



**FIRST
ELITE
CAPITAL
MODARABA**

Half Yearly Report
December 31, 2017
(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**, Managers of **First Elite Capital Modaraba** are pleased to present the reviewed financial statements of the Modaraba for the half year ended December 31, 2017.

Operations & Performance

	December 31 2017 Rupees	December 31 2016 Rupees
Total Income	22,106,878	25,950,561
Depreciation of assets leased out	13,968,536	13,538,358
Administrative and general expenses	10,137,815	17,121,448
Financial charges	12,167	7,329
Total Expenses	24,118,519	30,667,135
Operating (Loss)	(2,011,641)	(4,716,574)
Management Fee	-	-
(Loss) before taxation	(2,011,641)	(4,716,574)
Taxation	-	-
(Loss) after taxation	(2,011,641)	(4,716,574)

During the period under review, the Modaraba suffered a loss of Rs.2,011,641/= as compared to loss of Rs.4,716,574/= in corresponding period of last year. The loss per certificate stood at Re.0.18 as at December 31, 2017. The break up value per certificate stands at Rs.10.58.

Despite tough competition with other financial institutions, the Modaraba during the period under review extended fresh Ijarah facilities amounting to Rs.23,116,500/= to the quality customers. Gross revenue was Rs.22,106,878/= in the first half of the year, which was mainly derived from Ijarah and Murabahah Financing.

Auditors in their report have expressed their observation that the Modaraba has not made provision for doubtful debts under Murabahah arrangements amounting to Rs.14,097,647/=. In this regard we would like to inform you that the Modaraba has filed recovery suits against most of the defaulting customers and guarantors before the Banking Court, Lahore. The Court has attached the house/property of one of the defendants and in some cases granted stay orders. Further the Modaraba has also filed a complaint with the National Accountability Bureau, Lahore against the said delinquent directors. The management of the Modaraba is vigorously pursuing the cases and is hopeful for positive outcome in future.

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

February 23, 2018



ڈائریکٹرز رپورٹ

معزز سرٹیفکیٹ ہولڈرز:-

فرسٹ ایلٹ کپٹل مضاربہ زیر انتظام کریڈٹ مضاربہ منجمنٹ کمپنی لمیٹڈ کے بورڈ آف ڈائریکٹرز مضاربہ کی 31 دسمبر 2017ء کو ختم ہونے والی مدت کے جائزہ شدہ مالی حسابات پیش کرتے ہیں۔

آپریٹنگ اور کارکردگی:-

31 دسمبر 2016ء (روپے)	31 دسمبر 2017ء (روپے)	
25,950,561	22,106,878	کل آمدن
13,538,358	13,968,536	لیزڈ آؤٹ اثاثوں کی فرسودگی
17,121,448	10,137,815	انتظامی و عمومی اخراجات
7,329	12,167	مالی اخراجات (فنانس چارجز)
30,667,135	24,118,519	کل اخراجات
(4,716,574)	(2,011,641)	آپریٹنگ (خسارہ)
-	-	انتظامی فیس
(4,716,574)	(2,011,641)	(خسارہ) قبل از ٹیکسیشن
-	-	ٹیکسیشن
(4,716,574)	(2,011,641)	(خسارہ) بعد از ٹیکسیشن

زیر غور مدت کے دوران مضاربہ کو -/2,011,641 روپے کا خسارہ ہوا۔ جبکہ گزشتہ سال اسی مدت کے دوران خسارہ -/4,716,574 روپے تھا۔ 31 دسمبر 2017 کو فی سرٹیفکیٹ خسارہ 0.18 روپے اور فی سرٹیفکیٹ بریک اپ ویلیو 10.58 روپے رہی۔

دیگر مالیاتی اداروں کے ساتھ سخت مقابلہ کے باوجود زیر غور مدت کے دوران مضاربہ نے معیاری گاہکوں کو -/23,116,500 روپے کی نئی اجارہ فنانسنگ کی ہے۔ پہلی ششماہی کی مجموعی آمدنی -/22,106,878 روپے رہی جو کہ بنیادی طور پر اجارہ اور مرابحہ فنانسنگ سے حاصل کی گئی۔

