



**FIRST
ELITE
CAPITAL
MODARABA**

**Quarterly Report
March 31, 2015
(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. Muhammad Javed Amin	Chairman
Mr. Aamir Iftikhar Khan	Chief Executive
Dr. Sardar Ahmad Khan	Director
Mr. Ghazanfar Farrokh	Director
Mr. Muneeb Ahmed Dar	Director
Mrs. Rukhsana Javed Amin	Director
Mrs. Shahana Javed Amin	Director

AUDIT COMMITTEE

Mr. Muneeb Ahmed Dar	Chairman
Mr. Ghazanfar Farrokh	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, 2015.

The Modaraba during the period under review earned a profit of Rs.4,620,474/= as against profit of Rs.4,404,018/= during the corresponding period of last year. The Modaraba has maintained previous years performance. 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 22, 2015




FIRST ELITE CAPITAL MODARABA

CONDENSED INTERIM BALANCE SHEET AS AT MARCH 31, 2015

	Note	March 31, 2015 Rupees (Un-Audited)	June 30, 2014 Rupees (Audited)
ASSETS			
Current assets			
Cash and bank balances	4	25,478,387	52,219,076
Short term Investments	5	18,774,820	19,069,742
Short term finances under murabahah arrangements - Secured		36,819,032	7,665,516
Short term finances under musharakah arrangements-Secured		1,280,580	1,340,000
Ijarah rentals receivable - Secured		2,144,952	1,601,668
Profit receivable - Secured		461,066	453,146
Advances, deposits, prepayments and other receivables		13,214,457	4,927,120
Advance income tax		1,859,986	1,595,674
		100,033,280	88,871,942
Non - Current Assets			
Assets leased out under ijarah contracts		99,689,886	105,173,218
Property and equipment		1,839,032	2,068,018
		101,528,918	107,241,236
TOTAL ASSETS		201,562,198	196,113,178
LIABILITIES			
Current Liabilities			
Accrued and other liabilities		7,814,696	2,577,243
Security deposits		12,602,274	12,149,449
Management fee payable		513,386	1,008,270
Unclaimed profit distribution		6,641,169	6,707,271
		27,571,525	22,442,233
Non - Current Liabilities			
Security deposits		33,212,662	30,716,981
Employees retirement benefits		5,113,251	4,798,851
		38,325,913	35,515,832
Contingencies and commitments	6	-	-
TOTAL LIABILITIES		65,897,438	57,958,065
NET ASSETS		135,664,760	138,155,113
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	7	113,400,000	113,400,000
Reserves		22,264,760	24,755,113
		135,664,760	138,155,113

The annexed notes from 1 to 13 form an integral part of these financial statements.


Chairman
Crescent Modaraba
Management Company
Limited


Chief Executive
Crescent Modaraba
Management Company
Limited


Director
Crescent Modaraba
Management Company
Limited



FIRST ELITE CAPITAL MODARABA

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED MARCH 31, 2015

Nine Months Ended		Quarter Ended	
March 31, 2015 (Un-Audited)	March 31, 2014 (Un-Audited)	March 31, 2015 (Un-Audited)	March 31, 2014 (Un-Audited)

Rupees


INCOME

Income from Ijarah financing	34,798,311	35,127,244	10,681,431	12,012,230
Profit on murabahah and Musharakah financing	3,800,233	4,415,727	1,778,607	908,036
Return on investments	1,312,425	1,483,416	442,823	531,581
Other income	1,805,077	2,073,631	549,086	579,509
	41,716,046	43,100,018	13,451,947	14,031,356

EXPENSES

Depreciation of assets leased out	24,087,712	26,840,813	7,986,952	8,878,130
Administrative and general expenses	12,487,621	11,354,019	3,901,003	3,595,292
Financial charges	6,853	11,833	2,719	3,638
	36,582,186	38,206,665	11,890,674	12,477,060
Operating Profit	5,133,860	4,893,353	1,561,273	1,554,296
Management fee	513,386	489,335	156,127	155,430
Profit before taxation	4,620,474	4,404,018	1,405,146	1,398,866
Taxation	-	-	-	-
Profit after taxation	4,620,474	4,404,018	1,405,146	1,398,866
Earning per certificate - basic and diluted	0.41	0.39	0.12	0.12

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CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED MARCH 31, 2015

Nine Months Ended		Quarter Ended	
March 31, 2015 (Un-Audited)	March 31, 2014 (Un-Audited)	March 31, 2015 (Un-Audited)	March 31, 2014 (Un-Audited)

Rupees

Other comprehensive income/(loss)

Items that may be reclassified subsequently to profit and loss

Changes in fair value of available

for sale financial assets (811,586) 3,080,066 (472,060) 1,809,383

Reclassification adjustment for
loss included in profit and loss

(62,241) (90,613) - (38,635)

