



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

**2017**

**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. Ijaz Fazal

### 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](mailto:info@fidelitymodaraba.com)  
Website: [www.fidelitymodaraba.com](http://www.fidelitymodaraba.com)

### Registrars

Corptec Associates (Private) Limited  
503-E, Johar Town Lahore.  
Tel: 042 - 35170336 - 7  
Fax: 042 - 35170338  
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 third quarter un-audited condensed financial statements of the Modaraba for the period ended March 31, 2017.

The Modaraba during the nine month ended March 31, 2017 sustained loss of Rs.5.50 million as compared to loss of Rs. 4.27 million in the corresponding nine months period. The operations of the Modaraba remain stunted due to non disposal of its major investment in a corporate tower near Kalma Chowk, Lahore. The management expects divestment of the project on profitable terms in near future and make a turnaround.

The accounts can also be accessed at [www.fidelitymodaraba.com](http://www.fidelitymodaraba.com).

The Directors wish to place on record their thanks to the certificate holders, regulatory authorities 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 26, 2017



## ڈائریکٹرز رپورٹ

بورڈ آف ڈائریکٹرز فیدلٹی کیپیٹل مینجمنٹ (پرائیویٹ) لمیٹڈ جو کہ فرسٹ فیدلٹی لیزنگ مضاربہ کی مینجمنٹ کمپنی ہے۔ مضاربہ کے 31 مارچ 2017 کو ختم ہونے والی نو ماہ مدت کے غیر احتساب شدہ مالی حسابات پیش کرتے ہیں۔

مضاربہ کو زیرے غور نو ماہ مدت کے دوران 5.50 ملین کا خسارہ ہوا۔ جبکہ گزشتہ سال اسی مدت کے دوران 4.27 ملین کا خسارہ ہوا تھا۔ مضاربہ کے مالی امور کارپوریٹ ٹاورز وکلمہ چوک، لاہور میں کی گئی کثیر سرمایہ کاری واپس نہ آنے کی وجہ سے سہکتا رہا۔ انتظامیہ شب و روز کوشاں ہے اور امید کرتی ہے کہ یہ سرمایہ منافع بخش انداز میں مستقبل قریب میں مضاربہ کو حاصل ہو جائے گا اور مضاربہ کے امور منافع بخش ہونے شروع ہو جائیں گے۔

نو ماہ مدت کے حسابات مضاربہ کی ویب سائٹ [www.fidelitymodaraba.com](http://www.fidelitymodaraba.com) پر ملاحظہ کیے جاسکتے ہیں۔

بورڈ اس موقع پر اپنے معزز سٹریٹجیکٹ ہولڈرز کا، نگران اداروں کا ان کی مسلسل حمایت، رہنمائی اور تعاون کے لیے شکریہ ادا کرنا چاہتا ہے۔ اور اس کے ساتھ ساتھ انتظامیہ اور تمام 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 عثمانی

