



**FIRST
ELITE
CAPITAL
MODARABA**

**Quarterly Report
March 31, 2017
(Un-Audited)**

Managed by
**CRESCENT MODARABA MANAGEMENT
COMPANY LIMITED**



CONTENTS

CORPORATE INFORMATION	5
DIRECTORS' REPORT	6
ڈائریکٹرز رپورٹ	7
BALANCE SHEET	8
PROFIT AND LOSS ACCOUNT	9
STATEMENT OF COMPREHENSIVE INCOME	10
CASH FLOW STATEMENT	11
STATEMENT OF CHANGES IN EQUITY	12
NOTES TO THE FINANCIAL INFORMATION	13-15



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, 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, 2017.

Operation's & Performance

	March 31 2017 Rupees	March 31 2016 Rupees
Total Income	37,332,091	39,810,936
Depreciation of assets leased out	20,335,879	22,873,412
Administrative and general expenses	21,228,322	12,394,436
Financial charges	10,182	15,483
Total Expenses	<u>41,574,383</u>	<u>35,283,331</u>
Operating (Loss)/Profit	(4,242,292)	4,527,605
Management Fee	-	452,760
(Loss)/Profit before taxation	<u>(4,242,292)</u>	<u>4,074,845</u>
Taxation	-	-
(Loss)/Profit after taxation	<u><u>(4,242,292)</u></u>	<u><u>4,074,845</u></u>

The Modaraba during the period under review, suffered a loss of Rs.4,242,292/= as compared to profit of Rs.4,074,845/= in corresponding period of last year. The main reason for the loss is provisioning of the non-performing loans as per requirements of the Prudential Regulations for Modarabas. The management of the Modaraba has filed certain recovery and criminal cases against the delinquent customers.

Despite tough competition with other financial institutions, the Modaraba during the period under review extended fresh Ijarah facilities amounting to Rs.48,908,000/= to the quality customers. Gross revenue was Rs.37,332,091/= in the nine months of the year, which was mainly derived from Ijarah, Murabahah Financing and Investments.

The Board thanks the Regulatory Authorities for their continued 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 24, 2017



ڈائریکٹرز رپورٹ

معزز شریکیت ہولڈرز:-

فرسٹ ایلٹ کیپٹل مضاربہ زیر انتظام کریڈٹ مضاربہ بینجمنٹ کمپنی لمیٹڈ کے بورڈ آف ڈائریکٹرز مضاربہ کی 31 مارچ 2017ء کو ختم ہونے والی مدت کے غیر آڈیٹڈ مالی حسابات پیش کرتے ہیں۔

31 مارچ 2016ء (روپے)	31 مارچ 2017ء (روپے)	آپریشنز اور کارکردگی:-
39,810,936	37,332,091	کل آمدن
22,873,412	20,335,879	لیزڈ آؤٹ اثاثوں کی فرسودگی
12,394,436	21,228,322	انتظامی و عمومی اخراجات
15,483	10,182	مالی اخراجات (فنانس چارجز)
35,283,331	41,574,383	کل اخراجات
4,527,605	(4,242,292)	آپریٹنگ (خسارہ)/منافع
452,760	-	انتظامی فیس
4,074,845	(4,242,292)	(خسارہ)/منافع قبل از ٹیکسیشن
-	-	ٹیکسیشن
4,074,845	(4,242,292)	(خسارہ)/منافع بعد از ٹیکسیشن

زیر غور مدت کے دوران مضاربہ کو -/4,242,292 روپے کا خسارہ ہوا۔ جبکہ گزشتہ سال اسی مدت کے دوران -/4,074,845 روپے کا منافع ہوا۔ خسارہ کی بنیادی وجہ مضاربوں کیلئے پروڈینشل ریگولیشنز کی ضروریات کے مطابق غیر فعال قرضوں (non-performing loans) کی پروویڈنگ (Provisioning) ہے۔ مضاربہ کی بینجمنٹ نے قرضوں کی واپسی کیلئے مجرم گاہکوں کے خلاف بعض مالیاتی اور فوجداری مقدمات درج کروائے ہیں۔

دیگر مالیاتی اداروں کے ساتھ سخت مقابلہ کے باوجود زیر غور مدت کے دوران مضاربہ نے معیاری گاہکوں کو -/48,908,000 روپے کی نئی اجارہ فنانسنگ کی ہے۔ موجودہ سال کے نو ماہ کی مجموعی آمدنی -/37,332,091 روپے رہی جو کہ بنیادی طور پر اجارہ، مراہجہ فنانسنگ اور سرمایہ کاری سے حاصل کی گئی۔ بورڈ ریگولیشنز کی حکام کی جانب سے مسلسل رہنمائی اور تعاون کا شکریہ ادا کرتا ہے اور عملے کی جانب سے پیش کی گئی خدمات، محنت و لگن سے کام کرنے پر ان کو خراج تحسین پیش کرتا ہے۔

