	3,021,643
PROFIT PER CERTIFICATE - BASIC AND DILUTED	(0.18)	0.32	(0.09)	0.11

The annexed notes form an integral part of this condensed interim financial information.


Chief Executive
 Fidelity Capital Management
 (Private) Limited


Director
 Fidelity Capital Management
 (Private) Limited

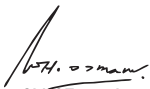

 Fidelity Capital Management
 (Private) Limited



CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE PERIOD ENDED 31 MARCH 2015

	PERIOD ENDED		QUARTER ENDED	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
	Rupees	Rupees	Rupees	Rupees
Profit/(Loss) after taxation	(4,651,843)	8,456,135	(2,304,912)	3,021,643
OTHER COMPREHENSIVE INCOME				
Surplus on remeasurement of available for sale investments	-	-	-	-
Impairment loss charged to profit and loss account	-	-	-	-
Other comprehensive income for the period	-	-	-	-
TOTAL COMPREHENSIVE (LOSS) / INCOME FOR THE PERIOD	(4,651,843)	8,456,135	(2,304,912)	3,021,643

The annexed notes form an integral part of this condensed interim financial information.



Chief Executive
Fidelity Capital Management
(Private) Limited



Director
Fidelity Capital Management
(Private) Limited



Fidelity Capital Management
(Private) Limited

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE PERIOD ENDED 31 MARCH 2015



	Note	PERIOD ENDED	
		31 March 2015	31 March 2014
		Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash (used in) /generated from operations	11	(7,056,751)	(19,519,759)
Financial charges paid		(15,141)	(41,255)
Profit received on morabaha investments		372,148	4,179,358
Profit on bank deposits		6,564	17,695
Employee benefits paid		-	(582,123)
Advance tax (paid)/ Adjust		(54,494)	238,312
Net cash (used in) /generated from operating activities		(6,747,674)	(15,707,772)
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed assets acquired - own use		(71,412)	(848,500)
Proceeds from disposal of investment property		-	18,550,000
Investment made in FAFA Fund		-	(20,252,510)
Proceeds from sale of investment in NAFA Fund		25,442	12,601,439
Security deposits against ijarah assets		(3,111,367)	(1,620,430)
Proceeds from disposal of ijarah assets		4,950,989	4,015,602
Ijarah assets acquired		(3,796,900)	(16,293,300)
Net cash from investing activities		(2,003,248)	(3,847,699)
CASH FLOWS FROM FINANCING ACTIVITIES			
Finances under musharika arrangements		-	-
Profit distribution		(31,532)	(314,167)
Net cash used in financing activities		(31,532)	(314,167)
Net decrease / increase in cash and cash equivalents		(8,782,454)	(19,869,638)
Cash and cash equivalents at the beginning of the period		10,169,776	25,717,356
Cash and cash equivalents at the end of the period		1,387,322	5,847,718

The annexed notes form an integral part of this condensed interim financial information.


 Chief Executive
 Fidelity Capital Management
 (Private) Limited


 Director
 Fidelity Capital Management
 (Private) Limited



 Fidelity Capital Management
 (Private) Limited
 Quarterly Report 31 March 2015




CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2015

	RESERVES				TOTAL EQUITY	
	CAPITAL RESERVE		REVENUE RESERVE			TOTAL
	STATUTORY RESERVE	FAIR VALUE RESERVE	UNAPPROPRIATED PROFIT / (ACCUMULATED LOSS)	REVENUE RESERVE		
Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	
Balance as at 01 July 2013 - (Audited)	264,138,040	78,624,577	-	2,223,460	80,848,037	344,986,077
Total comprehensive income / (loss) for the period ended 31 March 2014	-	1,691,227	-	8,456,135 (1,691,227)	8,456,135	8,456,135
Balance as at 31 March 2014	<u>264,138,040</u>	<u>80,315,804</u>	<u>-</u>	<u>9,698,408</u>	<u>90,014,212</u>	<u>354,152,252</u>
Balance as at 01 July 2014 - (Audited)	264,138,040	79,377,508	22,898	5,305,975	84,706,381	348,844,421
Total comprehensive (loss) / income for the period ended 31 March 2015	-	-	-	(4,651,843)	(4,651,843)	(4,651,843)
Transfer to statutory reserves	-	-	-	-	-	-
Balance as at 31 March 2015	<u>264,138,040</u>	<u>79,377,508</u>	<u>22,898</u>	<u>654,132</u>	<u>80,054,538</u>	<u>344,192,578</u>

The annexed notes form an integral part of this condensed interim financial information.


