

**FIDELITY
LEASING**

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

2016

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	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: 042 - 35713461 - 6 4

Fax: 042 - 35759122

Email: info@fidelitymodaraba.com

Website: www.fidelitymodaraba.com

Registrars

Corptec Associates (Private) Limited
503-E, Johar Town Lahore.

Tel: 042 - 35170336 - 7

Fax: 042 - 35170338

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 third quarter un-audited condensed financial statements of the Modaraba for the period ended March 31, 2016.

The Modaraba during the quarter earned profit of Rs. 0.469 million, the cumulative after tax loss for nine months ended March 31, 2016, stood at Rs.4.279 million as compared to loss of Rs. 4.651 million sustained in the corresponding nine months period ended March 31, 2015. With some expected recoveries in the current quarter 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)

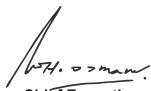
Lahore:
April 28, 2016



CONDENSED INTERIM BALANCE SHEET AS AT 31 MARCH 2016

		Un-audited 31 March 2016 Rupees	Audited 30 June 2015 Rupees
ASSETS			
CURRENT ASSETS			
Cash and bank balances		209,911	399,712
Short term investment	4	-	-
Short term morabaha investments - secured		96,930,837	87,738,880
Ijarah rentals receivable		211,162	380,154
Profit receivable - secured		-	6,485,698
Advances, prepayments and other receivables		14,019,080	13,984,903
Advance income tax		1,260,832	1,221,058
Current portion of non-current assets	5	98,099	763,190
		112,729,921	110,973,595
NON-CURRENT ASSETS			
Long term morabaha investments - secured	6	-	385,890
Long term advances and deposits	7	921,972	1,472,545
Long term investment		5,750,000	5,750,000
Trading right entitlement certificates. Card and room		6,280,000	6,280,000
Ijarah assets		11,882,665	16,114,597
Fixed assets	8	225,038,821	226,206,814
		249,873,458	256,209,846
TOTAL ASSETS		362,603,379	367,183,441
LIABILITIES			
CURRENT LIABILITIES			
Deferred morabaha income		44,849	368,880
Accrued and other liabilities		18,239,488	17,643,289
Current portion of non-current liabilities	9	2,921,120	2,028,922
		21,205,457	20,041,091
NON-CURRENT LIABILITIES			
Security deposits against ijarah assets		2,997,119	4,081,359
Employee retirement benefits		1,069,595	1,375,578
Deferred morabaha income		-	74,906
		4,066,714	5,531,843
TOTAL LIABILITIES		25,272,171	25,572,934
NET ASSETS		337,331,208	341,610,507
FINANCED BY			
Certificate capital			
26,413,804 modaraba certificates (30 June 2015: 26,413,804) of Rupees 10 each		264,138,040	264,138,040
Reserves		73,193,168	77,472,467
TOTAL EQUITY AND RESERVES		337,331,208	341,610,507
CONTINGENCIES AND COMMITMENTS	10	-	-

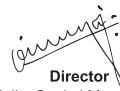
The annexed notes form an integral part of this condensed interim financial information.



Chief Executive
Fidelity Capital Management
(Private) Limited



Director
Fidelity Capital Management
(Private) Limited



Director
Fidelity Capital Management
(Private) Limited

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR THE PERIOD ENDED 31 MARCH 2016



	PERIOD ENDED		QUARTER ENDED	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
	Rupees	Rupees	Rupees	Rupees
INCOME				
Ijarah rentals	3,371,318	7,848,912	823,640	1,649,354
Profit on morabaha investments	3,898,560	2,889,055	3,478,510	213,439
Other income	411,305	41,284	14,587	12,973
	7,681,183	10,779,251	4,316,737	1,875,766
EXPENSES				
Depreciation on ijarah assets	(2,298,214)	(3,520,998)	(610,676)	(1,200,472)
Administrative and general expenses	(9,506,705)	(11,907,257)	(3,185,515)	(3,001,898)
Stock exchange and CDC charges	(149,665)	(4,579)	(49,881)	-
Financial charges	(5,898)	(15,141)	(1,829)	(2,857)
	(11,960,482)	(15,447,975)	(3,847,901)	(4,205,220)
OPERATING (LOSS)/PROFIT BEFORE PROVISIONS AND TAXATION	(4,279,299)	(4,668,724)	468,836	(2,329,454)
Provision (charged)/reversed for non performing receivables	-	(7,119)	-	24,542
	(4,279,299)	(4,675,843)	468,836	(2,304,912)
Modaraba Company's management fee	-	-	-	-
(LOSS) / PROFIT BEFORE TAXATION	(4,279,299)	(4,675,843)	468,836	(2,304,912)
Taxation	-	24,000	-	-
(LOSS) / PROFIT AFTER TAXATION	(4,279,299)	(4,651,843)	468,836	(2,304,912)
(LOSS) / PROFIT PER CERTIFICATE - BASIC AND DILUTED	(0.16)	(0.18)	0.02	(0.09)

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 Fidelity Capital Management
 (Private) Limited