Items that may not be reclassified subsequently to profit and loss

- - - -

Other comprehensive (loss)/income before taxation

(873,827) 2,989,453 (472,060) 1,770,748

Taxation

- - - -

Other comprehensive (loss)/income after taxation

(873,827) 2,989,453 (472,060) 1,770,748

Profit after taxation

4,620,474 4,404,018 1,405,146 1,398,866

Total comprehensive income

3,746,647 7,393,471 933,086 3,169,614

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FIRST ELITE CAPITAL MODARABA

CONDENSED INTERIM CASH FLOW STATEMENT FOR THE PERIOD ENDED MARCH 31, 2015

	March 31, 2015 Rupees (Un-Audited)	March 31, 2014 Rupees (Un-Audited)
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	4,620,474	4,404,018
Adjustments for non-cash items and other items	23,108,476	24,405,127
Operating profit before changes in working capital	27,728,950	28,809,145
Changes in working capital	(36,570,927)	13,004,782
Cash (used in)/generated from operations	(8,841,977)	41,813,927
(Payments/receipts for		
Purchase of Ijarah assets	(29,960,994)	(34,572,000)
Transfer of Ijarah assets	11,394,864	18,413,600
Profit distribution	(66,102)	(5,539,147)
Net cash (used in)/generated from operating activities	(18,632,232)	(21,697,547)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of short term investments	(7,890,461)	(2,554,345)
Proceeds from sale of short term investments	7,776,418	3,672,553
Dividend received	847,563	951,028
Net cash generated from investing activities	733,520	2,069,236
CASH FLOW FROM FINANCING ACTIVITIES		
Net (decrease)/increase in cash and cash equivalents	(26,740,689)	22,185,616
Cash and cash equivalents at the beginning of the period	52,219,076	24,481,081
Cash and cash equivalents at the end of the period	25,478,387	46,666,697

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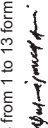


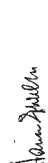
FIRST ELITE CAPITAL MODARABA


CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED MARCH 31, 2015

	Certificate Capital Rupees	Reserves			Total Rupees	Total equity Rupees
		Statutory Reserve Rupees	Available for sale financial assets Rupees	Accumulated losses Rupees		
Balance as at June 30, 2013 Audited	113,400,000	26,745,685	1,379,982	(8,773,704)	19,351,963	132,751,963
Transaction with owners	-	-	-	(6,237,000)	(6,237,000)	(6,237,000)
Final dividend @ 5.5% i.e. Re.0.55 per certificate	-	880,804	-	(880,804)	-	-
Transfer to statutory reserve	-	880,804	-	(7,117,804)	(6,237,000)	(6,237,000)
Comprehensive income	-	-	-	4,404,018	4,404,018	4,404,018
Profit after taxation	-	-	2,989,453	-	2,989,453	2,989,453
Other comprehensive income	-	-	2,989,453	4,404,018	7,393,471	7,393,471
Total comprehensive income	-	-	2,989,453	4,404,018	7,393,471	7,393,471
Balance as at March 31, 2014 Un-Audited	113,400,000	27,626,489	4,369,435	(11,487,490)	20,508,434	133,908,434
Balance as at June 30, 2014 Audited	113,400,000	29,014,293	3,517,364	(7,776,544)	24,755,113	138,155,113
Transaction with owners	-	-	-	(6,237,000)	(6,237,000)	(6,237,000)
Final dividend @ 5.5% i.e. Re.0.55 per certificate	-	924,095	-	(924,095)	-	-
Transfer to statutory reserve	-	924,095	-	(7,161,095)	(6,237,000)	(6,237,000)
Comprehensive income	-	-	-	4,620,474	4,620,474	4,620,474
Profit after taxation	-	-	(873,827)	-	(873,827)	(873,827)
Other comprehensive income	-	-	(873,827)	-	(873,827)	(873,827)
Total comprehensive income	-	-	(873,827)	4,620,474	3,746,647	3,746,647
Balance as at March 31, 2015 Un-Audited	113,400,000	29,938,388	2,643,537	(10,317,165)	22,264,760	135,664,760

The annexed notes from 1 to 13 form an integral part of these financial statements.


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Management Company Limited


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FIRST ELITE CAPITAL MODARABA

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE PERIOD ENDED MARCH 31, 2015

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 Bakar 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 interim financial information is not audited and has been presented in condensed form and does not include all the information as is required to be provided in a full set of annual financial statements. This condensed interim financial information should be read in conjunction with the audited financial statements of the Modaraba for the year ended June 30, 2014. The Securities and Exchange Commission of Pakistan vide Circular No. 10 of 2004 date February 13, 2004 has deferred, till further orders, the applicability of the IAS 17 "Leases" with effect from July 01, 2003. Accordingly, this IAS has not been considered for the purpose of preparation of this financial information.

The comparative interim balance sheet as at June 30, 2014 and the related notes to the condensed interim financial information are based on audited financial statements. The comparative interim profit and loss account, interim statement of comprehensive income, interim cash flow statement, interim statement of changes in equity and related notes to the condensed interim financial information for the period ended March 31, 2014 are based on unaudited, interim financial information.

