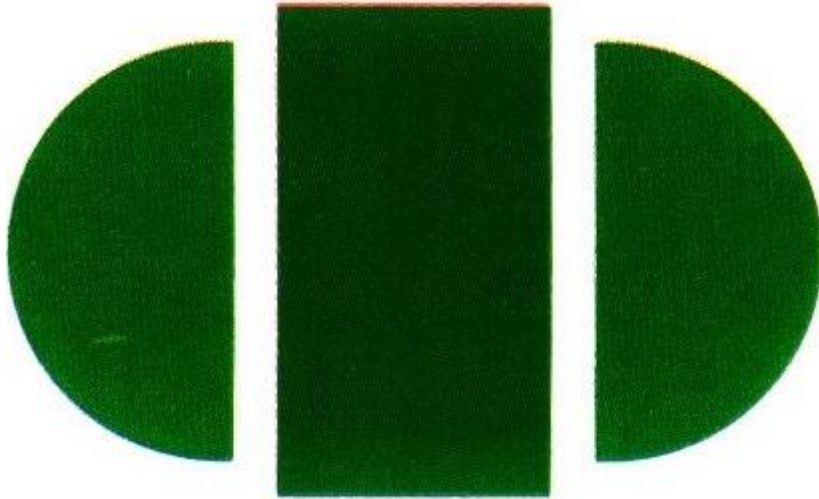


Quarterly Report
For the period ended
September 30, 2014



FIRST EQUITY MODARABA

Managed by :
PREMIER FINANCIAL SERVICES (PVT) LTD



FIRST EQUITY MODARABA

CORPORATE INFORMATION

MODARABA COMPANY

Premier Financial Services (Pvt) Ltd

BOARD OF DIRECTORS

Mr Zahid Bashir
Mr Nadeem Maqbool
Mr Adil A Ghaffar - Chief Executive Officer

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
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e-mail : info@firstequitymodaraba.com.pk

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**FIRST EQUITY MODARABA
DIRECTORS REPORT**

The Directors of Premier Financial Services (Pvt) Ltd, the management company of FIRST EQUITY MODARABA, presents their report and the un-audited financial statements of the Modaraba for the three months ended September 30, 2014.

Financial Results

Profit for the quarter ended September 30, 2014 amounted to Rupees 5.87 million as compared to profit of Rupees 6.09 million for the same period last year. The earning per certificate as at September 30, 2014 was Rupees 0.112 while the earnings for the same period last year was Rupees 0.116. The Break up value as of September 30 2014 was Rupees 12.34 per share.

Prospects

Our last year's annual report expressed our view on the state of economy,

For and on behalf of Board

Karachi
October 29, 2014

Adil A Ghaffar
Chief Executive Officer

FIRST EQUITY MODARABA
CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)
AS AT SETEMBER 30, 2014

	September 2014	Audited June 30, 2014
Note	Rupees	Rupees
EQUITY AND LIABILITIES		
Capital and reserves		
Certificate capital		
Authorised capital		
60,000,000 (June 30, 2014: 60,000,000) modaraba		
certificates of Rs. 10 each		
	600,000,000	600,000,000
	524,400,000	524,400,000
	140,573,612	134,699,560
	815,245	815,245
	(18,756,434)	(13,149,967)
	647,032,423	646,764,838
Certificate holders' equity		
Non-current liabilities		
	1,604,255	1,556,255
	200,000	200,000
	1,804,255	1,756,255
Current liabilities		
	16,317,205	11,856,701
	25,966,768	25,966,768
	42,283,973	37,823,469
	44,088,228	39,579,724
Contingencies & Commitments		
	691,120,651	686,344,562
ASSETS		
Non - current assets		
Fixed assets		
	15,401,834	15,777,617
	19,000,000	19,000,000
	2,041,667	2,071,667
	324,297,011	324,387,730
	2,510,000	2,510,000
	1,150,000	1,150,000
	364,400,512	364,897,014
Current assets		
	158,066,413	159,320,497
	108,385,511	107,396,243
	1,266,004	1,422,588
	15,358,194	14,981,918
	30,697,953	24,533,228
	5,130,295	3,903,578
	7,815,770	9,889,496
	326,720,140	321,447,548
	691,120,652	686,344,562

