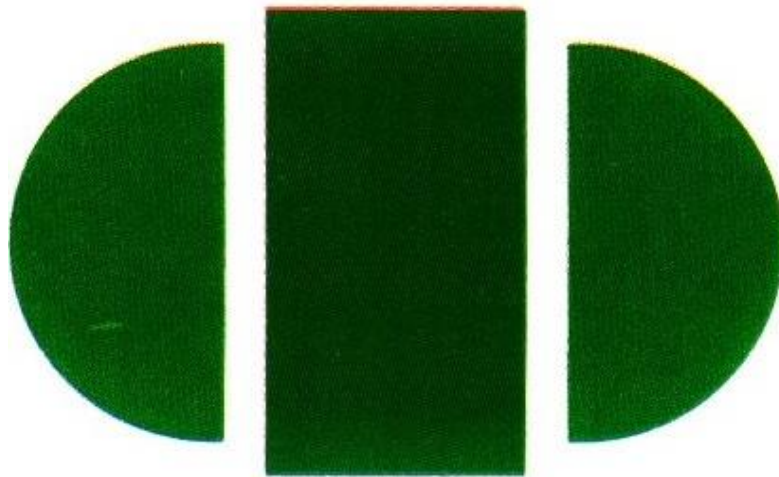


FIRST EQUITY MODARABA

Quarter and Nine Months Reports
For the period ended
March 31, 2021



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

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
website: 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, 2021.

Financial Results

Profit / (loss) for the nine months ended March 31, 2021 amounted to Rupees 8.445 million as compared to Rupees (0.753) million for the same period last year. The Profit / (loss) per certificate as at March 31, 2021 was Rs 0.161 as against Rs. (0.014) per certificate last year. The break up value, per modaraba certificate, stands at Rs 11.79 at the end of the period.

Prospects

Our previous reports during the current financial year expressed our view on the state of economy, trade , finance and industry. We think that once the political and economic uncertainty is settled, the capital market will further show a bullish trend. Covid-19 is again on an increasing trend and until it is settled the pace of economic activities will not start

For and on behalf of Board

Karachi
April 27, 2021

Adil A Ghaffar
Chief Executive Officer

فرسٹ ایکویٹی مضاربہ ڈائریکٹرز رپورٹ

فرسٹ ایکویٹی مضاربہ کی انتظامی کمپنی پریمیر فنانشل سروسز (پرائیویٹ) لمیٹڈ کے ڈائریکٹرز اپنی رپورٹ اور مضاربہ کے مالیاتی بیانیے پر آڈیٹرز کا جائزہ برائے نو ماہی مدت 31 مارچ 2021 پیش کرتے ہوئے مسرت محسوس کرتے ہیں۔

مالیاتی نتائج:

گذشتہ نقصان مبلغ (0.753) بلین روپے کے مقابلے میں 31 مارچ 2021 کو اختتام پذیر ہونے والی نو ماہی مدت میں مبلغ 8.445 بلین روپے کا منافع ہوا۔ 31 مارچ 2021 تک فی سٹیفیکٹ آمدنی مبلغ 0.161 روپے ہوئی جبکہ گذشتہ سال فی سٹیفیکٹ نقصان مبلغ (0.014) روپے تھا۔ مدت کے اختتام پر بریک اپ ویلیو مبلغ 11.79 روپے فی مضاربہ سٹیفیکٹ رہی۔

تسلیمات:

موجودہ مالیاتی سال کے دوران ہماری گذشتہ رپورٹ میں معیشت، تجارت، مالیات اور صنعت کے بارے میں ہمارا نظریہ ظاہر کیا گیا ہے۔ ہمارا خیال ہے کہ ایک باسیاسی اور معاشی غیر یقینی صورتحال ختم ہو جائے تو سرمایہ کاری کی مارکیٹ میں مزید تیزی کا رجحان پیدا ہوگا۔ ایک بار پھر کورونا وبا تیزی سے بڑھ رہی ہے اور جب تک یہ ختم نہیں ہو جاتا معاشی سرگرمیاں شروع نہیں ہوں گی۔

