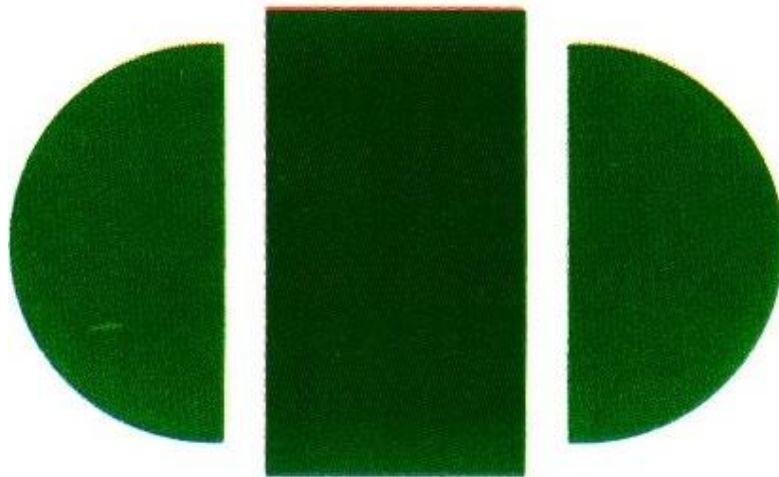


FIRST EQUITY MODARABA

Quarter and Nine Months Reports
For the period ended
March 31, 2022



Managed by

PREMIER FINANCIAL SERVICES (PVT) LTD



FIRST EQUITY MODARABA

CORPORATE INFORMATION

Modaraba Company : PREMIER FINANCIAL SERVICES (PVT) LTD

BOARD OF DIRECTORS

Mr Nadeem Maqbool
Ms Alizeh Bashir

Mr Qaiser Ahmed Magoon
Mr Adil A Ghaffar - Chief Executive Officer

AUDIT COMMITTEE

Mr Qaiser Ahmed Magoon
Ms Alizeh Bashir
Mr Nadeem Maqbool

HUNAM RESOURCE COMMITTEE

Mr Qaiser Ahmed Magoon
Mr Nadeem Maqbool
Mr Adil A Ghaffar

REGISTERED AND BUSINESS ADDRESS

B-1004 Lakson Square Building # 3
Sarwar Shaheed Road
Karachi
Tel : 021-35672815-18
Fax : 021-35686116

Room No 503-504
Karachi Stock Exchange Building
Karachi
Tel : 021-32446020-3
Fax : 021-32446024

e-mail: info@firstequitymodaraba.com.pk
website: firstequitymodaraba.com.pk

Contents

Corporate information	1
Report of the Directors	2
Balance sheet	4
Profit and loss account	6
Statement of comprehensive income	7
Cash flow statement	8
Statement of changes in equity	9
Notes to the financial statements	10
Equity Textile Ltd-Balance Sheet	12
Equity Textile Ltd-Profit & Loss A/c	13

**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, 2022.

Financial Results

Profit for the nine months ended March 31, 2022 amounted to Rupees 2.07 million as compared to Rupees 8.44 million for the same period last year. The profit per certificate as at March 31, 2022 was Rs 0.04 as against Rs. 0.16 per certificate last year. The break up value, per modaraba certificate, stands at Rs 11.08 at the end of the period.

Prospects

Further to our views expressed in our previous reports during the current financial year on the state of economy, trade, finance and industry, we believe that capital market will respond accordingly, after the political and economic uncertainties are settled and supply chain restored.

For and on behalf of Board

Karachi
April 27, 2022

Adil A Ghaffar
Chief Executive Officer

فرسٹ ایکویٹی مضاربہ

ڈائریکٹرز رپورٹ

فرسٹ ایکویٹی مضاربہ کی انتظامی کمیٹی پریسبیر فنانشل سروسز (پرائیویٹ) لمیٹڈ کے ڈائریکٹرز اپنی رپورٹ اور مضاربہ کے غیر آڈٹ شدہ مالیاتی گوشوارے برائے اختتامی مدت نومبر اور دسمبر ماہ 30 مارچ 2022ء پیش کرتے ہوئے مسرت محسوس کرتے ہیں۔

مالیاتی نتائج:

گذشتہ سال اسی مدت کے منافع مبلغ 8.445 ملین روپے کے مقابلے میں 31 مارچ 2022ء کو اختتام پزیر ہونیوالی نو ماہی مدت میں مبلغ 2.07 ملین روپے کا منافع ہوا۔ 31 مارچ 2022ء تک فی سٹریٹیکٹ آمدنی مبلغ 0.04 روپے تھی جبکہ گذشتہ سال اسی مدت میں فی سٹریٹیکٹ آمدنی مبلغ 0.16 روپے تھی۔ مدت کے اختتام تک بریک اپ ویلیو مبلغ 11.08 روپے فی سٹریٹیکٹ تھی۔