Chief Executive
 Fidelity Capital Management
 (Private) Limited


Director
 Fidelity Capital Management
 (Private) Limited


 Fidelity Capital Management
 (Private) Limited

**SELECTED NOTES TO THE CONDENSED INTERIM
FINANCIAL INFORMATION (UN-AUDITED)
FOR THE PERIOD ENDED 31 MARCH 2015**



1 LEGAL STATUS AND NATURE OF BUSINESS

First Fidelity Leasing Modaraba ("the Modaraba") was formed under the Modaraba Companies and Modaraba (Floation 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 Ground floor 90, A-1 Canal Bank, 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 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 STATEMENT OF COMPLIANCE

This condensed interim financial information is unaudited and is being submitted to the certificate holders as required under Rule 10 of Modaraba Companies and Modaraba Rules, 1981. 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 2014.

3 SUMMARY OF SIGNIFICANT 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 2014.

	Un-audited 31 March 2015 Rupees	Audited 30 June 2014 Rupees
4 SHORT TERM INVESTMENT	-	25,442
5 CURRENT PORTION OF NON-CURRENT ASSETS		
Long term morabaha investments	-	475,046
Long term receivables -loans to employees	<u>271,000</u>	<u>259,509</u>
	<u><u>271,000</u></u>	<u><u>734,555</u></u>
6 LONG TERM MORABAHA INVESTMENTS - SECURED		
Balance receivable	-	1,000,000
Add: deferred / unearned morabaha income	<u>819,282</u>	<u>266,792</u>
	<u>819,282</u>	<u>1,266,792</u>
Less current portion of long term morabaha investments		<u>475,046</u>
	<u><u>819,282</u></u>	<u><u>791,746</u></u>
7 LONG TERM RECEIVABLES AND DEPOSITS		
Long term loans to employees	<u>607,717</u>	<u>744,380</u>
Securities dand deposits	<u>860,500</u>	<u>860,500</u>
	<u>1,468,217</u>	<u>1,604,880</u>
Less: current portion of long term receivables		<u>271,000</u>
Closing book value	<u><u>1,197,217</u></u>	<u><u>1,345,371</u></u>

**SELECTED NOTES TO THE CONDENSED INTERIM
FINANCIAL INFORMATION (UN-AUDITED)
FOR THE PERIOD ENDED 31 MARCH 2015**

	Un-audited 31 March 2015 Rupees	Audited 30 June 2014 Rupees
8 FIXED ASSETS		
Assets in own use (Note 8.2)	2,517,647	3,469,114
Capital work in progress - Property under construction	224,000,000	224,000,000
	<u>226,517,647</u>	<u>227,469,114</u>
8.1 Ijarah assets		
Opening book value	23,058,600	14,665,565
Cost of additions during the period / year (Note 8.1.1)	3,796,900	18,063,800
	<u>26,855,500</u>	<u>32,729,365</u>
Book value of deletions during the period / year (Note 8.1.2)	<u>(4,950,989)</u>	<u>(4,587,707)</u>
	21,904,511	28,141,658
Depreciation charged during the period / year	<u>(3,520,998)</u>	<u>(5,083,058)</u>
Closing book value	<u>18,383,513</u>	<u>23,058,600</u>
8.1.1 Cost of additions		
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>
8.1.2 Book value of deletions		
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>
8.2 Assets in own use		
Opening book value	3,469,114	3,940,145
Cost of additions during the period / year (Note 8.2.1)	71,412	848,500
	<u>3,540,526</u>	<u>4,788,645</u>
Book value of deletions during the period / year (Note 8.2.2)	<u>(7,119)</u>	-
	3,533,407	4,788,645
Depreciation charged during the period / year	<u>(1,015,760)</u>	<u>(1,319,531)</u>
	<u>2,517,647</u>	<u>3,469,114</u>
8.2.1 Cost of additions		
Furniture and fixtures	-	47,300
Computers and equipments	23,000	76,200
Vehicles	48,412	725,000
	<u>71,412</u>	<u>848,500</u>
8.2.2 Book value of deletions		
Computers and equipments	7,119	-
	<u>7,119</u>	-

