

**CONDENSED INTERIM
FINANCIAL INFORMATION
(UN-AUDITED)
FOR THE QUARTER ENDED
31 MARCH
2019**



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

Rahman Sarfaraz Rahim Iqbal Rafiq
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
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 0 3 3 8
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 interim financial information of the Modaraba for nine months' period ended March 31, 2019.

During the period under review the Modaraba has earned profit of Rs. 0.71 million, as against profit of Rs. 42.42 million earned in the corresponding nine months' period. Earning per certificate of the Modaraba is Rs. 0.03 per certificate for the nine months' period as compared to Rs. 1.61 per certificate in the corresponding nine months' period. The corresponding period profit largely signified gain on disposal of assets amounting to Rs. 42.90 million. The operations of the Modaraba in substance have resulted in sustained marginal profit, however its potential higher profitability necessarily depends on recovery of its major investment in the corporate tower being constructed by Enplan (Pvt.) Limited. The cases filed against Enplan are under process in the respective courts of laws and based on advised legal position we are confident of favorable decisions in favor of the Modaraba. In the meantime, whatever resources we have, the management is cautious, prudent and selective in making new investments, so as to expand and grow the business in prudent manner, more so as economy of Pakistan is currently facing tough times and hard challenges.

The Board 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 29, 2019



ڈائریکٹرز رپورٹ

ڈائریکٹرز فیڈیلیٹی کیپیٹل مینجمنٹ (پرائیویٹ) لمیٹڈ جو کہ فرسٹ فیڈیلیٹی لیزنگ مضاربہ کی مینجمنٹ کمپنی ہے۔ مضاربہ کے 31 مارچ 2019 کو ختم ہونے والی نو ماہ کی مدت کے غیر احتساب شدہ مالی حسابات کی تفصیل پیش کرتے ہیں۔

مضاربہ نے زیر غور نو ماہ کی مدت کے دوران مبلغ 0.71 ملین روپے کا منافع کمایا ہے جب کہ گزشتہ سال اسی مدت کے دوران مبلغ 42.42 ملین کی آمدنی ہوئی۔ ایک سرٹیفکیٹ کے بدلے میں 0.03 روپے منافع کمایا ہے جبکہ گزشتہ سال اسی مدت کے دوران مبلغ 1.61 روپے نو ماہ کی مدت میں منافع کمایا تھا۔ عرصے کے منافع کی بڑی وجہ اثاثہ جات کی فروخت سے ہونے والے کیپیٹل گین جو کہ مبلغ 42.90 ملین تھا۔ مضاربہ کے حالیہ کاروبار سے ابتدائی منافع حاصل ہونا شروع ہوا ہے۔ تاہم مضاربہ کی کثیر منافع کی توقع این پلان (پرائیویٹ) لمیٹڈ کے زیر تعمیر کارپوریٹ ٹاور میں کی گئی سرمایہ کاری کی واپسی پر منحصر ہے۔

این پلان (پرائیویٹ) لمیٹڈ کے خلاف دائر کردہ مقدمات متعلقہ عدالتوں میں جاری سماعت ہیں اور ہمارے قانونی ماہرین کی رائے کی رو سے ہم پر امید ہیں کہ ان مقدمات کا فیصلہ مضاربہ کے حق میں ہوگا۔ اس دوران ہمارے پاس جو بھی وسائل موجود ہیں انتظامیہ بہتر محتاط اور مخصوص شبہ جات میں بطور نئی سرمایہ کاری استعمال کر رہی ہے تاکہ مضاربہ کے کاروبار کو بہتر انداز میں آگے بڑھایا جاسکے اس صورت حال میں پاکستان کی موجودہ معیشت کو سخت اور مشکل وقت کا سامنا ہے۔

بورڈ اس موقع پر اپنے معزز سرٹیفکیٹ ہولڈرز اور نگران اداروں کی مسلسل حمایت و رہنمائی اور تعاون کے لئے 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

