



**FIRST
ELITE
CAPITAL
MODARABA**

Half Yearly Report
December 31, 2018
(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 Muhammad Umar

AUDITORS OF THE MODARABA

Naveed Zafar Ashfaq Jaffery & Co.
Chartered Accountants

BANKERS OF THE MODARABA

Bank Alfalah Limited
Bank Islami Pakistan Limited
Meezan Bank 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

SHARE 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, 2018.

Operation's & Performance

	December 31 2018 Rupees	December 31 2017 Rupees
Total Income	21,576,287	22,106,878
Depreciation of assets leased out	13,176,141	13,968,536
Administrative and general expenses	10,168,502	10,137,815
Financial charges	6,686	12,167
Total Expenses	23,351,329	24,118,519
Operating Loss	(1,775,042)	(2,011,641)
Management Fee	-	-
Loss before taxation	(1,775,042)	(2,011,641)
Taxation	-	-
Loss after taxation	(1,775,042)	(2,011,641)

During the period under review, the Modaraba suffered a loss of Rs.1,775,042/= as compared to loss of Rs.2,011,641/= in corresponding period of last year. The loss per certificate stood at Re.0.16 as at December 31, 2018.

Due to poor economic condition of the country, the Modaraba could not yield better results. The management of the Modaraba expected that the dynamic and solid policies of the present Government shall provide conducive environment for business and improve the present recession.

Despite tough competition with other financial institutions, the Modaraba during the period under review extended fresh Ijarah facilities amounting to Rs.24,892,500/= to the quality customers. Gross revenue was Rs.21,576,287/= in the first half of the year, which was mainly derived from Ijarah and Murabahah Financing.

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 22, 2019



ڈائریکٹرز رپورٹ

معزز سرٹیفکیٹ ہولڈرز:-

فرسٹ ایلٹ کپٹل مضاربہ زیر انتظام کریڈٹ مضاربہ مینجمنٹ کمپنی لمیٹڈ کے بورڈ آف ڈائریکٹرز مضاربہ کی 31 دسمبر 2018ء کو ختم ہونے والی مدت کے جائزہ شدہ مالی حسابات پیش کرتے ہیں۔

31 دسمبر 2017ء (روپے)

31 دسمبر 2018ء (روپے)

آپریٹنگ اور کارکردگی:-

22,106,878	21,576,287	کل آمدن
13,968,536	13,176,141	لیزڈ آؤٹ اثاثوں کی فرسودگی
10,137,815	10,168,502	انتظامی و عمومی اخراجات
12,167	6,686	مالی اخراجات (فنانس چارجز)
24,118,519	23,351,329	کل اخراجات
(2,011,641)	(1,775,042)	آپریٹنگ خسارہ
-	-	انتظامی فیس
(2,011,641)	(1,775,042)	خسارہ قبل از ٹیکسیشن
-	-	ٹیکسیشن
(2,011,641)	(1,775,042)	خسارہ بعد از ٹیکسیشن

زیر غور مدت کے دوران مضاربہ کو 1,775,042 روپے کا خسارہ ہوا۔ جبکہ گزشتہ سال اسی مدت کے دوران خسارہ 2,011,641 روپے تھا۔ 31 دسمبر 2018ء کو فی سرٹیفکیٹ خسارہ 0.16 روپے رہا۔ ملک کی خراب اقتصادی حالت کی وجہ سے مضاربہ بہتر نتائج حاصل نہیں کر سکا۔ مضاربہ کی انتظامیہ کو توقع ہے کہ موجودہ حکومت کی متحرک اور ٹھوس پالیسیاں کاروبار کیلئے سازگار ماحول فراہم کریں گی اور موجودہ معاشی گراؤ کو بہتر کریں گی۔ دیگر مالیاتی اداروں کے ساتھ سخت مقابلہ کے باوجود زیر غور مدت کے دوران مضاربہ نے معیاری گاہکوں کو 24,892,500/- روپے کی نئی اجارہ فنانسنگ کی ہے۔ پہلی ششماہی کی مجموعی آمدنی 21,576,287 روپے رہی جو کہ بنیادی طور پر اجارہ اور مرابحہ فنانسنگ سے حاصل کی گئی۔ 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:-