تسلیمات:

ہماری گذشتہ سال کی سالانہ رپورٹ میں معیشت، تجارت، مالیات اور صنعت کے بارے میں ہمارا نظریہ ظاہر کیا گیا ہے۔ ہمارا خیال ہے کہ ایک باریک بینی اور معاشی غیر یقینی صورتحال ختم ہو جائے تو سرمایہ کاری کی مارکیٹ میں مزید تیزی کا رجحان پیدا ہوگا۔ کورونا وبا کا رجحان کم ہو رہا ہے اور اقتصادی سرگرمیاں شروع ہو گئی ہیں۔

بورڈ کی جانب سے

کراچی، 27 اپریل 2022ء

عادل اے غفار

چیف ایگزیکٹو آفیسر

FIRST EQUITY MODARABA
CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)
AS AT MARCH 31, 2022

Page 4

	Note	March 31 2022 Rupees	Audited June 30, 2021 Rupees
EQUITY AND LIABILITIES			
Capital & Reserves			
Authorised capital 60,000,000 (June 30, 2021: 60,000,000) modaraba certificates of Rs. 10 each		600,000,000	600,000,000
<hr/>			
Certificate capital		524,400,000	524,400,000
Reserves	3	109,755,200	133,906,238
Remeasurement of define benefit liability - Actuarial gain		738,541	738,541
Unrealised loss on re-measurement of investments		(53,944,278)	7,200,492
Certificate holders' equity		580,949,463	666,245,271
Non-current liabilities			
Deferred liabilities		5,518,924	5,710,591
Security deposit		200,000	-
Total non-current liabilities		5,718,924	5,710,591
Current liabilities			
Creditors, accrued and other liabilities		12,427,497	22,455,658
Unclaimed profit distributions		40,454,781	29,553,525
Total current liabilities		52,882,278	52,009,183
Total liabilities		58,601,202	57,719,774
Total equity and liabilities		639,550,665	723,965,045

FIRST EQUITY MODARABA
CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)
AS AT MARCH 31, 2022

Page 5

	Note	March 31 2022 Rupees	Audited June 30, 2021 Rupees
ASSETS			
Non - current assets			
Fixed assets			
- tangible		4,236,918	5,211,713
- intangible		-	-
		4,236,918	5,211,713
Long term investments	4	405,993,291	402,194,798
Investment property		1,141,667	1,231,667
Advances		2,510,000	2,510,000
Deposits		1,350,000	1,750,000
Total non-current assets		415,231,876	412,898,178
Current assets			
Morabaha / musharaka receivables - secured		9,329,642	8,634,174
Short term investments		112,859,808	161,149,390
Advances- Considered goods		11,752,581	11,374,402
Trade deposits and prepayments		16,670,701	16,382,098
Other receivables		61,122,986	30,075,415
Cash and bank balances		12,583,072	83,451,388
Total current assets		224,318,789	311,066,867
Total assets		639,550,665	723,965,045

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

Qazi Obaid Ullah	Adil A Ghaffar	Nadeem Maqbool	Alizeh Bashir
Chief Financial Officer	Chief Executive Officer	Director	Director
	Premier Financial	Premier Financial	Premier Financial
	Services (Private) Ltd.	Services (Private) Ltd.	Services (Private) Ltd.

FIRST EQUITY MODARABA

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)

FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2022

	Quarter ended		Nine months ended	
	March 31 2022 Rupees	March 31 2021 Rupees	March 31 2022 Rupees	March 31 2021 Rupees
Income	(1,969,407)	5,572,078	23,084,771	23,957,239
Expenditure				
Operating expenses	(5,661,899)	(3,474,149)	(17,295,794)	(15,511,388)
Operating profit/(Loss)	(7,631,306)	2,097,929	5,788,977	8,445,851
Taxation	(50,000)	-	(3,720,000)	-
(Loss) /Profit for the period	(7,631,306)	2,097,929	2,068,977	8,445,851
(Loss)/Earnings per certificate	(0.146)	0.040	0.039	0.161

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

Qazi Obaid Ullah

Chief Financial Officer

Adil A Ghaffar

Chief Executive Officer

Premier Financial
Services (Private) Ltd.

Nadeem Maqbool

Director

Premier Financial
Services (Private) Ltd.

Alizeh Bashir

Director

Premier Financial
Services (Private) Ltd.