آڈیٹرز نے اپنی رپورٹ میں اس مشاہدہ کا اظہار کیا کہ مضاربہ نے -/14,097,647 روپے کے مشکوک قرضہ جات (doubtful debts) کی پروویژننگ نہیں کی۔ اس کے متعلق ہم آپکو بتانا چاہیں گے کہ مضاربہ نے بیشتر نادہندہ گاہکوں اور ضمانتیوں کے خلاف بینکنگ کورٹ لاہور میں مقدمات درج کروائے ہیں۔ عدالت نے ان میں سے ایک مدعا علیہ کی جائیداد کی منسلکی اور کچھ کیلئے حکم امتناعی (سٹے آرڈرز) جاری کیا ہے۔ مزید یہ کہ مضاربہ نے مذکورہ مجرم ڈائریکٹرز کے خلاف قومی احتساب بیورو (NAB) لاہور میں بھی شکایت درج کروائی ہے۔ مضاربہ کی انتظامیہ بھرپور طریقے سے مقدمات کی پیروی کر رہی ہے اور مستقبل میں مثبت نتائج کیلئے پرامید 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، محنت و لگن سے کام کرنے پر ان کو خراج تحسین پیش کرتا ہے۔

از طرف بورڈ آف ڈائریکٹرز:-

Amir Khan

عامر افتخار خان

چیف ایگزیکٹو

23 فروری 2018ء



FIRST ELITE CAPITAL MODARABA

INDEPENDENT AUDITORS' REPORT TO THE CERTIFICATE HOLDERS ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying condensed interim balance sheet of **First Elite Capital Modaraba** ("the Modaraba") as at December 31, 2017, and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity for the six months period then ended, and a summary of significant accounting policies and other explanatory notes (hereinafter collectively referred to as "condensed interim financial information"). The management company of the Modaraba is responsible for the preparation and fair presentation of this condensed interim financial information in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review. The figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarter ended December 31, 2017 and December 31, 2016 have not yet been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2017.

Scope of Review

We conducted our review in accordance with the International Standard of Review Engagements 2410, "Review of Interim Financial Information performed by the Independent Auditor of the Entity." A review of condensed interim financial information consist of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

During the period the Modaraba has not updated provision for Murabaha Micro Finance facilities outstanding for more than 2 years ignoring the provision of 100% of the outstanding balances of principal as per Regulation 5 of Part III of the Prudential Regulations for Modarabas. Had the Modaraba updated the provision in the accounts, the loss before taxation would have been increased by Rs. 14,097,647/-, and the statutory reserves and the short term finances under murabaha arrangements – secured, would have been decreased by the same amount.

Qualified Conclusion

Based on our review, except for the matter described in preceding paragraph, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as of and for the six month period ended December 31, 2017, is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

ILYAS SAEED & CO.
Chartered accountants

Engagement Partner: Muhammad Ilyas

LAHORE

Date: February 23, 2018



FIRST ELITE CAPITAL MODARABA

SHARIAH ADVISOR'S REPORT

I have conducted the Shariah review of **First Elite Capital Modaraba** managed by **Crescent Modaraba Management Company Limited** for the half year ended December 31, 2017 in accordance with the requirements of the **Shariah Compliance and Shariah Audit Mechanism for Modarabas**. Based on my review I report that in my opinion:

- i. The Modaraba has introduced a mechanism which has strengthened the Shariah compliance, in letter and spirit and the systems, procedures and policies adopted by the Modaraba are in line with the Shariah principles;
- ii. Following were the major developments in respect of Shariah that took place during this half year:
 - Improvement in Ijarah product to comply with Shariah Principles.
 - Proper monitoring of non-Shariah, non-tradable investments, to be disposed off when they would be tradable equity instruments.

Training:

- Staff training to follow the steps of Shariah Principles about Ijarah.
 - Staff training regarding dividend purification.
- iii. I confirm that the financing agreement(s) entered into by the Modaraba are Shariah compliant and the financing agreement(s) have been executed on the formats as approved by the Religious Board and all the related conditions have been met;
 - iv. To the best of my information and according to the explanations given to me, the business transactions undertaken by the Modaraba and all other matters incidental thereto are in conformity with the Shariah requirements as well as the requirements of the Prospectus, Islamic Financial Accounting Standards as applicable in Pakistan and the Shariah Compliance and Shariah Audit Regulations for Modarabas.
 - v. The Modaraba does not offer any deposit raising products and therefore no review has been done in respect to profit sharing ratio.

Observation:

Improvements were made in the Ijarah process to fully comply with the Shariah principles.

Recommendation(s):

1. A few remaining Non Shariah Non Tradable equity instruments will be disposed off when they would be tradable equity instruments.
2. The management should maintain its efforts to comply with rulings of Shariah in its business operations and future transactions.

Conclusion:

Alhamdulillah, after introduction of Shariah Compliance and Shariah Audit Mechanism for Modarabas by Securities & Exchange Commission of Pakistan (SECP), the Management of First Elite Capital Modaraba has effectively shown its sincerity to comply with Shariah Rulings. According to my best knowledge the business operations of First Elite Capital Modaraba are Shariah compliant.