چیف ایگزیکٹو آفیسر

لاہور

اپریل 26، 2017

## CONDENSED INTERIM BALANCE SHEET AS AT 31 MARCH 2017



	Note	Un-audited 31 March 2017 Rupees	Audited 30 June 2016 Rupees
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and bank balances		28,127	127,069
Short term morabaha investments - secured		94,638,459	95,219,919
Ijarah rentals receivable		223,850	106,801
Profit receivable - secured		-	133,867
Advances, prepayments and other receivables		13,995,719	13,240,872
Advance income tax		1,279,646	1,267,311
Current portion of non-current assets	4	62,098	361,101
		<u>110,227,899</u>	<u>110,456,940</u>
<b>NON-CURRENT ASSETS</b>			
Long term advances and deposits	5	860,500	1,010,903
Long term investment		5,750,000	5,750,000
Trading right entitlement certificates, card and room		6,280,000	6,280,000
Assets leased out under Ijarah contract	6	4,325,366	8,586,719
Property and equipment	7	224,666,722	224,938,783
		<u>241,882,588</u>	<u>246,566,405</u>
<b>TOTAL ASSETS</b>		<u>352,110,487</u>	<u>357,023,345</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Accrued and other liabilities		23,013,005	20,188,768
Current portion of non-current liabilities	8	795,000	2,432,408
		<u>23,808,005</u>	<u>22,621,176</u>
<b>NON-CURRENT LIABILITIES</b>			
Security deposits		796,628	1,390,169
Employee retirement benefits		1,202,699	1,204,199
		<u>1,999,327</u>	<u>2,594,368</u>
<b>TOTAL LIABILITIES</b>		<u>25,807,332</u>	<u>25,215,544</u>
<b>NET ASSETS</b>		<u>326,303,155</u>	<u>331,807,801</u>
<b>FINANCED BY</b>			
Certificate capital			
26,413,804 modaraba certificates (30 June 2016: 26,413,804) of Rupees 10 each		264,138,040	264,138,040
Reserves		62,165,115	67,669,761
<b>TOTAL EQUITY AND RESERVES</b>		<u>326,303,155</u>	<u>331,807,801</u>
<b>CONTINGENCIES AND COMMITMENTS</b>	9	-	-

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 2017**

	PERIOD ENDED		QUARTER ENDED	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016
	Rupees	Rupees	Rupees	Rupees
<b>INCOME</b>				
Income from ijarah financing	2,472,317	3,371,318	507,424	823,640
Profit on morabaha financing	281,608	3,898,560	2,370	3,478,510
Net other income	103,130	411,305	86,538	14,587
	<b>2,857,055</b>	<b>7,681,183</b>	<b>596,332</b>	<b>4,316,737</b>
<b>EXPENSES</b>				
Amortization of assets leased out under ijarah contract	(1,178,121)	(2,298,214)	(315,869)	(610,676)
Administrative and general expenses	(6,981,326)	(9,506,705)	(2,043,689)	(3,185,515)
Stock exchange and CDC charges	(197,442)	(149,665)	(65,856)	(49,881)
Financial charges	(4,812)	(5,898)	(246)	(1,829)
	<b>(8,361,701)</b>	<b>(11,960,482)</b>	<b>(2,425,660)</b>	<b>(3,847,901)</b>
<b>OPERATING (LOSS)/PROFIT BEFORE PROVISIONS AND TAXATION</b>	<b>(5,504,646)</b>	<b>(4,279,299)</b>	<b>(1,829,328)</b>	<b>468,836</b>
Modaraba Company's management fee	-	-	-	-
<b>(LOSS) / PROFIT BEFORE TAXATION</b>	<b>(5,504,646)</b>	<b>(4,279,299)</b>	<b>(1,829,328)</b>	<b>468,836</b>
Taxation	-	-	-	-
<b>(LOSS) / PROFIT AFTER TAXATION</b>	<b>(5,504,646)</b>	<b>(4,279,299)</b>	<b>(1,829,328)</b>	<b>468,836</b>
<b>(LOSS) / PROFIT PER CERTIFICATE - BASIC AND DILUTED</b>	<b>(0.21)</b>	<b>(0.16)</b>	<b>(0.07)</b>	<b>0.02</b>

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**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)  
FOR THE PERIOD ENDED 31 MARCH 2017**



	PERIOD ENDED		QUARTER ENDED	
	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16
	Rupees	Rupees	Rupees	Rupees
Items that may be reclassified subsequently to profit or loss	-	-	-	-
Items that will not be reclassified subsequently to profit or loss	-	-	-	-
Other comprehensive income	-	-	-	-
Profit/(Loss) after taxation	(5,504,646)	(4,279,299)	(1,829,328)	468,836
<b>TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD</b>	<b>(5,504,646)</b>	<b>(4,279,299)</b>	<b>(1,829,328)</b>	<b>468,836</b>

