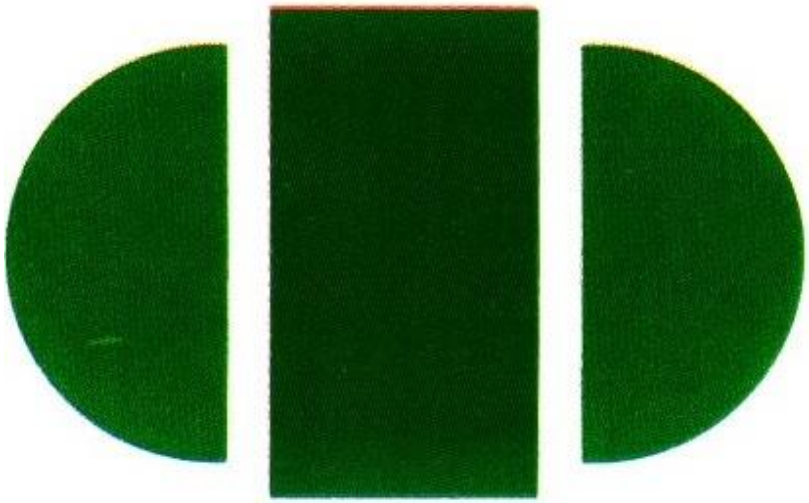
FIRST EQUITY MODARABA

Half Yearly and Six Months
For the period ended
December 31, 2016



Managed by **PREMIER FINANCIAL SERVICES (PVT) LTD**

CRESCENT GROUP

FIRST EQUITY MODARABA

CORPORATE INFORMATION

Modaraba Company : PREMIER FINANCIAL SERVICES (PVT) LTD

BOARD OF DIRECTORS

Mr Zahid Bashir
Mr Adil A Ghaffar - Chief Executive Officer
Mr Nadeem Maqbool
Mr Qaiser Magoon (Approval awating)

AUDIT COMMITTEE

Mr Zahid Bashir
Mr Nadeem Maqbool

HUNAM RESOURSE 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
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Contents

Corporate information	1
Report of the Directors	2
Review Report of Auditors	3
Balance sheet	4
Profit and loss account	5
Statement of comprehensive income	6
Cash flow statement	7
Statement of changes in equity	8
Notes to the financial statements	9
Equity Textile Ltd - Balance Sheet	14
Equity Textile Ltd - Profit and Loss Accounts	15

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 together with the auditors review on the financial statements of the Modaraba for the half year ended December 31, 2016.

Financial Results

Profit for the half year ended December 31, 2016 amounted to Rs 10.7 million as compared to Rs 5.6 million for the same period last year. The earning per certificate as at December 31, 2016 stood at Rs 0.20 from Rs 0.11 last December. The break up value per modaraba certificate stands at Rs 12.28

External auditors have challenged the management's decision in respect of valuation of TREC and shares of Karachi and Islamabad Stock Exchanges issued in lieu of membership cards. External auditors' are of the opinion that the valuation of TREC and shares on conversion of membership cards of Karachi and Islamabad Stock Exchanges was not in accordance to International Accounting Standard and technical opinion of Institute of Chartered Accountants of Pakistan. With the recent sale of share of Pakistan Stock Exchange Ltd (formerly Karachi Stock Exchange Ltd.) at Rs 28/- per shares, shows that our valuation was on the lower side.

The two wholly owned subsidiary companies have been formed and we anticipate that by the end of the financial year the process of transfer of brokerage related assets and liabilities will be completed

For and on behalf of Board

Karachi
February 28, 2017

Adil A Ghaffar
Chied Executive Officer

پہلا ایکوئٹی مضاربہ
ڈائریکٹرز کی رپورٹ

پریمیئم فنانشل سروسز پرائیویٹ لمیٹڈ، پہلی ایکوئٹی مضاربہ کمپنی کی انتظامیہ کے ڈائریکٹرز 31 دسمبر 2016 کو ختم ہونے والی ششماہی کیلئے مضاربہ کے مالیاتی اسٹیٹمنٹس پر آڈیٹرز کی جائزہ رپورٹ کے ساتھ پیش کرتے ہیں۔

مالیاتی نتائج:

31 دسمبر 2016 کو ختم ہونے والی ششماہی کیلئے منافع کی رقم 10.7 روپے ملین تھی جس کا موازنہ گزشتہ سال کی اسی مدت کے لئے مبلغ 5.6 ملین روپے سے کیا جاسکتا ہے۔ 31 دسمبر 2016 کو آمدنی فی سرٹیفکیٹ 0.20 روپے سے 0.11 تک دسمبر کے آخر تک رہی اور بریک اپ ویلیو کی مضاربہ سرٹیفکیٹ مبلغ 12.28 روپے ہے۔

