



**FIRST
ELITE
CAPITAL
MODARABA**

Quarterly Report
September 30, 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

50-A, Garden Block, New Garden Town,
Lahore - Pakistan.

Tel : (042) 35442735-37

Fax : (042) 35442738

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**, Manager of **First Elite Capital Modaraba** are pleased to present the unaudited financial statements of the Modaraba for the period ended September 30, 2016.

Operation's & Performance

	September 30, 2016 Rupees	September 30, 2015 Rupees
Total Income	10,198,647	14,227,710
Depreciation of assets leased out	6,576,606	8,160,988
Administrative and general expenses	4,137,190	4,155,760
Financial charges	4,515	3,999
Total Expenses	10,718,311	12,320,747
Operating (Loss)/Profit	(519,664)	1,906,963
Management Fee	-	190,696
(Loss)/Profit before taxation	(519,664)	1,716,267
Taxation	-	-
(Loss)/Profit after taxation	(519,664)	1,716,267

During the period under review, the Modaraba suffered a loss of Rs.519,664/= as compared to profit of Rs.1,716,267/= during the corresponding period of last year. The main reason for the loss is tough competition with other financial institutions & impairment in receivables. Loss per certificate is Re.0.05. Gross revenue was Rs.10,198,647/= in the first quarter of the year, which was mainly derived from Ijarah & Murabahah Financing.

The Management of the Modaraba is determined to recover the amount from defaulted clients and turnaround the Modaraba into profit.

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 of their hard work.

On behalf of the Board

AAMIR IFTIKHAR KHAN
CHIEF EXECUTIVE

Lahore
October 26, 2016



ڈائریکٹرز رپورٹ

معزز سرٹیفکیٹ ہولڈرز:-

فرسٹ ایلٹ کینیڈل مضاربہ زیر انتظام کریڈٹ مضاربہ مینجمنٹ کمپنی لمیٹڈ کے بورڈ آف ڈائریکٹرز مضاربہ کی 30 ستمبر 2016ء کو ختم ہونے والی مدت کے غیر آڈیٹڈ مالی حسابات پیش کرتے ہیں۔

آپریٹرز اور کارکردگی:-

30 ستمبر 2015ء (روپے)	30 ستمبر 2016ء (روپے)	
14,227,710	10,198,647	کل آمدن
8,160,988	6,576,606	لیزڈ آؤٹ اثاثوں کی فرسودگی
4,155,760	4,137,190	انتظامی و عمومی اخراجات
3,999	4,515	مالی اخراجات (ٹرانزل چارجز)
12,320,747	10,718,311	کل اخراجات
1,906,963	(519,664)	آپریٹنگ (خسارہ) / منافع
190,696	-	انتظامی فیس
1,716,267	(519,664)	(خسارہ) / منافع قبل از ٹیکسیشن
-	-	ٹیکسیشن
1,716,267	(519,664)	(خسارہ) / منافع بعد از ٹیکسیشن

زیر غور مدت کے دوران مضاربہ کو -/519,664 روپے کا خسارہ ہوا۔ جبکہ گزشتہ سال اسی مدت کے دوران -/1,716,267 روپے کا منافع ہوا۔ خسارہ کی بنیادی وجہ دیگر مالیاتی اداروں کے ساتھ سخت مقابلہ اور وصولی میں کمی ہے۔ نی سرٹیفکیٹ خسارہ -/0.05 روپے ہے۔ پہلی سہ ماہی کی مجموعی آمدنی -/10,198,647 روپے تھی، جو بنیادی طور پر اجارہ اور مرابحہ فنانسنگ سے حاصل کی گئی تھی۔

مضاربہ کی انتظامیہ نادر ہندہ گاہکوں سے رقم کی وصولی اور مضاربہ کو دوبارہ منافع میں لانے کیلئے پُر عزم ہے۔

بورڈ ریگولیٹری حکام کی جانب سے مسلسل رہنمائی اور تعاون کا شکریہ ادا کرتا ہے اور عملے کی جانب سے پیش کی گئی خدمات، لگن اور عزم و ہمت سے کام کرنے پر ان کو خراج تحسین پیش کرتا ہے۔

از طرف بورڈ آف ڈائریکٹرز:-

Han Ahsan

عامر افتخار خان

چیف ایگزیکٹو

26 اکتوبر 2016ء



FIRST ELITE CAPITAL MODARABA

CONDENSED INTERIM BALANCE SHEET AS AT SEPTEMBER 30, 2016 (UN-AUDITED)

