



FIRST ELITE CAPITAL MODARABA

Managed By:
CRESCENT MODARABA MANAGEMENT COMPANY LIMITED

REF:FECM/CS/794
February 23, 2018

The General Manager
Pakistan Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road,
Karachi.

Re: FINANCIAL RESULTS FOR THE HALF YEAR ENDED DECEMBER 31, 2017

Dear Sir:

We have to inform you that the Board of Directors of Crescent Modaraba Management Company Limited, Manager of First Elite Capital Modaraba in their meeting held at 3:00 P.M. on Friday, February 23, 2018 have considered and approved accounts of the Modaraba for the Half Year ended December 31, 2017.

The Financial results of the Modaraba are as follows.

	Half Year Ended December 31,		Quarter Ended December 31,	
	2017 Rupees	2016 Rupees	2017 Rupees	2016 Rupees
Total Income	22,106,878	25,950,561	10,426,457	15,751,914
Depreciation of assets leased out	13,968,536	13,538,358	7,019,462	6,961,752
Administrative and general expenses	10,137,815	17,121,448	5,525,811	12,984,258
Financial Charges	12,167	7,329	6,036	2,814
	24,118,519	30,667,135	12,551,310	19,948,824
Operating (Loss)/Profit	(2,011,641)	(4,716,574)	(2,124,853)	(4,196,910)
Management Fee	-	-	-	-
(Loss)/Profit before taxation	(2,011,641)	(4,716,574)	(2,124,853)	(4,196,910)
Taxation	-	-	-	-
(Loss)/Profit after taxation	(2,011,641)	(4,716,574)	(2,124,853)	(4,196,910)
(Loss)/Earnings per certificate—basic and diluted	(0.18)	(0.42)	(0.19)	(0.37)

We will be sending you 200 copies of printed Accounts for distribution amongst the members of the Exchange.

Sincerely,
For FIRST ELITE CAPITAL MODARABA


CHIEF EXECUTIVE


COMPANY SECRETARY

**INDEPENDENT AUDITORS' REPORT TO THE CERTIFICATE HOLDERS ON
REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION**

Introduction

We have reviewed the accompanying condensed interim balance sheet of **First Elite Capital Modaraba** ("the Modaraba") as at December 31, 2017, and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity for the six months period then ended, and a summary of significant accounting policies and other explanatory notes (here-in-after collectively referred to as "condensed interim financial information"). The management company of the Modaraba is responsible for the preparation and fair presentation of this condensed interim financial information in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review. The figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarter ended December 31, 2017 and December 31, 2016 have not yet been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2017.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information performed by the Independent Auditor of the Entity." A review of condensed interim financial information consist 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 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.

Basis for Qualified Conclusion

During the period the Modaraba has not updated provision for Murabaha Micro Finance facilities outstanding for more than 2 years ignoring the provision of 100% of the outstanding balances of principal as per *Regulation 5 of Part III of the Prudential Regulations for Modarabas*. Had the Modaraba updated the provision in the accounts, the loss before taxation would have been increased by Rs. 14,097,647/-, and the statutory reserves and the short term finances under murabaha arrangements – secured, would have been decreased by the same amount.

Qualified Conclusion

Based on our review, except for the matter described in preceding paragraph, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as of and for the six month period ended December 31, 2017, is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.



ILYAS SAEED & CO.

Chartered accountants

Engagement Partner: Muhammad Ilyas

LAHORE

Date: