



**FIRST
ELITE
CAPITAL
MODARABA**

Quarterly Report
March 31, 2014
(Un-Audited)

Managed by
**CRESCENT MODARABA MANAGEMENT
COMPANY LIMITED**



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FIRST ELITE CAPITAL MODARABA

CORPORATE INFORMATION

BOARD OF DIRECTORS OF MODARABA MANAGEMENT COMPANY

Mr. Muneeb Ahmed Dar	Chairman
Mr. Aamir Iftikhar Khan	Chief Executive
Dr. Sardar Ahmad Khan	Director
Mr. Ghazanfar Farrokh	Director
Mr. Muhammad Javed Amin	Director
Mrs. Rukhsana Javed Amin	Director
Mrs. Shahana Javed Amin	Director

AUDIT COMMITTEE

Mr. Muneeb Ahmed Dar	Chairman
Mr. Aamir Iftikhar Khan	Member
Mr. Muhammad Javed Amin	Member
Mrs. Shahana Javed Amin	Member

COMPANY SECRETARY

Mr. Muhammad Arif Hilal

LEGAL ADVISOR

Mr. Haq Nawaz Chattha,
International Legal Services

SHARIAH ADVISOR

Mufti Tayyab Amin

AUDITORS OF THE MODARABA

Ilyas Saeed & Co
Chartered Accountants

BANKERS OF THE MODARABA

Allied Bank Limited
Bank Alfalah Limited
KASB Bank Limited
Samba Bank Limited

PRINCIPAL & REGISTERED OFFICE

31/10-A, Abu Baker Block, New Garden Town,
Lahore - Pakistan.

Tel : (042) 35913701, 35913702

Fax : (042) 35913703

E-mail : info@fecm.com.pk

Web : www.fecm.com.pk

REGISTRAR

Hassan Farooq Associates (Pvt) Limited
7-G, Mushtaq Ahmad Gormani Road,
Gulberg - II, Lahore.

Tel : 042-35761661-35761662

Fax : 042-35760521



FIRST ELITE CAPITAL MODARABA

DIRECTORS' REPORT

Valued Certificate holders

The Board of Directors of **Crescent Modaraba Management Company Limited**, managers of **First Elite Capital Modaraba** are pleased to present the un-audited financial statements of the Modaraba for the nine months ended March 31, 2014.

The Modaraba during the period under review earned a profit of Rs.4,404,018/= as against profit of Rs.5,921,911/= during the corresponding period of last year. The profit during the period decreased due to slow business activity prevailing in the country. The Management of the Modaraba intends to continue Ijarah and Murabahah financing to its valued customers and is hopeful to achieve satisfactory result by the end of the current financial year.

The Board thanks the Regulatory Authorities for their continuous guidance and cooperation and places on record its appreciation of the services rendered by the staff members for their hard work.

On behalf of the Board

AAMIR IFTIKHAR KHAN
CHIEF EXECUTIVE

Lahore
Dated: April 24, 2014



FIRST ELITE CAPITAL MODARABA

CONDENSED INTERIM BALANCE SHEET AS AT MARCH 31, 2014

	March 31, 2014 Rupees (Un-Audited)	June 30, 2013 Rupees (Audited)
ASSETS		
Current assets		
Cash and bank balances	46,666,697	24,481,081
Short term Investments	18,570,430	15,412,641
Short term finances under murabahah arrangements - Secured	7,311,410	23,982,318
Short term finances under musharakah arrangements-Secured	1,440,000	1,440,000
Ijarah rentals receivable - Secured	1,840,629	2,228,963
Profit receivable	200,853	673,950
Advances, deposits, prepayments and other receivables	6,328,782	4,637,124
Advance income tax	1,508,883	1,388,757
	83,867,684	74,244,834
Non - Current Assets		
Assets leased out under ijarah contracts	106,584,681	116,847,930
Property and equipment	2,114,821	2,381,891
	108,699,502	119,229,821
Total Assets	192,567,186	193,474,655
LIABILITIES		
Current Liabilities		
Accrued and other liabilities	730,497	1,675,919
Security deposits	9,597,928	10,476,524
Management fee payable	735,144	1,045,810
Unclaimed profit distribution	6,738,873	6,053,517
	17,802,442	19,251,770
Non - Current Liabilities		
Security deposits	35,284,769	36,219,381
Employees retirement benefits	4,638,233	4,318,233
	39,923,002	40,537,614
Contingencies and commitments	-	-
Total Liabilities	57,725,444	59,789,384
Net Assets	134,841,742	133,685,271
REPRESENTED BY		
Authorized certificate capital 20,000,000 modaraba certificates of Rs.10 each	200,000,000	200,000,000
Issued, subscribed and paid-up capital	113,400,000	113,400,000
Reserves	21,441,742	20,285,271
	134,841,742	133,685,271