Director
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 (Private) Limited


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 (Private) Limited
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**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE PERIOD ENDED 31 MARCH 2016**

	PERIOD ENDED		QUARTER ENDED	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
	Rupees	Rupees	Rupees	Rupees
Profit/(Loss) after taxation	(4,279,299)	(4,651,843)	468,836	(2,304,912)
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 INCOME / (LOSS) FOR THE PERIOD	(4,279,299)	(4,651,843)	468,836	(2,304,912)

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Chief Executive
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(Private) Limited

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CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE PERIOD ENDED 31 MARCH 2016



	Note	PERIOD ENDED	
		31 March 2016	31 March 2015
		Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash (used in) /generated from operations	11	(2,007,853)	(7,056,751)
Financial charges paid		(5,898)	(15,141)
Profit received on morabaha investments		-	372,148
Profit on bank deposits		135	6,564
Advance tax (paid)/ Adjust		-	(54,494)
Net cash (used in) /generated from operating activities		(2,013,616)	(6,747,674)
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed assets acquired - own use		-	(71,412)
Proceeds from sale of investment in NAFA Fund		-	25,442
Security deposits against ijarah assets		(100,000)	(3,111,367)
Proceeds from disposal of ijarah assets		1,933,718	4,950,989
Ijarah assets acquired		-	(3,796,900)
Net cash from investing activities		1,833,718	(2,003,248)
CASH FLOWS FROM FINANCING ACTIVITIES			
Finances under musharika arrangements		-	-
Profit distribution		(9,903)	(31,532)
Net cash used in financing activities		(9,903)	(31,532)
Net decrease / increase in cash and cash equivalents		(189,801)	(8,782,454)
Cash and cash equivalents at the beginning of the period		399,712	10,169,776
Cash and cash equivalents at the end of the period		209,911	1,387,322

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Chief Executive
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 (Private) Limited


Director
 Fidelity Capital Management
 (Private) Limited



Director
 Fidelity Capital Management
 (Private) Limited
 Quarterly Report 31 March 2016 | 07





**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2016**

	RESERVES				TOTAL EQUITY	
	CAPITAL RESERVE		REVENUE RESERVE			TOTAL
	STATUTORY RESERVE	FAIR VALUE RESERVE	UNAPPROPRIATED PROFIT / (ACCUMULATED LOSS)			
Rupees	Rupees	Rupees	Rupees	Rupees		
Balance as at 01 July 2014 - (Audited)	264,138,040	79,377,508	22,898	5,305,975	348,844,421	
Total comprehensive income / (loss) for the period ended 31 March 2015	-	-	-	(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>344,192,578</u>	
Balance as at 01 July 2015 - (Audited)	264,138,040	79,377,508	-	(1,905,041)	341,610,507	
Total comprehensive income / (loss) for the period ended 31 March 2016	-	-	-	(4,279,299)	(4,279,299)	
Transfer to statutory reserves	-	-	-	-	-	
Balance as at 31 March 2016	<u>264,138,040</u>	<u>79,377,508</u>	<u>-</u>	<u>(6,184,340)</u>	<u>337,331,208</u>	

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


Chief Executive
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 (Private) Limited


Director
 Fidelity Capital Management
 (Private) Limited


Director
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 (Private) Limited

**SELECTED NOTES TO THE CONDENSED INTERIM
FINANCIAL INFORMATION (UN-AUDITED)
FOR THE PERIOD ENDED 31 MARCH 2016**



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 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 2015.

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 2015.

	Un-audited 31 March 2016 Rupees	Audited 30 June 2015 Rupees
4 SHORT TERM INVESTMENT	-	-
5 CURRENT PORTION OF NON-CURRENT ASSETS		
Long term morabaha investments	44,849	457,167
Long term receivables -loans to employees	98,099	306,023
	<u>142,948</u>	<u>763,190</u>
6 LONG TERM FINANCE UNDER MORABAHA ARRANGEMENTS - SECURED		
Morabaha Investments	-	676,109
Add: deferred / unearned morabaha income	-	166,948
	-	843,057
Less current portion of long term morabaha investments	-	(457,167)
	<u>-</u>	<u>385,890</u>
7 LONG TERM ADVANCES AND DEPOSITS		
Long term loans to employees	159,571	918,068
Securities and deposits	860,500	860,500
	<u>1,020,071</u>	<u>1,778,568</u>
Less: current portion of long term receivables	(98,099)	(306,023)
Closing book value	<u>921,972</u>	<u>1,472,545</u>