**FIRST EQUITY MODARABA
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER AND NINE MONTH ENDED MARCH 31, 2022**

	Quarter ended		Nine Months ended	
	March 31 2022 Rupees	March 31 2021 Rupees	March 31 2022 Rupees	March 31 2021 Rupees
Profit/ (Loss) for the period	(7,631,306)	2,097,929	2,068,977	8,445,851
Other comprehensive income				
Unrealised gain / (loss) on re-measurement investments	(30,499,410)	(11,985,928)	(63,441,547)	10,044,088
Gain / (loss) realised on disposal of investments	1,476,416	(74,144)	2,296,777	6,671,976
	(29,022,994)	(12,060,072)	(61,144,770)	16,716,064
Taxation relating to component of other comprehensive income	-	-	-	-
Other comprehensive income / (Loss)	(29,022,994)	(12,060,072)	(61,144,770)	16,716,064
Total comprehensive income / (Loss)	(36,654,300)	(9,962,143)	(59,075,793)	25,161,915

Qazi Obaid Ullah
Chief Financial Officer

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

Nadeem Maqbool
Director
Premier Financial
Services (Private) Ltd.

Alizeh Bashir
Director
Premier Financial
Services (Private) Ltd.

	March 31 2022 Rupees	March 31 2021 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/ (Loss) for the period	5,788,977	8,445,851
Adjustments for non cash/non operating items:		
Depreciation	1,206,278	1,195,518
Dividend income	(24,747,091)	(2,425,704)
	(23,540,813)	(1,230,186)
Operating profit/ (loss) before working capital changes	(17,751,836)	7,215,665
(Increase) / decrease in current assets		
Morabaha / musharaka receivables	(695,467)	43,270,113
Advances	(4,098,178)	(836,861)
Trade deposits and prepayments	(88,603)	(2,320,298)
Other receivables	(31,046,936)	(37,576,819)
	(35,929,184)	2,536,135
(Decrease) / increase in current liabilities		
Creditors, accrued and other liabilities	10,028,161	1,408,713
	(45,957,345)	3,944,848
Dividend paid	(10,901,257)	0
	(10,901,257)	0
Net cash used in operating activities	(56,858,602)	3,944,848
CASH FLOW FROM INVESTING ACTIVITIES		
Investments	(21,277,332)	(37,783,376)
Dividends received	24,746,454	2,425,704
Purchases of tangible assets	(127,000)	(233,616)
Security Deposit Return	400,000	(200,000)
Net cash (use in)/generated from investing activities	3,742,122	(35,791,288)
Net increase / (decrease) in cash and cash equivalents	(70,868,316)	(24,630,775)
Cash and cash equivalents at the beginning of the period	83,451,388	90,758,217
Cash and cash equivalents at the end of the period	12,583,072	66,127,442

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

Qazi Obaid Ullah

Chief Financial Officer

Adil A Ghaffar

Chief Executive Officer

Premier Financial
Services (Private) Ltd.

Nadeem Maqbool

Director

Premier Financial
Services (Private) Ltd.

Alizeh Bashir

Director

Premier Financial
Services (Private) Ltd.

FIRST EQUITY MODARABA
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED MARCH 31, 2022

	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, 2020	524,400,000	161,050,000	131,100,000	27,120,000	446,440	(50,172,068)	(201,784,798)	592,848,635
Total comprehensive income for the period	-	-	-	-	-	16,716,064	8,445,851	25,161,915
Balance as at March 31, 2021	524,400,000	161,050,000	131,100,000	27,120,000	446,440	(33,456,004)	(193,338,947)	618,010,550
Balance as at July 01, 2021	524,400,000	164,334,210	131,100,000	27,120,000	738,541	7,200,492	(188,647,987)	666,245,256
Profit Distribution				(9,798,964)			(16,421,036)	(26,220,000)
Total comprehensive income for the period	-	-	-	-	-	(61,144,770)	2,068,977	(59,075,793)
Balance as at March 31, 2022	524,400,000	164,334,210	131,100,000	17,321,036	738,541	(53,944,278)	(203,000,046)	580,949,463

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

Qazi Obaid Ullah
Chief Financial Officer

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

Nadeem Maqbool
Director
Premier Financial
Services (Private) Ltd.

Alizeh Bashir
Director
Premier Financial
Services (Private) Ltd.

**FIRST EQUITY MODARABA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED MARCH 31, 2022**

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, Capital Financial Services (Pvt) Ltd and Apex Financial Services (Pvt) Ltd inancial Services (Pvt) Ltd as a wholly owned subsidiary companies

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, 2021
- 2.3 The Modaraba Company's management fee, statutory reserve @ 20% to 50 %, provisions and profit Distribution will be determined at the year end.
- 2.4 These financial statements are in compliance with the disclosure requirements of International Accounting Standard (IAS)-34 "Interim Financial Reporting".