Hamid Akhtar

عامر افتخار خان

چیف ایگزیکٹو

22 فروری 2019ء

☆☆☆☆



FIRST ELITE CAPITAL MODARABA

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE CERTIFICATE HOLDERS OF FIRST ELITE CAPITAL MODARABA REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS

Introduction

We have reviewed the accompanying condensed interim statement of financial position of First Elite Capital Modaraba (the Modaraba) as at 31 December 2018 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows, and notes to the financial statement for the six-month period then ended. (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of this interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists 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 an 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.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements is not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other Matter

The figures for the quarters ended December 31, 2018 and December 31, 2017 in the condensed interim profit and loss account has not been reviewed and we do not express a conclusion on them.

The engagement partner on the audit resulting in this independent auditor's report is Shahid Mohsin Sheikh, FCA

Naveed Zafar Ashfaq Jaffery & Co.
Chartered Accountants

Lahore
Date: February 22, 2019



FIRST ELITE CAPITAL MODARABA

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2018

	NOTE	December 31, 2018 Rupees (Un-Audited)	June 30, 2018 Rupees (Audited)
ASSETS			
Current assets			
Cash and bank balances	4	11,800,370	14,238,575
Short term investments	5	16,597,998	14,899,848
Short term finances under musharakah arrangements - Secured	6	652,244	747,244
Short term finances under murabahah arrangements - Secured	7	2,644,225	9,561,352
Ijarah rentals receivable - Secured	8	2,522,454	1,288,775
Profit receivable - Secured	9	30,016	36,181
Advances, deposits, prepayments and other receivables	10	4,271,917	6,214,860
Advance income tax	11	2,093,639	1,947,760
		40,612,863	48,934,595
Non-current assets			
Assets leased out under ijarah contracts	12	115,905,927	113,844,945
Property and equipment	13	27,636,611	28,040,772
		143,542,538	141,885,717
TOTAL ASSETS		184,155,401	190,820,312
LIABILITIES			
Current liabilities			
Accrued and other liabilities	14	1,482,410	2,916,258
Security deposits	15	4,678,530	5,196,862
Unclaimed profit distribution		9,060,889	7,822,711
		15,221,829	15,935,831
Non-current liabilities			
Security deposits	15	40,806,621	37,505,279
Employees retirement benefits		8,111,238	9,433,938
		48,917,859	46,939,217
Contingencies and commitments	16	-	-
TOTAL LIABILITIES		64,139,688	62,875,048
NET ASSETS		120,015,713	127,945,264
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	17	113,400,000	113,400,000
Reserves		6,615,713	14,545,264
		120,015,713	127,945,264

The annexed notes from 1 to 22 form an integral part of these financial statements

**For CRESCENT MODARABA MANAGEMENT COMPANY LIMITED
(MANAGEMENT COMPANY OF FIRST ELITE CAPITAL MODARABA)**

Chairman

Chief Executive

Director

Chief Financial Officer



FIRST ELITE CAPITAL MODARABA

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS FOR THE HALF YEAR ENDED DECEMBER 31, 2018

