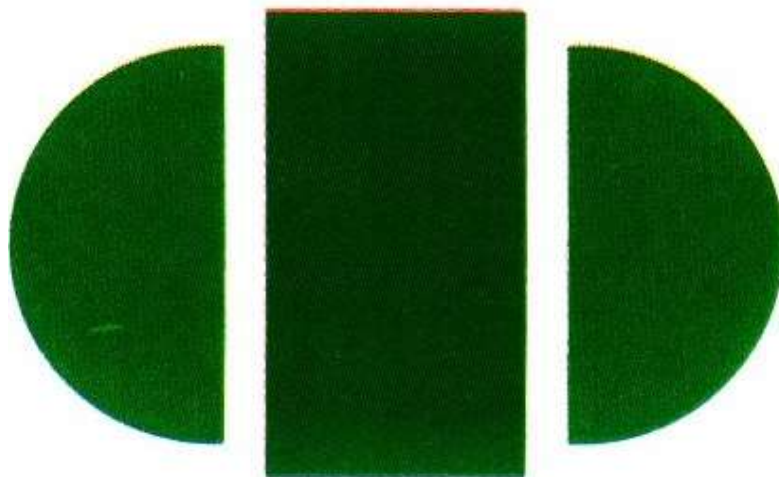


# **FIRST EQUITY MODARABA**

Quarter and Nine Months Reports  
For the period ended  
March 31, 2018



Managed by

**PREMIER FINANCIAL SERVICES (PVT) LTD**



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# FIRST EQUITY MODARABA

## CORPORATE INFORMATION

Modaraba Company : PREMIER FINANCIAL SERVICES (PVT) LTD

### BOARD OF DIRECTORS

Mr Zahid Bashir

Mr Nadeem Maqbool

Mr Qaiser Magoon

Mr Adil A Ghaffar - Chief Executive Officer

### AUDIT COMMITTEE

Mr Qaiser Magoon

Mr Zahid Bashir

Mr Nadeem Maqbool

### HUNAM RESOURCE COMMITTEE

Mr Zahid Bashir

Mr Nadeem Maqbool

Mr Adil A Ghaffar

## REGISTERD AND BUSINESS ADDRESS

B-1004 Lakson Square Building # 3

Sarwar Shaheed Road

Karachi

Tel : 021-35672815-18

Fax : 021-35686116

e-mail: [info@firstequitymodaraba.com.pk](mailto:info@firstequitymodaraba.com.pk)

website: [firstequitymodaraba.com.pk](http://firstequitymodaraba.com.pk)

Room No 503-504

Karachi Stock Exchange Building

Karachi

Tel : 021-32446020-3

Fax : 021-32446024

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**FIRST EQUITY MODARABA  
DIRECTORS REPORT**

The Directors of Premier Financial Services (Private) Ltd, the management company of FIRST EQUITY MODARABA, are pleased to present their report and the un-audited financial statements of the Modaraba for the nine months and quarter ended March 31, 2018.

***Financial Results***

Profit for the nine months ended March 31, 2018 amounted to Rupees 1.525 million as compared to Rupees 42.714 million for the same period last year. The earning per certificate as at March 31, 2018 was Rs 0.029 as against Rs. 0.81. The break up value, per modaraba certificate, stands at Rs 11.86 at the end of the period.

The formation of two wholly owned subsidiary companies are under process and we anticipate that by the end of the financial year the brokerage business will be shifted to the wholly owned subsidiary.

For and on behalf of Board

Karachi  
April 26, 2018

**Adil A Ghaffar**  
**Chief Executive Officer**

## فرسٹ ایکویٹی مضاربہ (ڈائریکٹرز کی رپورٹ)

پریسٹرٹیشنل سرورس (پرائیویٹ) لمیٹڈ کے ڈائریکٹرز اور انتظامیہ "فرسٹ ایکویٹی مضاربہ" کے غیر جانچ شدہ مالی بیانیہ (Un-audited Financial Statement) کی تیسری سہ ماہی اور نویں مہینے، 31 مارچ 2018 سے متعلق رپورٹ پیش کرتے ہوئے اہتہائی مسرت محسوس کرتے ہیں۔

مالی نتائج: (Financial Results)

