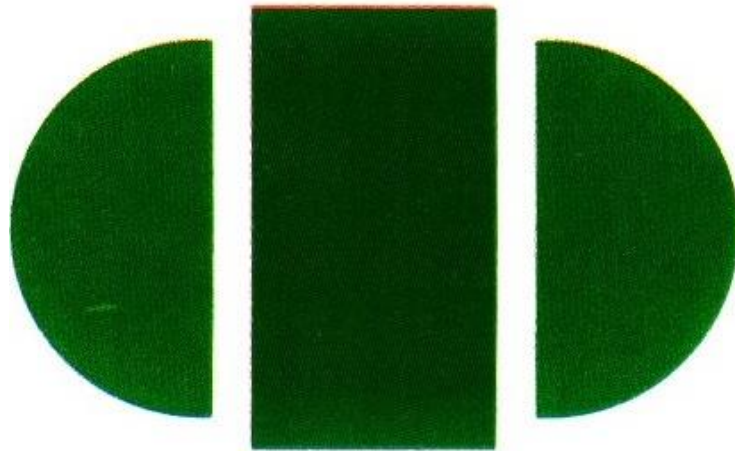


Quarterly Report
For the period ended
September 30, 2016



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
Fax : 021-32460766

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, 2016.

Financial Results

Profit for the quarter ended September 30, 2016 amounted to Rupees 3.532 million as compared to profit of Rupees 2.77 million for the same period last year. The earning per certificate as at September 30, 2016 was Rupees 0.067 while the earnings for the same period last year was Rupees 0.053. The Breakup value as of September 30 2016 was Rupees 12.22 per certificate.

Prospects

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

For and on behalf of Board

Karachi
October 31, 2016

Adil A Ghaffar
Chief Executive Officer

FIRST EQUITY MODARABA
CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)
AS AT SETEMBER 30, 2016

	Note	September 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) modaraba certificates of Rs. 10 each		600,000,000	600,000,000
Certificate capital		524,400,000	524,400,000
Reserves	3	130,143,612	126,611,137
Remeasurement of define benefit liability - Actuarial gain		358,832	358,832
Unrealized loss on re-measurement of investments		(14,257,648)	(25,645,604)
Certificate holders' equity		640,644,796	625,724,365
Non-current liabilities			
Deferred liabilities		3,000,518	2,934,768
Security Deposit		200,000	200,000
Total non-current liabilities		3,200,518	3,134,768
Current liabilities			
Creditors, accrued and other liabilities		10,392,134	7,740,174
Unclaimed profit distributions		27,842,643	27,844,960
Total current liabilities		38,234,777	35,585,134
Total liabilities		41,435,295	38,719,902
Contingencies & Commitments			
Total equity and liabilities		682,080,091	664,444,267
ASSETS			
Non - current assets			
Fixed assets			
- tangible		14,215,245	14,529,146
- intangible		19,000,000	19,000,000
Investment property		1,801,667	1,831,667
Investments	4	325,934,489	325,797,990
Advances		2,510,000	2,510,000
Deposits		1,250,000	1,250,000
Total non-current assets		364,711,401	364,918,803
Current assets			
Morabaha / musharaka receivables - secured		144,281,477	140,333,175
Short term investments		83,728,704	101,100,114
Advances		3,546,825	2,320,247
Trade deposits and prepayments		15,640,826	15,263,695
Other receivables		31,641,544	22,238,237
Tax refund due from government		9,944,808	7,480,386
Cash and bank balances		28,584,506	10,789,610
Total current assets		317,368,690	299,525,464
Total assets		682,080,091	664,444,267

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, 2016

	September 2016 Rupees	September 2015 Rupees
<i>Income</i>	8,635,473	7,902,543
<i>Expenditure</i>		
Operating expenses	(5,160,415)	(5,232,283)
Bank charges	(4,216)	(3,820)
	(5,164,631)	(5,236,103)
	3,470,842	2,666,440
Other income	61,633	108,998
<i>Profit for the period</i>	3,532,475	2,775,438
Earnings per certificate	0.067	0.053

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) Lt

FIRST EQUITY MODARABA
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED SEPTEMBER 30, 2016

	September 2016 Rupees	September 2015 Rupees
Profit for the period	3,532,475	2,775,438
Other comprehensive income		
<hr/>		
Unrealized gain / (loss) on re-measurement of investments	8,200,586	(18,278,659)
Gain/(loss) realized on disposal of investments	3,187,370	3,388,501
	11,387,956	(14,890,158)
Taxation relating to component of other comprehensive income	-	-
<hr/>		
Other comprehensive income	11,387,956	(14,890,158)
<hr/>		
Total comprehensive income	14,920,431	(12,114,720)

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
FOR THE QUARTER ENDED SETEMBER 30, 2016

	September 2016 Rupees	September 2015 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the period	3,532,475	2,775,438
Adjustments for non cash/non operating items:		
Depreciation	490,897	473,920
Provision for gratuity	65,750	65,750
Dividend income	(792,500)	(798,762)
	(235,853)	(259,092)
Operating profit before working capital changes	3,296,622	2,516,346
Increase in current assets		
Morabaha / musharaka receivables	(3,948,302)	6,701,316
Advances	(3,691,000)	(341,322)
Trade deposits and prepayments	(377,131)	(405,328)
Other receivables	(9,405,753)	(10,539,426)
	(17,422,186)	(4,584,760)
(Decrease) / increase in current liabilities		
Creditors, accrued and other liabilities	2,651,960	(7,146,587)
Dividend paid	(2,317)	(2,602)
	2,649,643	(7,149,189)
Net cash used in operating activities	(11,475,921)	(9,217,603)
CASH FLOW FROM INVESTING ACTIVITIES		
Investments	28,622,867	(8,026,855)
Dividends received	794,950	968,358
Tangible assets	(147,000)	(154,689)
Net cash generated (used in)/from investing activities	29,270,817	(7,213,186)
Net increase / (decrease) in cash and bank equivalents	17,794,896	(16,430,789)
Cash and bank equivalents at the beginning of the period	10,789,610	20,285,400
Cash and bank equivalents at the end of the period	28,584,506	3,854,611

