

**CONDENSED INTERIM
FINANCIAL STATEMENTS
(UN-AUDITED)
FOR THE QUARTER ENDED
31 MARCH
2021**



FIRST FIDELITY LEASING MODARABA

Managed by:
Fidelity Capital Management (Private) Limited

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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_jj@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
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 un-audited condensed interim financial information of the Modaraba for the nine months period ended March 31, 2021.

The Modaraba during the nine months ended March 31, 2021, earned profit of Rs. 1.55 million, as compared to loss of Rs. 1.21 million sustained in the corresponding nine months period. The operations of the Modaraba have resulted in marginal profit, and its potential profitability depends on recovery of its major investment in the corporate tower- a project of Enplan (Pvt.) Limited. As more elaborately discussed in the June 30,2020 Annual Report, the Modaraba as a last option had filed legal cases against Enplan (Pvt.) Limited, which are vigorously being contested in the relevant court of laws. However, because of current pandemic of Covid -19, court proceedings/decisions are delayed as courts are taking up cases selectively. Modaraba Management and its legal team are confident that Modaraba has meritorious grounds to have the cases decided in its favor. The resultant recovery of amounts along with due markup shall provide much needed liquidity and profitability in future periods.

The management will remain cautions prudent and selective for its investment. We always strive to keep special emphasis on customer satisfaction and ensuring in the process that we follow the Islamic Shariah Principals in all our business transactions.

The nine months period ended March 31, 2021 accounts can also be accessed at www.fidelitymodaraba.com.

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 16, 2021



ڈائریکٹرز رپورٹ

ڈائریکٹرز فیڈیلیٹی کیپیٹل مینجمنٹ (پریویٹ) لمیٹڈ جو کہ فرسٹ فیڈیلیٹی لیزنگ مضاربہ کی مینجمنٹ کمپنی ہے۔ مضاربہ کے 31 مارچ 2021 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 1.55 ملین روپے کا منافع کمایا جب کہ گزشتہ سال اسی مدت کے دوران مبلغ 1.21 ملین روپے کا نقصان کیا۔ مضاربہ کی کاروائیوں کے نتیجے میں معمولی نقصان ہوا ہے۔ اور اس کا ممکنہ منافع کارپوریٹ ٹاور میں اس کی بڑی سرمایہ کاری کی بازیابی پر منحصر ہے۔ این پلان پرائیویٹ لمیٹڈ کا منصوبہ جیسا کہ 30 جون 2020 کی سالانہ رپورٹ میں بحث کی گئی ہے۔ مضاربہ نے ایک آخری آپشن کے طور پر این پلان پرائیویٹ لمیٹڈ کے خلاف قانونی مقدمہ دائر کیا تھا۔ جو قانونی قوانین کی متعلقہ عدالت میں چل رہے ہیں۔ مضاربہ مینجمنٹ اور اس کی قانونی ٹیم پر اعتماد ہے کہ مضاربہ کے پاس مقدمات کا فیصلہ اپنے حق میں کرنے کی خوبیاں ہیں۔ COVID-19 کی موجودہ وبا کی نتیجے میں کاروائیوں اور فیصلوں میں تاخیر ہو سکتی ہے۔ کیونکہ عدالتیں منتخب مقدمات کی سماعت کر رہی ہے۔ واجب الادا مارک اپ رقوم کے نتیجے میں وصولی کافی حد تک لیکویڈیٹی اور منافع فراہم کرے گی۔

انتظامیہ اپنی سرمایہ کاری کے لئے محتاط رہے گی۔ ہم ہمیشہ کوشش کرتے ہیں کہ صارفین کے اطمینان پر خصوصی زور دیا جائے۔ اور اس عمل میں بھی اس بات کو یقینی بنایا جائے کہ ہم اپنے تمام کاروباری لین دین میں اسلامی شریعت کے اصولوں پر عمل کریں۔

مضاربہ کے 31 مارچ 2021 کو ختم ہونے والی نو ماہ کی مدت کے غیر احتساب شدہ مالی حسابات ہماری ویب سائٹ پر دیکھے جاسکتے ہیں۔ www.fidelitymodaraba.com

