



**FIRST
ELITE
CAPITAL
MODARABA**

**Quarterly Report
March 31, 2016
(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. Ghazanfar Farrokh	Chairman
Mr. Muneeb Ahmed Dar	Member
Mrs. Shahana Javed Amin	Member

COMPANY SECRETARY

Mr. Muhammad Arif Hilal

LEGAL ADVISOR

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
BankIslami Pakistan 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

CorpTec Associates (Pvt.) Limited
503-E, Johar Town, Lahore.

Tel : 042-35170336-7

Fax : 042-35170338

E-mail : info@corptec.com.pk



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, 2016.

Operation's & Performance

	March 31 2016 Rupees	March 31 2015 Rupees
Total Income	39,810,936	41,716,046
Depreciation of assets leased out	22,873,412	24,087,712
Administrative and general expenses	12,394,436	12,487,621
Financial charges	15483	6,853
Total Expenses	35,283,331	36,582,186
Operating Profit	4,527,605	5,133,860
Management Fee	452,760	513,386
Profit before taxation	4,074,845	4,620,474
Taxation	-	-
Profit after taxation	4,074,845	4,620,474

The Modaraba during the period under review earned a net profit of Rs.4,074,845/= as compared to a profit of Rs.4,620,474/= during the corresponding period of last year, which is decreased by Rs.545,629/= due to poor business conditions prevailing in the country. The Management of the Modaraba besides exploring new avenues of business will continue its core activities like Ijarah, Murabahah and Investment in listed securities.

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
April 25, 2016



FIRST ELITE CAPITAL MODARABA

CONDENSED INTERIM BALANCE SHEET AS AT MARCH 31, 2016

	Note	March 31, 2016 Rupees (Un-Audited)	June 30, 2015 Rupees (Audited)
ASSETS			
Current Assets			
Cash and bank balances	4	21,270,188	13,414,329
Short term Investments	5	16,764,102	22,393,707
Short term finances under musharakah arrangements-Secured		1,135,450	1,221,160
Short term finances under murabahah arrangements - Secured		43,770,680	50,964,945
Ijarah rentals receivable - Secured		2,103,068	2,136,778
Profit receivable - Secured		1,655,563	641,149
Advances, deposits, prepayments and other receivables		7,601,562	6,859,454
Advance income tax		1,923,837	1,884,619
		96,224,450	99,516,141
Non - Current Assets			
Long term finances under murabahah arrangements - Secured		9,375,567	-
Assets leased out under ijarah contracts		85,872,022	101,985,763
Property and equipment		1,650,593	1,839,568
		96,898,182	103,825,331
Total Assets		193,122,632	203,341,472
LIABILITIES			
Current Liabilities			
Accrued and other liabilities		1,225,177	3,085,549
Security deposits		11,668,249	16,135,405
Management fee payable		686,449	953,688
Unclaimed profit distribution		7,870,453	7,325,563
		21,450,328	27,500,205
Non - Current Liabilities			
Security deposits		29,130,512	27,965,880
Employees retirement benefits		6,189,317	5,689,317
		35,319,829	33,655,197
Contingencies and commitments	6	-	-
Total Liabilities		56,770,157	61,155,402
Net Assets		136,352,475	142,186,070
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		22,952,475	28,786,070
		136,352,475	142,186,070

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

Chairman
Crescent Modaraba
Management Company
Limited

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Director
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FIRST ELITE CAPITAL MODARABA

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED MARCH 31, 2016

Nine Months Ended		Quarter Ended	
March 31, 2016 (Un-Audited)	March 31, 2015 (Un-Audited)	March 31, 2016 (Un-Audited)	March 31, 2015 (Un-Audited)

Rupees

INCOME

Income from Ijarah financing	30,646,688	34,798,311	9,974,446	10,681,431
Profit on murabahah and Musharakah financing	7,267,629	3,800,233	1,116,452	1,778,607
Return on investments	1,478,998	1,312,425	291,176	442,823
Other income	417,621	1,805,077	234,327	549,086
	39,810,936	41,716,046	11,616,401	13,451,947

EXPENSES

Depreciation of assets leased out	22,873,412	24,087,712	7,002,149	7,986,952
Administrative and general expenses	12,394,436	12,487,621	3,954,717	3,901,003
Financial charges	15,483	6,853	5,154	2,719
	35,283,331	36,582,186	10,962,020	11,890,674
Operating Profit	4,527,605	5,133,860	654,381	1,561,273
Management fee	452,760	513,386	65,438	156,127
Profit before taxation	4,074,845	4,620,474	588,943	1,405,146
Taxation	-	-	-	-
Profit after taxation	4,074,845	4,620,474	588,943	1,405,146
Earning per certificate - basic and diluted	0.36	0.41	0.05	0.12

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FIRST ELITE CAPITAL MODARABA

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED MARCH 31, 2016

Nine Months Ended		Quarter Ended	
March 31, 2016 (Un-Audited)	March 31, 2015 (Un-Audited)	March 31, 2016 (Un-Audited)	March 31, 2015 (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	(3,715,356)	(811,586)	(317,317)	(472,060)
Reclassification adjustment for loss included in profit and loss	43,916	(62,241)	8,831	-

Items that may not be reclassified subsequently to profit and loss

-	-	-	-	
Other comprehensive (loss)/income before taxation	(3,671,440)	(873,827)	(308,486)	(472,060)
Taxation	-	-	-	-
Other comprehensive (loss)/income after taxation	(3,671,440)	(873,827)	(308,486)	(472,060)
Profit after taxation	4,074,845	4,620,474	588,943	1,405,146
Total comprehensive income	403,405	3,746,647	280,457	933,086