**SELECTED NOTES TO THE CONDENSED INTERIM
FINANCIAL INFORMATION (UN-AUDITED)
FOR THE PERIOD ENDED 31 MARCH 2016**

	Un-audited 31 March 2016 Rupees	Audited 30 June 2015 Rupees
8 FIXED ASSETS		
Assets in own use (Note 8.2)	1,038,821	2,206,814
Capital work in progress - Property under construction	<u>224,000,000</u>	<u>224,000,000</u>
	<u>225,038,821</u>	<u>226,206,814</u>
8.1 Ijarah assets		
Opening book value	16,114,597	23,058,600
Cost of additions during the period / year (Note 8.1.1)	-	3,696,900
	<u>16,114,597</u>	<u>26,755,500</u>
Book value of deletions during the period / year (Note 8.1.2)	<u>(1,933,718)</u>	<u>(6,020,163)</u>
	14,180,879	20,735,337
Depreciation charged during the period / year	<u>(2,298,214)</u>	<u>(4,620,740)</u>
Closing book value	<u>11,882,665</u>	<u>16,114,597</u>
8.1.1 Cost of additions		
Plant and machinery	-	1,775,000
Office equipment	-	107,900
Vehicles	-	1,814,000
	<u>-</u>	<u>3,696,900</u>
8.1.2 Book value of deletions		
Plant and machinery	664,612	5,273,383
Office equipment	15,000	104,545
Vehicles	<u>1,254,106</u>	<u>642,235</u>
	<u>1,933,718</u>	<u>6,020,163</u>
8.2 Assets in own use		
Opening book value	2,206,814	3,469,114
Cost of additions during the period / year (Note 8.2.1)	-	96,412
	<u>2,206,814</u>	<u>3,565,526</u>
Book value of deletions during the period / year (Note 8.2.2)	<u>(541,520)</u>	<u>(7,119)</u>
	1,665,294	3,558,407
Depreciation charged during the period / year	<u>(626,473)</u>	<u>(1,351,593)</u>
	<u>1,038,821</u>	<u>2,206,814</u>
8.2.1 Cost of additions		
Furniture and fixtures	-	-
Computers and equipments	-	48,000
Vehicles	-	48,412
	<u>-</u>	<u>96,412</u>
8.2.2 Book value of deletions		
Vehicles	541,520	7,119
	<u>541,520</u>	<u>7,119</u>

**SELECTED NOTES TO THE CONDENSED INTERIM
FINANCIAL INFORMATION (UN-AUDITED)
FOR THE PERIOD ENDED 31 MARCH 2016**



	Un-audited 31 March 2016 Rupees	Audited 30 June 2015 Rupees
8.3 Capital work in progress		
Property in course of construction		
Opening cost	224,000,000	224,000,000
Additions during the period	-	-
	224,000,000	224,000,000
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	2,921,120	1,936,880
	<u>2,921,120</u>	<u>1,936,880</u>

10 CONTINGENCIES AND COMMITMENTS

There were no reportable contingencies and commitments as at 31 March 2016 (30 June 2015: Nil).

UN-AUDITED	
PERIOD ENDED	
31 March 2016	31 March 2015
Rupees	Rupees

11 CASH (USED IN) /GENERATED FROM OPERATIONS

Loss before taxation	(4,279,299)	(4,675,843)
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Adjustment for non cash charges and other items:

Depreciation	3,022,786	4,265,758
Financial charges	5,898	15,141
Profit on morabaha investments	(3,898,560)	(2,889,055)
Return on bank deposits	(135)	(6,564)
Gain on sale of investment in NAFA Fund	-	(2,544)
Gain on sale of ijarah assets	-	(93,934)
Provision (reversed)/charged for doubtful debts and receivables	-	7,119
Working capital changes (Note 11.1)	3,141,457	(3,676,829)
	<u>(2,007,853)</u>	<u>(7,056,751)</u>

11.1 Working capital changes

(Increase) / decrease in operating assets

Morabaha investments	984,012	(9,363,991)
Ijarah rentals receivables	484,012	(103,503)
Advances, deposits, prepayments and other receivables	2,279,535	9,790,873
	<u>3,747,559</u>	<u>323,379</u>

Increase / (decrease) in operating liabilities

Creditors, accrued and other liabilities	606,102	4,000,208
	<u>3,141,457</u>	<u>(3,676,829)</u>



**SELECTED NOTES TO THE CONDENSED INTERIM
FINANCIAL INFORMATION (UN-AUDITED)
FOR THE PERIOD ENDED 31 MARCH 2016**

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

UN-AUDITED			
PERIOD ENDED		QUARTER ENDED	
31 March 2016	31 March 2015	31 March 2016	31 March 2015
Rupees	Rupees	Rupees	Rupees

**Fidelity Capital Management
(Private) Limited**

Remuneration to officers and other employees

-	-	-	-
5,972,523	6,523,006	2,071,501	1,953,990

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 2015.

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 28, 2016.

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.

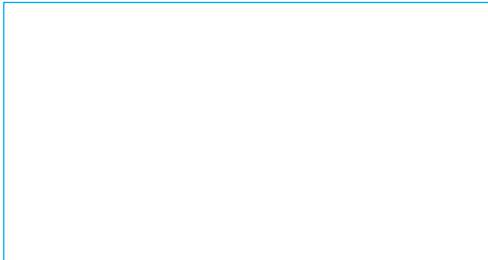
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Director
Fidelity Capital Management
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Director
Fidelity Capital Management
(Private) Limited

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