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 (Private) Limited





## CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE PERIOD ENDED 31 MARCH 2017

	Note	PERIOD ENDED	
		31 March 2017	31 March 2016
		Rupees	Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash used in operations	10	(57,166)	(2,007,853)
Financial charges paid		(4,812)	(5,898)
Profit on bank deposits		165	135
<b>Net cash (used in) /generated from operating activities</b>		<b>(61,813)</b>	<b>(2,013,616)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Fixed assets acquired - own use		(28,000)	-
Security deposits against ijarah assets		(2,214,261)	(100,000)
Proceeds from disposal of ijarah assets		2,214,710	1,933,718
<b>Net cash from investing activities</b>		<b>(27,551)</b>	<b>1,833,718</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Profit distribution		(9,578)	(9,903)
<b>Net cash used in financing activities</b>		<b>(9,578)</b>	<b>(9,903)</b>
<b>Net decrease / increase in cash and cash equivalents</b>		<b>(98,942)</b>	<b>(189,801)</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>127,069</b>	<b>399,712</b>
<b>Cash and cash equivalents at the end of the period</b>		<b>28,127</b>	<b>209,911</b>

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

  
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(Private) Limited

  
Director  
Fidelity Capital Management  
(Private) Limited


  
Director  
Fidelity Capital Management  
(Private) Limited

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 31 MARCH 2017**




	CERTIFICATE CAPITAL		RESERVES			TOTAL EQUITY
	Rupees	Rupees	Rupees	Rupees		Rupees
				CAPITAL RESERVE STATUTORY RESERVE	REVENUE RESERVE UNAPPROPRIATED PROFIT /(ACCUMULATED LOSS)	
<b>Balance as at 01 July 2015 - (Audited)</b>	264,138,040	79,377,508	(1,905,041)		77,472,467	341,610,507
Total comprehensive income / (loss) for the period ended 31 March 2016	-	-	(4,279,299)		(4,279,299)	(4,279,299)
Transfer to statutory reserves	-	-	-	-	-	-
<b>Balance as at 31 March 2016</b>	<b>264,138,040</b>	<b>79,377,508</b>	<b>(6,184,340)</b>		<b>73,193,168</b>	<b>337,331,208</b>
<b>Balance as at 01 July 2016 - (Audited)</b>	264,138,040	79,377,508	(11,707,747)		67,669,761	331,807,801
Total comprehensive income / (loss) for the period ended 31 March 2017	-	-	(5,504,646)		(5,504,646)	(5,504,646)
Transfer to statutory reserves	-	-	-	-	-	-
<b>Balance as at 31 March 2017</b>	<b>264,138,040</b>	<b>79,377,508</b>	<b>(17,212,393)</b>		<b>62,165,115</b>	<b>326,303,155</b>

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**  
 Fidelity Capital Management  
 (Private) Limited



**SELECTED NOTES TO THE CONDENSED INTERIM  
FINANCIAL INFORMATION (UN-AUDITED)  
FOR THE PERIOD ENDED 31 MARCH 2017**

**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 2016.

**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 2016.

	<b>Un-audited 31 March 2017 Rupees</b>	<b>Audited 30 June 2016 Rupees</b>
<b>4 CURRENT PORTION OF NON-CURRENT ASSETS</b>		
Long term morabaha investments	-	235,535
Long term receivables -loans to employees	<b>62,098</b>	125,566
	<b>62,098</b>	<b>361,101</b>
<b>5 LONG TERM ADVANCES AND DEPOSITS</b>		
Long term loans to employees	-	275,969
Securities deposits	<b>860,500</b>	860,500
	<b>860,500</b>	1,136,469
Less: current portion of long term receivables	-	(125,566)
Closing book value	<b>860,500</b>	<b>1,010,903</b>
<b>6 ASSETS LEASED OUT UNDER IJARAH CONTRACT</b>		
Opening book value	<b>8,586,719</b>	16,114,597
Cost of additions during the period / year	-	-
	<b>8,586,719</b>	16,114,597
Book value of deletions during the period / year (Note 6.1)	<b>(2,214,710)</b>	(4,681,575)
	<b>6,372,009</b>	11,433,022
Depreciation charged during the period / year	<b>(2,046,643)</b>	(2,846,303)
Closing book value	<b>4,325,366</b>	<b>8,586,719</b>
<b>6.1 Book value of deletions</b>		
Plant and machinery	<b>463,882</b>	1,251,571
Office equipment	<b>10,400</b>	15,000
Vehicles	<b>1,740,428</b>	3,415,004
	<b>2,214,710</b>	<b>4,681,575</b>