بورڈ کی جانب سے

کراچی، 27 اپریل 2021

عادل اے غفار

چیف ایگزیکٹو آفیسر

FIRST EQUITY MODARABA
CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)
AS AT MARCH 31, 2021

Page 4

	Note	March 31 2021 Rupees	Audited June 30, 2020 Rupees
EQUITY AND LIABILITIES			
Capital & Reserves			
Authorised capital 60,000,000 (June 30, 2020: 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	125,931,053	117,485,202
Remeasurement of define benefit liability - Actuarial gain		1,135,501	1,135,501
Unrealised loss on re-measurement of investments		(33,456,004)	(50,172,068)
Certificate holders' equity		618,010,550	592,848,635
Non-current liabilities			
Deferred liabilities		4,551,260	4,551,260
Security deposit		-	200,000
Total non-current liabilities		4,551,260	4,751,260
Current liabilities			
Creditors, accrued and other liabilities		10,939,181	9,530,468
Unclaimed profit distributions		29,560,348	29,560,348
Total current liabilities		40,499,529	39,090,816
Total liabilities		45,050,789	43,842,076
Total equity and liabilities		663,061,339	636,690,711

FIRST EQUITY MODARABA
CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)
AS AT MARCH 31, 2021

Page 5

	Note	March 31 2021 Rupees	Audited June 30, 2020 Rupees
ASSETS			
Non - current assets			
Fixed assets			
- tangible		5,564,433	6,436,337
- intangible		-	-
		5,564,433	6,436,337
Long term investments	4	382,187,830	382,187,831
Investment property		1,261,667	1,351,667
Advances		2,510,000	2,510,000
Deposits		1,750,000	1,750,000
Total non-current assets		393,273,930	394,235,835
Current assets			
Morabaha / musharaka receivables - secured		9,804,569	53,074,682
Short term investments		102,963,859	48,464,418
Advances-Considered good		11,387,925	10,551,064
Trade deposits and prepayments		17,499,825	15,179,527
Other receivables		62,003,788	24,426,969
Cash and bank balances		66,127,442	90,758,217
Total current assets		269,787,409	242,454,876
Total assets		663,061,339	636,690,711

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
Premier Financial
Services (Private) Ltd.

Director
Premier Financial
Services (Private) Ltd.

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, 2021

	Quarter ended		Nine months ended	
	March 31 2021 Rupees	March 31 2020 Rupees	March 31 2021 Rupees	March 31 2020 Rupees
Income	5,572,078	4,413,797	21,469,195	14,098,549
Expenditure				
Operating expenses	(3,474,149)	(5,415,691)	(13,023,344)	(14,851,148)
Operating profit/(loss)	2,097,929	(1,001,894)	8,445,851	(752,599)
Taxation	-	-	-	-
Profit/(loss) for the period	2,097,929	(1,001,894)	8,445,851	(752,599)
Earnings/(loss) per certificate	0.040	(0.019)	0.161	(0.014)

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
Premier Financial
Services (Private) Ltd.

Director
Premier Financial
Services (Private) Ltd.

Director
Premier Financial
Services (Private) Ltd.

FIRST EQUITY MODARABA
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER AND NINE MONTH ENDED MARCH 31, 2021

	Quarter ended		Nine Months ended	
	March 31 2021 Rupees	March 31 2020 Rupees	March 31 2021 Rupees	March 31 2020 Rupees
Profit/ (loss) for the period	2,097,929	(1,001,894)	8,445,851	(752,599)
Other comprehensive income				
Unrealised gain / (loss) on re-measurement investments	(11,985,928)	(15,582,624)	10,044,088	(8,600,643)
Gain / (loss) realised on disposal of investments	(74,144)	1,409,923	6,671,976	1,703,208
	(12,060,072)	(14,172,701)	16,716,064	(6,897,435)
Taxation relating to component of other comprehensive income	-	-	-	-
Other comprehensive income / (loss)	(12,060,072)	(14,172,701)	16,716,064	(6,897,435)
Total comprehensive income / (loss)	(9,962,143)	(15,174,595)	25,161,915	(7,650,034)

Qazi Obaid Ullah
Chief Financial Officer

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

Director
Premier Financial
Services (Private) Ltd.