Chairman
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Management Company
Limited

Chief Executive
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FIRST ELITE CAPITAL MODARABA

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED MARCH 31, 2014

Nine Months Ended		Quarter Ended	
March 31, 2014 (Un-Audited)	March 31, 2013 (Un-Audited)	March 31, 2014 (Un-Audited)	March 31, 2013 (Un-Audited)

Rupees

INCOME

Income from Ijarah financing	35,127,244	33,470,466	12,012,230	11,708,002
Profit on murabahah and Musharakah financing	4,415,727	5,423,202	908,036	1,648,339
Return on investments	1,483,416	2,942,112	531,581	1,381,116
Other income	2,073,631	721,759	579,509	212,536
	43,100,018	42,557,539	14,031,356	14,949,993

EXPENSES

Amortization of assets leased out	26,840,813	24,391,702	8,878,130	8,211,722
Administrative and general expenses	11,354,019	11,573,876	3,595,292	4,383,409
Financial charges	11,833	12,060	3,638	4,974
	38,206,665	35,977,638	12,477,060	12,600,105

Operating Profit	4,893,353	6,579,901	1,554,296	2,349,888
Management fee	489,335	657,990	155,430	234,989
Profit before taxation	4,404,018	5,921,911	1,398,866	2,114,899
Taxation	-	-	-	-
Profit after taxation	4,404,018	5,921,911	1,398,866	2,114,899
Earning per certificate - basic and diluted	0.39	0.52	0.12	0.19

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CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED MARCH 31, 2014

Nine Months Ended		Quarter Ended	
March 31, 2014 (Un-Audited)	March 31, 2013 (Un-Audited)	March 31, 2014 (Un-Audited)	March 31, 2013 (Un-Audited)

Rupees

Other comprehensive income/(loss)

Changes in fair value of available for sale financial assets	2,989,453	442,618	1,770,748	(1,354,309)
Other comprehensive income/(loss) before taxation	2,989,453	442,618	1,770,748	(1,354,309)
Provision for taxation	-	-	-	-
Other comprehensive income/(loss) after taxation	2,989,453	442,618	1,770,748	(1,354,309)
Profit after taxation	4,404,018	5,921,911	1,398,866	2,114,899
Total comprehensive income	7,393,471	6,364,529	3,169,614	760,590

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CONDENSED INTERIM CASH FLOW STATEMENT FOR THE PERIOD ENDED MARCH 31, 2014

	March 31, 2014 Rupees (Un-Audited)	March 31, 2013 Rupees (Un-Audited)
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	4,404,018	5,921,911
Adjustment for:		
Depreciation	267,070	295,095
Amortization of assets leased out	26,840,813	24,391,702
Gain on sale of investments	(532,388)	(1,325,791)
Gain on disposal of leased assets	(797,018)	(717,804)
Financial charges	11,833	12,060
Reversal of impairment loss	(754,155)	(666,516)
Provision for employees retirement benefits	320,000	327,561
Dividend income	(951,028)	(949,805)
Profit on bank deposits	(1,239,476)	(591,293)
	23,165,651	20,775,209
	27,569,669	26,697,120
(Increase)/decrease in current assets		
Advances, deposits, prepayments and other receivables	(950,353)	(3,879,575)
Murabahah financing	16,670,908	(5,105,734)
	15,720,555	(8,985,309)
Increase/(decrease) in current liabilities		
Creditors, accrued and other liabilities	(1,265,422)	(232,925)
Management fee payable	(310,666)	(17,010)
Unclaimed profit distribution	685,356	724,120
	(890,732)	474,185
Cash generated from operations	42,399,492	18,185,996
Financial charges paid	(11,833)	(12,060)
(Payment)/Receipt of security deposits from lessees	(1,813,208)	(3,113,011)
	(1,825,041)	(3,125,071)
NET CASH FROM OPERATING ACTIVITIES	40,574,451	15,060,925
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of investments	(2,554,345)	(6,660,254)
Sale proceeds of investments	3,672,553	9,131,481
Purchase of property and equipment	-	(153,000)
Musharakah financing	-	85,000
Murabahah financing	-	3,138,904
Dividend income	951,028	949,805
Profit on bank deposits	1,239,476	591,293
Investment in Lease Finance -net	(16,158,400)	(17,866,772)
	(12,849,688)	(10,783,543)
NET CASH (USED IN) INVESTING ACTIVITIES	(12,849,688)	(10,783,543)
CASH FLOW FROM FINANCING ACTIVITIES		
Profit Distributed	(5,539,147)	(5,575,561)
	(5,539,147)	(5,575,561)
NET CASH (USED IN) FINANCING ACTIVITIES	(5,539,147)	(5,575,561)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	22,185,616	(1,298,179)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	24,481,081	13,630,184
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	46,666,697	12,332,005