**SELECTED NOTES TO THE CONDENSED INTERIM
FINANCIAL INFORMATION (UN-AUDITED)
FOR THE PERIOD ENDED 31 MARCH 2015**



	Un-audited 31 March 2015 Rupees	Audited 30 June 2014 Rupees
8.3 Capital work in progress		
Property in course of construction		
Opening cost	224,000,000	224,000,000
Additions during the period	-	-
	<u>224,000,000</u>	<u>224,000,000</u>
Transfers during the period	-	-
	<u>224,000,000</u>	<u>224,000,000</u>
9 CURRENT PORTION OF NON-CURRENT LIABILITIES		
Security deposits against ijarah assets	<u>612,758</u>	<u>3,292,065</u>
	<u>612,758</u>	<u>3,292,065</u>

10 CONTINGENCIES AND COMMITMENTS

There were no reportable contingencies and commitments as at 31 March 2015 (30 June 2014: Nil).

	UN-AUDITED PERIOD ENDED	
	31 March 2015 Rupees	31 March 2014 Rupees
11 CASH (USED IN) /GENERATED FROM OPERATIONS		
Loss before taxation	(4,675,843)	8,456,135
Adjustment for non cash charges and other items:		
Depreciation	4,265,758	4,645,197
Financial charges	15,141	41,255
Profit on morabaha investments	(2,889,055)	(8,116,908)
Return on bank deposits	(6,564)	(17,695)
Gain on sale of investment in NAFA Fund	(2,544)	(241,071)
Gain on sale of Ijarah assets	(93,934)	(129,392)
(Gain) / loss on sale of investment property	-	(13,995,965)
Provision for retirement benefits	-	290,000
Provision (reversed)/charged for doubtful debts and receivables	7,119	1,342,240
Working capital changes (Note 11.1)	(3,676,829)	(11,793,555)
	<u>(7,056,751)</u>	<u>(19,519,759)</u>
11.1 Working capital changes		
(Increase) / decrease in operating assets		
Morabaha investments	(9,363,991)	(7,370,000)
Ijarah rentals receivables	(103,503)	(539,090)
Advances, deposits, prepayments and other receivables	9,790,873	(4,618,875)
	<u>323,379</u>	<u>(12,527,965)</u>
Increase / (decrease) in operating liabilities		
Creditors, accrued and other liabilities	4,000,208	(734,410)
	<u>(3,676,829)</u>	<u>(11,793,555)</u>

**SELECTED NOTES TO THE CONDENSED INTERIM
FINANCIAL INFORMATION (UN-AUDITED)
FOR THE PERIOD ENDED 31 MARCH 2015**

12 TRANSACTIONS WITH RELATED PARTIES

The related parties and associated undertakings comprise of associated companies, Modaraba Management Company, staff retirement funds, directors and key management personnel. Detail of transactions with related parties are as follows:

UN-AUDITED			
PERIOD ENDED		QUARTER ENDED	
31 March 2015	31 March 2014	31 March 2015	31 March 2014
Rupees	Rupees	Rupees	Rupees

**Fidelity Capital Management
(Private) Limited**

Remuneration to officers and other employees

-	-	-	-
6,523,006	5,213,008	1,953,990	1,829,519

13 FINANCIAL RISK MANAGEMENT

The Modaraba's financial risk management objectives and policies are consistent with those disclosed in the preceding audited annual published financial statements of the Modaraba for the year ended 30 June 2014.

14 DATE OF AUTHORIZATION FOR ISSUE

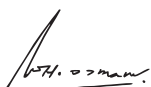
This condensed interim financial information of the Modaraba was approved by the directors of Modaraba Management Company and authorized for issue on April 29, 2015.

15 CORRESPONDING FIGURES

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

16 GENERAL

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

Book Post

TO:

If undelivered please return to:
Ground Floor, 90, A-1 Canal Bank, Gulberg II, Lahore
Tel: 042-35713461 - 64, Fax: 042-35759122