	Note	September 30, 2016 Rupees	June 30, 2016 Rupees
ASSETS			
Current assets			
Cash and bank balances	4	16,415,093	21,690,807
Short term investments	5	20,562,702	18,540,876
Short term finances under musharakah arrangements-secured		1,056,320	1,080,030
Short term finances under murabahah arrangements-secured		40,595,711	46,337,432
Ijarah rentals receivable - secured		1,855,143	1,198,772
Profit receivable - secured		150,955	93,150
Advances, deposits, prepayments and other receivables		8,206,055	7,787,850
		88,841,979	96,728,917
Non-current assets			
Assets leased out under ijarah contracts		92,622,731	83,468,750
Property and equipment		1,529,308	1,584,688
		94,152,039	85,053,438
Total assets		182,994,018	181,782,354
LIABILITIES			
Current liabilities			
Accrued and other liabilities		1,401,327	1,584,304
Security deposits		8,082,064	7,891,375
Unclaimed profit distribution		7,830,958	7,834,899
		17,314,349	17,310,578
Non-current liabilities			
Security deposits		27,305,132	27,266,700
Employees retirement benefits		6,754,166	6,754,166
		34,059,298	34,020,866
Contingencies and commitments	6	-	-
Total liabilities		51,373,647	51,331,444
Net Assets		131,620,371	130,450,910
REPRESENTED BY			
Authorized 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		18,220,371	17,050,910
		131,620,371	130,450,910

Chairman
Crescent Modaraba
Management Company
Limited

Chief Executive
Crescent Modaraba
Management Company
Limited

Director
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FIRST ELITE CAPITAL MODARABA

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED SEPTEMBER 30, 2016 (UN-AUDITED)

	September 30, 2016 Rupees	September 30, 2015 Rupees
INCOME		
Income from ijarah financing	9,298,716	10,214,044
Profit on murabahah financing	490,116	3,112,199
Return on investments	247,299	685,425
Other income	162,516	216,042
	10,198,647	14,227,710
EXPENSES		
Depreciation of assets leased out under ijarah contracts	6,576,606	8,160,988
Administrative and general expenses	4,137,190	4,155,760
Financial charges	4,515	3,999
	10,718,311	12,320,747
Operating (Loss)/profit	(519,664)	1,906,963
Management Fee	-	190,696
(Loss)/Profit before taxation	(519,664)	1,716,267
Taxation	-	-
(Loss)/Profit after taxation	(519,664)	1,716,267
(Loss)/Earnings per certificate - basic and diluted	(0.05)	0.15

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CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED SEPTEMBER 30, 2016 (UN-AUDITED)

	September 30, 2016 Rupees	September 30, 2015 Rupees
Items that may be reclassified subsequently to profit or loss		
Changes in fair value of available for sale investments	1,654,733	(3,439,980)
Reclassification adjustments for losses/(gains) included in profit or loss	34,392	56,080
	1,689,125	(3,383,900)
Items that will not be reclassified to profit or loss	-	-
Other comprehensive income/(loss) before taxation	1,689,125	(3,383,900)
Taxation	-	-
Other comprehensive income/(loss) after taxation	1,689,125	(3,383,900)
(Loss)/Profit after taxation	(519,664)	1,716,267
Total comprehensive income	1,169,461	(1,667,634)

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CONDENSED INTERIM CASH FLOW STATEMENT FOR THE PERIOD ENDED SEPTEMBER 30, 2016 (UN-AUDITED)

	September 30, 2016 Rupees	September 30, 2015 Rupees
Cash Flow from operating activities		
(Loss)/Profit before taxation	(519,664)	1,716,267
Adjustment for non cash charges and other items		
Depreciation	55,380	65,697
Depreciation of assets leased out	6,576,606	8,160,988
Gain on sale of investments	(119,499)	(352,583)
Financial charges	4,515	3,999
Dividend income	(127,800)	(332,842)
Profit on bank deposits	(141,392)	(63,309)
	6,247,810	7,481,950
(Increase)/decrease in current assets		
Advances, deposits, prepayments and other receivables	(1,132,381)	(2,643,494)
Murabahah and Musharakah financing	5,765,431	(867,243)
	4,633,050	(3,510,737)
(Decrease)/Increase in current liabilities		
Creditors, accrued and other liabilities	(186,918)	(1,375,523)
Cash flow from operations	10,174,278	4,311,957
Financial charges	(4,515)	(3,999)
Receipt/(Payment) of security deposits from lessees	229,121	1,447,521
	224,606	1,443,522
Net cash inflow from operating activities	10,398,884	5,755,479
Cash flow from investing activities		
Sale proceeds of investments	2,275,691	3,967,125
Purchase of Investments	(2,488,893)	(3,489,572)
Dividend income	127,800	332,842
Profit on bank deposits	141,392	63,309
Investment in lease finance net	(15,730,588)	(7,074,421)
Net cash outflow from investing activities	(15,674,598)	(6,200,717)
Cash flow from financing activities		
Net Cash Outflow from financing Activities	-	-
Net decrease in cash and cash equivalents	(5,275,714)	(445,238)
Cash and cash equivalents at the beginning of the period	21,690,807	13,414,329
Cash and cash equivalents at the end of the period	16,415,093	12,969,091