29 اپریل، 2019

CONDENSED INTERIM BALANCE SHEET AS AT 31 MARCH 2019



		Un-audited 31 March 2019 Rupees	Audited 30 June 2018 Rupees
ASSETS			
CURRENT ASSETS			
Cash and bank balances		1,536,384	10,040,527
Short term morabaha investments - secured		67,883,348	67,883,348
Ijarah rentals receivable - secured		5,032,377	1,225,740
Profit receivable		-	437,500
Advances, prepayments and other receivables		17,984,783	12,229,197
Advance income tax		1,666,913	1,591,335
Current portion of non-current assets	4	-	106,951
		94,103,805	93,514,598
NON-CURRENT ASSETS			
Long term advances and deposits	5	37,500	256,016
Long term investment		-	-
Membership assets		3,510,000	3,510,000
Assets leased out under Ijarah contracts	6	68,107,981	77,273,418
Property and equipment	7	224,369,258	224,480,051
		296,024,739	305,519,485
TOTAL ASSETS		390,128,544	399,034,083
LIABILITIES			
CURRENT LIABILITIES			
Accrued and other liabilities		8,749,062	11,218,633
Unclaimed Profit Distribution		20,528,128	10,652,112
Current portion of non-current liabilities	8	1,150,250	1,187,208
		30,427,440	23,057,953
NON-CURRENT LIABILITIES			
Security deposits		18,565,558	18,384,950
Employee retirement benefits		568,852	568,852
		19,134,410	18,953,802
TOTAL LIABILITIES		49,561,850	42,011,755
NET ASSETS		340,566,694	357,022,328
FINANCED BY			
Certificate capital			
26,413,804 modaraba certificates (30 June 2018: 26,413,804) of Rupees 10 each		264,138,040	264,138,040
Reserves		76,428,654	92,884,288
TOTAL EQUITY AND RESERVES		340,566,694	357,022,328
CONTINGENCIES AND COMMITMENTS	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
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**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE PERIOD ENDED 31 MARCH 2019**

	PERIOD ENDED		QUARTER ENDED	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
	Rupees	Rupees	Rupees	Rupees
INCOME				
Income from ijarah financing	17,727,723	1,647,548	6,030,705	733,910
Profit on morabaha financing	1,124,184	137,118	374,184	-
Net other income	95,894	44,243,479	14,843	566,205
	18,947,801	46,028,145	6,419,732	1,300,115
EXPENSES				
Amortization of assets leased out under ijarah contract	(9,780,576)	(979,477)	(3,133,376)	(386,012)
Administrative and general expenses	(8,308,549)	(7,328,237)	(2,828,434)	(3,033,431)
Stock exchange and CDC charges	(75,241)	(172,357)	-	-
Financial charges	(69,714)	(79,569)	(10,322)	(46,913)
	(18,234,080)	(8,559,640)	(5,972,132)	(3,466,356)
OPERATING PROFIT/(LOSS) BEFORE PROVISIONS AND TAXATION	713,721	37,468,505	447,600	(2,166,241)
Modaraba Company's management fee	-	-	(26,612)	-
PROFIT/(LOSS) BEFORE TAXATION	713,721	37,468,505	474,212	(2,166,241)
Change in impairment allowances for non-performing assets	-	4,956,472	-	6,260,360
Taxation	-	-	-	-
PROFIT/(LOSS) AFTER TAXATION	713,721	42,424,977	474,212	4,094,119
PROFIT/(LOSS) PER CERTIFICATE - BASIC AND DILUTED	0.03	1.61	0.02	0.15

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 STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE PERIOD ENDED 31 MARCH 2019**



	PERIOD ENDED		QUARTER ENDED	
	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
	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	713,721	42,424,977	474,212	4,094,119
TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD	713,721	42,424,977	474,212	4,094,119

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
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CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE PERIOD ENDED 31 MARCH 2019

	Note	PERIOD ENDED	
		31 March 2019	31 March 2018
		Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	10	(585,101)	69,214,013
Financial charges paid		(69,714)	(79,569)
Profit on bank deposits		-	165
Net cash generated from operating activities		(654,815)	69,134,609
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed assets acquired - own use		(84,500)	(201,500)
Security deposits against ijarah assets		143,650	4,841,780
Proceeds from disposal of ijarah assets		12,096,361	36,558
Ijarah assets acquired		(12,711,500)	(26,866,000)
Net cash from investing activities		(555,989)	(22,189,162)
CASH FLOWS FROM FINANCING ACTIVITIES			
Profit distribution		(7,293,339)	(17,628)
Net cash used in financing activities		(7,293,339)	(17,628)
Net decrease / increase in cash and cash equivalents		(8,504,143)	46,927,819
Cash and cash equivalents at the beginning of the period		10,040,527	24,406
Cash and cash equivalents at the end of the period		1,536,384	46,952,225

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

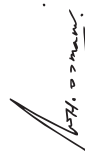

Director
Fidelity Capital Management
(Private) Limited

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2019**



	RESERVES		Rupees	Rupees	Rupees	TOTAL	Rupees	TOTAL EQUITY
	CAPITAL RESERVE	REVENUE RESERVE						
	STATUTORY RESERVE	UNAPPROPRIATED PROFIT /(ACCUMULATED LOSS)						
CERTIFICATE CAPITAL								
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Balance as at 01 July 2017 - (Audited)	264,138,040	79,377,508	(19,854,815)	59,522,693	323,660,733			
Total comprehensive income / (loss) for the period ended 31 March 2018	-	42,424,977	42,424,977	42,424,977	42,424,977			
Transfer to statutory reserves	-	-	-	-	-			
Balance as at 31 March 2018 (un audited)	<u>264,138,040</u>	<u>79,377,508</u>	<u>22,570,162</u>	<u>101,947,670</u>	<u>366,085,710</u>			
Balance as at 01 July 2018 - (Audited)	264,138,040	94,390,226	(1,505,938)	92,884,288	357,022,328			
Total comprehensive income / (loss) for the period ended 31 March 2019	-	-	713,721	713,721	713,721			
Transaction with owners	-	-	-	-	-			
Profit distribution @ Rs. 0.65 per certificate	-	-	(17,169,355)	(17,169,355)	(17,169,355)			
Balance as at 31 March 2019 (un audited)	<u>264,138,040</u>	<u>94,390,226</u>	<u>(17,961,572)</u>	<u>76,428,654</u>	<u>340,566,694</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


Director
Fidelity Capital Management
(Private) Limited



**SELECTED NOTES TO THE CONDENSED INTERIM
FINANCIAL INFORMATION (UN-AUDITED)
FOR THE PERIOD ENDED 31 MARCH 2019**

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 93, B-1 Canal Bank, Gulberg-II, Lahore. The Modaraba commenced its business operations from 5 December 1991. The Modaraba is listed on Pakistan Stock Exchange Limited.

The Modaraba is a perpetual, multipurpose and multidimensional modaraba and is primarily engaged in the business of leasing, musharika and morabaha financing, equity investment and other related business. The Modaraba is a corporate member of the Pakistan Mercantile Exchange.

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 2018.

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 2018.

4 CURRENT PORTION OF NON-CURRENT ASSETS

Long term morabaha investments
Long term receivables -loans to employees

Un-audited 31 March 2019	Audited 30 June 2018
Rupees	Rupees
-	-
-	106,951
-	106,951

5 LONG TERM ADVANCES AND DEPOSITS

Long term loans to employees
Securities deposits

Less: current portion of long term receivables
Closing book value

-	325,467
37,500	37,500
37,500	362,967
-	(106,951)
37,500	256,016

6 ASSETS LEASED OUT UNDER IJARAH CONTRACTS

Opening book value
Cost of additions during the period / year

Book value of deletions during the period / year (Note 6.1)

