



**FIRST
ELITE
CAPITAL
MODARABA**

**Quarterly Report
March 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 Tayyab Amin

AUDITORS OF THE MODARABA

Ilyas Saeed & Co.
Chartered Accountants

BANKERS OF THE MODARABA

Allied Bank Limited
Bank Alfalah Limited
BankIslami Pakistan Limited

PRINCIPAL & REGISTERED OFFICE

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

Tel : (042) 35442735-37
Fax : (042) 35442738
E-mail : info@fecm.com.pk
Web : www.fecm.com.pk

REGISTRAR

CorpTec Associates (Pvt.) Limited
503-E, Johar Town, Lahore.
Tel : 042-35170336-7
Fax : 042-35170338
E-mail : info@corptec.com.pk



FIRST ELITE CAPITAL MODARABA

DIRECTORS' REPORT

Valued Certificate Holders

The Board of Directors of Crescent Modaraba Management Company Limited, Managers of First Elite Capital Modaraba are pleased to present the un-audited financial statements of the Modaraba for the nine months ended March 31, 2018.

Operations & Performance

	March 31 2018 Rupees	March 31 2017 Rupees
Total Income	34,150,477	37,332,091
Depreciation of assets leased out	21,068,871	20,335,879
Administrative and general expenses	14,335,322	21,228,322
Financial charges	15,717	10,182
Total Expenses	35,419,910	41,574,383
Operating Loss	(1,269,433)	(4,242,292)
Management Fee	-	-
Loss before taxation	(1,269,433)	(4,242,292)
Taxation	-	-
Loss after taxation	(1,269,433)	(4,242,292)

The Modaraba during the period under review, suffered a loss of Rs.1,269,433/= as compared to loss of Rs.4,242,292/= during the corresponding period of last year. The main reason for the loss is tough competition with other financial institutions & impairment in receivables. Loss per certificate is Re.0.11. Gross revenue was Rs.34,150,477/= in the nine months 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

April 24, 2018



ڈائریکٹرز رپورٹ

معزز سرٹیفکیٹ ہولڈرز:-

فرسٹ ایلٹ کیپٹل مضاربہ زیر انتظام کریسٹل مضاربہ مینجمنٹ کمپنی لمیٹڈ کے بورڈ آف ڈائریکٹرز مضاربہ کی 31 مارچ 2018ء کو ختم ہونے والی مدت کے غیر آڈٹڈ مالی حسابات پیش کرتے ہیں۔

آپریٹنگ اور کارکردگی:-

31 مارچ 2017ء (روپے) 31 مارچ 2018ء (روپے)

31 مارچ 2017ء (روپے)	31 مارچ 2018ء (روپے)	کل آمدن
37,332,091	34,150,477	لیزڈ آؤٹ اثاثوں کی فرسودگی
20,335,879	21,068,871	انتظامی و عمومی اخراجات
21,228,322	14,335,322	مالی اخراجات (فنانس چارجز)
10,182	15,717	کل اخراجات
41,574,383	35,419,910	آپریٹنگ (خسارہ)
(4,242,292)	(1,269,433)	انتظامی فیس
-	-	(خسارہ) قبل از ٹیکسیشن
(4,242,292)	(1,269,433)	ٹیکسیشن
-	-	(خسارہ) بعد از ٹیکسیشن
(4,242,292)	(1,269,433)	

زیر غور مدت کے دوران مضاربہ کو -/1,269,433 روپے کا خسارہ ہوا۔ جبکہ گزشتہ سال اسی مدت کے دوران -/4,242,292 روپے کا خسارہ ہوا۔ خسارہ کی بنیادی وجہ دیگر مالیاتی اداروں کے ساتھ سخت مقابلہ اور وصولی میں کمی ہے۔ فی سرٹیفکیٹ خسارہ -/0.11 روپے ہے۔ موجودہ سال کے نو ماہ کی مجموعی آمدنی -/34,150,477 روپے رہی، جو بنیادی طور پر اجارہ اور مراہجہ 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:-

Hanif Khan

عامر افتخار خان

چیف ایگزیکٹو

24 اپریل 2018ء

☆☆☆☆




FIRST ELITE CAPITAL MODARABA

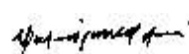
CONDENSED INTERIM BALANCE SHEET AS AT MARCH 31, 2018