ایکسٹرنل آڈیٹرز نے TREC اور کراچی اور اسلام آباد اسٹاک ایکسچینج کے شیئرز کی ویلیوئیشن سے متعلق انتظامیہ کے فیصلے کو چیلنج کیا ہے جو کہ ممبرشپ کارڈ کے بدلے میں جاری کئے گئے۔ ایکسٹرنل آڈیٹرز کے خیال میں TREC اور شیئرز کی ویلیویشن کراچی اور اسلام آباد اسٹاک ایکسچینج کی ممبرشپ کارڈ کے تبدیل ہونے پر کی گئی ہے جو کہ انٹرنیشنل اکاؤنٹنگ اسٹینڈرڈ اور انسٹی ٹیوٹ آف چارٹرڈ اکاؤنٹینٹ آف پاکستان کی فنی رائے کے مطابق نہیں تھی۔ پاکستان اسٹاک ایکسچینج لمیٹڈ (سابقہ کراچی اسٹاک ایکسچینج لمیٹڈ) کی حالیہ شیئر کی فروخت کا تناسب 28 روپے فی شیئر ہے جو کہ ہماری ویلیوئیشن کو کمترین ظاہر کرتی ہے۔

مزید یہ کہ دو ملحقہ کمپنیز قائم کی گئی ہیں اور ہم مالیاتی سال کے آخر تک حصص اور قرضہ جات کے متعلق بروکریج کی منتقلی کے پراسس کو مکمل کرلینگے۔

برائے از طرف بورڈ

عادل اے غفار

چیف ایگزیکٹیو آفیسر

کراچی تاریخ: 28 فروری 2017ء

FIRST EQUITY MODARABA
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 Equity Modaraba as at December 31, 2016 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement, condensed interim statement of changes in equity and notes to the accounts for the six months period ended (here-in-after referred to as the "interim financial information"). Management Company of the Modaraba is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan. Our responsibility is to express a conclusion on this interim financial information based on our review. The figures of the condensed interim profit and loss account and statement of comprehensive income for the quarters ended December 31, 2016 and 2015 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2016.

Scope of Review

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

Management of the Modaraba in the financial statements for the year ended June 30, 2013, had assigned values to Trading Rights Entitlement Certificates (TREC) of Karachi Stock Exchange Limited (KSE) and Islamabad Stock Exchange Limited (ISE) Rs. 15 million and Rs. 4 million respectively that were based on the value assigned by KSE and ISE for base minimum capital requirement purposes applicable to the brokers of the stock exchange and had recognised 4,007,383 shares of KSE and 3,034,603 shares of ISE at their face values of Rs. 10/- each on exchange of membership card thereby the Modaraba recognized gain of Rs. 36.369 million which, in our opinion, was not in accordance with International Accounting Standards and technical opinion of The Institute of Chartered Accountants of Pakistan (ICAP) issued in this respect.

Modaraba has charged unrealised gain of Rs. 12.8 million, in respect of investment classified as financial asset at fair value through profit and loss, in other comprehensive income instead of profit and loss account as required under International Accounting Standard (IAS) 39

Had the Modaraba recognized the intangible asset and shares of KSE and ISE in accordance with the Technical Opinion of ICAP, its equity, intangible asset and long term investments would have been lower by Rs. 36.369 million, Rs. 7.7 million and Rs. 28.6 million respectively and had the Modabra charged the unrealized gain to the profit and loss account, its profit for the period would have been lower by Rs. 12.8 million.

Conclusion

Based on our review, except for the matter referred in the above paragraphs, nothing has come to our attention that causes us to believe that the accompanying interim financial information as at December 31, 2016 is not prepared, in all material respects, in accordance with the approved accounting standards as applicable in Pakistan.