گزشتہ سال کے نو ماہ کے مبلغ 42.714 ملین روپے منافع کے مقابلے میں رواں سال (دورانیے) 31 مارچ 2018ء کے نو ماہ کا منافع مبلغ 1.525 ملین روپے رہا۔  
31 مارچ 2018 کوئی شوٹکیٹ آمدنی 0.81 روپے کے برخلاف، رواں سال مبلغ 0.029 روپے تھی۔ جبکہ دورانیے کے اختتام پر پی مضاربہ شوٹکیٹ کی Break Up Value مبلغ 11.86 روپے رہی۔

ذیلی کمپنیوں کی تکمیل کا عمل جاری ہے اور ہمیں توقع ہے کہ مالی سال کے اختتام تک بروکریج کا کاروبار ذیلی کمپنیوں کی کومینٹل کو دیا جائے گا

For and on behalf of Board.

عادل عبدالغفار  
(چیف ایگزیکٹو آفیسر)

Karachi:

April 26, 2018

**FIRST EQUITY MODARABA**  
**CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)**  
**AS AT MARCH 31, 2018**

	Note	March 31 2018 Rupees	Audited June 30, 2017 Rupees
<b>EQUITY AND LIABILITIES</b>			
<b>Capital &amp; Reserves</b>			
Authorised capital			
60,000,000 (June 30, 2017: 60,000,000) modaraba certificates of Rs. 10 each		<b>600,000,000</b>	600,000,000
<hr/>			
Certificate capital		<b>524,400,000</b>	524,400,000
Reserves	3	<b>132,368,492</b>	162,307,132
Remeasurement of define benefit liability - Actuarial gain		<b>594,518</b>	594,518
Unrealised loss on re-measurement of investments		<b>(35,489,145)</b>	(30,617,609)
<b>Certificate holders' equity</b>		<b>621,873,865</b>	656,684,041
<b>Non-current liabilities</b>			
Deferred liabilities		<b>3,347,000</b>	2,864,104
Security deposit		<b>200,000</b>	200,000
<b>Total non-current liabilities</b>		<b>3,547,000</b>	3,064,104
<b>Current liabilities</b>			
Creditors, accrued and other liabilities		<b>19,074,274</b>	62,660,247
Unclaimed profit distributions		<b>37,718,648</b>	28,730,534
<b>Total current liabilities</b>		<b>56,792,922</b>	91,390,781
<b>Total liabilities</b>		<b>60,339,922</b>	94,454,885
<b>Total equity and liabilities</b>		<b>682,213,787</b>	751,138,926

**FIRST EQUITY MODARABA**  
**CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)**  
**AS AT MARCH 31, 2018**

	Note	March 31 2018 Rupees	Audited June 30, 2017 Rupees
<b>ASSETS</b>			
<b>Non - current assets</b>			
Fixed assets			
- tangible		6,524,946	7,113,994
- intangible			10,000,000
		<b>6,524,946</b>	<b>17,113,994</b>
Long term investments	4	398,217,360	398,217,360
Investment property		1,651,667	1,711,667
Advances		2,510,000	2,510,000
Deposits		1,750,000	1,750,000
<b>Total non-current assets</b>		<b>410,653,973</b>	<b>421,303,021</b>
<b>Current assets</b>			
Morabaha / musharaka receivables - secured		140,622,746	134,320,480
Short term investments		68,836,009	101,074,443
Advances		144,522	3,391,684
Trade deposits and prepayments		15,362,625	15,185,627
Other receivables		22,898,924	25,203,850
Tax refunds due from government		13,539,793	9,265,078
Cash and bank balances		10,155,195	41,394,743
<b>Total current assets</b>		<b>271,559,814</b>	<b>329,835,905</b>
<b>Total assets</b>		<b>682,213,787</b>	<b>751,138,926</b>

The annexed notes from 1 to 5 form an integral part of the condensed interim financial information.

Adil A Ghaffar  
Chief Executive  
Premier Financial  
Services (Private) Ltd.

Zahid Bashir  
Director  
Premier Financial  
Services (Private) Ltd.

Nadeem Maqbool  
Director  
Premier Financial  
Services (Private) Ltd.