	NOTE	March 31, 2018 Rupees (Un-Audited)	June 30, 2017 Rupees (Audited)
ASSETS			
Current assets			
Cash and bank balances	4	14,339,526	23,089,634
Short term investments	5	15,385,780	16,129,448
Short term finances under musharakah arrangements - <i>Secured</i>		804,244	938,504
Short term finances under murabahah arrangements - <i>Secured</i>		24,600,358	27,218,067
Ijarah rentals receivable - <i>Secured</i>		2,030,671	2,062,152
Profit receivable - <i>Secured</i>		394,667	157,540
Advances, deposits, prepayments and other receivables		8,436,664	6,285,897
Advance income tax		1,470,178	1,263,041
		67,462,088	77,144,283
Non-current assets			
Assets leased out under ijarah contracts		118,658,855	105,391,575
Property and equipment		4,749,215	3,475,759
		123,408,070	108,867,334
TOTAL ASSETS		190,870,158	186,011,617
LIABILITIES			
Current liabilities			
Accrued and other liabilities		1,003,875	1,877,694
Security deposits		8,354,227	5,435,152
Unclaimed profit distribution		7,822,711	7,826,590
		17,180,813	15,139,436
Non-current liabilities			
Security deposits		42,196,756	37,646,064
Employees retirement benefits		9,086,565	8,286,565
		51,283,321	45,932,629
Contingencies and commitments	6	-	-
TOTAL LIABILITIES		68,464,134	61,072,065
NET ASSETS		122,406,024	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		9,006,024	11,539,552
		122,406,024	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 PERIOD ENDED MARCH 31, 2018

	NINE MONTHS ENDED		QUARTER ENDED	
	March 31, 2018 Rupees (Un-Audited)	March 31, 2017 Rupees (Un-Audited)	March 31, 2018 Rupees (Un-Audited)	March 31, 2017 Rupees (Un-Audited)
INCOME				
Income from ijarah financing	30,872,411	33,104,386	11,193,838	9,714,940
Profit on murabahah and musharakah financing	1,223,096	1,383,332	368,211	291,346
Return on investments	861,141	2,260,549	237,916	1,101,771
Other income	1,193,829	583,824	243,634	273,473
	34,150,477	37,332,091	12,043,599	11,381,530
EXPENSES				
Depreciation of assets leased out	21,068,871	20,335,879	7,100,335	6,797,521
Administrative and general expenses	14,335,322	21,228,322	4,197,507	4,106,874
Financial charges	15,717	10,182	3,550	2,853
	35,419,910	41,574,383	11,301,392	10,907,248
Operating (Loss)/Profit	(1,269,433)	(4,242,292)	742,207	474,282
Management fee	-	-	-	-
(Loss)/Profit before taxation	(1,269,433)	(4,242,292)	742,207	474,282
Taxation	-	-	-	-
(Loss)/Profit after taxation	(1,269,433)	(4,242,292)	742,207	474,282
(Loss)/Earnings per certificate-basic and diluted	(0.11)	(0.37)	0.07	0.04

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FIRST ELITE CAPITAL MODARABA

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED MARCH 31, 2018

NINE MONTHS ENDED		QUARTER ENDED	
March 31, 2018 Rupees (Un-Audited)	March 31, 2017 Rupees (Un-Audited)	March 31, 2018 Rupees (Un-Audited)	March 31, 2017 Rupees (Un-Audited)

Other comprehensive income/(loss)

Items that may be reclassified subsequently to profit and loss

Changes in fair value of available for sale financial assets	(1,349,840)	312,396	1,913,662	(1,012,956)
Reclassification adjustment for gain/(loss) included in profit and loss	85,745	(185,201)	(245,215)	(140,829)

Items that may not be reclassified subsequently to profit and loss

-	-	-	-
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Other comprehensive income/(loss) before taxation	(1,264,095)	127,195	1,668,447	(1,153,785)
Taxation	-	-	-	-

Other comprehensive income/(loss) after taxation	(1,264,095)	127,195	1,668,447	(1,153,785)
Profit/(Loss) after taxation	(1,269,433)	(4,242,292)	742,207	474,282

Total comprehensive income/(Loss)	(2,533,528)	(4,115,097)	2,410,654	(679,503)
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FIRST ELITE CAPITAL MODARABA