بورڈ اس موقع پر اپنے معزز سرٹیفیکٹ 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 الحسن عثمانی

چیف ایگزیکٹو آفیسر

لاہور

16 اپریل، 2021

CONDENSED INTERIM BALANCE SHEET AS AT 31 MARCH 2021



		Un-audited 31 March 2021 Rupees	Audited 30 June 2020 Rupees
ASSETS	Note		
CURRENT ASSETS			
Cash and bank balances		406,989	1,426,007
Short term morabaha investments - secured		69,743,080	63,399,999
Ijarah rentals receivable - secured		10,951,955	7,160,527
Profit receivable		3,424,701	2,299,077
Advances, prepayments and other receivables		13,994,194	13,555,254
Advance income tax		569,632	818,586
Current portion of non-current assets	4	146,028	250,484
		<u>99,236,579</u>	<u>88,909,934</u>
NON-CURRENT ASSETS			
Long term advances and deposits	5	442,009	1,059,014
Membership assets		3,510,000	3,510,000
Assets leased out under Ijarah contracts	6	49,089,758	60,187,110
Property and equipment	7	224,227,983	224,322,571
		<u>277,269,750</u>	<u>289,078,695</u>
TOTAL ASSETS		<u>376,506,329</u>	<u>377,988,629</u>
LIABILITIES			
CURRENT LIABILITIES			
Accrued and other liabilities		3,191,274	3,913,660
Unclaimed profit distribution		16,919,919	16,904,004
Current portion of non-current liabilities	8	880,000	757,657
		<u>20,991,193</u>	<u>21,575,321</u>
NON-CURRENT LIABILITIES			
Security deposits		17,337,537	19,747,380
Employee retirement benefits		275,401	315,668
		<u>17,612,938</u>	<u>20,063,048</u>
TOTAL LIABILITIES		<u>38,604,131</u>	<u>41,638,369</u>
NET ASSETS		<u>337,902,198</u>	<u>336,350,260</u>
FINANCED BY			
Certificate capital			
26,413,804 modaraba certificates (30 June 2019: 26,413,804) of Rupees 10 each		264,138,040	264,138,040
Reserves		73,764,158	72,212,220
TOTAL EQUITY AND RESERVES		<u>337,902,198</u>	<u>336,350,260</u>
CONTINGENCIES AND COMMITMENTS	9	-	-

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


Chief Executive Officer
Fidelity Capital Management
(Private) Limited


Director
Fidelity Capital Management
(Private) Limited


Director
Fidelity Capital Management
(Private) Limited


CFO/Company Secretary



**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE PERIOD ENDED 31 MARCH 2021**

	PERIOD ENDED		QUARTER ENDED	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
	Rupees	Rupees	Rupees	Rupees
INCOME				
Income from ijarah financing	14,367,619	13,833,011	5,207,819	4,391,803
Profit on morabaha financing	3,652,038	2,986,703	1,246,766	264,254
Net other income	79,012	755,621	(382,438)	522,875
	18,098,669	17,575,335	6,072,147	5,178,932
EXPENSES				
Amortization of assets leased out under ijarah contract	(8,736,470)	(8,546,210)	(2,820,778)	(2,743,989)
Administrative and general expenses	(7,791,589)	(10,035,782)	(2,717,023)	(3,842,948)
Stock exchange and CDC charges	-	(193,889)	-	-
Financial charges	(18,672)	(7,764)	(1,048)	(1,895)
	(16,546,731)	(18,783,645)	(5,538,849)	(6,588,832)
OPERATING PROFIT/(LOSS) BEFORE PROVISIONS AND TAXATION	1,551,938	(1,208,310)	533,298	(1,409,900)
Modaraba Company's management fee	-	-	-	12,339
PROFIT/(LOSS) BEFORE TAXATION	1,551,938	(1,208,310)	533,298	(1,422,239)
Taxation	-	-	-	18,878
PROFIT/(LOSS) AFTER TAXATION	1,551,938	(1,208,310)	533,298	(1,403,361)
PROFIT/(LOSS) PER CERTIFICATE - BASIC AND DILUTED	0.06	(0.05)	0.02	(0.05)