**SELECTED NOTES TO THE CONDENSED INTERIM  
FINANCIAL INFORMATION (UN-AUDITED)  
FOR THE PERIOD ENDED 31 MARCH 2017**



	<b>Un-audited 31 March 2017 Rupees</b>	<b>Audited 30 June 2016 Rupees</b>
<b>7 PROPERTY AND EQUIPMENT</b>		
Assets in own use (Note 7.1)	666,722	938,783
Capital work in progress - Property under construction (Note 7.2)	224,000,000	224,000,000
	<u>224,666,722</u>	<u>224,938,783</u>
<b>7.1 Assets in own use</b>		
Opening book value	938,783	2,206,814
Cost of additions during the period / year (Note 7.1.1)	28,000	-
	<u>966,783</u>	<u>2,206,814</u>
Book value of deletions during the period / year (Note 7.1.2)	-	(541,500)
	<u>966,783</u>	<u>1,665,314</u>
Depreciation charged during the period / year	(300,061)	(726,531)
	<u>666,722</u>	<u>938,783</u>
<b>7.1.1 Cost of additions</b>		
Furniture and fixtures	28,000	-
	<u>28,000</u>	<u>-</u>
<b>7.1.2 Book value of deletions</b>		
Vehicles	-	541,500
	<u>-</u>	<u>541,500</u>
<b>7.2 Capital work in progress</b>		
Property in course of construction	224,000,000	224,000,000
Opening cost	-	-
Additions during the period	224,000,000	224,000,000
Transfers during the period	-	-
	<u>224,000,000</u>	<u>224,000,000</u>
<b>8 CURRENT PORTION OF NON-CURRENT LIABILITIES</b>		
Security deposits against ijarah assets	795,000	2,415,720
	<u>795,000</u>	<u>2,415,720</u>



**SELECTED NOTES TO THE CONDENSED INTERIM  
FINANCIAL INFORMATION (UN-AUDITED)  
FOR THE PERIOD ENDED 31 MARCH 2017**

**9 CONTINGENCIES AND COMMITMENTS**

There were no reportable contingencies and commitments as at 31 March 2017 (30 June 2016: Nil).

UN-AUDITED PERIOD ENDED	
31 March 2017	31 March 2016
Rupees	Rupees

**10 CASH USED IN OPERATIONS**

<b>Loss before taxation</b>	<b>(5,504,646)</b>	(4,279,299)
<b>Adjustment for non cash charges and other items:</b>		
Depreciation	2,346,704	3,022,786
Financial charges	4,812	5,898
Profit on morabaha investments	(281,608)	(3,898,560)
Return on bank deposits	(165)	(135)
Working capital changes (Note 10.1)	3,377,737	3,141,457
	<u>(57,166)</u>	<u>(2,007,853)</u>

**10.1 Working capital changes**

<b>Increase / (decrease) in operating assets</b>		
Morabaha investments	800,307	984,012
Ijarah rentals receivables	663,030	484,012
Advances, deposits, prepayments and other receivables	2,748,215	2,279,535
	<u>4,211,552</u>	<u>3,747,559</u>
<b>Increase / (decrease) in operating liabilities</b>		
Creditors, accrued and other liabilities	833,815	606,102
	<u>3,377,737</u>	<u>3,141,457</u>

**11 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:

**SELECTED NOTES TO THE CONDENSED INTERIM  
FINANCIAL INFORMATION (UN-AUDITED)  
FOR THE PERIOD ENDED 31 MARCH 2017**



UN-AUDITED			
PERIOD ENDED		QUARTER ENDED	
31 March 2017	31 March 2016	31 March 2017	31 March 2016
Rupees	Rupees	Rupees	Rupees

**Fidelity Capital Management  
(Private) Limited**

Remuneration to officers and other employees

-	-	-	-
4,652,230	5,972,523	1,372,077	2,071,501

**12 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 2016.

**13 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 26, 2017.

**14 CORRESPONDING FIGURES**

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

**15 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

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