3 Reserves

	March 2022 Rupees	June 2021 Rupees
Capital reserve	312,755,246	322,554,210
Revenue reserve	(203,000,046)	(188,647,972)
	<u>109,755,200</u>	<u>133,906,238</u>

4 Investments

Unlisted Securities	55,993,291	52,194,798
Wholly owned subsidiary	350,000,000	350,000,000
	<u>405,993,291</u>	<u>402,194,798</u>

- 5 These financial statements were authorized for issue in accordance with a resolution of the Board of Directors on April 27, 2022

Qazi Obaid Ullah
Chief Financial Officer

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

Nadeem Maqbool
Director
Premier Financial
Services (Private) Ltd.

Alizeh Bashir
Director
Premier Financial
Services (Private) Ltd.

EQUITY TEXTILES LIMITED

Wholly Owned Subsidiary of
First Equity Modaraba
nine months ended
March 31, 2022

EQUITY TEXTILES LIMITED
BALANCE SHEET AS AT MARCH 31, 2022

	Un-Audited March 2022 Rupees	Audited June 2021 Rupees
ASSETS		
NON CURRENT ASSETS		
Property, plant and equipment		
Operating fixed assets	1,318,785,684	1,418,133,888
Intangibles	3,539,319	3,826,293
Long Term Deposit	7,763,700	7,763,700
	1,330,088,703	1,429,723,881
CURRENT ASSETS		
Stores and spares	45,509,428	43,805,958
Stock in trade	926,722,736	254,040,783
Short term investment	7,456,444	8,688,653
Trade debts	449,810,795	359,332,660
Loans and advances	16,402,487	33,787,474
Trade deposits and short term prepayments	85,337,602	77,302,836
Other receivables	14,793,504	27,913,219
Tax refund due from government	64,684,977	41,984,914
Tax - net	19,506,418	-
Cash and bank balances	26,771,396	38,889,593
	1,656,995,787	885,746,090
	<u>2,987,084,490</u>	<u>2,315,469,971</u>
TOTAL ASSETS		
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
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 Remeasurement of investment	(4,786,612)	(3,554,403)
Unappropriated Profit	645,369,934	345,474,229
	640,583,322	341,919,826
	890,583,322	591,919,826
Surplus on revaluation of fixed assets	528,842,623	571,721,754
NON CURRENT LIABILITIES		
Long term financing	9,390,799	37,408,022
Liabilities against asset subject to finance lease	42,825,773	53,999,829
Deferred capital gain	2,203,670	2,938,227
Deferred taxation	227,624,421	140,358,224
	282,044,663	234,704,302
CURRENT LIABILITIES		
Trade and other payables	966,775,104	777,665,241
Accrued Markup	11,061,152	4,816,294
Taxation - Net	-	19,367,909
Short term borrowings	241,561,597	29,043,486
Current portion of long term liabilities	46,702,858	65,613,948
Current portion of deferred capital gain	4,229,944	5,639,926
Current portion of lease liability	15,283,227	14,977,285
	1,285,613,882	917,124,089
	<u>2,987,084,490</u>	<u>2,315,469,971</u>
TOTAL EQUITY AND LIABILITIES		

CHIEF EXECUTIVE

DIRECTOR

EQUITY TEXTILES LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE NINE MONTHS ENDED MARCH 31, 2022

	March 2022 Rupees	March 2021 Rupees
Sales	4,527,531,501	3,096,328,802
Cost of Sales	(4,040,103,982)	(2,939,452,614)
Gross profit	<u>487,427,519</u>	<u>156,876,188</u>
Administrative and general expenses	(40,817,578)	(29,301,896)
Distribution and selling expenses	<u>(25,214,231)</u>	<u>(20,441,908)</u>
Operating Profit / (loss)	421,395,710	107,132,384
Financial charges	<u>(32,170,112)</u>	<u>(34,235,693)</u>
Other charges	<u>(26,851,052)</u>	<u>(5,534,527)</u>
	<u>(59,021,164)</u>	<u>(39,770,220)</u>
	362,374,546	67,362,164
Other income	4,132,217	1,096,457
Profit / (Loss) before taxation	<u>366,506,763</u>	<u>68,458,621</u>
Provision for taxation		
Current	<u>(43,252,494)</u>	<u>(47,743,892)</u>
Prior	39,778,503	(958,171)
Deferred	<u>(87,266,197)</u>	<u>72,706,714</u>
	<u>(90,740,188)</u>	<u>24,004,651</u>
Profit / (Loss) after taxation	<u><u>275,766,576</u></u>	<u><u>92,463,273</u></u>
Profit / (Loss) per share - basic and diluted	<u><u>11.031</u></u>	<u><u>3.699</u></u>

CHIEF EXECUTIVE

DIRECTOR