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 ENDED SETEMBER 30, 2014

	September 2014 Rupees	September 2013 Rupees
<i>Income</i>	10,238,389	9,435,537
<i>Expenditure</i>		
Operating expenses	(4,427,192)	(3,612,337)
Bank charges	(468)	(487)
	(4,427,660)	(3,612,824)
	5,810,729	5,822,713
Other income	63,323	268,123
<i>Profit for the period</i>	5,874,052	6,090,836
Earnings per certificate	0.112	0.116

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 ENDED SEPTEMBER 30, 2014

	September 2014 Rupees	September 2013 Rupees
Profit for the period	5,874,052	6,090,836
Other comprehensive income		
<hr/>		
Unrealized gain / (loss) on re-measurement of investments	(8,505,848)	(13,394,102)
Gain/(loss) realized on disposal of investments	2,899,381	492,170
	<hr/> (5,606,467)	<hr/> (12,901,932)
Taxation relating to component of other comprehensive income	-	-
<hr/>		
Other comprehensive income	(5,606,467)	(12,901,932)
<hr/>		
Total comprehensive income	267,585	(6,811,096)

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) Limited

Zahid Bashir
Director
Premier Financial
Services (Private) Limited

Nadeem Maqbool
Director
Premier Financial
Services (Private) Limited

FIRST EQUITY MODARABA
CONDENSED INTERIM STATEMENT OF CASH FLOWS STATEMENTS(UN-AUDITED)
FOR THE QUARTER ENDED SETEMBER 30, 2014

	September 2014 Rupees	September 2013 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the period	5,874,052	6,090,836
Adjustments for non cash/non operating items:		
Depreciation	405,783	405,865
Provision for gratuity	48,000	107,146
Dividend income	(641,375)	(340,500)
	(187,592)	172,511
Operating profit before working capital changes	5,686,460	6,263,347
Increase in current assets		
Morabaha / musharaka receivables	1,254,084	(2,974,457)
Advances	(1,070,133)	(38,182)
Trade deposits and prepayments	(376,276)	(1,009,425)
Other receivables	(6,164,725)	(271,457)
	(6,357,050)	(4,293,521)
(Decrease) / increase in current liabilities		
Creditors, accrued and other liabilities	4,460,504	177,489
Dividend paid	-	-
	4,460,504	177,489
Net cash used in operating activities	3,789,914	2,147,315
CASH FLOW FROM INVESTING ACTIVITIES		
Investments	(6,505,015)	(32,307,837)
Dividends received	641,375	340,500
Tangible assets	-	(112,725)
Net cash generated (used in)/from investing activities	(5,863,640)	(32,080,062)
Net increase / (decrease) in cash and bank equivalents	(2,073,726)	(29,932,747)
Cash and bank equivalents at the beginning of the period	9,889,496	49,575,019
Cash and bank equivalents at the end of the period	7,815,770	19,642,272

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 (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2014

	Certificate Capital	Special reserve	Certificate premium account	General reserve	Unrealized gain / (loss) on re-measurement of available for sale investments	Remeasurement of define benefit liability	Un appropriated profit / accumulated loss	Total
	Rupees	Rupees	Rupees	Rupees	Rupees		Rupees	Rupees
Balance as at June 30, 2013	524,400,000	143,416,937	131,100,000	27,120,000	(7,354,696)	459,654	(191,633,619)	627,508,276
Total comprehensive income for the period	-	-	-	-	(5,795,271)	355,591	24,696,242	19,256,562
Statutory reserves		4,939,250					(4,939,250)	-
Balance as at June 30, 2014	524,400,000	148,356,187	131,100,000	27,120,000	(13,149,967)	815,245	(171,876,627)	646,764,838
Total comprehensive income for the period	-	-	-	-	(5,606,467)		5,874,052	267,585
Balance as at September 30, 2014	524,400,000	148,356,187	131,100,000	27,120,000	(18,756,434)	815,245	(166,002,575)	647,032,423

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 SETEMBER 30, 2014**

1 Legal Status and Nature of Business

First Equity 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, a Company incorporated in Pakistan.

The Modaraba is a perpetual, multi purpose modaraba 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 Karachi, Lahore and Islamabad Stock Exchanges.

