



**FIRST
ELITE
CAPITAL
MODARABA**

Half Yearly Report
December 31, 2022
(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

CFO & 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

Assalam o Alaikum

The Board of Directors of Crescent Modaraba Management Company Limited, Manager of First Elite Capital Modaraba are pleased to present the reviewed financial statements of the Modaraba for the half year ended December 31, 2022.

Operations & Performance

	December 31, 2022 Rupees	December 31, 2021 Rupees
Total Income	16,737,474	18,887,863
Depreciation of assets leased out	12,016,802	13,485,542
Administrative and general expenses	7,833,907	8,657,568
Financial charges	3,873	5,398
	19,854,582	22,148,508
Operating Loss	(3,117,108)	(3,260,645)
Management Fee	-	-
Loss before taxation	(3,117,108)	(3,260,645)
Taxation	(209,218)	(236,098)
Loss after taxation	(3,326,326)	(3,496,743)
Loss per certificate - basic and diluted	(0.29)	(0.31)

The economic and political situation in the country remained depressive in the first half of the financial year and affected the results of the Modaraba like other industries. During the six months' period under review the Modaraba suffered a loss of Rs.3,326,326/= as compared to loss of Rs.3,496,743/= in the corresponding period of last year.

Gross revenue was Rs.16,737,474/= in the first half of the year, which was mainly derived from Ijarah Financing. Despite the high inflation, administrative expenses kept in control during the period under review. Loss per certificate remained at Re 0.29.

Due to uncertain economic conditions, the Management is cautiously focusing on Ijarah Financing and trying to keep the operating cost at low level. The Management of the Modaraba is also exploring the possibilities of broad basing its activities including financing for Solar System.

The Management of the Modaraba is of the opinion that if some incentives, including in the shape of tax exemptions are granted by the Government to the Modaraba Sector, the services of this sector would proved to be highly beneficial, convenient and helpful for the small and medium business enterprises.

Investment property held by the Modaraba for capital appreciation. In this regard, we would like to inform the valued certificate holders that there is an appreciation in the value of the property. The fair value of the land has been revalued by the approved independent surveyor and has come to Rupees Forty Million Seven Hundred Fifty Five Thousand only.

Regarding the current status of Civil Original Petition filed by one of the certificate holders under the provisions of the Companies Act, 2017 before the honorable Lahore High Court, Lahore, prayer has been made to restrain the Modaraba from selling any Property / Asset of First Elite Capital Modaraba and transfer the control of First Elite Capital Modaraba to any person/ company/ Institution/ Organization. The learned Court, on the first date of hearing of the said petition, ordered that status quo in respect of the land owned by the Modaraba shall be maintained, however, no injunctive order was passed by the learned Court in respect of the transaction relating to the transfer of management of the Crescent Modaraba Management Company, despite a request made by the petitioner. No further date has been fixed by the learned Court so far.

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

MUNEEB AHMED DAR
CHAIRMAN

Lahore
February 24, 2023



ڈائریکٹرز رپورٹ

معزز سرٹیفکیٹ ہولڈرز:-

السلام علیکم

فرسٹ ایلٹ کینیٹل مضار بہ زیر انتظام کریڈٹ مضار بہ منجنت کینیٹل لمیٹڈ کے بورڈ آف ڈائریکٹرز مضار بہ کی 31 دسمبر 2022 کو ختم ہونے والی مدت کے جائزہ شدہ مالی حسابات پیش کرتے ہیں۔
آپریٹنگ اور کارکردگی :-

31 دسمبر 2021ء (روپے)	31 دسمبر 2022ء (روپے)
18,887,863	16,737,474
13,485,542	12,016,802
8,657,568	7,833,907
5,398	3,873
22,148,508	19,854,582
(3,260,645)	(3,117,108)
-	-
(3,260,645)	(3,117,108)
(236,098)	(209,218)
(3,496,743)	(3,326,326)
(0.31)	(0.29)

کل آمدن

لیزڈ آؤٹ اثاثوں کی فرسودگی

انتظامی و عمومی اخراجات

مالی اخراجات (فائل چارجز)