Mufti Tayyab Amin

Shariah Advisor

Date: February 23, 2018



FIRST ELITE CAPITAL MODARABA

CONDENSED INTERIM BALANCE SHEET AS AT DECEMBER 31, 2017

	NOTE	December 31, 2017 Rupees (Un-Audited)	June 30, 2017 Rupees (Audited)
ASSETS			
Current assets			
Cash and bank balances	4	19,202,621	23,089,634
Short term investments	5	13,424,630	16,129,448
Short term finances under musharakah arrangements - Secured		842,244	938,504
Short term finances under murabahah arrangements - Secured		25,453,738	27,218,067
Ijarah rentals receivable - Secured		2,335,900	2,062,152
Profit receivable - Secured		365,890	157,540
Advances, deposits, prepayments and other receivables		5,591,844	6,285,897
Advance income tax		1,425,479	1,263,041
		68,642,346	77,144,283
Non-current assets			
Assets leased out under ijarah contracts		110,023,718	105,391,575
Property and equipment		4,979,185	3,475,759
		115,002,903	108,867,334
TOTAL ASSETS		183,645,249	186,011,617
LIABILITIES			
Current liabilities			
Accrued and other liabilities		669,012	1,877,694
Security deposits		3,639,837	5,435,152
Unclaimed profit distribution		7,826,590	7,826,590
		12,135,439	15,139,436
Non-current liabilities			
Security deposits		42,727,876	37,646,064
Employees retirement benefits		8,786,565	8,286,565
		51,514,441	45,932,629
Contingencies and commitments	6	-	-
TOTAL LIABILITIES		63,649,880	61,072,065
NET ASSETS		119,995,369	124,939,552
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	8	6,595,369	11,539,552
		119,995,369	124,939,552

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 HALF YEAR ENDED DECEMBER 31, 2017

	HALF YEAR ENDED		QUARTER ENDED	
	December 31, 2017 Rupees (Un-Audited)	December 31, 2016 Rupees (Un-Audited)	December 31, 2017 Rupees (Un-Audited)	December 31, 2016 Rupees (Un-Audited)
INCOME				
Income from ijarah financing	19,678,573	23,389,446	9,471,515	14,090,730
Profit on murabaha and musharakah financing	854,885	1,091,986	405,499	601,870
Return on investments	623,225	1,158,778	476,093	911,479
Other income	950,195	310,351	73,350	147,835
	22,106,878	25,950,561	10,426,457	15,751,914
EXPENSES				
Depreciation of assets leased out	13,968,536	13,538,358	7,019,462	6,961,752
Administrative and general expenses	10,137,815	17,121,448	5,525,811	12,984,258
Financial charges	12,167	7,329	6,036	2,814
	24,118,519	30,667,135	12,551,310	19,948,824
Operating (loss)	(2,011,641)	(4,716,574)	(2,124,853)	(4,196,910)
Management fee	-	-	-	-
(Loss) before taxation	(2,011,641)	(4,716,574)	(2,124,853)	(4,196,910)
Taxation	-	-	-	-
(Loss) after taxation	(2,011,641)	(4,716,574)	(2,124,853)	(4,196,910)
(Loss) per certificate - basic and diluted	(0.18)	(0.42)	(0.19)	(0.37)

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

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FIRST ELITE CAPITAL MODARABA

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE HALF YEAR ENDED DECEMBER 31, 2017

	HALF YEAR ENDED		QUARTER ENDED	
	December 31, 2017 Rupees (Un-Audited)	December 31, 2016 Rupees (Un-Audited)	December 31, 2017 Rupees (Un-Audited)	December 31, 2016 Rupees (Un-Audited)
Other comprehensive income/(loss)				
<i>Items that may be reclassified subsequently to profit and loss</i>				
Changes in fair value of available for sale financial assets	(3,263,502)	1,325,352	(3,043,510)	(329,381)
Re-classification adjustment for loss included in profit and loss	330,960	(44,372)	357,222	(78,764)
	(2,932,542)	1,280,980	(2,686,288)	(408,145)
<i>Items that may not be reclassified subsequently to profit and loss</i>	-	-	-	-
Other comprehensive income / (loss) before taxation	(2,932,542)	1,280,980	(2,686,288)	(408,145)
Taxation	-	-	-	-
Other comprehensive income / (loss) after taxation	(2,932,542)	1,280,980	(2,686,288)	(408,145)
(Loss) after taxation	(2,011,641)	(4,716,574)	(2,124,853)	(4,196,910)
Total (loss)	(4,944,183)	(3,435,594)	(4,811,141)	(4,605,055)

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

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FIRST ELITE CAPITAL MODARABA