2.1 Statement of compliance

This condensed interim financial information has been prepared in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board and Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as are notified under the Companies Ordinance, 1984, the requirements of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981 and the directives issued by the Securities and Exchange Commission of Pakistan (SECP). Wherever the requirements of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981 and the directives issued by SECP differ with the requirements of IFRSs or IFAS, the requirements of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981 or the directives issued by the SECP prevail.

2.2 Basis of measurement

This condensed interim financial information has been prepared under the historical cost convention except for certain financial instruments at fair value or amortized cost and employees retirement benefits at present value. In this financial information, except for the amounts reflected in the statement of cash flows, all transactions have been accounted for on accrual basis.

2.3 Judgments, estimates and assumptions

The preparation of financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions and judgments are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which forms the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

2.4 Functional currency

This financial information is prepared in Pak Rupees which is the Modaraba's functional currency.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of the financial statements of the Modaraba for the year ended June 30, 2014.

Note	Un-Audited March 31, 2015 Rupees	Audited June 30, 2014 Rupees
4 CASH AND BANK BALANCES		
Cash in hand	357,290	162,537
Cash at bank in		
- current accounts	4.1 5,463,753	880,346
- saving accounts	4.2 19,657,344	51,176,193
	<u>25,478,387</u>	<u>52,219,076</u>

4.1 This include Rs. 5,452,036/- in an account maintained with KASB Bank Limited. The Federal Government of Pakistan has passed an order, dated November 14, 2014, to moratorium under Section 47 of the Banking Companies Ordinance, 1962 on KASB Bank Limited for a period of six (06) months with effect from close of business as of November 14, 2014 (the effective date). It is ordered that the Bank shall, as of the effective date, not make any payment to depositors, except up to the extent of Rs. 300,000/- per depositor per account.



FIRST ELITE CAPITAL MODARABA

4.2 This include Rs. 126,310/- in an account maintained with KASB Bank Limited. The Federal Government of Pakistan has passed an order, dated November 14, 2014, to moratorium under Section 47 of the Banking Companies Ordinance, 1962 on KASB Bank Limited for a period of six (06) months with effect from close of business as of November 14, 2014 (the effective date). It is ordered that the Bank shall, as of the effective date, not make any payment to depositors, except up to the extent of Rs. 300,000 per depositor per account. Out of this limit, payment of Rs. 299,730/- has been made up to March 31, 2015.

	Un-Audited March 31, 2015 Rupees	Audited June 30, 2014 Rupees
5 SHORT TERM INVESTMENTS		
Cost of investment	19,867,673	19,288,768
Fair value adjustment	2,643,537	3,517,364
Accumulated Impairment	(3,736,390)	(3,736,390)
	<u>18,774,820</u>	<u>19,069,742</u>

6 CONTINGENCIES AND COMMITMENTS

Contingencies

There is no significant change in the status of contingencies since June 30, 2014.

Commitments

There are no significant commitments at the reporting date except for those under ijarah contracts regarding use by lessees of assets leased out to them under ijarah contracts against future rentals.

7 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

Modaraba certificates of Rs. 10 each.

10,000,000 (June 30, 2014: 10,000,000)

certificates issued for cash

100,000,000

100,000,000

1,340,000 (June 30, 2014: 1,340,000)

certificates issued as bonus certificates

13,400,000

13,400,000

113,400,000

113,400,000

8 STATUTORY RESERVE

This represents special reserve created in compliance with the Prudential Regulations for Modarabas issued by the Securities and Exchange Commission of Pakistan.

9 TAXATION

9.1 No provision for current tax has been made in these financial statements as the income of non-trading modaraba is exempt from income tax under clause 100 of Part-I of Second Schedule to the Income Tax Ordinance 2001, if the Modaraba distributes at least ninety percent of its profits, as reduced by the amount transferred to statutory reserve, as cash dividends to the certificate holders and the Modaraba intends to avail the exemption.

9.2 No deferred tax has been provided in these financial statements as the management intends to continuously avail the tax exemption by distributing the minimum prescribed amount as cash dividend to certificate holders.

10 RELATED PARTY TRANSACTIONS AND BALANCES

Related parties from the Modaraba's perspective comprise Modaraba's Management Company only. Transactions with related party are limited to management fee payable to the Management Company. The details are as follows:

	Un-Audited March 31, 2015 Rupees	Un-Audited March 31, 2014 Rupees
10.1 Transactions with related parties		
Nature of relationship	Nature of transaction	
Management Company	Management fee	513,386
	Profit distribution	623,700
		489,335
		623,700
10.2 Balances with related parties		
Nature of relationship	Nature of balance	
Management Company	Management fee payable	513,386
	Profit distribution payable	623,700
		1,008,270
		-

11 EVENTS AFTER THE REPORTING PERIOD

There are no significant events after the reporting period that may require any adjustment or disclosure in this condensed interim financial information.

12 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 22, 2015.

13 GENERAL

13.1 Comparative figures have been re-arranged wherever necessary for the purpose of comparison.

13.2 Figures have been rounded off to the nearest Rupee.


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Managed By

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COMPANY LIMITED**

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