	HALF YEAR ENDED		QUARTER ENDED	
	December 31, 2018 Rupees (Un-Audited)	December 31, 2017 Rupees (Un-Audited)	December 31, 2018 Rupees (Un-Audited)	December 31, 2017 Rupees (Un-Audited)
INCOME				
Income from ijarah financing	20,320,241	19,678,573	10,010,801	9,471,515
Profit on murabahah and musharakah financing	239,140	854,885	96,958	405,499
Return on investments	713,971	623,225	284,218	476,093
Other income	302,935	950,195	142,933	73,350
	21,576,287	22,106,878	10,534,910	10,426,457
EXPENSES				
Depreciation of assets leased out	13,176,141	13,968,536	6,632,344	7,019,462
Administrative and general expenses	10,168,502	10,137,815	5,779,050	5,525,811
Financial charges	6,686	12,167	2,882	6,036
	23,351,329	24,118,519	12,414,276	12,551,310
Operating loss	(1,775,042)	(2,011,641)	(1,879,366)	(2,124,853)
Management fee	-	-	-	-
Loss before taxation	(1,775,042)	(2,011,641)	(1,879,366)	(2,124,853)
Taxation	-	-	-	-
Loss after taxation	(1,775,042)	(2,011,641)	(1,879,366)	(2,124,853)
Loss per certificate - basic and diluted	(0.16)	(0.18)	(0.17)	(0.19)

The annexed notes from 1 to 22 form an integral part of these financial statements

For CRESCENT MODARABA MANAGEMENT COMPANY LIMITED
(MANAGEMENT COMPANY OF FIRST ELITE CAPITAL MODARABA)

Chairman

Chief Executive

Director

Chief Financial Officer



FIRST ELITE CAPITAL MODARABA

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE HALF YEAR ENDED DECEMBER 31, 2018

	HALF YEAR ENDED		QUARTER ENDED	
	December 31, 2018 Rupees (Un-Audited)	December 31, 2017 Rupees (Un-Audited)	December 31, 2018 Rupees (Un-Audited)	December 31, 2017 Rupees (Un-Audited)
Loss after taxation	(1,775,042)	(2,011,641)	(1,879,366)	(2,124,853)
Other comprehensive loss				
<i>Items that may be reclassified subsequently to profit and loss</i>				
Changes in fair value of available for sale financial assets	(2,752,509)	(3,263,502)	(586,979)	(3,043,510)
Re-classification adjustment for loss included in profit and loss	-	330,960	-	357,222
	(2,752,509)	(2,932,542)	(586,979)	(2,686,288)
<i>Items that may not be reclassified subsequently to profit and loss</i>	-	-	-	-
Total comprehensive loss	(4,527,551)	(4,944,183)	(2,466,345)	(4,811,141)

The annexed notes from 1 to 22 form an integral part of these financial statements

For CRESCENT MODARABA MANAGEMENT COMPANY LIMITED
(MANAGEMENT COMPANY OF FIRST ELITE CAPITAL MODARABA)

Chairman

Chief Executive

Director

Chief Financial Officer



**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED DECEMBER 31, 2018**



FIRST ELITE CAPITAL MODARABA

	Certificate Capital Rupees	Reserves				Total Reserves Rupees	Total equity Rupees
		Statutory Reserve Rupees	Unrealized Gain/(Loss) on Available for sale financial assets Rupees	Accumulated losses Rupees	Total Reserves Rupees		
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)	-	-	-	(2,011,641)	(2,011,641)	(2,011,641)	
Loss after taxation	-	-	(2,932,542)	-	(2,932,542)	(2,932,542)	
Other comprehensive 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	
Balance as at June 30, 2018 - Audited	113,400,000	32,018,014	(1,248,037)	(16,224,713)	14,545,264	127,945,264	
Transaction with owners							
Profit distribution @ 3.00% i.e. Re. 0.30 per certificate	-	-	-	(3,402,000)	(3,402,000)	(3,402,000)	
Comprehensive income / (loss)	-	-	-	(3,402,000)	(3,402,000)	(3,402,000)	
Loss after taxation	-	-	-	(1,775,042)	(1,775,042)	(1,775,042)	
Other comprehensive loss	-	-	(2,752,509)	-	(2,752,509)	(2,752,509)	
Balance as at December 31, 2018 - Un-audited	113,400,000	32,018,014	(4,000,546)	(21,401,755)	6,615,713	120,015,713	

The annexed notes from 1 to 22 form an integral part of these financial statements

For CRESCENT MODARABA MANAGEMENT COMPANY LIMITED
(MANAGEMENT COMPANY OF FIRST ELITE CAPITAL MODARABA)