Director
Premier Financial
Services (Private) Ltd.

	March 31 2021 Rupees	March 31 2020 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/ (loss) for the period	8,445,851	(752,599)
Adjustments for non cash/non operating items:		
Depreciation	1,195,518	1,183,914
Provision for gratuity	-	265,125
Dividend income	(2,425,704)	(959,867)
	(1,230,186)	489,172
Operating profit/ (loss) before working capital changes	7,215,665	(263,427)
(Increase) / decrease in current assets		
Morabaha / musharaka receivables	43,270,113	1,153,039
Advances	(836,861)	(508,545)
Trade deposits and prepayments	(2,320,298)	86,588
Other receivables	(37,576,819)	(407,502)
	2,536,135	323,580
(Decrease) / increase in current liabilities		
Creditors, accrued and other liabilities	1,408,713	(789,734)
	3,944,848	(466,154)
Dividend paid	-	(866)
	-	(866)
Net cash (used in) generated from operating activities	3,944,848	(467,020)
CASH FLOW FROM INVESTING ACTIVITIES		
Investments	(37,783,376)	1,827,122
Dividends received	2,425,704	993,383
Purchases of tangible assets	(233,616)	(200,015)
Security Deposit Return	(200,000)	-
Net cash (use in) generated from investing activities	(35,791,288)	2,620,490
Net increase / (decrease) in cash and cash equivalents	(24,630,775)	1,890,043
Cash and cash equivalents at the beginning of the period	90,758,217	4,383,612
Cash and cash equivalents at the end of the period	66,127,442	6,273,655

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
Premier Financial
Services (Private) Ltd.

Director
Premier Financial
Services (Private) Ltd.

Director
Premier Financial
Services (Private) Ltd.

FIRST EQUITY MODARABA
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED MARCH 31, 2021

	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 investments	Un appropriated profit / accumulated loss	Total
	Rupees	Rupees	Rupees	Rupees		Rupees	Rupees	Rupees
Balance as at July 1, 2019	524,400,000	161,050,000	131,100,000	27,120,000	446,440	(53,883,253)	(195,923,488)	594,309,699
Total comprehensive income for the period	-	-	-	-	-	(6,897,435)	(752,599)	(7,650,034)
Balance as at March 31, 2020	524,400,000	161,050,000	131,100,000	27,120,000	446,440	(60,780,688)	(196,676,087)	586,659,665
Balance as at July 01, 2020	524,400,000	161,050,000	131,100,000	27,120,000	1,135,501	(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	1,135,501	(33,456,004)	(193,338,947)	618,010,550

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
Premier Financial
Services (Private) Ltd.

Director
Premier Financial
Services (Private) Ltd.

Director
Premier Financial
Services (Private) Ltd.

FIRST EQUITY MODARABA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED MARCH 31, 2021

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 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, 2020
- 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.
- 2.4 On March 22 , 2021 the President of Pakistan promulgated the Tax Law (Second Amendment) Ordinance, 2021, (Ordinance 2021) whereby Clause 100 of Part 1 of the Second Schedule to the Income Tax Ordinance, 2001 relating to the tax exemption available to the Modarabas stands withdrawn. It is believed that the Ordinance 2021 will be placed before the Assembly to be ratified through a Finance Act.
- Accordingly, no provision for Income Tax has been made in the financial statements for the quarterly and period ended March 31, 2021.
- 2.5 These financial statements are in compliance with the disclosure requirements of International Accounting Standard (IAS)-34 "Interim Financial Reporting".