کل اخراجات

آپریٹنگ خسارہ

انتظامی فیس

خسارہ قبل از ٹیکسیشن

ٹیکسیشن

خسارہ بعد از ٹیکسیشن

خسارہ فی سرٹیفکیٹ- بنیادی اور تحصیل شدہ

مالی سال کی پہلی ششماہی میں ملک کی معاشی اور سیاسی صورتحال دباؤ میں رہی اور دیگر صنعتوں کی طرح مضار بہ کے نتائج کو بھی متاثر کیا۔ زیر جائزہ چھ ماہ کی مدت کے دوران مضار بہ کو =/3,326,326 روپے کا نقصان ہوا جبکہ گزشتہ سال اسی مدت کے دوران =/3,496,743 روپے کا نقصان تھا۔ سال کی پہلی ششماہی میں مجموعی آمدنی =/16,737,474 روپے رہی، جو کہ بنیادی طور پر اجارہ فنانسنگ سے حاصل کی گئی۔ زیادہ مہنگائی کے باوجود، زیر جائزہ مدت کے دوران انتظامی اخراجات کو کنٹرول میں رکھا گیا۔ فی سرٹیفکیٹ 0.29 روپے کا خسارہ ہوا۔

غیر یقینی معاشی صورتحال کی وجہ سے انتظامیہ محتاط طریقے سے اجارہ فنانسنگ پر توجہ دے رہی ہے اور انتظامی اخراجات کو کم سطح پر رکھنے کی کوشش کر رہی ہے۔ مضار بہ کی انتظامیہ اپنی سرگرمیوں کو وسیع کرنے کے امکانات تلاش کر رہی ہے جس میں سولرسٹم کی فنانسنگ بھی شامل ہے۔

مضار بہ کی انتظامیہ کی رائے ہے کہ اگر حکومت کی جانب سے مضار بہ سیکٹر کو ٹیکس میں چھوٹ سمیت کچھ مراعات دی جائیں تو اس شعبے کی خدمات چھوٹے اور درمیانے درجے کے کاروباری انٹرپرائزز کے لیے انتہائی فائدہ مند، مناسب اور مددگار ثابت ہوں گی۔

انویسٹڈ پراپرٹی جو کہ قیمت میں اضافے کے لیے رکھی گئی ہے۔ اس سلسلے میں، ہم قابل قدر سرٹیفکیٹ ہولڈرز کو مطلع کرنا چاہتے ہیں کہ جائیداد کی قیمت میں اضافہ ہوا ہے۔ زمین کی قیمت منظور شدہ انڈیپنڈنٹ سرویئر کے ذریعے دوبارہ کروائی گئی ہے جو کہ چار کروڑ سات لاکھ پچھن ہزار روپے آئی ہے۔

کپینیز ایکٹ، 2017 کی دفعات کے تحت سرٹیفکیٹ ہولڈرز میں سے ایک نے معزز لاہور ہائی کورٹ، لاہور میں ایک سول اور رجسٹریشن پیش دائری کی ہے کہ مضار بہ کو فرسٹ ایلٹ کینیٹل مضار بہ کی کوئی بھی جائیداد/ اثاثہ فروخت کرنے اور فرسٹ ایلٹ کینیٹل مضار بہ کا کنٹرول کسی بھی شخص/ کپینیز/ ادارے/ تنظیم کو منتقل کرنے سے روکنے کی استدعا کی ہے۔ فاضل عدالت نے مذکورہ درخواست کی سماعت کی پہلی پیشی پر حکم دیا کہ مضار بہ کی ملکیتی اراضی کے سلسلے میں جمود برقرار رکھا جائے، تاہم، عدالت نے درخواست گزار کی جانب سے کی گئی درخواست کے باوجود کریڈٹ مضار بہ منجنت کینیٹل کی انتظامیہ کی منتقلی سے متعلق کوئی حکم انتہائی جاری نہیں کیا۔ فاضل عدالت کی جانب سے اب تک مزید کوئی تاریخ نہیں دی گئی ہے۔

بورڈ ریگولیری حکام کی جانب سے مسلسل رہنمائی اور تعاون کا شکریہ ادا کرتا ہے اور سٹیل 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:-

منیب احمد ڈار
چیرمین

عامر افتخار خان
چیف ایگزیکٹو

لاہور

24 فروری 2023ء

☆☆☆☆



FIRST ELITE CAPITAL MODARABA

INDEPENDENT AUDITORS' 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 2022 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim cash flows statement, condensed interim statement of changes in equity and notes to the financial statements 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 approved 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 Statements 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 approved accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other Matter

The figures for the quarters ended December 31, 2022 and December 31, 2021 in the condensed interim profit or 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 Shaikh, FCA

Naveed Zafar Ashfaq Jaffery & Co.
Chartered Accountants

Lahore

Date: February 24, 2023

UDIN: RR202210575gaQ9lfche



FIRST ELITE CAPITAL MODARABA

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2022 (UN-AUDITED)