Chairman

Director

Chief Financial Officer



FIRST ELITE CAPITAL MODARABA

CONDENSED INTERIM STATEMENT OF CASH FLOWS FOR THE HALF YEAR ENDED DECEMBER 31, 2018

	December 31, 2018 Rupees (Un-Audited)	December 31, 2017 Rupees (Un-Audited)
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before taxation	(1,775,042)	(2,011,641)
Adjustments for non-cash and other items:		
Depreciation	404,161	409,165
Amortization of assets leased out under ijarah contracts	13,176,141	13,968,537
Loss on sale of investments	-	71,568
Gain on disposal of property and equipment	-	(729,591)
Dividend income	(714,093)	(623,225)
Gain on transfer of assets leased out	(602,136)	(178,658)
Provision for employees retirement benefits	500,000	500,000
	12,764,073	13,417,796
Operating profit before changes in working capital	10,989,031	11,406,155
Changes in working capital:		
Ijarah rentals receivable	(1,233,679)	(273,748)
Profit receivable	6,165	(208,350)
Advances, deposits and prepayments	1,942,943	694,053
Accrued and other liabilities	(1,433,848)	(1,208,682)
Unclaimed profit distribution	1,238,178	-
Security deposits	2,783,010	3,286,497
Decrease in short term investment under musharakah and murabahah arrangements	7,012,127	1,860,587
	10,314,896	4,150,357
Cash flows from operations	21,303,927	15,556,512
(Payments)/receipts for:		
Purchase of ijarah assets	(24,892,500)	(23,116,500)
Transfer of ijarah assets	10,257,513	4,694,480
Income taxes	(145,879)	(162,438)
Employees retirement benefits	(1,822,700)	-
Profit distribution	(3,402,000)	-
	(20,005,566)	(18,584,458)
Net cash generated from / (used in) operating activities	1,298,361	(3,027,946)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	-	(1,983,000)
Purchase of short term investments	(4,450,659)	(584,934)
Proceeds from sale of short term investments	-	285,642
Proceeds from sale of property and equipment	-	800,000
Dividend received	714,093	623,225
	714,093	623,225
Net cash (used in)/generated from investing activities	(3,736,566)	(859,067)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net decrease in cash and cash equivalents	(2,438,205)	(3,887,013)
Cash and cash equivalents at the beginning of the period	14,238,575	23,089,634
Cash and cash equivalents at the end of the period	11,800,370	19,202,621

The annexed notes from 1 to 22 form an integral part of these financial statements

**For CRESCENT MODARABA MANAGEMENT COMPANY LIMITED
(MANAGEMENT COMPANY OF FIRST ELITE CAPITAL MODARABA)**

Chairman

Chief Executive

Director

Chief Financial Officer



FIRST ELITE CAPITAL MODARABA

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED DECEMBER 31, 2018 (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 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 (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, 2018. 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 statement of financial position as at June 30, 2018 and the related notes to the condensed interim financial information are based on audited financial statements. The comparative interim statement of profit or loss, interim statement of comprehensive income, interim statement of cash flows, interim statement of changes in equity and related notes to the condensed interim financial information for the half year ended December 31, 2018 are based on unaudited, reviewed interim financial information. The interim statement of profit or loss account and interim statement of comprehensive income for the quarters ended December 31, 2018 and December 31, 2017 are neither audited nor reviewed.

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 notified under the provisions of 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.



FIRST ELITE CAPITAL MODARABA

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, 2018.