از طرف بورڈ آف ڈائریکٹرز:-

Hanum Khan

عامر افتخار خان

چیف ایگزیکٹو

24 اپریل 2017ء



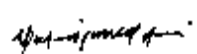


FIRST ELITE CAPITAL MODARABA

CONDENSED INTERIM BALANCE SHEET AS AT MARCH 31, 2017

	NOTE	March 31, 2017 Rupees (Un-Audited)	June 30, 2016 Rupees (Audited)
ASSETS			
Current assets			
Cash and bank balances	4	15,132,662	21,690,807
Short term investments	5	20,362,364	18,540,876
Short term finances under musharakah arrangements - <i>Secured</i>		994,806	1,080,030
Short term finances under murabahah arrangements - <i>Secured</i>		28,033,650	46,337,432
Ijarah rentals receivable - <i>Secured</i>		2,846,290	1,198,772
Profit receivable - <i>Secured</i>		255,597	93,150
Advances, deposits, prepayments and other receivables		13,294,518	6,229,679
Advance income tax		1,674,379	1,558,171
		82,594,266	96,728,917
Non-current assets			
Assets leased out under ijarah contracts		97,988,261	83,468,750
Property and equipment		3,530,781	1,584,688
		101,519,042	85,053,438
TOTAL ASSETS		184,113,308	181,782,354
LIABILITIES			
Current liabilities			
Accrued and other liabilities		1,080,960	1,584,304
Security deposits		5,415,524	7,891,375
Unclaimed profit distribution		7,826,855	7,834,899
		14,323,339	17,310,578
Non-current liabilities			
Security deposits		36,199,990	27,266,700
Employees retirement benefits		7,254,166	6,754,166
		43,454,156	34,020,866
Contingencies and commitments	6	-	-
TOTAL LIABILITIES		57,777,495	51,331,444
NET ASSETS		126,335,813	130,450,910
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		12,935,813	17,050,910
		126,335,813	130,450,910

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, 2017

	NINE MONTHS ENDED		QUARTER ENDED	
	March 31, 2017 Rupees (Un-Audited)	March 31, 2016 Rupees (Un-Audited)	March 31, 2017 Rupees (Un-Audited)	March 31, 2016 Rupees (Un-Audited)
INCOME				
Income from ijarah financing	33,104,386	30,646,688	9,714,940	9,974,446
Profit on murabahah and musharakah financing	1,383,332	7,267,629	291,346	1,116,452
Return on investments	2,260,549	1,478,998	1,101,771	291,176
Other income	583,824	417,621	273,473	234,327
	37,332,091	39,810,936	11,381,530	11,616,401
EXPENSES				
Depreciation of assets leased out	20,335,879	22,873,412	6,797,521	7,002,149
Administrative and general expenses	21,228,322	12,394,436	4,106,874	3,954,717
Financial charges	10,182	15,483	2,853	5,154
	41,574,383	35,283,331	10,907,248	10,962,020
Operating (Loss)/Profit	(4,242,292)	4,527,605	474,282	654,381
Management fee	-	452,760	-	65,438
(Loss)/Profit before taxation	(4,242,292)	4,074,845	474,282	588,943
Taxation	-	-	-	-
(Loss)/Profit after taxation	(4,242,292)	4,074,845	474,282	588,943
(Loss)/Earnings per certificate-basic and diluted	(0.37)	0.36	0.04	0.05

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 STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED MARCH 31, 2017

NINE MONTHS ENDED		QUARTER ENDED	
March 31, 2017 Rupees (Un-Audited)	March 31, 2016 Rupees (Un-Audited)	March 31, 2017 Rupees (Un-Audited)	March 31, 2016 Rupees (Un-Audited)

Other comprehensive income/(loss)

Items that may be reclassified subsequently to profit and loss

Changes in fair value of available for sale financial assets	312,396	(3,715,356)	(1,012,956)	(317,317)
Re-classification adjustment for loss included in profit and loss	(185,201)	43,916	(140,829)	8,831
	127,195	(3,671,440)	(1,153,785)	(308,486)

Items that may not be reclassified subsequently to profit and loss

	-	-	-	-
Other comprehensive income / (loss) before taxation	127,195	(3,671,440)	(1,153,785)	(308,486)
Taxation	-	-	-	-
Other comprehensive income / (loss) after taxation	127,195	(3,671,440)	(1,153,785)	(308,486)
(Loss) / profit after taxation	(4,242,292)	4,074,845	474,282	588,943
Total comprehensive (loss)/income	(4,115,097)	403,405	(679,503)	280,457