Baker Tally Mehmood Idress Qaamar Karachi

Chartered Accountants Dated: February 28, 2016

Engagement Partner: Muhammad Aqeel Ashraf Tabani

FIRST EQUITY MODARABA
CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)
AS AT DECEMBER 31, 2016

	Note	December 31, 2016 Rupees	Audited June 30, 2016 Rupees
EQUITY AND LIABILITIES			
Capital and reserves			
Certificate capital			
Authorised capital			
60,000,000 (June 30, 2016: 60,000,000) modarabacertificates of Rs. 10 each		**600,000,000**	600,000,000
Certificate capital	6	**524.400.000**	524,400,000
Reserves		**130,527,183**	126,611,137
Remeasurement of define benefit liability - Actuarial gain		**358.832**	358,832
Unrealised loss on re-measurement of investments		**(11,500,325)**	(25,645,604)
Certificate holders' equity		**643,785,690**	625,724,365
Non-current liabilities			
Deferred liabilities		**3,063,143**	2,934,768
Secuity deposit		**200,000**	200,000
Total non-current liabilities		**3,263,143**	3,134,768
Current liabilities			
Creditors, accrued and other liabilities		**22,901,515**	7,740,174
Unclaimed profit distributions		**34,598,429**	27,844,960
Total current liabilities		**57,499,944**	35,585,134
Total liabilities		**60,763,087**	38,719,902
Contingencies & Commitments	7		
Total equity and liabilities		**704,548,777**	664,444,267
ASSETS			
Non - current assets			
Fixed assets			
- tangible	8	**15,642,486**	14,529,146
- intangible		**19,000,000**	19,000,000
		34,642,486	33,529,146
Investment property		**1,771,667**	1,831,667
Investments	9	**325,725,079**	325,797,990
Advances		**2,510,000**	2,510,000
Deposits		**1,250,000**	1,250,000
Total non-current assets		**365,899,232**	364,918,803
Current assets			
Morabaha / musharaka receivables - secured		**148,329,780**	140,333,175
Short term investments		**94,960,971**	101,100,114
Advances		**1,553,050**	2,320,247
Trade deposits and prepayments		**15,206,381**	15,263,695
Other receivables		**43,692,023**	22,238,237
Tax refund due from government taxation - net		**10,773,197**	7,480,386
Cash and bank balances		**24,134,143**	10,789,610
Total current assets		**338,649,545**	**299,525,464**
Total assets		**704,548,777**	664,444,267

The annexed notes from 1 to 14 form an integral part of the condensed interim financial information.

Adil A Ghaffar	Zahid Bashir	Nadeem Maqbool
Chief Executive	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 HALF YEAR ENDED DECEMBER 31, 2016

		Quarter ended		Half year ended	
		December 31, 2016	December 31, 2015	**December 31, 2016**	December 31, 2015
	Note	**Rupees**	Rupees	**Rupees**	Rupees
Income		**12,773,109**	7,702,863	**21,408,582**	15,605,406
Expenditure					
Operating expenses		**(5,619,098)**	(4,936,369)	**(10,779,513)**	(10,168,652)
Financial charges		**(3,991)**	(5,859)	**(8,207)**	(9,679)
		(5,623,089)	(4,942,228)	**(10,787,720)**	(10,178,331)
Operating profit		**7,150,020**	2,760,635	**10,620,862**	5,427,075
Other income		**50,751**	72,320	**112,384**	181,318
Profit before income tax		**7,200,771**	2,832,955	**10,733,246**	5,608,393
Income tax expense		**-**	-	**-**	-
Profit for the period		**7,200,771**	2,832,955	**10,733,246**	5,608,393
Earnings per certifica	10	**0.14**	0.05	**0.20**	0.11

The annexed notes from 1 to 14 form an integral part of the condensed interim financial information.

Adil A Ghaffar	Zahid Bashir	Nadeem Maqbool
Chief Executive	Director	Director
Premier Financial	Premier Financial	Premier Financial
Services (Private) Ltd.	Services (Private) Ltd.	Services (Private) Ltd.

FIRST EQUITY MODARABA
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER AND HALF YEAR ENDED DECEMBER 31, 2016

	Quarter ended		Half Yearly	
	December 31, 2016	December 31, 2015	**December 31, 2016**	December 31, 2015
	Rupees	Rupees	**Rupees**	Rupees
Profit for the period	**7,200,771**	2,832,955	**10,733,246**	5,608,393
Other comprehensive income				
Unrealised (loss) /gain on re-measurement of investments	**(1,962,229)**	2,663,315	**6,238,357**	(15,615,344)
Gain realised on disposal of investments	**4,719,552**	2,550,280	**7,906,922**	5,938,781
	2,757,323	5,213,595	**14,145,279**	(9,676,563)
Taxation relating to component of other comprehensive income	**-**	-	**-**	-
Other comprehensive income / (loss)	**9,958,094**	8,046,550	**24,878,525**	(4,068,170)
Total comprehensive income /(loss)	**9,958,094**	8,046,550	**24,878,525**	(4,068,170)