	Un-Audited December 31, 2018 Rupees	Audited June 30, 2018 Rupees
4 CASH AND BANK BALANCES		
Cash in hand	612,493	79,305
Cash at bank in		
- current accounts	1,191,904	46,478
- saving accounts	9,995,973	14,112,792
	<u>11,800,370</u>	<u>14,238,575</u>

5 SHORT TERM INVESTMENTS

Available for sale

Cost of investment	24,334,934	19,884,275
Accumulated Impairment	(3,736,390)	(3,736,390)
Fair value adjustment	(4,000,546)	(1,248,237)
	<u>16,597,998</u>	<u>14,899,848</u>

6 SHORT TERM FINANCES UNDER MUSHARAKAH ARRANGEMENTS - SECURED

Considered good	652,244	747,244
Considered doubtful	637,500	637,500
	<u>1,289,744</u>	<u>1,384,744</u>
Less: Provision for doubtful receivables under Musharakah arrangements	(637,500)	(637,500)
	<u>652,244</u>	<u>747,244</u>

These represent investments made under musharakah arrangements on profit and loss sharing basis and are secured by specific charge over operating fixed assets and demand promissory notes. The share of profit of Modaraba is 40% per annum.

7 SHORT TERM FINANCES UNDER MURABAHAH ARRANGEMENTS - SECURED

Considered good	2,644,225	9,561,352
Considered doubtful	55,382,573	55,382,573
	<u>58,026,798</u>	<u>64,943,925</u>
Less: Provision for doubtful receivables under Murabahah arrangements	(55,382,573)	(55,382,573)
	<u>2,644,225</u>	<u>9,561,352</u>

These represent receivable against murabahah transactions on deferred payment basis at a specified margin. These are secured against pledge of marketable securities, mortgage of property, vehicles, hypothecation of stocks, demand promissory notes and personal guarantees. Profit margin on murabahah transactions ranges from 13% to 20% per annum receivable on monthly basis.

The Modaraba has filed execution petitions with the Modaraba Tribunal Punjab and suit with Banking Court, Lahore against various parties for recoveries, also claim has been filed against one company, with official liquidators appointed by Lahore High Court.

8 IJARAH RENTALS RECEIVABLE - SECURED

These represent rentals receivable against assets leased out under Ijarah contracts. These are secured against the promissory note (Signed cheques) in favor of Modaraba for the entire lease rental amount. The details are as follows:

Considered good	2,522,454	1,288,775
Considered doubtful	2,574,262	2,484,652
	<u>5,096,716</u>	<u>3,773,427</u>
Less: Provision for doubtful receivables	(2,574,262)	(2,484,652)
	<u>2,522,454</u>	<u>1,288,775</u>

The Modaraba has filed execution petitions against one party with the Modaraba Tribunal Punjab, Lahore for recovery.



FIRST ELITE CAPITAL MODARABA

9 PROFIT RECEIVABLE - SECURED

This represents profit receivable on murabahah finance.

Note	Un-Audited December 31, 2018 Rupees	Audited June 30, 2018 Rupees
Considered good	30,016	36,181
Considered doubtful	21,700,043	21,700,043
	21,730,059	21,736,224
Less: Provision for doubtful receivables	(21,700,043)	(21,700,043)
	30,016	36,181

10 ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

Advances to employees-considered good	2,457,682	2,762,641
Prepayments	1,710,892	1,845,479
Deposits and other advances	60,450	60,450
Accrued profit on bank deposit	34,917	-
Other Receivable - - unsecured	7,976	1,546,290
	4,271,917	6,214,860

10.1 These mainly include amounts recoverable from customers in respect of expenses incurred by the Modaraba on their behalf. Particulars of other receivables are as follows:

Considered good	7,976	1,546,290
Considered doubtful	2,765,941	2,765,941
	2,773,917	4,312,231
Less: Provision for doubtful receivables	(2,765,941)	(2,765,941)
	7,976	1,546,290

11 ADVANCE INCOME TAX

Opening balance	1,947,760	1,263,041
Add : tax deducted / paid during the period	145,879	684,719
Less: provision for the period	-	-
Closing balance	2,093,639	1,947,760

