



**FIRST
ELITE
CAPITAL
MODARABA**

Quarterly Report
March 31, 2019
(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 un-audited financial statements of the Modaraba for the nine months ended March 31, 2019.

Operation's & Performance

	March 31, 2019 Rupees	March 31, 2018 Rupees
Total Income	33,318,432	34,150,477
Depreciation of assets leased out	20,530,304	21,068,871
Administrative and general expenses	14,898,624	14,335,322
Financial charges	8,127	15,717
Total Expenses	35,437,055	35,419,910
Operating Loss	(2,118,623)	(1,269,433)
Management Fee	-	-
Loss before taxation	(2,118,623)	(1,269,433)
Taxation	-	-
Loss after taxation	(2,118,623)	(1,269,433)

The Modaraba during the period under review, suffered a loss of Rs.2,118,623/= as compared to loss of Rs.1,269,433/= during the corresponding period of last year. Loss per certificate is Re.0.19. Gross revenue was Rs.33,318,432/= in the nine months of the year, which was mainly derived from Ijarah, Murabahah Financing and return on investments.

During the period under review, the business environment was not conducive and the stock market also remained depressed. With the improvement in the business climate and stock market, the financial position of the Modaraba will also improve.

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
April 24, 2019



ڈائریکٹرز رپورٹ

معزز سرٹیفکیٹ ہولڈرز:-

فرسٹ ایلٹ کیپیٹل مضاربہ زیر انتظام کریڈٹ مضاربہ مینجمنٹ کمپنی لمیٹڈ کے بورڈ آف ڈائریکٹرز مضاربہ کی 31 مارچ 2019ء کو ختم ہونے والی مدت کے غیر آڈٹڈ مالی حسابات پیش کرتے ہیں۔
آپریشنز اور کارکردگی:-

31 مارچ 2018ء (روپے)	31 مارچ 2019ء (روپے)	
34,150,477	33,318,432	کل آمدن
21,068,871	20,530,304	لیزڈ آؤٹ اثاثوں کی فرسودگی
14,335,322	14,898,624	انتظامی و عمومی اخراجات
15,717	8,127	مالی اخراجات (فنانس چارجز)
35,419,910	35,437,055	کل اخراجات
(1,269,433)	(2,118,623)	آپریٹنگ (خسارہ)
-	-	انتظامی فیس
(1,269,433)	(2,118,623)	(خسارہ) قبل از ٹیکسیشن
-	-	ٹیکسیشن
(1,269,433)	(2,118,623)	(خسارہ) بعد از ٹیکسیشن

زیر غور مدت کے دوران مضاربہ کو -/2,118,623 روپے کا خسارہ ہوا۔ جبکہ گزشتہ سال اسی مدت کے دوران -/1,269,433 روپے کا خسارہ ہوا۔ فی سرٹیفکیٹ خسارہ -/0.19 روپے ہے۔ موجودہ سال کے نو ماہ کی مجموعی آمدنی -/33,318,432 روپے رہی، جو بنیادی طور پر اجارہ، مراہمہ فنانسنگ اور سرمایہ کاری پر منافع سے حاصل کی گئی۔

زیر غور مدت کے دوران کاروباری ماحول سازگار نہیں تھا اور اسٹاک مارکیٹ بھی دباؤ میں رہی۔ کاروباری ماحول اور اسٹاک مارکیٹ میں بہتری کے ساتھ مضاربہ کی مالی پوزیشن میں بھی بہتری آئے گی۔
بورڈ ریگولیشن حکام کی جانب سے مسلسل رہنمائی اور تعاون کا شکریہ ادا کرتا ہے اور عملے کی جانب سے پیش کی گئی خدمات و 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 2019ء