3 Reserves

	March 2021 Rupees	June 2020 Rupees
Capital reserve	292,150,000	292,150,000
Revenue reserve	(166,218,947)	(174,664,798)
	<u>125,931,053</u>	<u>117,485,202</u>

4 Investments

Listed Securities	-	41,800
Unlisted Securities	32,187,830	32,146,031
	<u>32,187,830</u>	<u>32,187,831</u>
	-	-
Wholly owned subsidiary	350,000,000	350,000,000
	<u>382,187,830</u>	<u>382,187,831</u>

- 5 These financial statements were authorized for issue in accordance with a resolution of the Board of Directors on April 27, 2021

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

EQUITY TEXTILES LIMITED

Wholly Owned Subsidiary of
First Equity Modaraba
nine months ended
March 31, 2021

EQUITY TEXTILES LIMITED
BALANCE SHEET AS AT MARCH 31, 2021

	Un-Audited March 2021 Rupees	Audited June 2020 Rupees
ASSETS		
NON CURRENT ASSETS		
Property, plant and equipment	1,084,431,040	1,113,733,582
Intangibles	4,038,864	4,251,436
Capital Work in Progress	7,515,365	4,877,875
Long Term Deposit	7,768,700	4,034,700
	1,103,753,970	1,126,897,593
CURRENT ASSETS		
Stores and spares	47,372,696	52,292,527
Stock in trade	559,999,445	307,653,108
Short term investment	6,398,008	7,898,745
Trade debts	307,665,336	107,498,016
Loans and advances	5,400,099	3,687,788
Trade deposits and short term prepayments	72,360,340	63,407,734
Other receivables	2,150,653	4,613,723
Tax refund due from government	33,028,416	48,989,818
Cash and bank balances	14,173,891	10,129,439
	1,048,548,884	606,170,898
	<u>2,152,302,854</u>	<u>1,733,068,491</u>
TOTAL ASSETS		
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Authorized share capital 25,000,000 shares of Rs. 10/- each	<u>250,000,000</u>	<u>250,000,000</u>
Issued, subscribed and paid-up share capital	250,000,000	250,000,000
Unrealized Loss on investments	(5,845,047)	(4,344,310)
Profit and (loss) account	203,747,532	83,962,092
	197,902,485	79,617,782
	447,902,485	329,617,782
Surplus on revaluation of fixed assets	336,973,394	364,295,561
NON CURRENT LIABILITIES		
Long term financing	64,871,249	37,648,555
Liabilities against asset subject to finance lease	53,917,497	34,206,452
Deferred taxation	33,579,974	106,286,688
	152,368,720	178,141,695
CURRENT LIABILITIES		
Trade and other payables	891,024,638	700,179,849
Accrued Markup	13,091,730	7,145,157
Taxation- net	21,821,889	15,961,402
Short term borrowings	202,591,866	129,307,874
Current portion of long term liabilities	73,706,097	3,714,036
Current portion of lease liability	12,822,036	4,705,135
	1,215,058,255	861,013,453
	<u>2,152,302,854</u>	<u>1,733,068,491</u>
TOTAL EQUITY AND LIABILITIES		

CHIEF EXECUTIVE

DIRECTOR

EQUITY TEXTILES LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE NINE MONTHS ENDED MARCH 31, 2021

	March 2021 Rupees	March 2020 Rupees
Sales	3,096,328,802	2,877,407,016
Cost of Sales	(2,939,452,614)	(2,752,669,140)
Gross profit	<u>156,876,188</u>	<u>124,737,876</u>
Administrative and general expenses	(28,021,436)	(26,537,437)
Distribution and selling expenses	(20,441,908)	(20,736,668)
Operating Profit / (loss)	<u>108,412,844</u>	<u>77,463,771</u>
Financial charges	(34,235,693)	(38,376,950)
Other charges	(6,814,987)	(5,953,944)
	<u>(41,050,680)</u>	<u>(44,330,894)</u>
	67,362,164	33,132,877
Other income	1,096,457	2,474,498
Profit / (Loss) before taxation	<u>68,458,621</u>	<u>35,607,375</u>
Provision for taxation		
Current	(47,743,892)	(44,836,285)
Prior	(958,171)	-
Deferred	72,706,714	41,749,777
	<u>24,004,651</u>	<u>(3,086,508)</u>
Profit / (Loss) after taxation	<u>92,463,273</u>	<u>32,520,868</u>
Profit / (Loss) per share - basic and diluted	<u>3.699</u>	<u>1.301</u>

CHIEF EXECUTIVE

DIRECTOR