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 CASH FLOW STATEMENT FOR THE PERIOD ENDED MARCH 31, 2017

	March 31, 2017 Rupees (Un-Audited)	March 31, 2016 Rupees (Un-Audited)
CASH FLOW FROM OPERATING ACTIVITIES		
(Loss)/Profit before taxation	(4,242,292)	4,074,845
Adjustments for non-cash items and other items	27,236,816	21,771,262
Operating profit before changes in working capital	22,994,524	25,846,107
Changes in working capital	6,875,501	(8,213,460)
Cash flows from operations	29,870,025	17,632,647
(Payments)/receipts for		
Purchase of property and equipment	(2,130,991)	(8,500)
Purchase of Ijarah assets	(48,908,000)	(19,097,411)
Transfer of Ijarah assets	14,052,609	12,128,959
Profit distribution	(8,044)	(6,237,000)
Net cash from operating activities	(36,994,426)	(13,213,952)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of short term investments	(13,613,145)	(9,097,523)
Proceeds from sale of short term investments	13,554,774	11,641,554
Dividend received	624,627	893,133
Net cash generated from investing activities	566,256	3,437,164
CASH FLOWS FROM FINANCING ACTIVITIES		
Net (decrease)/increase in cash and cash equivalents	(6,558,145)	7,855,859
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	15,132,662	21,270,188

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

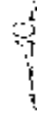
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED MARCH 31, 2017**

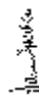


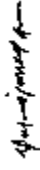
FIRST ELITE CAPITAL MODARABA

	Reserves				Total equity Rupees
	Certificate Capital Rupees	Statutory Reserve Rupees	Available for sale financial assets Rupees	Accumulated losses Rupees	
Balance as at June 30, 2015 - Audited	113,400,000	31,074,260	5,217,391	(7,505,581)	142,186,070
Transaction with owners					
Profit distribution @ 5.5% i.e. Re. 0.55 per certificate	-	-	-	(6,237,000)	(6,237,000)
Transfer to statutory reserve	-	814,969	-	(814,969)	-
		814,969	-	(7,051,969)	(6,237,000)
Comprehensive income/(loss)					
Profit after taxation	-	-	-	4,074,845	4,074,845
Other comprehensive loss	-	-	(3,671,440)	-	(3,671,440)
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
Balance as at June 30, 2016 - Audited	113,400,000	31,074,260	2,761,773	(16,785,123)	130,450,910
Comprehensive income/(loss)					
Loss after taxation	-	-	-	(4,242,292)	(4,242,292)
Other comprehensive income	-	-	127,195	-	127,195
Total comprehensive income/(loss)					
	-	-	127,195	(4,242,292)	(4,115,097)
Balance as at March 31, 2017 - Un-audited	113,400,000	31,074,260	2,888,968	(21,027,415)	126,335,813

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

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE PERIOD ENDED MARCH 31, 2017

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 (PSX). 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 quarter ended March 31, 2017 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.



FIRST ELITE CAPITAL MODARABA

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.

	Note	March 31, 2017 Rupees	June 30, 2016 Rupees
4 CASH AND BANK BALANCES			
Cash in hand		165,337	122,904
Cash at bank in			
- current accounts		53,193	1,086,536
- saving accounts		14,914,132	20,481,367
		<u>15,132,662</u>	<u>21,690,807</u>
5 SHORT TERM INVESTMENTS			
Cost of investment		21,209,786	19,515,493
Accumulated Impairment		(3,736,390)	(3,736,390)
Fair value adjustment		2,888,968	2,761,773
		<u>20,362,364</u>	<u>18,540,876</u>
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.			
7 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL			
Modaraba certificates of Rs. 10 each. 10,000,000 (June 30, 2016: 10,000,000) certificates issued for cash		100,000,000	100,000,000
1,340,000 (June 30, 2016: 1,340,000) certificates issued as bonus certificates		13,400,000	13,400,000
		<u>113,400,000</u>	<u>113,400,000</u>



FIRST ELITE CAPITAL MODARABA

8 STATUTORY RESERVE

It includes Rs. Nil (2016 Rs.814,969/-) transferred to 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

There is no related party transaction for the current and previous periods.

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 24, 2017.

13 GENERAL

13.1 No further allowances for impairment are required other than those already made as the management does not envisage any other material doubtful recoveries.

13.2 There are no other significant activities since June 30, 2016 affecting the interim financial information.

13.3 Figures have been rounded off to the nearest Rupee.

Chairman
Crescent Modaraba
Management Company
Limited

Chief Executive
Crescent Modaraba
Management Company
Limited

Director
Crescent Modaraba
Management Company
Limited



FIRST ELITE CAPITAL MODARABA

Managed By

CRESCENT MODARABA MANAGEMENT COMPANY LIMITED

PRINCIPAL & REGISTERED OFFICE

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

Tel : 042-35442735-37 Fax: 042-35442738

E-mail: info@fecm.com.pk Web: www.fecm.com.pk