FIRST ELITE CAPITAL MODARABA

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2019

	Note	March 31, 2019 Rupees (Un-Audited)	June 30, 2018 Rupees (Audited)
ASSETS			
Current assets			
Cash and bank balances	4	8,069,579	14,238,575
Short term investments	5	15,963,784	14,899,848
Short term finances under musharakah arrangements - Secured		595,244	747,244
Short term finances under murabahah arrangements - Secured		2,519,543	9,561,352
Ijarah rentals receivable - Secured		2,895,286	1,288,775
Profit receivable - Secured		30,067	36,181
Advances, deposits, prepayments and other receivables		4,406,460	6,214,860
Advance income tax		2,106,798	1,947,760
		<u>36,586,761</u>	<u>48,934,595</u>
Non-current assets			
Assets leased out under ijarah contracts		123,781,586	113,844,945
Property and equipment		27,434,531	28,040,772
		<u>151,216,117</u>	<u>141,885,717</u>
TOTAL ASSETS		<u>187,802,878</u>	<u>190,820,312</u>
LIABILITIES			
Current liabilities			
Accrued and other liabilities		1,881,768	2,916,258
Security deposits		8,917,169	5,196,862
Unclaimed profit distribution		8,220,470	7,822,711
		<u>19,019,407</u>	<u>15,935,831</u>
Non-current liabilities			
Security deposits		41,991,356	37,505,279
Employees retirement benefits		8,100,238	9,433,938
		<u>50,091,594</u>	<u>46,939,217</u>
Contingencies and commitments	6	-	-
TOTAL LIABILITIES		<u>69,111,001</u>	<u>62,875,048</u>
NET ASSETS		<u>118,691,877</u>	<u>127,945,264</u>
REPRESENTED BY			
Authorized Certificate Capital			
20,000,000 modaraba certificates of Rs. 10 each		<u>200,000,000</u>	<u>200,000,000</u>
Issued, subscribed and paid-up capital	7	113,400,000	113,400,000
Reserves		5,291,877	14,545,264
		<u>118,691,877</u>	<u>127,945,264</u>

The annexed notes from 1 to 13 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 PERIOD ENDED MARCH 31, 2019

	NINE MONTHS ENDED		QUARTER ENDED	
	March 31, 2019 Rupees (Un-Audited)	March 31, 2018 Rupees (Un-Audited)	March 31, 2019 Rupees (Un-Audited)	March 31, 2018 Rupees (Un-Audited)
INCOME				
Income from ijarah financing	30,585,543	30,872,411	10,265,302	11,193,838
Profit on murabahah and musharakah financing	326,641	1,223,096	87,501	368,211
Return on investments	2,057,645	861,141	1,343,674	237,916
Other income	348,603	1,193,829	45,668	243,634
	33,318,432	34,150,477	11,742,145	12,043,599
EXPENSES				
Depreciation of assets leased out	20,530,304	21,068,871	7,354,163	7,100,335
Administrative and general expenses	14,898,624	14,335,322	4,730,122	4,197,507
Financial charges	8,127	15,717	1,441	3,550
	35,437,055	35,419,910	12,085,726	11,301,392
Operating (Loss)/Profit	(2,118,623)	(1,269,433)	(343,581)	742,207
Management fee	-	-	-	-
(Loss)/Profit before taxation	(2,118,623)	(1,269,433)	(343,581)	742,207
Taxation	-	-	-	-
(Loss)/Profit after taxation	(2,118,623)	(1,269,433)	(343,581)	742,207
(Loss)/Earnings per certificate-basic and diluted	(0.19)	(0.11)	(0.03)	0.07

The annexed notes from 1 to 13 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 PERIOD ENDED MARCH 31, 2019

	NINE MONTHS ENDED		QUARTER ENDED	
	March 31, 2019 Rupees (Un-Audited)	March 31, 2018 Rupees (Un-Audited)	March 31, 2019 Rupees (Un-Audited)	March 31, 2018 Rupees (Un-Audited)
(Loss)/income after taxation	(2,118,623)	(1,269,433)	(343,581)	742,207
Other comprehensive income/(loss)				
Items that may be reclassified subsequently to profit and loss				
Changes in fair value of available for sale financial assets	(4,894,116)	(1,349,840)	(2,141,607)	1,913,662
Reclassification adjustment for income/(loss) included in profit and loss	1,161,352	85,745	1,161,352	(245,215)
	(3,732,764)	(1,264,095)	(980,255)	1,668,447
Items that may not be reclassified subsequently to profit and loss	-	-	-	-
Total comprehensive (loss)/income	(5,851,387)	(2,533,528)	(1,323,836)	2,410,654

The annexed notes from 1 to 13 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