12 ASSETS LEASED OUT UNDER IJARAH CONTRACT

Leased Assets	115,905,927	113,844,945
12.1 Movement in assets leased out under ijarah contract		
Opening net book value	113,844,945	105,391,575
Additions during the period	24,892,500	63,103,000
Disposal during the period	(9,655,377)	(25,876,875)
	129,082,068	142,617,700
Depreciation charged during the period	(13,176,141)	(28,772,755)
Closing net book value	115,905,927	113,844,945

13 PROPERTY AND EQUIPMENT

Operating Fixed Assets	27,636,611	28,040,772
13.1 Movement in operating fixed assets		
Opening net book value	28,040,772	3,475,759
Additions during the period	-	25,534,822
Disposal during the period	-	(70,409)
	28,040,772	28,940,172
Depreciation charged during the period	(404,161)	(899,400)
Closing net book value	27,636,611	28,040,772

14 ACCRUED AND OTHER LIABILITIES

Management fee payable	524,308	524,308
Accrued expenses	535,683	1,574,928
Advance ijarah rentals	89,547	109,206
Security deposit	-	334,200
Withholding tax payable	2,873	20,166
Charity payable	-	5,328
Other payables - unsecured	329,999	348,122
	1,482,410	2,916,258



FIRST ELITE CAPITAL MODARABA

	Un-Audited December 31, 2018 Rupees	Audited June 30, 2018 Rupees
15 SECURITY DEPOSITS		
Security deposits under ijarah contracts	45,485,151	42,702,141
Current maturity presented under current liabilities	(4,678,530)	(5,196,862)
	40,806,621	37,505,279
16 CONTINGENCIES AND COMMITMENTS		
16.1 Contingencies		
16.1.1 For the Assessment year 2002-2003 the assessment was made by the Taxation Officer/Officer Inland Revenue making additions under different heads and tax liability determined at Rs. 5,123,287/- which was reduced to Rs. 7,765/- by the learned Commissioner Inland Revenue Appeals (CIR-A). The Tax department filed a second appeal before the Appellate Tribunal Inland Revenue (Learned Tribunal) who vide order ITA No. 1844/LB/2006 dated 28-05-2008 upheld the Order of CIR (A) and dismissed the departmental appeal. Resultantly, a net tax liability of Rs.7,765/- was deposited on 07-11-2008 and confirmed by the tax department through letter bearing reference 188/unit/05 dated 07-11-2008. The Tax department had filed a reference to the Honourable Lahore High Court against the Order passed by the Learned Tribunal in respect of "Provision for Doubtful Debts", "Provision for Gratuity" and "Excess Perquisites" whereby the disallowances are 2,781,440/-, 87,290/- and 323,113/- respectively.		
16.2 Commitments		
There are no significant commitments as at the reporting date		
17 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL		
Modaraba certificates of Rs. 10 each.		
10,000,000 (June 30, 2018: 10,000,000)		
certificates issued for cash	100,000,000	100,000,000
1,340,000 (June 30, 2018: 1,340,000)		
certificates issued as bonus certificates	13,400,000	13,400,000
	113,400,000	113,400,000
18 TAXATION		
18.1 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.		
18.2 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.		
19 RELATED PARTY TRANSACTIONS AND BALANCES		
Transactions with related party include management fee payable to the Crescent Modarba Management Company Limited. The details are as follows:		
19.1 Transaction with related party during period		
Nature of relationship	Nature of transaction	
Management Company	Management fee	-
Management Company	Profit distribution	524,308
		340,200
19.2 Balance with related parties		
Nature of relationship	Nature of transaction	
Management Company	Management fee payable	524,308
		524,308
20 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.		
21 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 22, 2019.		
22 GENERAL		
Figures have been rounded off to the nearest Rupee.		

**For CRESCENT MODARABA MANAGEMENT COMPANY LIMITED
(MANAGEMENT COMPANY OF FIRST ELITE CAPITAL MODARABA)**

Chairman

Chief Executive

Director

Chief Financial Officer



FIRST ELITE CAPITAL MODARABA

Managed By

CRESCENT MODARABA MANAGEMENT COMPANY LIMITED

PRINCIPAL & REGISTERED OFFICE

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