## FIRST EQUITY MODARABA

## CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)

## FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2018

	Quarter ended		Nine months ended	
	March 31 2018 Rupees	March 31 2017 Rupees	March 31 2018 Rupees	March 31 2017 Rupees
Income	5,715,529	38,398,163	15,525,914	59,919,129
Expenditure				
Operating expenses	(4,760,235)	(6,417,110)	(14,000,554)	(17,204,830)
<b>Operating profit</b>	<b>955,294</b>	<b>31,981,053</b>	<b>1,525,360</b>	<b>42,714,299</b>
Taxation	-	-	-	-
<b>Profit for the period</b>	<b>955,294</b>	<b>31,981,053</b>	<b>1,525,360</b>	<b>42,714,299</b>
<b>Earnings per certificate</b>	<b>0.018</b>	<b>0.610</b>	<b>0.029</b>	<b>0.815</b>

The annexed notes from 1 to 5 form an integral part of the condensed interim financial information.

Adil A Ghaffar  
Chief Executive  
Premier Financial  
Services (Private) Ltd.

Zahid Bashir  
Director  
Premier Financial  
Services (Private) Ltd.

Nadeem Maqbool  
Director  
Premier Financial  
Services (Private) Ltd.



**FIRST EQUITY MODARABA**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE QUARTER AND NINE MONTH ENDED MARCH 31, 2018**

	Quarter ended		Nine Months ended	
	March 31	March 31	March 31	March 31
	2018	2017	2018	2017
	Rupees	Rupees	Rupees	Rupees
Profit for the period	<b>955,294</b>	37,105,906	<b>1,525,360</b>	42,714,299
<b>Other comprehensive income</b>				
Unrealised gain / (loss) on re-measurement investments	<b>13,472,033</b>	(11,987,638)	<b>(10,775,055)</b>	(5,749,281)
Gain / (loss) realised on disposal of investments	<b>1,791,850</b>	2,728,021	<b>5,903,519</b>	10,634,943
	15,263,883	(9,259,617)	(4,871,536)	4,885,662
Taxation relating to component of other comprehensive income	-	-	-	-
Other comprehensive income	<b>15,263,883</b>	(9,259,617)	<b>(4,871,536)</b>	4,885,662
<b>Total comprehensive income</b>	<b>16,219,177</b>	27,846,289	<b>(3,346,176)</b>	47,599,961

Adil A Ghaffar  
Chief Executive  
Premier Financial  
Services (Private) Ltd.

Zahid Bashir  
Director  
Premier Financial  
Services (Private) Ltd.

Nadeem Maqbool  
Director  
Premier Financial  
Services (Private) Ltd.

## FIRST EQUITY MODARABA

## CONDENSED INTERIM STATEMENT OF CASH FLOWS STATEMENTS

FOR THE NINE MONTHS ENDED MARCH 31, 2018

	March 31 2018 Rupees	March 31 2017 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit for the period	1,525,360	42,714,299
<b>Adjustments for non cash/non operating items:</b>		
Depreciation	742,186	1,517,355
Provision for gratuity	482,896	128,375
Dividend income	(2,381,403)	(1,982,133)
	<b>(1,156,321)</b>	<b>(336,403)</b>
<b>Operating profit before working capital changes</b>	<b>369,039</b>	<b>42,377,896</b>
<b>(Increase) / decrease in current assets</b>		
Morabaha / musharaka receivables	(6,302,266)	10,971,196
Advances	(1,027,487)	(2,670,178)
Trade deposits and prepayments	(177,001)	37,349
Other receivables	2,247,939	(13,759,759)
	<b>(5,258,815)</b>	<b>(5,421,392)</b>
<b>(Decrease) / increase in current liabilities</b>		
Creditors, accrued and other liabilities	(33,585,974)	4,191,700
	<b>(38,844,789)</b>	<b>(1,229,692)</b>
Dividend paid	(22,475,886)	(4,382,496)
	<b>(22,475,886)</b>	<b>(4,382,496)</b>
<b>Net cash used in operating activities</b>	<b>(61,320,675)</b>	<b>(5,612,188)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Investments	27,366,899	(14,832,376)
Dividends received	2,438,332	1,767,197
Purchases of tangible assets	(93,143)	(5,878,466)
<b>Net cash (use in) generated from investing activities</b>	<b>29,712,088</b>	<b>(18,943,645)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>(31,239,548)</b>	<b>17,822,063</b>
Cash and cash equivalents at the beginning of the period	41,394,743	10,789,610
<b>Cash and cash equivalents at the end of the period</b>	<b>10,155,195</b>	<b>28,611,673</b>

The annexed notes from 1 to 5 form an integral part of the condensed interim financial information.

Adil A Ghaffar  
Chief Executive  
Premier Financial  
Services (Private) Ltd.

