



**FIRST  
ELITE  
CAPITAL  
MODARABA**

Quarterly Report  
September 30, 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

#### 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**, Manager of **First Elite Capital Modaraba** are pleased to present the unaudited financial statements of the Modaraba for the period ended September 30, 2018.

#### **Operation's & Performance**

	<b>September 30, 2018 Rupees</b>	September 30, 2017 Rupees
Total Income	<b>11,041,377</b>	11,680,421
Depreciation of assets leased out	<b>6,543,797</b>	6,949,074
Administrative and general expenses	<b>4,389,452</b>	4,612,004
Financial charges	<b>3,804</b>	6,131
Total Expenses	<b>10,937,053</b>	11,567,209
Operating Profit	<b>104,324</b>	113,212
Management Fee	-	-
Profit before taxation	<b>104,324</b>	113,212
Taxation	-	-
Profit after taxation	<b>104,324</b>	113,212

During the quarter, your Modaraba registered a net profit of Rs.104,324/= against profit of Rs.113,212/= in the corresponding period of last year. During the period under review, the volatile capital market, rising inflation and interest rates also affected the results of the Modaraba. Profit per certificate is Re.0.01. Gross revenue was Rs.11,041,377/= in the first quarter of the year.

The Management of the Modaraba is fully committed to improving the performance of the Modaraba by increasing the income and decreasing the expenses.

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  
October 26, 2018



## ڈائریکٹرز رپورٹ

معزز سرٹیفکیٹ ہولڈرز:-

فرسٹ ایلٹ کیپیٹل مضاربہ زیر انتظام کریڈٹ مضاربہ مینجمنٹ کمپنی لمیٹڈ کے بورڈ آف ڈائریکٹرز مضاربہ کی 30 ستمبر 2018ء کو ختم ہونے والی مدت کے غیر آڈٹڈ مالی حسابات پیش کرتے ہیں۔ آپریشنز اور کارکردگی:-

30 ستمبر 2017ء (روپے)	30 ستمبر 2018ء (روپے)	
11,680,421	11,041,377	کل آمدن
6,949,074	6,543,797	لیزڈ آؤٹ اثاثوں کی فرسودگی
4,612,004	4,389,452	انتظامی و عمومی اخراجات
6,131	3,804	مالی اخراجات (فنانسل چارجز)
11,567,209	10,937,053	کل اخراجات
113,212	104,324	آپریٹنگ منافع
-	-	انتظامی فیس
113,212	104,324	منافع قبل از ٹیکسیشن
-	-	ٹیکسیشن
113,212	104,324	منافع بعد از ٹیکسیشن

اس سہ ماہی کے دوران مضاربہ کو -/104,324 روپے کا منافع ہوا۔ جبکہ گزشتہ سال اسی مدت کے دوران منافع -/113,212 روپے تھا۔ زیر جائزہ مدت کے دوران، غیر مستحکم سرمایہ مارکیٹ، بڑھتا ہوا افراط زر اور شرح منافع کی وجہ سے بھی مضاربہ کے نتائج متاثر ہوئے۔ فی سرٹیفکیٹ منافع -/0.01 روپے ہے۔ سال کی پہلی سہ ماہی کی مجموعی آمدنی -/11,041,377 روپے رہی۔ مضاربہ کی انتظامیہ، مضاربہ کی آمدنی میں اضافہ اور اخراجات میں کمی کر کے مضاربہ کی کارکردگی بہتر بنانے کیلئے مکمل طور پر پُر عزم 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:-