The annexed notes from 1 to 14 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 CASH FLOWS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2016

	December 31, 2016 Rupees	December 31, 2015 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	**10,733,246**	5,608,393
Adjustments for non cash		
Depreciation	**985,310**	958,066
Provision for gratuity	**128,375**	131,500
Dividend income	**(1,428,367)**	(2,972,032)
	(314,682)	(1,882,466)
Operating profit before working capital changes	**10,418,564**	3,725,927
(Increase) / decrease in current assets		
Morabaha / musharaka receivables	**(7,996,605)**	7,149,034
Advances	**(2,525,614)**	3,070,713
Trade deposits and prepayments	**57,314**	(185,956)
Other receivables	**(21,417,036)**	(7,658,019)
	(31,881,941)	2,375,772
Increase /(decrease) in current liabilities		
Creditors, accrued and other liabilities	**15,161,341**	(8,445,401)
	(6,302,036)	(2,343,702)
Dividend paid	**(63,731)**	(3,773,544)
Tax paid	**-**	(3,753)
	(63,731)	(3,777,297)
Net cash (used in) operating activities	**(6,365,767)**	(6,120,999)
CASH FLOW FROM INVESTING ACTIVITIES		
Investments	**20,357,332**	(10,124,428)
Dividends received	**1,391,618**	2,977,596
Addition in tangible assets	**(2,038,650)**	(930,849)
Net cash used in investing activities	**19,710,300**	(8,077,681)
Net increase / (decrease) in cash and cash equivalents	**13,344,533**	(14,198,680)
Cash and cash equivalents at the beginning of the half year	**10,789,610**	20,285,400
Cash and cash equivalents at the end of the half year	**24,134,143**	6,086,720

The annexed notes from 1 to 14 form an integral part of the condensed interim financial information.

Adil A Ghaffar	Zahid Bashir	Nadeem Maqbool
Chief Executive	Director	Director
Premier Financial	Premier Financial	Premier Financial
Services (Private) Ltd.	Services (Private) Ltd.	Services (Private) Ltd.

FIRST EQUITY MODARABA
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2016

	Certificate Capital	Special reserve	Certificate premium account	General reserve	Remeasurement of define benefit liability	Unrealised gain / (loss) on re-measurement of investments	Un appropriated profit / accumulated loss	Total
	Rupees	Rupees	Rupees	Rupees		Rupees	Rupees	Rupees
Balance as at July 1, 2015	524,400,000	150,635,954	131,100,000	27,120,000	91,191	(20,170,414)	(182,422,558)	630,754,173
Total comprehensive income for the half year	-	-	-	-	-	(9,676,563)	5,608,393	(4,068,170)
Profti Distribution							(8,914,800)	(8,914,800)
Balance as at December 31, 2015	524,400,000	150,635,954	131,100,000	27,120,000	91,191	(29,846,977)	(185,728,965)	617,771,203
Balance as at July 01, 2016	**524,400,000**	**152,500,000**	**131,100,000**	**27,120,000**	**358,832**	**(25,645,604)**	**(184,108,863)**	**625,724,365**
Total comprehensive income for the half year	-	-	-	-	-	**14,145,279**	**10,733,246**	**24,878,525**
Profti Distribution							**(6,817,200)**	**(6,817,200)**
Balance as at December 31, 2016	**524,400,000**	**152,500,000**	**131,100,000**	**27,120,000**	**358,832**	**(11,500,325)**	**(180,192,817)**	**643,785,690**

The annexed notes from 1 to 13 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 DECEMBER 31, 2016

1 Legal Status and Operations

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

The Modaraba is a perpetual, multi purpose modaraba, and is able to undertaking a variety of fund and fee based activities. These include trading, manufacturing, equity investments and their financing and facilitation. The Modaraba is holding Trading Right Entitlement Certificate of Pakistan Stock Exchange Ltd and is operating brokerage activities in Karachi.

The Modaraba is listed on Pakistan Stock Exchange Ltd. The registered office of Modaraba is situated at B-1004, 10th Floor, Lakson Square Building # 3, Sarwar Shaheed Road, Karachi. The Modaraba has the following subsidiary companies (1) Equity Textile Ltd (2) Capital Financial Services (Pvt) Ltd and (3) Apex Financial Services (Pvt) Ltd

2 BASIS OF PREPARATION

The unaudited condensed interim financial information is being presented and submitted to the shareholders as required by Rule 10 of the Modaraba Companies and Modaraba Rules, 1981.