The Modaraba is a holding Trading Right Entitlement certificate of two stock exchanges of Pakistan and is currently operating its brokerage activities in Karachi Stock Exchange.

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, 2014
- 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".

	September 2014 Rupees	June 2014 Rupees
3 Reserves		
Capital reserve	279,456,187	279,456,187
Revenue reserve	(138,882,575)	(144,756,627)
	140,573,612	134,699,560

4 Investments

Listed Securities - available for sale	2,077,150	2,167,869
Unlisted Securities	72,219,861	72,219,861
	74,297,011	74,387,730
Wholly owned subsidiary	250,000,000	250,000,000
	324,297,011	324,387,730

- 5 These financial statements were authorized for issue in accordance with a resolution of the Board of Directors on October 29, 2014

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

quarterly report for the period ended

September 30, 2014

EQUITY TEXTILES LIMITED
BALANCE SHEET AS AT SETEMBER 30, 2014

	September 2014 Rupees	Audited June 2014 Rupees
ASSETS		
NON CURRENT ASSETS		
Property, plant and equipment		
Operating fixed assets	1,242,370,734	1,243,067,865
	9,691,550	9,691,550
	1,252,062,284	1,252,759,415
CURRENT ASSETS		
Stores and spares	29,013,724	26,392,239
Stock in trade	274,986,777	197,654,562
Short term investment	10,792,475	10,792,475
Trade debts	155,687,826	161,835,541
Loans and advances	45,814,696	37,741,026
Trade deposits and short term prepayments	12,597,968	11,345,225
Other receivables	1,909,692	4,353,728
Tax refund due from government	19,827,940	20,484,226
Taxation - net	2,328,593	622,638
Cash and bank balances	10,848,411	6,711,042
	563,808,102	477,932,702
TOTAL ASSETS	<u>1,815,870,386</u>	<u>1,730,692,117</u>
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	411,069	411,069
Profit and loss account - adverse balance	(17,384,520)	(54,147,836)
	(16,973,451)	(53,736,767)
	233,026,549	196,263,233
Surplus on revaluation of fixed assets	409,295,646	420,140,893
NON CURRENT LIABILITIES		
Subordinated loan	40,000,000	40,000,000
Long term financing	491,550,722	510,782,766
Long term Markup	43,537,448	49,537,448
Deferred taxation	235,601,927	251,319,963
	810,690,097	851,640,177
CURRENT LIABILITIES		
Trade and other payables	170,516,075	126,008,087
Accrued Markup	19,449,449	19,925,020
Short term borrowings	106,339,385	59,286,520
Current portion of long term liabilities	66,553,185	57,428,187
	362,858,094	262,647,814
TOTAL EQUITY AND LIABILITIES	<u>1,815,870,386</u>	<u>1,730,692,117</u>

CHIEF EXECUTIVE

DIRECTOR

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EQUITY TEXTILES LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE QUARTER ENDED SEPTEMBER 30, 2014

	September 2014	September 2013
	Rupees	Rupees
Sales	538,220,406	633,909,975
Cost of Sales	(496,834,353)	(561,558,317)
Gross profit	<u>41,386,053</u>	<u>72,351,658</u>
Administrative and general expenses	(3,394,994)	(2,964,107)
Distribution and selling expenses	(4,502,814)	(3,898,628)
Operating profit	<u>33,488,245</u>	<u>65,488,923</u>
Financial charges	<u>(19,927,816)</u>	<u>(21,285,202)</u>
Other charges	(979,081)	(3,063,894)
	<u>(20,906,897)</u>	<u>(24,349,096)</u>
	12,581,348	41,139,827
Other income	629,151	200,538
Profit before taxation	<u>13,210,499</u>	<u>41,340,365</u>
Provision for taxation		
Current	<u>(3,010,465)</u>	<u>(6,503,823)</u>
Deferred	15,718,036	(7,364,864)
	<u>12,707,571</u>	<u>(13,868,687)</u>
Profit after taxation	<u><u>25,918,070</u></u>	<u><u>27,471,678</u></u>
Earning per share - basic and diluted	<u>1.0367</u>	<u>1.0989</u>

CHIEF EXECUTIVE

DIRECTOR