*Haim Abdullah*

عامر افتخار خان

چیف ایگزیکٹو

26 اکتوبر 2018ء



## FIRST ELITE CAPITAL MODARABA

### CONDENSED INTERIM BALANCE SHEET AS AT SEPTEMBER 30, 2018 (UN-AUDITED)

	Note	September 30, 2018 Rupees	June 30, 2018 Rupees
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and bank balances	4	19,888,759	14,238,575
Short term investments	5	16,746,238	14,899,848
Short term finances under musharakah arrangements-secured		709,244	747,244
Short term finances under murabahah arrangements-secured		3,579,098	9,561,352
Ijarah rentals receivable - secured		2,692,960	1,288,775
Profit receivable - secured		70,317	36,181
Advances, deposits, prepayments and other receivables		6,721,820	8,162,620
		<b>50,408,436</b>	48,934,595
<b>Non-current assets</b>			
Assets leased out under ijarah contracts		110,350,361	113,844,945
Property and equipment		27,838,692	28,040,772
		<b>138,189,053</b>	141,885,717
<b>Total assets</b>		<b>188,597,489</b>	190,820,312
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accrued and other liabilities		1,840,504	2,916,258
Security deposits		5,939,462	5,196,862
Profit distribution payable		3,402,000	-
Unclaimed profit distribution		7,822,711	7,822,711
		<b>19,004,677</b>	15,935,831
<b>Non-current liabilities</b>			
Security deposits		37,920,965	37,505,279
Employees retirement benefits		7,611,238	9,433,938
		<b>45,532,203</b>	46,939,217
<b>Contingencies and commitments</b>	6	-	-
<b>Total liabilities</b>		<b>64,536,880</b>	62,875,048
<b>Net Assets</b>		<b>124,060,609</b>	127,945,264
<b>REPRESENTED BY</b>			
Authorized 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		10,660,609	14,545,264
		<b>124,060,609</b>	127,945,264

**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 PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED SEPTEMBER 30, 2018 (UN-AUDITED)

	September 30, 2018 Rupees	September 30, 2017 Rupees
<b>INCOME</b>		
Income from ijarah financing	<b>10,309,440</b>	10,207,058
Profit on murabahah financing	<b>142,182</b>	449,386
Return on investments	<b>429,753</b>	147,132
Other income	<b>160,002</b>	876,845
	<b>11,041,377</b>	11,680,421
<b>EXPENSES</b>		
Depreciation of assets leased out under ijarah contracts	<b>6,543,797</b>	6,949,074
Administrative and general expenses	<b>4,389,452</b>	4,612,004
Financial charges	<b>3,804</b>	6,131
	<b>10,937,053</b>	11,567,209
Operating profit	<b>104,324</b>	113,212
Management Fee	-	-
Profit before taxation	<b>104,324</b>	113,212
Taxation	-	-
Profit after taxation	<b>104,324</b>	113,212
<b>Earnings per certificate - basic and diluted</b>	<b>0.01</b>	0.01

**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 SEPTEMBER 30, 2018 (UN-AUDITED)

	September 30, 2018 Rupees	September 30, 2017 Rupees
<b>Profit after taxation</b>	<b>104,324</b>	113,212
<b>Other comprehensive loss</b>		
<b>Items that may be reclassified subsequently to profit or loss</b>		
Changes in fair value of available for sale investments	(586,979)	(219,992)
Reclassification adjustments for losses/(gains) included in profit or loss	-	(26,262)
	(586,979)	(246,254)
<b>Total comprehensive loss</b>	<b>(482,655)</b>	(133,042)

**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 CASH FLOW STATEMENT FOR THE PERIOD ENDED SEPTEMBER 30, 2018 (UN-AUDITED)

	September 30, 2018 Rupees	September 30, 2017 Rupees
<b>Cash Flow from operating activities</b>		
Profit before taxation	104,324	113,212
<b>Adjustment for non cash charges and other items</b>		
Depreciation	202,080	154,074
Depreciation of assets leased out	6,543,797	6,949,074
Loss/(Gain) on sale of investments	-	71,568
Financial charges	3,804	6,131
Dividend income	(429,753)	(218,700)
Profit on bank deposits	(147,336)	(120,101)
	6,172,592	6,842,046
<b>(Increase)/decrease in current assets</b>		
Advances, deposits, prepayments and other receivables	2,479	(9,432,014)
Murabahah and Musharakah financing	6,020,254	927,496
	6,022,733	(8,504,518)
<b>(Decrease)/Increase in current liabilities</b>		
Creditors, accrued and other liabilities	(2,898,454)	(264,465)
Cash flow from operations	9,401,195	(1,813,725)
Financial charges	(3,804)	(6,131)
Receipt/(Payment) of security deposits from lessees	1,158,286	4,208,582
	1,154,482	4,202,451
Net cash inflow from operating activities	10,555,677	2,388,726
<b>Cash flow from investing activities</b>		
Sale proceeds of investments	-	285,642
Purchase of Investments	(2,433,369)	(72,360)
Purchase of property and equipment	-	(1,983,000)
Dividend income	429,753	218,700
Profit on bank deposits	147,336	120,101
Investment in lease finance net	(3,049,213)	(9,788,556)
Net cash outflow from investing activities	(4,905,493)	(11,219,473)
<b>Cash flow from financing activities</b>		
Net Cash Outflow from financing Activities	-	-
Net increase/(decrease) in cash and cash equivalents	5,650,184	(8,830,747)
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	19,888,759	14,258,887