Zahid Bashir  
Director  
Premier Financial  
Services (Private) Ltd.

Nadeem Maqbool  
Director  
Premier Financial  
Services (Private) Ltd.

**FIRST EQUITY MODARABA**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY**  
**FOR THE NINE MONTHS ENDED MARCH 31, 2018**

	Certificate Capital	Special reserve	Certificate premium account	General reserve	Remeasure ment of define benefit liability	Unrealised gain / (loss) on re- measurement of available for sale	Un appropriated profit / accumulated loss	Total
	Rupees	Rupees	Rupees	Rupees		Rupees	Rupees	Rupees
Balance as at July 1, 2016	524,400,000	152,500,000	131,100,000	27,120,000	358,832	(25,645,604)	(184,107,967)	625,725,261
Profit distribution							(6,817,200)	(6,817,200)
Total comprehensive income for the period	-	-	-	-	-	4,885,662	42,714,299	47,599,961
Balance as at March 31, 2017	524,400,000	152,500,000	131,100,000	27,120,000	358,832	(20,759,942)	(148,210,868)	666,508,022
Balance as at July 01, 2017	<b>524,400,000</b>	<b>161,050,000</b>	<b>131,100,000</b>	<b>27,120,000</b>	<b>594,518</b>	<b>(30,617,609)</b>	<b>(156,962,868)</b>	<b>656,684,041</b>
Profit distribution							(31,464,000)	(31,464,000)
Total comprehensive income for the period	-	-	-	-	-	(4,871,536)	1,525,360	(3,346,176)
<b>Balance as at March 31, 2018</b>	<b>524,400,000</b>	<b>161,050,000</b>	<b>131,100,000</b>	<b>27,120,000</b>	<b>594,518</b>	<b>(35,489,145)</b>	<b>(186,901,508)</b>	<b>621,873,865</b>

The annexed notes from 1 to 5 form an integral part of the condensed interim financial information.

Adil A Ghaffar  
Chief Executive  
Premier Financial  
Services (Private) Ltd.

Zahid Bashir  
Director  
Premier Financial  
Services (Private) Ltd.

Nadeem Maqbool  
Director  
Premier Financial  
Services (Private) Ltd.

**FIRST EQUITY MODARABA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED MARCH 31, 2018**

**1 Legal Status and Nature of Business**

First Equity Modaraba (the Modaraba) was formed in 1991 under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 and the Rules framed thereunder and is managed by Premier Financial Services (Private) Limited (Modaraba Management Company), a Company incorporated in Pakistan.

The Modaraba is a perpetual, multi purpose modaraba and is able to undertake a variety of fund and fee based activities. These include trading, manufacturing, equity investment and their financing and facilitation.

The Modaraba is listed on Pakistan Stock Exchanges Ltd

The Modaraba is holding two Trading Right Entitlement certificates of Pakistan Stock Exchange Ltd and is currently operating its brokerage activities in Karachi.

The modaraba is holding Equity Textiles Ltd as a wholly owned subsidiary company

**2 General**

- 2.1 These financial statements are unaudited and are being submitted to certificate holders as required by Rule 10 of the Modaraba Companies and Modaraba Rules, 1981.
- 2.2 The accounting policies adopted for the preparation of these unaudited financial statements are the same as those applied in preparation of the audited published financial statements of the Modaraba for the year ended June 30, 2017
- 2.3 The Modaraba Company's management fee, statutory reserve @ 20% to 50 %, provisions, profit Distribution and taxation will be determined at the year end. No provision for income tax will be required if not less than 90% of the Modaraba's profit for the year is distributed as cash dividend, except the presumptive tax
- 2.4 These financial statements are in compliance with the disclosure requirements of International Accounting Standard (IAS)-34 "Interim Financial Reporting".

**3 Reserves**

	March 2018 Rupees	June 2017 Rupees
Capital reserve	292,150,000	292,150,000
Revenue reserve	(159,781,508)	(129,842,868)
	<u>132,368,492</u>	<u>162,307,132</u>

**4 Investments**

Listed Securities - available for sale	16,071,330	16,071,330
Unlisted Securities	32,146,030	32,146,030
	<u>48,217,360</u>	<u>48,217,360</u>
	-	
Wholly owned subsidiary	350,000,000	350,000,000
	<u>398,217,360</u>	<u>398,217,360</u>

- 5 These financial statements were authorized for issue in accordance with a resolution of the Board of Directors on April 26, 2018

Adil A Ghaffar  
Chief Executive  
Premier Financial  
Services (Private) Ltd.