Depreciation charged during the period / year
Closing book value

77,273,418	4,009,111
12,711,500	77,649,000
89,984,918	81,658,111
(12,096,361)	(578,986)
77,888,557	81,079,125
(9,780,576)	(3,805,707)
68,107,981	77,273,418

6.1 Book value of deletions

Plant and machinery
Office equipment
Vehicles

12,096,361	36,558
-	-
-	542,428
12,096,361	578,986

**SELECTED NOTES TO THE CONDENSED INTERIM
FINANCIAL INFORMATION (UN-AUDITED)
FOR THE PERIOD ENDED 31 MARCH 2019**



	Un-audited 31 March 2019 Rupees	Audited 30 June 2018 Rupees
7 PROPERTY AND EQUIPMENT		
Assets in own use (Note 7.1)	369,258	480,051
Capital work in progress - Property under construction (Note 7.2)	224,000,000	224,000,000
	<u>224,369,258</u>	<u>224,480,051</u>
7.1 Assets in own use		
Opening book value	480,051	571,593
Cost of additions during the period / year (Note 7.1.1)	84,500	354,000
	<u>564,551</u>	<u>925,593</u>
Book value of deletions during the period / year	-	(122,270)
	<u>564,551</u>	<u>803,323</u>
Depreciation charged during the period / year	(195,293)	(323,272)
	<u>369,258</u>	<u>480,051</u>
7.1.1 Cost of additions		
Fixed Assets (computer)	84,500	354,000
	<u>84,500</u>	<u>354,000</u>
7.2 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>
8 CURRENT PORTION OF NON-CURRENT LIABILITIES		
Security deposits against ijarah assets	1,150,250	1,187,208
	<u>1,150,250</u>	<u>1,187,208</u>
9 CONTINGENCIES AND COMMITMENTS		

There were no reportable contingencies and commitments as at 31 March 2019 (30 June 2018: Nil).



**SELECTED NOTES TO THE CONDENSED INTERIM
FINANCIAL INFORMATION (UN-AUDITED)
FOR THE PERIOD ENDED 31 MARCH 2019**

	UN-AUDITED	
	PERIOD ENDED	
	31 March 2019	31 March 2018
	Rupees	Rupees
10 CASH GENERATED FROM OPERATIONS		
Profit/(Loss) before taxation	713,721	37,468,505
Adjustment for non cash charges and other items:		
Depreciation	9,975,869	1,237,122
Financial charges	69,714	79,404
Profit on morabaha investments	-	(137,118)
Return on bank deposits	-	-
Increase in long term receivable	-	-
Working capital changes (Note 10.1)	(11,344,405)	30,566,100
Cash Generated from Operations	(585,101)	69,214,013
10.1 Working capital changes		
Increase / (decrease) in operating assets		
Morabaha investments	-	31,630,000
Ijarah rentals receivables	(3,806,637)	(70,694)
Advances, deposits, prepayments and other receivables	(5,068,197)	(3,320,583)
	(8,874,834)	28,238,723
Increase / (decrease) in operating liabilities		
Creditors, accrued and other liabilities	(2,469,571)	(2,327,377)
	(11,344,405)	30,566,100
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:

	UN-AUDITED			
	PERIOD ENDED		QUARTER ENDED	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
	Rupees	Rupees	Rupees	Rupees
Fidelity Capital Management (Private) Limited	-	-	-	-
Provident Trust Contribution for the period	349,389	175,521	223,395	62,997
Officers and Employees ijarah rentals received	367,583	515,700	67,076	155,700
Balances with related parties				
Officers and Employees ijarah rental Receivables	-	103,402	(264,985)	34,467
Suspended	-	97,402	(97,402)	34,467

**SELECTED NOTES TO THE CONDENSED INTERIM
FINANCIAL INFORMATION (UN-AUDITED)
FOR THE PERIOD ENDED 31 MARCH 2019**



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 2018.

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 29, 2019.

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

TO:

If undelivered please return to:
93, B-1 Canal Park, Gulberg -II, Lahore
Tel: 042-35713461 - 64, Fax: 042 - 35759122