	Note	Un-audited December 31, 2022 Rupees	Audited June 30, 2022 Rupees
ASSETS			
Current assets			
Cash and bank balances	4	14,397,480	15,851,128
Short term investments	5	9,151,000	9,500,656
Short term Investments in Mutual Funds	6	14,321,910	-
Short term finances under musharakah arrangements - Secured	7	44,244	120,244
Short term finances under murabahah arrangements - Secured	8	16,403	16,403
Ijarah rentals receivable - Secured	9	1,996,838	3,735,129
Profit receivable - Secured	10	-	-
Advances, deposits, prepayments and other receivables	11	4,799,497	25,904,705
Advance income tax	12	931,532	856,910
		45,658,904	55,985,175
Non-current assets			
Assets leased out under ijarah contracts	13	86,151,758	87,168,666
Property and equipment	14	1,421,777	1,281,734
Investment Property		23,533,287	23,533,287
		111,106,822	111,983,687
TOTAL ASSETS		156,765,726	167,968,862
LIABILITIES			
Current liabilities			
Accrued and other liabilities	15	1,266,320	1,220,455
Security deposits	16	6,412,095	16,151,702
Unclaimed profit distribution		8,486,021	8,490,014
		16,164,436	25,862,171
Non-current liabilities			
Security deposits	16	33,962,162	32,153,747
Employees retirement benefits		11,169,018	10,669,018
		45,131,180	42,822,765
Contingencies and commitments	17	-	-
TOTAL LIABILITIES		61,295,616	68,684,936
NET ASSETS		95,470,110	99,283,926
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	18	113,400,000	113,400,000
Reserves		(17,929,890)	(14,116,073)
		95,470,110	99,283,926

The annexed notes from 1 to 23 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, 2022 (UN-AUDITED)

	HALF YEAR ENDED		QUARTER ENDED	
	December 31, 2022 (Un-Audited)	December 31, 2021 (Un-Audited)	December 31, 2022 (Un-Audited)	December 31, 2021 (Un-Audited)
INCOME				
Income from ijarah financing	14,903,251	18,044,999	7,148,309	9,460,182
Profit on murabahah and musharakah financing	-	3,190	-	1,200
Reversal of provision	97,951	39,210	6,000	39,210
Trading Income	-	144,750	-	144,750
Return on investments	803,595	234,900	522,855	54,618
Other income	932,677	420,814	707,202	303,291
	16,737,474	18,887,863	8,384,366	10,003,251
EXPENSES				
Depreciation of assets leased out	12,016,802	13,485,542	5,713,285	6,606,912
Administrative and general expenses	7,833,907	8,657,568	4,327,219	4,932,934
Financial charges	3,873	5,398	2,348	3,284
	19,854,582	22,148,508	10,042,852	11,543,130
Operating Loss	(3,117,108)	(3,260,645)	(1,658,486)	(1,539,879)
Management fee	-	-	-	-
Loss before taxation	(3,117,108)	(3,260,645)	(1,658,486)	(1,539,879)
Taxation	(209,218)	(236,098)	(104,804)	(236,098)
Loss after taxation	(3,326,326)	(3,496,743)	(1,763,290)	(1,775,977)
Loss per certificate - basic and diluted	(0.29)	(0.31)	(0.16)	(0.16)

The annexed notes from 1 to 23 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, 2022 (UN-AUDITED)

	HALF YEAR ENDED		QUARTER ENDED	
	December 31, 2022 (Un-Audited)	December 31, 2021 (Un-Audited)	December 31, 2022 (Un-Audited)	December 31, 2021 (Un-Audited)
Loss after taxation	(3,326,326)	(3,496,743)	(1,763,290)	(1,775,977)
Other comprehensive (Loss)/Income				
Items that may be reclassified subsequently to profit or loss				
Changes in fair value of available for sale financial assets	(487,490)	(2,319,859)	(255,563)	(669,729)
Re-classification adjustment for gain/(loss) included in profit or loss	-	-	-	-
	(487,490)	(2,319,859)	(255,563)	(669,729)
Items that may not be reclassified subsequently to profit or loss	-	-	-	-
Total comprehensive Loss	<u>(3,813,816)</u>	<u>(5,816,602)</u>	<u>(2,018,853)</u>	<u>(2,445,706)</u>

The annexed notes from 1 to 23 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 HALF YEAR ENDED DECEMBER 31, 2022 (UN-AUDITED)