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

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CONDENSED INTERIM CASH FLOW STATEMENT FOR THE PERIOD ENDED MARCH 31, 2016

	March 31, 2016 Rupees (Un-Audited)	March 31, 2015 Rupees (Un-Audited)
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	4,074,845	4,620,474
Adjustments for non-cash items and other items	21,771,262	23,108,476
Operating profit before changes in working capital	25,846,107	27,728,950
Changes in working capital	(8,213,460)	(36,570,927)
Cash (used in)/generated from operations	17,632,647	(8,841,977)
(Payments)/receipts for		
Purchase of property and equipment	(8,500)	-
Purchase of Ijarah assets	(19,097,411)	(29,960,994)
Transfer of Ijarah assets	12,128,959	11,394,864
Profit distribution	(6,237,000)	(66,102)
Net cash (used in)/generated from operating activities	(13,213,952)	(18,632,232)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of short term investments	(9,097,523)	(7,890,461)
Proceeds from sale of short term investments	11,641,554	7,776,418
Dividend received	893,133	847,563
Net cash generated from investing activities	3,437,164	733,520
CASH FLOW FROM FINANCING ACTIVITIES		
Net increase/(decrease) in cash and cash equivalents	7,855,859	(26,740,689)
Cash and cash equivalents at the beginning of the period	13,414,329	52,219,076
Cash and cash equivalents at the end of the period	21,270,188	25,478,387

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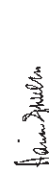
FIRST ELITE CAPITAL MODARABA

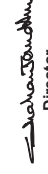
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED MARCH 31, 2016

	Reserves				Total equity Rupees
	Certificate Capital Rupees	Statutory Reserve Rupees	Available for sale financial assets Rupees	Accumulated losses Rupees	
Balance as at June 30, 2014 Audited	113,400,000	29,014,293	3,517,364	(7,776,544)	138,155,113
Transaction with owners	-	-	-	(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)
Comprehensive income	-	-	-	4,620,474	4,620,474
Profit after taxation	-	-	(873,827)	-	(873,827)
Other comprehensive income/(loss)	-	-	(873,827)	4,620,474	3,746,647
Total comprehensive income/(loss)	-	-	(873,827)	4,620,474	3,746,647
Balance as at March 31, 2015 Un-Audited	113,400,000	29,938,388	2,643,537	(10,317,165)	135,664,760
Balance as at June 30, 2015 Audited	113,400,000	31,074,280	5,217,391	(7,505,581)	142,186,070
Transaction with owners	-	-	-	(6,237,000)	(6,237,000)
Final dividend @ 5.5% i.e. Re.0.55 per certificate	-	814,969	-	(814,969)	-
Transfer to statutory reserve	-	814,969	-	(7,051,969)	(6,237,000)
Comprehensive income	-	-	-	4,074,845	4,074,845
Profit after taxation	-	-	(3,671,440)	-	(3,671,440)
Other comprehensive income/(loss)	-	-	(3,671,440)	4,074,845	403,405
Total comprehensive income/(loss)	-	-	(3,671,440)	4,074,845	403,405
Balance as at March 31, 2016 Un-Audited	113,400,000	31,889,229	1,545,951	(10,482,705)	136,352,475

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


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FIRST ELITE CAPITAL MODARABA

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE PERIOD ENDED MARCH 31, 2016

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 Pakistan Stock Exchange Limited. 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, 2015. 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, 2015 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, 2015 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, 2015.

	Un-Audited March 31, 2016 Rupees	Audited June 30, 2015 Rupees
4 CASH AND BANK BALANCES		
Cash in hand	187,567	60,915
Cash at bank in		
- current accounts	1,093,510	782,617
- saving/deposit accounts	19,989,111	12,570,797
	<u>21,270,188</u>	<u>13,414,329</u>
5 SHORT TERM INVESTMENTS		
Cost of investment	18,954,541	20,912,706
Fair value adjustment	1,545,951	5,217,391
Accumulated Impairment	(3,736,390)	(3,736,390)
	<u>16,764,102</u>	<u>22,393,707</u>



FIRST ELITE CAPITAL MODARABA

6 CONTINGENCIES AND COMMITMENTS

Contingencies

There is no significant change in the status of contingencies since June 30, 2015.

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.

	Un-Audited March 31, 2016 Rupees	Audited June 30, 2015 Rupees
7 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL		
Modaraba certificates of Rs. 10 each.		
10,000,000 (June 30, 2015: 10,000,000) certificates issued for cash	100,000,000	100,000,000
1,340,000 (June 30, 2015: 1,340,000) certificates issued as bonus certificates	13,400,000	13,400,000
	<u>113,400,000</u>	<u>113,400,000</u>

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, 2016 Rupees	Un-Audited March 31, 2015 Rupees
10.1 Transactions with related parties			
Nature of relationship	Nature of transaction		
Management Company	Management fee	452,760	513,386
	Profit distribution	623,700	623,700
10.2 Balances with related parties			
Nature of relationship	Nature of balance	Un-Audited March 31, 2016 Rupees	Audited June 30, 2015 Rupees
Management Company	Management fee payable	686,449	953,688

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 25, 2016.

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

**CRESCENT MODARABA MANAGEMENT
COMPANY LIMITED**

PRINCIPAL & REGISTERED OFFICE
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