The Modaraba Company's management fee, statutory reserve @ 20% to 50%, provisions and profit distribution 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.

The condensed interim financial information is un-audited but have been subject to limited scope review by the auditors as required by the Code of Corporate Governance voluntary adopted by the modaraba and have been prepared in accordance with the requirements of International Accounting Standard - 34 (IAS-34) 'Interim Financial Reporting' as applicable in Pakistan.

3 SIGNIFICANT ACCOUNTING POLICIES

3.1 The accounting policies and method of computations used for preparation of these condensed interim financial information are the same as those applied in preparation of the annual audited financial statements for the year ended June 30, 2016

4 USE OF ESTIMATES

Judgments and estimates made by the management in the preparation of the condensed interim financial information was same as those that were applied to the financial statements as at and for the year ended June 30, 2016.

6 CERTIFICATE CAPITAL

Fully paid modaraba certificates of Rs. 10 each.

December 31, 2016 (Number of shares)	June 30, 2016		December 31, 2016 Rupees	Audited June 30, 2016 Rupees
46,220,000	46,220,000	Issued for cash	**462,200,000**	462,200,000
6,220,000	6,220,000	Issued as bonus certificates	**62,200,000**	62,200,000
52,440,000	52,440,000		**524,400,000**	524,400,000

FIRST EQUITY MODARABA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED DECEMBER 31, 2016

7 CONTINGENCIES AND COMMITMENTS

Modaraba has filed a suit against Samba Bank Ltd for the recovery of deposit amounting to Rs 21 million alongwith mark up. The matter is pending before the Honourable High Court of Sindh. Management of the Modaraba and its legal advisor are of the opinion that Modaraba has reasonable chances of the favourable outcome and that Modaraba may not suffer any loss from the same

	Note	Unaudited December 31, 2016	Audited June 30, 2016
		Rupees	Rupees
8 TANGIBLE FIXED ASSETS			
Opening WDV		**14,529,146**	15,426,202
Addition during the period		**2,038,650**	943,279
Depreciation for the period		**(925,310)**	(1,840,327)
Deletion during the period		**-**	(8)
Closing WDV		**15,642,486**	14,529,146
9 INVESTMENTS			
Listed securities - available for sale		**1,656,479**	1,729,390
Preference certificates		**1,828,740**	1,828,740
Unlisted securities		**72,219,860**	72,219,860
		75,705,079	75,777,990
Wholly owned subsidiary	**9.1**	**250,020,000**	250,020,000
		325,725,079	325,797,990

9.1 Break up value of wholly owned subsidiary is Rs 23.24 (June 30, 2016: 25.06) per share as per unaudited accounts as at December 31, 2016

	December 31, 2016	December 31, 2015
10 EARNINGS PER CERTIFICATE	**Rupees**	Rupees
Profit for the half year	**10,733,246**	5,608,393
	Number	Number
Weighted average number of certificates outstanding during the period	**52,440,000**	52,440,000
	Rupees	Rupees
Earnings per certificate - basic and diluted	**0.20**	0.11

10.1 There is no dilution effect on the basic earnings per share of the modaraba as the modaraba has no such commitments.

11 SEGMENT INFORMATION

The modaraba determines the operating segments based on the services provided by it, further their segment analysis are used internally by the management to make strategic decision.

The modaraba has three primary source of revenue i.e. musharaka facility, brokerage operations and capital market based on the nature of business and related risk associated with each type of business segment which are not deemed by the management to the sufficiently significant to disclose as separate items are reported under others.

Segment assets and liabilities included all assets and liabilities related to the segment relevant proportion of the assets and liabilities allocated to the segment on reasonable basis.

Segment revenue and expenses included all revenue and expenses related to the segment and relevant proportion of the revenue and expenses allocated to the segment on reasonable basis.

	December 31, 2016					December 31, 2015
	Musharaka facility	Brokerage operation	Capital market	Others	TOTAL	TOTAL
	----------Rupees----------					------Rupees------
Segment revenues	8,096,604	3,668,860	8,917,118	838,384	21,520,966	15,786,724
Segment result	8,096,604	26,158	8,917,118	838,384	17,878,264	12,884,161
Unallocated cost						
Operating expenses					(7,145,018)	(7,275,768)
Profit before income tax					10,733,246	5,608,393
Profit for the period					10,733,246	5,608,393