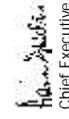
FIRST ELITE CAPITAL MODARABA

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED MARCH 31, 2019

	Reserves					Total equity Rupees
	Certificate Capital 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)	-	-	-	(1,269,433)	(1,269,433)	(1,269,433)
Loss after taxation	-	-	(1,264,095)	-	(1,264,095)	(1,264,095)
Other comprehensive loss	-	-	(1,264,095)	(1,269,433)	(2,533,528)	(2,533,528)
Total comprehensive Loss	-	-	(1,264,095)	(1,269,433)	(2,533,528)	(2,533,528)
Balance as at March 31, 2018 - Un-Audited	113,400,000	31,074,260	(716,091)	(21,352,145)	9,006,024	122,406,024
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	-	-	-	(3,402,000)	(3,402,000)	(3,402,000)
Profit distribution @ 3.00% i.e. Re.0.30 per certificate	-	-	-	(3,402,000)	(3,402,000)	(3,402,000)
Comprehensive income/(loss)	-	-	-	(2,118,623)	(2,118,623)	(2,118,623)
Loss after taxation	-	-	(3,732,764)	-	(3,732,764)	(3,732,764)
Other comprehensive loss	-	-	(3,732,764)	(2,118,623)	(5,851,387)	(5,851,387)
Total comprehensive Loss	-	-	(3,732,764)	(2,118,623)	(5,851,387)	(5,851,387)
Balance as at March 31, 2019 - Un-Audited	113,400,000	32,018,014	(4,980,801)	(21,745,336)	5,291,877	118,691,877

The annexed notes from 1 to 13 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 PERIOD ENDED MARCH 31, 2019

	March 31, 2019 Rupees (Un-Audited)	March 31, 2018 Rupees (Un-Audited)
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before taxation	(2,118,623)	(1,269,433)
Adjustments for non-cash items and other items	19,828,900	21,729,909
Operating profit before changes in working capital	17,710,277	20,460,476
Changes in working capital	14,971,465	6,991,504
Cash flows from operations	32,681,742	27,451,980
(Payments)/receipts for		
Purchase of property and equipment	-	(1,995,585)
Income Taxes	(159,038)	(207,137)
Purchase of Ijarah assets	(42,878,500)	(39,188,500)
Transfer of Ijarah assets	12,411,555	4,852,351
Employees retirement benefits	(2,083,700)	-
Profit distribution	(3,402,000)	(3,879)
Net cash from operating activities	(36,111,683)	(36,542,750)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of short term investments	(6,298,792)	(1,442,731)
Proceeds from sale of short term investments	2,845,644	968,318
Dividend received	714,093	815,075
Net cash generated from investing activities	(2,739,055)	340,662
CASH FLOWS FROM FINANCING ACTIVITIES		
Net decrease in cash and cash equivalents	(6,168,996)	(8,750,108)
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	8,069,579	14,339,526

The annexed notes from 1 to 13 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 PERIOD ENDED MARCH 31, 2019 (UN-AUDITED)

1 REPORTING ENTITY

First Elite Capital Modaraba ("the Modaraba") is a perpetual, multi-purpose and multi-dimensional non-trading modaraba formed under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 and the Rules framed there under and is managed by Crescent Modaraba Management Company Limited ("the Management Company"), a company incorporated in Pakistan under the Companies Ordinance, 1984. (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 changes in equity, interim statement of cash flows and related notes to the condensed interim financial information for the period ended March 31, 2019 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, 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, 2018.

4 CASH AND BANK BALANCES

	Un-Audited March 31, 2019 Rupees	Audited June 30, 2018 Rupees
Cash in hand	598,671	79,305
Cash at bank in		
- current accounts	339,333	46,478
- saving accounts	7,131,575	14,112,792
	<u>8,069,579</u>	<u>14,238,575</u>



FIRST ELITE CAPITAL MODARABA

	Un-Audited March 31, 2019 Rupees	Audited June 30, 2018 Rupees
5 SHORT TERM INVESTMENTS		
Cost of investment	24,680,975	19,884,475
Accumulated Impairment	(3,736,390)	(3,736,390)
Fair value adjustment	(4,980,801)	(1,248,237)
	<u>15,963,784</u>	<u>14,899,848</u>
6 CONTINGENCIES AND COMMITMENTS		
Contingencies		
There is no significant change in the status of contingencies since June 30, 2018.		
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, 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
	<u>113,400,000</u>	<u>113,400,000</u>
8 STATUTORY RESERVE		
In view of loss, it includes Rs. NIL (2018 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		
Transactions with related party include management fee payable to the Crescent Modarba Management Company Limited. The details are as follows:		
10.1 Transactions with related parties during period		
Nature of relationship	Nature of transaction	
Management Company	Management fee	- 524,308
	Profit distribution	340,200 -
10.2 Payable to related parties		
Nature of relationship	Nature of transaction	
Management Company	Management fee payable	524,308 524,308
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, 2019.		
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, 2018 affecting the interim financial information.		
13.2 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
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