10

	Reserves					
	Certificate Capital Rupees	Statutory Reserve Rupees	Unrealized Gain/(Loss) on Available for Sale Financial Assets Rupees	Accumulated Losses Rupees	Total Reserves Rupees	Total Equity Rupees
Balance as at June 30, 2021 - Audited	113,400,000	32,870,088	(8,574,251)	(24,307,416)	(11,579)	113,388,420
Profit distribution @ 3.00% i.e. Re.0.30 per certificate for the year ended June 30, 2021	-	-	-	(3,402,000)	(3,402,000)	(3,402,000)
Comprehensive (loss)/income	-	-	-	(3,496,743)	(3,496,743)	(3,496,743)
Loss after taxation	-	-	(2,319,859)	-	(2,319,859)	(2,319,859)
Other comprehensive loss	-	-	(2,319,859)	(6,898,743)	(9,218,602)	(9,218,602)
Balance as at December 31, 2021 - Un-audited	113,400,000	32,870,088	(10,894,110)	(31,206,159)	(9,230,181)	104,169,818
Balance as at June 30, 2022 - Audited	113,400,000	32,870,088	(12,027,792)	(34,958,369)	(14,116,073)	99,283,926
Comprehensive (loss)/income	-	-	-	(3,326,326)	(3,326,326)	(3,326,326)
Loss after taxation	-	-	(487,490)	-	(487,490)	(487,490)
Other comprehensive loss	-	-	(487,490)	(3,326,326)	(3,813,816)	(3,813,816)
Balance as at December 31, 2022 - Un-audited	113,400,000	32,870,088	(12,515,282)	(38,284,695)	(17,929,890)	95,470,110

The annexed notes from 1 to 23 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, 2022 (UN-AUDITED)

	December 31, 2022 Rupees	December 31, 2021 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(3,117,108)	(3,260,645)
Adjustments for non-cash and other items:		
Depreciation	108,253	194,313
Depreciation of assets leased out under ijarah contracts	12,016,802	13,485,543
(Profit)/loss on sale of investments	(360)	209,893
Reversal of provision	(97,951)	(39,210)
Gain on disposal of property and equipment	(33,295)	(196,964)
Dividend income	(803,235)	(444,793)
Gain on transfer of assets leased out	(70,172)	(244,224)
Provision for employees retirement benefits	500,000	450,000
	11,620,042	13,414,558
Operating cash inflow before changes in working capital	8,502,934	10,153,913
Changes in working capital:		
Ijarah rentals receivable	1,738,291	(110,157)
Advances, deposits and prepayments	21,203,159	12,053,541
Accrued and other liabilities	45,865	(285,225)
Security deposits	(7,931,192)	(3,055,380)
Decrease in short term investment under musharakah and murabahah arrangements	76,000	115,210
	15,132,123	8,717,989
Cash flows from operations (Payments)/receipts for:	23,635,057	18,871,902
Purchase of ijarah assets	(25,458,818)	(18,680,000)
Transfer of Ijarah assets	14,529,095	13,964,572
Purchase of property & equipment	(266,500)	-
Sales proceed from operating assets	51,500	925,698
Income taxes paid	(283,840)	(139,257)
Employees retirement benefits	-	(53,000)
Profit distribution	(3,993)	(3,089,686)
	(11,432,556)	(7,071,673)
Net cash generated from/(used in) operating activities	12,202,501	11,800,230
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of short term investments	(14,463,337)	(5,511,822)
Proceeds from sale of short term investments	3,953	3,347,883
Dividend received	803,235	444,793
Net cash (used in)/generated from investing activities	(13,656,149)	(1,719,146)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net (decrease)/increase in cash and cash equivalents	(1,453,648)	10,081,084
Cash and cash equivalents at the beginning of the period	15,851,128	15,573,952
Cash and cash equivalents at the end of the period	14,397,480	25,655,036

The annexed notes from 1 to 23 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, 2022 (UN-AUDITED)

1 REPORTING ENTITY

First Elite Capital Modaraba ("the Modaraba") is a perpetual, multi-purpose and multi-dimensional 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 Act, 2017, vide Registration No. L 01630 dated 30th May, 1989. The registered office of the Modaraba is situated at 50-A, Garden Block, New Garden Town, Lahore. The Modaraba was floated on September 26, 1991 and is listed on Pakistan Stock Exchange Limited. The Modaraba is primarily engaged in the business of ijarah, musharakah and murabahah financing, investment in marketable securities and other related businesses.