Other information					December 31, 2016	December 31, 2015
Segment assets	148,329,780	54,662,425	420,686,050	-	623,678,255	633,217,109
Unallocated assets					80,870,522	40,000,476
Total assets					704,548,777	673,217,585
Segment liabilities	-	15,048,153	-	-	15,048,153	7,433,144
Unallocated liabilities					45,714,934	48,013,238
Total liabilities					60,763,087	55,446,382

FIRST EQUITY MODARABA
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2016

12 TRANSACTIONS WITH RELATED PARTIES

The related parties of the modaraba comprise management company, staff retirement funds, directors of the management company and key management personnel. Transactions with related parties other than remuneration and benefits to officers and employees under the terms of their employment are as follows:

12.1 Balance payable at end of half year

	December 31, 2016 Rupees	June 30 2016 Rupees
Modaraba Management Company	**1,173,378**	6,120,321

12.2 Transactions during the period

	Relationship	December 31, 2016	December 31, 2015
Dividend income	Associated company	**-**	665
Services acquired	Associated company	**192,764**	110,430
Brokerage commission	Associated company	**868,717**	214,730

13 AUTHORIZATION FOR ISSUE

The condensed interim financial information was authorized for issue in accordance with a resolution of the Board of Directors on February 28, 2017.

14 GENERAL

Figures in the condensed interim financial information have been rounded off to the nearest of rupee.

Adil A Ghaffar	Zahid Bashir	Nadeem Maqbool
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

half yearly ended

December 31, 2016

EQUITY TEXTILES LIMITED
BALANCE SHEET AS AT DECEMBER 31 2016

	Dec 2016 Rupees	June 2016 Rupees
ASSETS		
NON CURRENT ASSETS		
Property, plant and equipment		
Operating fixed assets	1,119,239,172	1,152,186,176
Capital work in progress		-
	1,119,239,172	1,152,186,176
CURRENT ASSETS		
Stores and spares	26,401,535	27,533,131
Stock in trade	490,311,756	275,672,705
Short term investment	25,546,219	24,597,260
Trade debts	100,112,458	66,735,124
Loans and advances	36,632,498	54,397,358
Trade deposits and short term prepayments	9,167,700	18,302,897
Other receivables	3,983,849	1,865,105
Tax refund due from government	32,054,575	17,458,030
Taxation - net	562,291	12,044,354
Cash and bank balances	2,676,123	5,419,890
	727,449,004	504,025,854
TOTAL ASSETS	1,846,688,176	1,656,212,030
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Authorized share capital		
25,000,000 shares of Rs. 10/- each	250,000,000	250,000,000
Issued, subscribed and paid-up share capital	250,000,000	250,000,000
Unrealized loss on investments	3,031,937	2,082,978
Profit and loss account	(20,748,671)	7,414,510
	(17,716,734)	9,497,488
	232,283,266	259,497,488
Surplus on revaluation of fixed assets	348,763,704	367,119,688
NON CURRENT LIABILITIES		
Long term financing	338,798,314	379,920,178
Long term Markup	661,307	876,372
Deferred taxation	176,608,985	182,886,709
	516,068,606	563,683,259
CURRENT LIABILITIES		
Trade and other payables	300,095,827	218,929,556
Accrued Markup	22,697,544	12,004,917
Short term borrowings	315,984,267	139,735,517
Current portion of long term liabilities	110,794,962	95,241,605
	749,572,600	465,911,595
TOTAL EQUITY AND LIABILITIES	1,846,688,176	1,656,212,030

CHIEF EXECUTIVE **DIRECTOR**

EQUITY TEXTILES LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE HALF YEAR ENDED DECEMBER 31, 2016

	Dec 2016 Rupees	Dec 2015 Rupees
Sales	1,218,512,014	912,376,590
Cost of Sales	(1,209,818,420)	(884,776,623)
Gross profit	8,693,594	27,599,967
Administrative and general expenses	(10,646,810)	(9,711,276)
Distribution and selling expenses	(8,524,729)	(7,214,974)
Operating profit	(10,477,945)	10,673,717
Financial charges	(31,626,857)	(29,052,129)
Other charges	-	-
	(31,626,857)	(29,052,129)
Operating loss	(42,104,802)	(18,378,412)
Other income	746,700	387,685
Loss before taxation	(41,358,102)	(17,990,727)
Provision for taxation		
Current	(11,240,558)	(8,596,129)
Prior	(198,235)	(3,352,716)
Deferred	6,277,724	17,960,066
	(5,161,069)	6,011,221
Loss after taxation	(46,519,171)	(11,979,506)
Loss per share - basic and diluted	(1.8608)	(0.4792)

CHIEF EXECUTIVE **DIRECTOR**