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**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED MARCH 31, 2014**



FIRST ELITE CAPITAL MODARABA

	Reserves				Total equity Rupees
	Certificate Capital Rupees	Statutory Reserve Rupees	Available for sale financial assets Rupees	Accumulated losses Rupees	
Balance as at June 30, 2012 (Audited)	113,400,000	24,486,366	(1,440,229)	(8,381,354)	128,064,783
Comprehensive income	-	-	-	5,921,911	5,921,911
Profit after taxation	-	-	442,618	-	442,618
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	442,618	5,921,911	6,364,529
Transaction with owners	-	-	-	-	-
Final dividend @ 5.5% i.e. Re.0.55 per certificate	-	1,184,382	-	(6,237,000)	(6,237,000)
Transfer to statutory reserve	-	1,184,382	-	(7,421,382)	(6,237,000)
Balance as at March 31, 2013 (Un-Audited)	113,400,000	25,670,748	(997,611)	(9,880,825)	128,192,312
Balance as at June 30, 2013 (Audited)	113,400,000	26,745,685	1,379,982	(7,840,396)	133,685,271
Comprehensive income	-	-	-	4,404,018	4,404,018
Profit after taxation	-	-	2,989,453	-	2,989,453
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	2,989,453	4,404,018	7,393,471
Transaction with owners	-	-	-	-	-
Final dividend @ 5.5% i.e. Re.0.55 per certificate	-	880,804	-	(6,237,000)	(6,237,000)
Transfer to statutory reserve	-	880,804	-	(880,804)	-
Balance as at March 31, 2014 (Un-Audited)	113,400,000	27,626,489	4,369,435	(10,554,182)	134,841,742

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FIRST ELITE CAPITAL MODARABA

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE PERIOD ENDED MARCH 31, 2014

1 REPORTING ENTITY

First Elite Capital Modaraba ("the Modaraba") is a perpetual, multi-purpose and multi-dimensional non-trading modaraba formed under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 and the Rules framed there under and is managed by Crescent Modaraba Management Company Limited ("the Management Company"), a company incorporated in Pakistan under the Companies Ordinance, 1984. The registered office of the Modaraba is situated at 31/10-A Abu Baker Block, New Garden Town, Lahore. The Modaraba was floated on September 26, 1991 and is listed on Karachi, Lahore and Islamabad Stock Exchanges. The Modaraba is primarily engaged in the business of ijarah, musharakah and murabahah financing, investment in marketable securities and other related businesses.

2 BASIS OF PREPARATION

This condensed interim financial information is un-audited and is being submitted to certificate holders. 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 June 30, 2013.

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

3 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 June 30, 2013.

March 31, 2014 Rupees	June 30, 2013 Rupees
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4 SHORT TERM INVESTMENTS

Cost of investment	17,937,385	18,523,204
Fair value adjustment	4,369,435	1,379,982
Accumulated Impairment	(3,736,390)	(4,490,545)
	<u>18,570,430</u>	<u>15,412,641</u>

5 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information have been approved by the Board of Directors of the Management Company and authorized for issue on April 24, 2014.

6 GENERAL

Comparative Figures have been re-arranged, wherever necessary for the purpose of comparison.

Figures have been rounded off to the nearest Rupee.

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Managed By

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PRINCIPAL & REGISTERED OFFICE

31/10-A, Abu-Baker Block, New Garden Town, Lahore.

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