



**FIRST
ELITE
CAPITAL
MODARABA**

Quarterly Report
September 30, 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 CONDENSED INTERIM FINANCIAL INFORMATION	13-14



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, 2017.

Operation's & Performance

	September 30, 2017 Rupees	September 30, 2016 Rupees
Total Income	11,680,421	10,198,647
Depreciation of assets leased out	6,949,074	6,576,606
Administrative and general expenses	4,612,004	4,137,190
Financial charges	6,131	4,515
Total Expenses	11,567,209	10,718,311
Operating Profit/(Loss)	113,212	(519,664)
Management Fee	-	-
Profit/(Loss) before taxation	113,212	(519,664)
Taxation	-	-
Profit/(Loss) after taxation	113,212	(519,664)

During the period under review, the Modaraba earned a profit of Rs.113,212/= as compared to loss of Rs.519,664/= during the corresponding period of last year. The main reason for the low profit is tough competition with other financial institutions & impairment in receivables. Profit per certificate is Re.0.01. Gross revenue was Rs.11,680,421/= 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 20, 2017



ڈائریکٹرز رپورٹ

معزز سرٹیفکیٹ ہولڈرز:-

فرسٹ ایلٹ کیپیٹل مضاربہ زیر انتظام کریڈٹ مضاربہ مینجمنٹ کمپنی لمیٹڈ کے بورڈ آف ڈائریکٹرز مضاربہ کی 30 ستمبر 2017ء کو ختم ہونے والی مدت کے غیر آڈٹڈ مالی حسابات پیش کرتے ہیں۔
آپریٹرز اور کارکردگی:-

30 ستمبر 2016ء (روپے)	30 ستمبر 2017ء (روپے)	
10,198,647	11,680,421	کل آمدن
6,576,606	6,949,074	لیزڈ آؤٹ اثاثوں کی فرسودگی
4,137,190	4,612,004	انتظامی و عمومی اخراجات
4,515	6,131	مالی اخراجات (فنانس چارجز)
10,718,311	11,567,209	کل اخراجات
(519,664)	113,212	آپریٹنگ منافع / (خسارہ)
-	-	انتظامی فیس
(519,664)	113,212	منافع / (خسارہ) قبل از ٹیکسیشن
-	-	ٹیکسیشن
(519,664)	113,212	منافع / (خسارہ) بعد از ٹیکسیشن

زیر غور مدت کے دوران مضاربہ کو -/113,212 روپے کا منافع ہوا۔ جبکہ گزشتہ سال اسی مدت کے دوران -/519,664 روپے کا خسارہ ہوا۔ کم منافع کی بنیادی وجہ دیگر مالیاتی اداروں کے ساتھ سخت مقابلہ اور وصولی میں کمی ہے۔ فی سرٹیفکیٹ منافع -/0.01 روپے ہے۔ پہلی سہ ماہی کی مجموعی آمدنی -/11,680,421 روپے رہی، جو بنیادی طور پر اجارہ اور مراہمہ فنانسنگ سے حاصل کی گئی۔

مضاربہ کی انتظامیہ نادر ہندہ گاہوں سے رقم کی وصولی اور مضاربہ کو دوبارہ منافع میں لانے کیلئے پرعزم 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:-

Hanum Khan

عامر افتخار خان

چیف ایگزیکٹو


20 اکتوبر 2017ء



FIRST ELITE CAPITAL MODARABA

CONDENSED INTERIM BALANCE SHEET
AS AT SEPTEMBER 30, 2017
(UN-AUDITED)

	Note	September 30, 2017 Rupees	June 30, 2017 Rupees
ASSETS			
Current assets			
Cash and bank balances	4	14,258,887	23,089,634
Short term investments	5	15,598,344	16,129,448
Short term finances under musharakah arrangements-secured		891,200	38,504
Short term finances under murabahah arrangements-secured		26,337,875	27,218,067
Ijarah rentals receivable - secured		2,951,939	2,062,152
Profit receivable - secured		334,778	157,540
Advances, deposits, prepayments and other receivables		15,913,927	7,548,938
		76,286,950	77,144,283
Non-current assets			
Assets leased out under ijarah contracts		108,301,466	105,391,575
Property and equipment		5,234,276	3,475,759
		113,535,742	108,867,334
Total assets		189,822,692	186,011,617
LIABILITIES			
Current liabilities			
Accrued and other liabilities		1,613,229	1,877,694
Security deposits		5,228,222	5,435,152
Unclaimed profit distribution		7,826,590	7,826,590
		14,668,041	15,139,436
Non-current liabilities			
Security deposits		42,061,576	37,646,064
Employees retirement benefits		8,286,565	8,286,565
		50,348,141	45,932,629
contingencies and commitments	6	-	-
Total liabilities		65,016,182	61,072,065
Net Assets		124,806,510	124,939,552
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		11,406,510	11,539,552
		124,806,510	124,939,552


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 SEPTEMBER 30, 2017
(UN-AUDITED)

	September 30, 2017 Rupees	September 30, 2016 Rupees
INCOME		
Income from ijarah financing	10,207,058	9,298,716
Profit on murabahah financing	449,386	490,116
Return on investments	147,132	247,299
Other income	876,845	162,516
	<u>11,680,421</u>	<u>10,198,647</u>
EXPENSES		
Depreciation of assets leased out under ijarah contracts	6,949,074	6,576,606
Administrative and general expenses	4,612,004	4,137,190
Financial charges	6,131	4,515
	<u>11,567,209</u>	<u>10,718,311</u>
Operating profit/(loss)	113,212	(519,664)
Management Fee	-	-
Profit/(loss) before taxation	<u>113,212</u>	<u>(519,664)</u>
Taxation	-	-
Profit/(loss) after taxation	<u>113,212</u>	<u>(519,664)</u>
Earnings/(loss) per certificate - basic and diluted	<u>0.01</u>	<u>(0.05)</u>