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


 Chief Executive Officer
 Fidelity Capital Management
 (Private) Limited


 Director
 Fidelity Capital Management
 (Private) Limited


 Director
 Fidelity Capital Management
 (Private) Limited


 CFO/Company Secretary

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE PERIOD ENDED 31 MARCH 2021



	PERIOD ENDED		QUARTER ENDED	
	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20
	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	1,551,938	(1,208,310)	533,298	(1,403,361)
TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD	1,551,938	(1,208,310)	533,298	(1,403,361)

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


Chief Executive Officer
Fidelity Capital Management
(Private) Limited


Director
Fidelity Capital Management
(Private) Limited


Director
Fidelity Capital Management
(Private) Limited


CFO/Company Secretary



CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE PERIOD ENDED 31 MARCH 2021

	Note	PERIOD ENDED	
		31 March 2021	31 March 2020
		Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	10	(1,032,842)	3,243,489
Financial charges paid		(18,672)	(7,764)
Net cash generated from operating activities		(1,051,514)	3,235,725
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed assets acquired - own use		(56,800)	(125,000)
Security deposits against ijarah assets		(2,287,500)	1,245,229
Proceeds from disposal of ijarah assets		9,295,882	12,521,019
Ijarah assets acquired		(6,935,000)	(18,087,629)
Net cash from investing activities		16,582	(4,446,381)
CASH FLOWS FROM FINANCING ACTIVITIES			
Profit distribution		15,915	(77,566)
Net cash used in financing activities		15,915	(77,566)
Net decrease / increase in cash and cash equivalents		(1,019,017)	(1,288,222)
Cash and cash equivalents at the beginning of the period		1,426,007	3,416,953
Cash and cash equivalents at the end of the period		406,989	2,128,731

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


Chief Executive Officer
Fidelity Capital Management
(Private) Limited


Director
Fidelity Capital Management
(Private) Limited


Director
Fidelity Capital Management
(Private) Limited



CFO/Company Secretary

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2021**



	CERTIFICATE CAPITAL		RESERVES			TOTAL EQUITY
	Rupees	CAPITAL RESERVE STATUTORY RESERVE	REVENUE RESERVE		TOTAL	Rupees
			UNAPPROPRIATED PROFIT /(ACCUMULATED LOSS)	Rupees		
Balance as at 01 July 2019 - (Audited)	264,138,040	94,620,283	(17,755,062)		76,865,221	341,003,261
Total comprehensive income / (loss) for the period ended 31 March 2020	-		(1,208,310)		(1,208,310)	(1,208,310)
Balance as at 31 March 2020 (un audited)	264,138,040	94,620,283	(18,963,372)		75,656,911	339,794,951
Balance as at 01 July 2020 - (Audited)	264,138,040	94,620,283	(22,408,063)		72,212,220	336,350,260
Total comprehensive income / (loss) for the period ended 31 March 2021	-	-	1,551,938		1,551,938	1,551,938
Transaction with owners	-	-	-		-	-
Balance as at 31 March 2021 (un audited)	264,138,040	94,620,283	(20,856,125)		73,764,158	337,902,198

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


Chief Executive Officer
 Fidelity Capital Management
 (Private) Limited


Director
 Fidelity Capital Management
 (Private) Limited


Director
 Fidelity Capital Management
 (Private) Limited


CFO/Company Secretary



SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE PERIOD ENDED 31 MARCH 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 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 2020.

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 2020.

	Un-audited 31 March 2021 Rupees	Audited 30 June 2020 Rupees
4 CURRENT PORTION OF NON-CURRENT ASSETS		
Long term morabaha investments	-	-
Long term receivables - loans to employees	146,028	250,484
	<u>146,028</u>	<u>250,484</u>
5 LONG TERM ADVANCES AND DEPOSITS		
Long term loans to employees	588,037	1,309,498
Securities deposits	-	-
	<u>588,037</u>	<u>1,309,498</u>
Less: current portion of long term receivables	(146,028)	(250,484)
Closing book value	<u>442,009</u>	<u>1,059,014</u>
6 ASSETS LEASED OUT UNDER IJARAH CONTRACTS		
Opening book value	60,187,110	64,016,079
Cost of additions during the period / year	6,935,000	22,824,979
	<u>67,122,110</u>	<u>86,841,058</u>
Book value of deletions during the period / year (Note 6.1)	(9,295,882)	(15,175,463)
	<u>57,826,228</u>	<u>71,665,595</u>
Depreciation charged during the period / year	(8,736,470)	(11,478,485)
Closing book value	<u>49,089,758</u>	<u>60,187,110</u>
6.1 Book value of deletions		
Plant and machinery	-	431,244
Office equipment	-	-
Vehicles	9,295,882	14,744,219
	<u>9,295,882</u>	<u>15,175,463</u>