**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 PERIOD ENDED SEPTEMBER 30, 2018  
(UN-AUDITED)**



**FIRST ELITE CAPITAL MODARABA**

	Issued, Subscribed and Paid-up Capital	Statutory Reserve	Available for sale financial assets	Accumulated losses	Total	Total equity
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
As at July 01, 2017	113,400,000	31,074,260	548,004	(20,082,712)	11,539,552	124,939,552
Net profit for the period	-	-	-	113,212	113,212	113,212
Other comprehensive loss for the period	-	-	(246,254)	-	(246,254)	(246,254)
As at September 30, 2017	113,400,000	31,074,260	301,750	(19,969,500)	11,406,510	124,806,510
As at June 30, 2018	113,400,000	32,018,014	(1,248,037)	(16,224,713)	14,545,264	127,945,264
Profit distribution @ 3.00% i.e. Re.0.30 per certificate for the year ended June 30, 2018	-	-	-	(3,402,000)	(3,402,000)	(3,402,000)
Net profit for the period	-	-	-	104,324	104,324	104,324
Other comprehensive loss for the period	-	-	(586,979)	-	(586,979)	(586,979)
As at September 30, 2018	113,400,000	32,018,014	(1,835,016)	(19,522,389)	10,660,609	124,060,609

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

Chairman

Director

Chief Financial Officer



# FIRST ELITE CAPITAL MODARABA

## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE PERIOD ENDED SEPTEMBER 30, 2018 (UN-AUDITED)

### 1 STATUS AND NATURE OF BUSINESS

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. 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 balance sheet as at June 30, 2018 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 period ended September 30, 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 (now 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, 2018.

### 4 CASH AND BANK BALANCES

	Un-audited September 30, 2018 Rupees	Audited June 30, 2018 Rupees
Cash in hand	545,176	79,305
Cash at bank in		
- current accounts	44,314	46,478
- saving/deposit accounts	19,299,269	14,112,792
	<b>19,888,759</b>	<b>14,238,575</b>




## FIRST ELITE CAPITAL MODARABA

	Un-audited September 30, 2018 Rupees	Audited June 30, 2018 Rupees
<b>5 SHORT TERM INVESTMENTS</b>		
Cost of investment	22,317,644	19,884,275
Fair value adjustment	(1,835,016)	(1,248,237)
Accumulated Impairment	(3,736,390)	(3,736,390)
	<b>16,746,238</b>	<b>14,899,848</b>
<b>6 CONTINGENCIES AND COMMITMENTS</b>		
<b>Contingencies</b>		
There is no significant change in the status of contingencies since June 30, 2018.		
<b>Commitments</b>		
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.		
<b>7 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL</b>		
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
	<b>113,400,000</b>	<b>113,400,000</b>
<b>8 STATUTORY RESERVE</b>		
This represents special reserve created in compliance with the Prudential Regulations for Modarabas issued by the Securities and Exchange Commission of Pakistan.		
<b>9 RELATED PARTY TRANSACTIONS AND BALANCES</b>		
Related parties from the Modaraba's perspective comprise Modaraba's Management Company only. Transactions with related party are limited to management fee payable to the Management Company. The details are as follows:		
	Un-Audited September 30, 2018 Rupees	Un-Audited September 30, 2017 Rupees
<b>9.1 Transactions with related parties</b>		
<b>Nature of relationship Nature of transaction</b>		
Management Company Management fee	-	-
Profit distribution	340,200	-
	Un-Audited September 30, 2018 Rupees	Audited June 30, 2018 Rupees
<b>9.2 Balances with related parties</b>		
<b>Nature of relationship Nature of balance</b>		
Management Company Management fee payable	524,308	524,308
Profit distribution payable	340,200	-
<b>10 EVENTS AFTER THE REPORTING PERIOD</b>		
There are no significant events after the reporting period that may require any adjustment or disclosure in this condensed interim financial information.		
<b>11 DATE OF AUTHORIZATION FOR ISSUE</b>		
This condensed interim financial information have been approved by the Board of Directors of the Management Company and authorized for issue on October 26, 2018.		
<b>12 GENERAL</b>		
<b>12.1</b> Comparative Figures have been re-arranged, wherever necessary for the purpose of comparison.		
<b>12.2</b> 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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