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 SEPTEMBER 30, 2017
(UN-AUDITED)

	September 30, 2017 Rupees	September 30, 2016 Rupees
Profit/(loss) after taxation	113,212	(519,664)
Other comprehensive (loss)/income		
Items that may be reclassified subsequently to profit or loss		
Changes in fair value of available for sale investments	(219,992)	1,654,733
Reclassification adjustments for losses/(gains) included in profit or loss	(26,262)	34,392
	(246,254)	1,689,125
Total comprehensive (loss)/income	<u>(133,042)</u>	<u>1,169,461</u>

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 SEPTEMBER 30, 2017 (UN-AUDITED)

	September 30, 2017 Rupees	September 30, 2016 Rupees
Cash Flow from operating activities		
Profit/(Loss) before taxation	113,212	(519,664)
Adjustment for non cash charges and other items		
Depreciation	154,074	55,380
Depreciation of assets leased out	6,949,074	6,576,606
Loss/(Gain) on sale of investments	71,568	(119,499)
Financial charges	6,131	4,515
Dividend income	(218,700)	(127,800)
Profit on bank deposits	(120,101)	(141,392)
	6,842,046	6,247,810
(Increase)/decrease in current assets		
Advances, deposits, prepayments and other receivables	(9,432,014)	(1,132,381)
Murabahah and Musharakah financing	927,496	5,765,431
	(8,504,518)	4,633,050
(Decrease)/Increase in current liabilities		
Creditors, accrued and other liabilities	(264,465)	(186,918)
Cash flow from operations	(1,813,725)	10,174,278
Financial charges	(6,131)	(4,515)
Receipt/(Payment) of security deposits from lessees	4,208,582	229,121
	4,202,451	224,606
Net cash inflow from operating activities	2,388,726	10,398,884
Cash flow from investing activities		
Sale proceeds of investments	285,642	2,275,691
Purchase of Investments	(72,360)	(2,488,893)
Purchase of property and equipment	(1,983,000)	-
Dividend income	218,700	127,800
Profit on bank deposits	120,101	141,392
Investment in lease finance net	(9,788,556)	(15,730,588)
Net cash outflow from investing activities	(11,219,473)	(15,674,598)
Cash flow from financing activities		
Net Cash Outflow from financing Activities	-	-
Net decrease in cash and cash equivalents	(8,830,747)	(5,275,714)
Cash and cash equivalents at the beginning of the period	23,089,634	21,690,807
Cash and cash equivalents at the end of the period	14,258,887	16,415,093

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 SEPTEMBER 30, 2017
(UN-AUDITED)



FIRST ELITE CAPITAL MODARABA

	Issued, Subscribed and Paid-up Capital	Reserve				Total equity
		Statutory Reserve	Available for sale financial assets	Accumulated losses	Total	
As at July 01, 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
As at September 30, 2016	113,400,000	31,074,260	4,450,898	(17,304,787)	18,220,371	131,620,371
As at June 30, 2017	113,400,000	31,074,260	548,004	(20,082,712)	11,539,552	124,939,552
Net profit for the period	-	-	-	113,212	113,212	113,212
Other comprehensive loss for the period	-	-	(246,254)	-	(246,254)	(246,254)
As at September 30, 2017	113,400,000	31,074,260	301,750	(19,969,500)	11,406,510	124,806,510

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 SEPTEMBER 30, 2017 (UN-AUDITED)

1 STATUS AND NATURE OF BUSINESS

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 repealed Companies Ordinance, 1984 (now the Companies Act, 2017). 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, 2017. 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, 2017 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, 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 repealed Companies Ordinance, 1984 (now the Companies Act, 2017), 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, 2017.

4 CASH AND BANK BALANCES

	September 30, 2017 Rupees	June 30, 2017 Rupees
Cash in hand	186,285	223,381
Cash at bank in		
- current accounts	50,714	52,816
- saving/deposit accounts	14,021,888	22,813,437
	<u>14,258,887</u>	<u>23,089,634</u>



FIRST ELITE CAPITAL MODARABA

	September 30, 2017 Rupees	June 30, 2017 Rupees
5 SHORT TERM INVESTMENTS		
Cost of investment	19,032,984	19,317,834
Fair value adjustment	301,750	548,004
Accumulated Impairment	(3,736,390)	(3,736,390)
	15,598,344	16,129,448

6 CONTINGENCIES AND COMMITMENTS

Contingencies

There is no significant change in the status of contingencies since June 30, 2017.

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, 2017 Rupees	June 30, 2017 Rupees
7 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL		
Modaraba certificates of Rs. 10 each.		
10,000,000 (June 30, 2017: 10,000,000)		
certificates issued for cash	100,000,000	100,000,000
1,340,000 (June 30, 2017: 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 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, 2017 Rupees	Un-Audited September 30, 2016 Rupees
9.1 Transactions with related parties		
Nature of relationship Nature of transaction		
Management Company Management fee	-	-
Profit distribution	-	-
	Un-Audited September 30, 2017 Rupees	Audited June 30, 2017 Rupees
9.2 Balances with related parties		
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 20, 2017.

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
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