2 BASIS OF PREPARATION

This interim financial information is not audited and has been presented in condensed form and does not include all the information as is required to be provided in a full set of annual financial statements. This condensed interim financial information should be read in conjunction with the audited financial statements of the Modaraba for the year ended June 30, 2022. 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, 2022 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, 2022 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, 2022 and December 31, 2021 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.

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, 2022.



FIRST ELITE CAPITAL MODARABA

	Un-audited December 31, 2022 Rupees	Audited June 30, 2022 Rupees
4 CASH AND BANK BALANCES		
Cash in hand	154,009	88,861
Cash at bank in		
- current accounts	558,342	564,223
- saving accounts	13,685,129	15,198,044
	<u>14,397,480</u>	<u>15,851,128</u>
5 SHORT TERM INVESTMENTS		
Available for sale		
Cost of investment	25,402,672	25,264,838
Accumulated Impairment	(3,736,390)	(3,736,390)
Fair value adjustment	(12,515,282)	(12,027,792)
	<u>9,151,000</u>	<u>9,500,656</u>
6 SHORT TERM INVESTMENTS IN MUTUAL FUNDS		
Meezan Rozana Amdani Fund	14,321,910	-
	<u>14,321,910</u>	<u>-</u>
7 SHORT TERM FINANCES UNDER MUSHARAKAH ARRANGEMENTS - SECURED		
Considered good	44,244	120,244
Considered doubtful	637,500	637,500
	681,744	757,744
Less: Provision for doubtful receivables under Musharakah arrangements	(637,500)	(637,500)
	<u>44,244</u>	<u>120,244</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.

8 SHORT TERM FINANCES UNDER MURABAHAH ARRANGEMENTS - SECURED		
Considered good	16,403	16,403
Considered doubtful	55,021,968	55,021,968
	55,038,371	55,038,371
Less: Provision for doubtful receivables under Murabahah arrangements	(55,021,968)	(55,021,968)
	<u>16,403</u>	<u>16,403</u>

These represent receivable against murabahah transactions on deferred payment basis at a specified margin. These are secured against mortgage of property, and personal guarantees. Profit margin on murabahah transactions ranges from 13% to 20% per annum receivable on monthly basis.

8.1 The Modaraba has filed Three (2022: Three) execution petitions for claim of Rs. 25,868,727/- (2022: 25,868,727/-) against different parties in Modaraba Tribunal Punjab, Lahore. The management is hotly pursuing its cases in the Court of law. There are almost no chances of any unfavorable decision(s) against First Elite Capital Modaraba.

8.2 The Modaraba has filed a claim for Rs. 22,063,889/- (2022: Rs. 22,063,889/-) against Sunrise Textile Limited (under liquidation) in High Court, Lahore. The Modaraba has applied to the official liquidators, appointed by the honorable Lahore High Court in C.O.No. 10/1995 for recovery of its dues, however the company has been dissolved.

8.3 The Modaraba has filed Twenty Five (2022: Twenty Five) suits for recovery of receivables amounting to Rs. 26,475,820 (2022: Rs. 26,475,820/-) against different parties in Banking Court, Lahore. The management is hotly pursuing its cases in the Court of law. There are almost no chances of any unfavorable decision(s) against First Elite Capital Modaraba.

8.4 The Modaraba has filed One (2022: One) criminal complaint under section 20 of the Financial Institutions (Recovery of Finances) Ordinance, 2001. against party in Banking Court, Lahore

9 IJARAH RENTALS RECEIVABLE - SECURED

These represent rentals receivable against assets leased out under Ijarah contracts. These are secured against vehicles and machinery. The details are as follows:



FIRST ELITE CAPITAL MODARABA

Note	Un-audited December 31, 2022 Rupees	Audited June 30, 2022 Rupees
Considered goods	1,996,838	3,735,129
Considered doubtful	6,596,731	5,734,093
	8,593,569	9,469,222
Less: Provision for doubtful receivables	(6,596,731)	(5,734,093)
	1,996,838	3,735,129

The Modaraba has filed Two (2022: Two) execution petitions for claim of Rs. 6,686,020/- (2022: 6,686,020/-) against two parties in Banking Court, Lahore. The management is hotly pursuing its cases in the Court of law. There are almost no chances of any unfavorable decision(s) against First Elite Capital Modaraba.

10 PROFIT RECEIVABLE - SECURED

This represents profit receivable on murabahah and musharakah finance.