**SELECTED NOTES TO THE CONDENSED INTERIM
FINANCIAL INFORMATION (UN-AUDITED)
FOR THE PERIOD ENDED 31 MARCH 2021**



	Un-audited 31 March 2021 Rupees	Audited 30 June 2020 Rupees
7 PROPERTY AND EQUIPMENT		
Assets in own use (Note 7.1)	227,983	322,571
Capital work in progress - Property under construction (Note 7.2)	224,000,000	224,000,000
	<u>224,227,983</u>	<u>224,322,571</u>
7.1 Assets in own use		
Opening book value	322,571	388,119
Cost of additions during the period / year (Note 7.1.1)	56,800	125,000
	<u>379,371</u>	<u>513,119</u>
Book value of deletions during the period / year	-	-
	<u>379,371</u>	<u>513,119</u>
Depreciation charged during the period / year	(151,388)	(190,548)
	<u>227,983</u>	<u>322,571</u>
7.1.1 Cost of additions		
Fixed Assets	56,800	125,000
	<u>56,800</u>	<u>125,000</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	880,000	757,657
	<u>880,000</u>	<u>757,657</u>
9 CONTINGENCIES AND COMMITMENTS		
There were no reportable contingencies and commitments as at 31 March 2021 (30 June 2020: Nil).		



**SELECTED NOTES TO THE CONDENSED INTERIM
FINANCIAL INFORMATION (UN-AUDITED)
FOR THE PERIOD ENDED 31 MARCH 2021**

	UN-AUDITED	
	PERIOD ENDED	
	31 March 2021	31 March 2020
	Rupees	Rupees
10 CASH GENERATED FROM OPERATIONS		
Profit/(Loss) before taxation	1,551,938	(1,208,310)
Adjustment for non cash charges and other items:		
Depreciation	8,887,858	8,713,487
Financial charges	18,672	7,764
Profit on morabaha investments	-	-
Return on bank deposits	-	-
Increase in long term receivable	-	-
Working capital changes (Note 10.1)	(11,491,310)	(4,269,452)
Cash Generated from Operations	(1,032,842)	3,243,489
10.1 Working capital changes		
Increase / (decrease) in operating assets		
Morabaha investments	(6,343,080)	8,700,000
Ijarah rentals receivables	(3,791,428)	(5,798,931)
Advances, deposits, prepayments and other receivables	(594,149)	(5,732,407)
	(10,728,657)	(2,831,338)
Increase / (decrease) in operating liabilities		
Creditors, accrued and other liabilities	(762,653)	(1,438,114)
	(11,491,310)	(4,269,452)
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	31 March	31 March	31 March
	2021	2020	2021	2020
	Rupees	Rupees	Rupees	Rupees
Fidelity Capital Management (Private) Limited	-	-	-	-
Provident Trust Contribution for the period	244,522	274,791	80,796	83,997
Officers and Employees Ijarah rentals received	442,929	353,443	104,008	123,264
Balances with related parties				
Officers and Employees Ijarah rentals Receivables	273,140	256,734	241,068	53,940
Suspensed	-	125,854	-	-

**SELECTED NOTES TO THE CONDENSED INTERIM
FINANCIAL INFORMATION (UN-AUDITED)
FOR THE PERIOD ENDED 31 MARCH 2021**



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 2020.

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 16, 2021.

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 Officer
Fidelity Capital Management
(Private) Limited


Director
Fidelity Capital Management
(Private) Limited


Director
Fidelity Capital Management
(Private) Limited


CFO/Company Secretary



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