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**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED SEPTEMBER 30, 2016
(UN-AUDITED)**

	Issued, Subscribed and Paid-up Capital	Statutory Reserve	Reserve		Accumulated losses	Total	Total equity
			Available for sale financial assets				
As at July 01, 2015	113,400,000	31,074,260	5,217,391	(7,505,581)	28,786,070	142,186,070	
Net profit for the period	-	-	-	1,716,267	1,716,267	1,716,267	
Other comprehensive loss for the period	-	-	(3,383,900)	-	(3,383,900)	(3,383,900)	
Transferred to statutory reserve	-	343,253	-	(343,253)	-	-	
As at September 30, 2015	113,400,000	31,417,513	1,833,491	(6,132,567)	27,118,437	140,518,437	
As at June 30, 2016	113,400,000	31,074,260	2,761,773	(16,785,123)	17,050,910	130,450,910	
Net loss for the period	-	-	-	(519,664)	(519,664)	(519,664)	
Other comprehensive income for the period	-	-	1,689,125	-	1,689,125	1,689,125	
Transferred to statutory reserve	-	-	-	-	-	-	
As at September 30, 2016	113,400,000	31,074,260	4,450,898	(17,304,787)	18,220,371	131,620,371	



Chairman

Crescent Modaraba
Management Company Limited



Chief Executive

Crescent Modaraba
Management Company Limited



Director

Crescent Modaraba
Management Company Limited



FIRST ELITE CAPITAL MODARABA



FIRST ELITE CAPITAL MODARABA

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE PERIOD ENDED SEPTEMBER 30, 2016 (UN-AUDITED)

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 50-A, Garden 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, 2016. 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, 2016 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 September 30, 2016 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, 2016.

4. SHORT TERM INVESTMENTS

	September 30, 2016 Rupees	June 30, 2016 Rupees
Cash in hand	318,119	122,904
Cash at bank in		
- current accounts	31,857	1,086,536
- saving/deposit accounts	16,065,117	20,481,367
	<u>16,415,093</u>	<u>21,690,807</u>

5 SHORT TERM INVESTMENTS

Cost of investment	19,848,194	19,515,493
Fair value adjustment	4,450,898	2,761,773
Accumulated Impairment	(3,736,390)	(3,736,390)
	<u>20,562,702</u>	<u>18,540,876</u>



FIRST ELITE CAPITAL MODARABA

6 CONTINGENCIES AND COMMITMENTS

Contingencies

There is no significant change in the status of contingencies since June 30, 2016.

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.

	September 30, 2016 Rupees	June 30, 2016 Rupees
7 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL		
Modaraba certificates of Rs. 10 each. 10,000,000 (June 30, 2016: 10,000,000)	100,000,000	100,000,000
certificates issued for cash 1,340,000 (June 30, 2016: 1,340,000)	13,400,000	13,400,000
certificates issued as bonus certificates	<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 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 September 30, 2016 Rupees	Un-Audited September 30, 2015 Rupees
9.1 Transactions with related parties			
Nature of relationship	Nature of transaction		
Management Company	Management fee	-	190,696
	Profit distribution	-	-
9.2 Balances with related parties		Un-Audited September 30, 2016 Rupees	Audited June 30, 2016 Rupees
Nature of relationship	Nature of balance		
Management Company	Management fee payable	-	-

10 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.

11 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 October 26, 2016.

12 GENERAL

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

12.2 Figures have been rounded off to the nearest Rupee.

Chairman
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Management Company
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FIRST ELITE CAPITAL MODARABA
Managed By
CRESCENT MODARABA MANAGEMENT COMPANY LIMITED

PRINCIPAL & REGISTERED OFFICE
50-A, Garden Block, New Garden Town, Lahore.
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