Zahid Bashir  
Director  
Premier Financial  
Services (Private) Ltd.

Nadeem Maqbool  
Director  
Premier Financial  
Services (Private) Ltd.

# **EQUITY TEXTILES LIMITED**

Wholly Owned Subsidiary of  
**First Equity Modaraba**  
nine months ended  
March 31, 2018

**EQUITY TEXTILES LIMITED**  
**BALANCE SHEET AS AT MARCH 31, 2018**

	March 2018 Rupees	June 2017 Rupees
<b>ASSETS</b>		
<b>NON CURRENT ASSETS</b>		
Property, plant and equipment		
Operating fixed assets	1,294,812,533	1,341,283,645
Long Term Deposit	245,900	245,900
	1,295,058,433	1,341,529,545
<b>CURRENT ASSETS</b>		
Stores and spares	31,043,451	27,653,481
Stock in trade	449,868,951	251,526,526
Short term investment	16,571,567	20,932,336
Trade debts	119,551,265	102,040,587
Loans and advances	39,774,833	41,508,890
Trade deposits and short term prepayments	40,739,123	24,707,147
Other receivables	335,780	947,652
Tax refund due from government	58,595,376	39,344,394
Tax -net	146,793	8,635,717
Cash and bank balances	9,136,179	6,716,261
	765,763,318	524,012,991
<b>TOTAL ASSETS</b>	<u>2,060,821,751</u>	<u>1,865,542,536</u>
<b>EQUITY AND LIABILITIES</b>		
<b>SHARE CAPITAL AND RESERVES</b>		
Authorized share capital	250,000,000	250,000,000
25,000,000 shares of Rs. 10/- each		
Issued, subscribed and paid-up share capital	250,000,000	250,000,000
Unrealized Loss on investments	(8,056,079)	(3,695,310)
Profit and (loss) account	8,283,616	(25,781,088)
	227,537	(29,476,398)
	250,227,537	220,523,602
Surplus on revaluation of fixed assets	455,730,164	492,681,258
<b>NON CURRENT LIABILITIES</b>		
Long term financing	201,124,862	282,447,812
Long Term Markup	1,255,772	2,216,856
Deferred taxation	211,973,431	231,083,864
	414,354,065	515,748,532
<b>CURRENT LIABILITIES</b>		
Trade and other payables	438,697,926	324,542,376
Accrued Markup	36,001,015	27,035,674
Short term borrowings	305,996,617	146,592,260
Current portion of long term liabilities	159,814,427	138,418,834
	940,509,985	636,589,144
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>2,060,821,751</u>	<u>1,865,542,536</u>

CHIEF EXECUTIVE

DIRECTOR

**EQUITY TEXTILES LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE NINE MONTHS ENDED MARCH 31, 2018**

	<b>March 2018</b> <b>Rupees</b>	<b>March 2017</b> <b>Rupees</b>
Sales	2,089,624,965	1,767,987,018
Cost of Sales	(2,008,284,058)	(1,747,449,471)
Gross profit	<u>81,340,907</u>	<u>20,537,547</u>
Administrative and general expenses	(20,326,265)	(18,096,266)
Distribution and selling expenses	(13,255,639)	(11,622,169)
Operating Profit/Loss	<u>47,759,003</u>	<u>(9,180,888)</u>
Financial charges	<u>(48,352,451)</u>	<u>(49,365,081)</u>
Other charges	(48,352,451)	(2,116)
	<u>(593,448)</u>	<u>(49,367,197)</u>
Other income	1,749,604	(58,548,085)
Profit/Loss before taxation	<u>1,156,156</u>	<u>847,618</u>
Provision for taxation		<u>(57,700,467)</u>
Current	<u>(22,637,029)</u>	<u>(14,409,017)</u>
Prior	(510,949)	(198,235)
Deferred	<u>19,110,433</u>	<u>14,296,841</u>
	<u>(4,037,545)</u>	<u>(310,411)</u>
Loss after taxation	<u>(2,881,389)</u>	<u>(58,010,878)</u>
Loss per share - basic and diluted	<u>(0.115)</u>	<u>(2.3204)</u>

CHIEF EXECUTIVE

DIRECTOR