CONDENSED INTERIM CASH FLOW STATEMENT FOR THE HALF YEAR ENDED DECEMBER 31, 2017

	December 31, 2017 Rupees (Un-Audited)	December 31, 2016 Rupees (Un-Audited)
CASH FLOW FROM OPERATING ACTIVITIES		
(Loss) before taxation	(2,011,641)	(4,716,574)
Adjustments for non-cash items and other items	13,417,796	21,466,926
Operating profit before changes in working capital	11,406,155	16,750,352
Changes in working capital	2,289,770	(7,671,461)
Cash flows from operations	13,695,925	9,078,891
(Payments) / receipts for		
Purchase of property and equipment	(1,983,000)	-
Transfer / Purchase of murabahah assets	1,860,587	11,574,850
Purchase of ijarah assets	(23,116,500)	(37,415,500)
Transfer of ijarah assets	4,694,480	11,173,184
Income taxes	(162,438)	(60,771)
Profit distribution	-	(3,941)
Net cash outflows from operating activities	(5,010,946)	(5,653,288)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of short term investments	(584,934)	(6,173,706)
Proceeds from sale of short term investments	285,642	6,375,832
Proceeds from sale of property and equipment	800,000	-
Dividend received	623,225	465,317
Net cash inflows from investing activities	1,123,933	667,443
CASH FLOWS FROM FINANCING ACTIVITIES		
Net (decrease) in cash and cash equivalents	(3,887,013)	(4,985,845)
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	19,202,621	16,704,962

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

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Management Company
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Limited

Director
Crescent Modaraba
Management Company
Limited

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED DECEMBER 31, 2017**




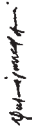
FIRST ELITE CAPITAL MODARABA

	Certificate Capital Rupees	Statutory Reserve Rupees	Available for sale financial assets Rupees	Accumulated losses Rupees	Total Rupees	Total equity Rupees
Balance as at June 30, 2016 - Audited	113,400,000	31,074,260	2,761,773	(16,785,123)	17,050,910	130,450,910
Comprehensive income / (loss)						
(Loss) after taxation	-	-	-	(4,716,574)	(4,716,574)	(4,716,574)
Other comprehensive income	-	-	1,280,980	-	1,280,980	1,280,980
			1,280,980	(4,716,574)	(3,435,594)	(3,435,594)
Balance as at December 31, 2016 - Un-audited	113,400,000	31,074,260	4,042,753	(21,501,697)	13,615,316	127,015,316
Balance as at June 30, 2017 - Audited	113,400,000	31,074,260	548,004	(20,082,712)	11,539,552	124,939,552
Comprehensive income / (loss)						
(Loss) after taxation	-	-	-	(2,011,641)	(2,011,641)	(2,011,641)
Other comprehensive income / (loss)	-	-	(2,932,542)	-	(2,932,542)	(2,932,542)
Total (loss)	-	-	(2,932,542)	(2,011,641)	(4,944,183)	(4,944,183)
Balance as at December 31, 2017 - Un-audited	113,400,000	31,074,260	(2,384,538)	(22,094,353)	6,595,369	119,995,369

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 HALF YEAR ENDED DECEMBER 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 murabaha 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 half year ended December 31, 2017 are based on unaudited, reviewed interim financial information. The interim profit and loss account and interim statement of comprehensive income for the quarters ended December 31, 2017 and December 31, 2016 are neither audited nor reviewed.

2.1 Statement of compliance

During the period, the Companies Ordinance, 1984, has been repealed and the Companies Act, 2017 (the Act) has been promulgated. However, the Securities and Exchange Commission of Pakistan (SECP) vide its circular no. 17 of 2017 dated October 06, 2017, has communicated Commission's decision that "the companies whose financial year/interim financial period closes on or before December 31, 2017 shall prepare their financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984."

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, 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.



FIRST ELITE CAPITAL MODARABA

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.

	December 31, 2017 Rupees	June 30, 2017 Rupees
4 CASH AND BANK BALANCES		
Cash in hand	368,801	223,381
Cash at bank in		
- current accounts	49,822	52,816
- saving accounts	18,783,998	22,813,437
	<u>19,202,621</u>	<u>23,089,634</u>
5 SHORT TERM INVESTMENTS		
Cost of investment	19,545,558	19,317,834
Accumulated Impairment	(3,736,390)	(3,736,390)
Fair value adjustment	(2,384,538)	548,004
	<u>13,424,630</u>	<u>16,129,448</u>

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.



FIRST ELITE CAPITAL MODARABA

December
31, 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
	<u>113,400,000</u>	<u>113,400,000</u>

8 STATUTORY RESERVES

In view of loss, it includes Rs. Nil (2016 Rs. NIL/-) 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 February 23, 2018.

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 except that provision for "short term finances under murabaha arrangements - secured" has not been updated as per Regulation 5 of Part III of Prudential Regulations for Modarabas.

13.2 There are no other significant activities since June 30, 2017 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

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