CONDENSED INTERIM CASH FLOW STATEMENT FOR THE PERIOD ENDED MARCH 31, 2018

	March 31, 2018 Rupees (Un-Audited)	March 31, 2017 Rupees (Un-Audited)
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before taxation	(1,269,433)	(4,242,292)
Adjustments for non-cash items and other items	21,729,909	27,236,816
Operating profit before changes in working capital	20,460,476	22,994,524
Changes in working capital	6,784,367	6,875,501
Cash flows from operations	27,244,843	29,870,025
(Payments)/receipts for		
Purchase of property and equipment	(1,995,585)	(2,130,991)
Purchase of Ijarah assets	(39,188,500)	(48,908,000)
Transfer of Ijarah assets	4,852,351	14,052,609
Profit distribution	(3,879)	(8,044)
Net cash from operating activities	(36,335,613)	(36,994,426)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of short term investments	(1,442,731)	(13,613,145)
Proceeds from sale of short term investments	968,318	13,554,774
Dividend received	815,075	624,627
Net cash generated from investing activities	340,662	566,256
CASH FLOWS FROM FINANCING ACTIVITIES		
Net decrease in cash and cash equivalents	(8,750,108)	(6,558,145)
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	14,339,526	15,132,662

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

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**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED MARCH 31, 2018**



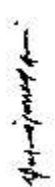
FIRST ELITE CAPITAL MODARABA

	Certificate Capital Rupees	Reserves			Total Rupees	Total equity Rupees
		Statutory Reserve Rupees	Available for sale financial assets Rupees	Accumulated losses 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 after taxation	-	-	-	(4,242,292)	(4,242,292)	(4,242,292)
Other comprehensive income	-	-	127,195	-	127,195	127,195
Total comprehensive income/(Loss)	-	-	127,195	(4,242,292)	(4,115,097)	(4,115,097)
Balance as at March 31, 2017 - Un-audited	113,400,000	31,074,260	2,888,968	(21,027,415)	12,935,813	126,335,813
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	-	-	-	(1,269,433)	(1,269,433)	(1,269,433)
Other comprehensive loss	-	-	(1,264,095)	-	(1,264,095)	(1,264,095)
Total comprehensive income/(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

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


Chairman
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Management Company Limited


Chief Executive
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Management Company Limited


Director
Crescent Modaraba
Management Company Limited



FIRST ELITE CAPITAL MODARABA

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE PERIOD ENDED MARCH 31, 2018

1 REPORTING ENTITY

First Elite Capital Modaraba ("the Modaraba") is a perpetual, multi-purpose and multi-dimensional non-trading modaraba formed under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 and the Rules framed there under and is managed by Crescent Modaraba Management Company Limited ("the Management Company), a company incorporated in Pakistan under the Companies Ordinance, 1984. The registered office of the Modaraba is situated at 50-A Garden Block, New Garden Town, Lahore. The Modaraba was floated on September 26, 1991 and is listed on Pakistan Stock Exchange (PSX). The Modaraba is primarily engaged in the business of ijarah, musharakah and murabahah financing, investment in marketable securities and other related businesses.

2 BASIS OF PREPARATION

This interim financial information is not audited and has been presented in condensed form and does not include all the information as is required to be provided in a full set of annual financial statements. This condensed interim financial information should be read in conjunction with the audited financial statements of the Modaraba for the year ended June 30, 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 quarter ended March 31, 2018 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.



FIRST ELITE CAPITAL MODARABA

2.3 Judgments, estimates and assumptions

The preparation of financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions and judgments are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which forms the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

2.4 Functional currency

This financial information is prepared in Pak Rupees which is the Modaraba's functional currency.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of the financial statements of the Modaraba for the year ended June 30, 2017.

	March 31, 2018 Rupees	June 30, 2017 Rupees
4 CASH AND BANK BALANCES		
Cash in hand	114,114	223,381
Cash at bank in		
- current accounts	48,319	52,816
- saving accounts	14,177,093	22,813,437
	<u>14,339,526</u>	<u>23,089,634</u>
5 SHORT TERM INVESTMENTS		
Cost of investment	19,838,261	19,317,834
Accumulated Impairment	(3,736,390)	(3,736,390)
Fair value adjustment	(716,091)	548,004
	<u>15,385,780</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.		
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>



FIRST ELITE CAPITAL MODARABA

8 STATUTORY RESERVE

In view of loss, it includes Rs. Nil (2017 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 April 24, 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.

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
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Management Company
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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

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