Considered good	-	-
Considered doubtful	21,687,469	21,687,470
	21,687,469	21,687,470
Less: Provision for doubtful receivables	(21,687,469)	(21,687,470)
	-	-

11 ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

Advances to employees - considered good	3,555,833	3,882,226
Prepayments	1,137,856	1,421,600
Deposits and other advances	60,450	60,450
Advance to supplier	-	5,950,000
Accrued profit on bank deposits	9,115	-
Other Receivable - unsecured	36,243	14,590,429
	4,799,497	25,904,705

11.1 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	36,243	14,590,429
Considered doubtful	2,667,990	2,765,941
	2,704,233	17,356,370
Less: Provision for doubtful receivables	(2,667,990)	(2,765,941)
	36,243	14,590,429

12 ADVANCE INCOME TAX

Opening balance	856,910	1,155,233
Add : tax paid during the period	283,840	271,300
Less: provision for the period	(209,218)	(569,623)
Closing balance	931,532	856,910

13 ASSETS LEASED OUT UNDER IJARAH CONTRACTS

Leased Assets	13.1	86,151,758	87,168,666
13.1 Movement in assets leased out under ijarah contracts			
Opening assets leased		137,258,500	154,054,319
Additions during the period		25,458,818	49,810,200
Disposal during the period		(42,029,500)	(66,606,019)
		120,687,818	137,258,500
Accumulated Amortization Assets Leased		(34,536,060)	(50,089,834)
Closing net book value		86,151,758	87,168,666

14 PROPERTY AND EQUIPMENT

Operating Fixed Assets	14.1	1,421,777	1,281,734
14.1 Movement in operating fixed assets			
Opening cost of Fixed assets		5,228,942	7,348,414
Additions during the period		266,500	-
Disposal during the period		(143,760)	(2,119,472)
		5,351,682	5,228,942
Accumulated Depreciation Assets Own Use		(3,929,905)	(3,947,208)
Closing net book value		1,421,777	1,281,734



FIRST ELITE CAPITAL MODARABA

	Un-audited December 31, 2022 Rupees	Audited June 30, 2022 Rupees
15 ACCRUED AND OTHER LIABILITIES		
Accrued expenses	1,061,834	673,162
Advance ijarah rentals	55,965	404,731
Withholding tax payable	34,304	11,557
Charity payable	-	15,878
Other payables - unsecured	114,217	115,127
	1,266,320	1,220,455
16 SECURITY DEPOSITS		
Security deposits under ijarah contracts	40,374,257	48,305,449
Current maturity presented under current liabilities	(6,412,095)	(16,151,702)
	33,962,162	32,153,747
17 CONTINGENCIES AND COMMITMENTS		
17.1 Contingencies		
17.1.1 There is no significant change in the status of contingencies since June 30, 2022.		
17.2 Commitments	NIL	NIL
There are no significant commitments as at the reporting date		
18 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL		
Modaraba certificates of Rs. 10 each.		
10,000,000 (June 30, 2022: 10,000,000)		
certificates issued for cash	100,000,000	100,000,000
1,340,000 (June 30, 2022: 1,340,000)		
certificates issued as bonus certificates	13,400,000	13,400,000
	113,400,000	113,400,000

19 TAXATION

19.1 The tax exemption by virtue of Clause 100 of Part 1 of the second Schedule to the Income Tax Ordinance, 2001 has been withdrawn through Tax Laws (Second amendment), 2021 dated March 21, 2021 which is subsequently adopted in Finance Act, 2021.

19.2 Provision for current taxation is based on taxable income for the period at the current rates of taxation after taking into account applicable tax credits, rebates and exemptions available, if any.

20 RELATED PARTY TRANSACTIONS AND BALANCES

Details of transactions with related parties are as follows,

20.1 Transactions with related party during the period

Nature of relationship	Nature of transaction	Un-Audited December 31, 2022 Rupees	Un-Audited June 30, 2022 Rupees
Management Company	Sale of asset	22,500	-
Associated Company	Sale of asset	16,000	-
		38,500	-

20.2 Payable to related party

Nature of relationship	Nature of transaction	Un-Audited December 31, 2022 Rupees	Audited June 30, 2022 Rupees
Management Company	Management fee payable	-	-

21 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.

22 DATE OF AUTHORIZATION FOR ISSUE

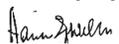
This condensed interim financial information have been approved by the Board of Directors of the Management Company and authorized for issue on February 24, 2023.

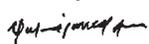
23 GENERAL

Figures have been rounded off to the nearest Rupee.

**For Crescent Modaraba Management Company Limited
(Management Company of First Elite Capital Modaraba)**


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Chief Executive


Director


Chief Financial Officer

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