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 QUARTER ENDED SEPTEMBER 30, 2016

	Certificate Capital	Special reserve	Certificate premium account	General reserve	Unrealized gain / (loss) on re- measurement of available for sale	Remeasurmen t of define benefit liability	Un appropriated profit / accumulated loss	Total
	Rupees	Rupees	Rupees	Rupees	Rupees		Rupees	Rupees
Balance as at June 30, 2015	524,400,000	150,635,954	131,100,000	27,120,000	(20,170,414)	91,191	(182,422,558)	630,754,173
Total comprehensive income for the period	-	-	-	-	(5,475,190)	267,641	9,092,541	3,884,992
Profit distribution							(8,914,800)	(8,914,800)
Statutory reserves		1,864,046					(1,864,046)	-
Balance as at June 30, 2016	524,400,000	152,500,000	131,100,000	27,120,000	(25,645,604)	358,832	(184,108,863)	625,724,365
Total comprehensive income for the period	-	-	-	-	11,387,956		3,532,475	14,920,431
Balance as at September 30, 2016	524,400,000	152,500,000	131,100,000	27,120,000	(14,257,648)	358,832	(180,576,388)	640,644,796

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, 2016

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 Pakistan Stock Exchanges.

The Modaraba is a holding two Trading Right Entitlement certificate of Pakistan Stock Exchanges Ltd and is currently operating its brokerage activities at Karachi.

The modaraba is holding Equity Textiles Ltd. Apex Financial Services (Pvt) Ltd and Capital 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, 2016
- 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 2016 Rupees	June 2016 Rupees
3 Reserves		
Capital reserve	283,600,000	283,600,000
Revenue reserve	(153,456,388)	(156,988,863)
	130,143,612	126,611,137

4 Investments

Listed Securities - available for sale	1,865,888	1,729,389
Unlisted Securities	72,219,861	72,219,861
	74,085,749	73,949,250
Preference shares	1,828,740	1,828,740
Wholly owned subsidiary	250,020,000	250,020,000
	325,934,489	325,797,990

- 5 These financial statements were authorized for issue in accordance with a resolution of the Board of Directors on October 31, 2016

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, 2016

EQUITY TEXTILES LIMITED
BALANCE SHEET AS AT SETEMBER 30, 2016

	September 2016	Audited June 2016
	Rupees	Rupees
ASSETS		
NON CURRENT ASSETS		
Property, plant and equipment		
Operating fixed assets	1,123,963,585	1,152,186,176
Capital work in progress	-	-
	1,123,963,585	1,152,186,176
CURRENT ASSETS		
Stores and spares	25,792,412	27,533,131
Stock in trade	241,090,854	275,672,704
Short term investment	19,895,502	24,597,260
Trade debts	150,983,547	66,735,124
Loans and advances	41,836,554	54,397,358
Trade deposits and short term prepayments	13,873,501	18,302,897
Other receivables	796,485	872,305
Tax refund due from government	30,452,461	18,450,830
Taxation - net	(1,026,383)	12,044,354
Cash and bank balances	5,513,950	5,419,891
	529,208,883	504,025,854
TOTAL ASSETS	1,653,172,468	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	(2,618,780)	2,082,978
Profit and loss account - adverse balance	(13,369,289)	7,414,510
	(15,988,069)	9,497,488
	234,011,931	259,497,488
Surplus on revaluation of fixed assets	357,941,696	367,119,688
NON CURRENT LIABILITIES		
Long term financing	350,418,950	379,920,178
Long term Markup	770,059	876,372
Deferred taxation	182,591,638	182,886,709
	533,780,647	563,683,259
CURRENT LIABILITIES		
Trade and other payables	309,262,771	218,929,556
Accrued Markup	14,790,954	12,004,917
Short term borrowings	102,114,458	139,735,517
Current portion of long term liabilities	101,270,011	95,241,605
	527,438,194	465,911,595
TOTAL EQUITY AND LIABILITIES	1,653,172,468	1,656,212,030

CHIEF EXECUTIVE

DIRECTOR

EQUITY TEXTILES LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE QUARTER ENDED SEPTEMBER 30, 2016

	September 2016 Rupees	September 2015 Rupees
Sales	577,995,194	417,565,902
Cost of Sales	(577,203,089)	(392,429,704)
Gross profit	<u>792,105</u>	<u>25,136,198</u>
Administrative and general expenses	(4,769,173)	(4,800,605)
Distribution and selling expenses	<u>(6,301,426)</u>	<u>(4,232,979)</u>
Operating profit	(10,278,494)	16,102,614
Financial charges	<u>(14,195,435)</u>	<u>(13,515,277)</u>
Other charges	<u>-</u>	<u>(196,555)</u>
	<u>(14,195,435)</u>	<u>(13,711,832)</u>
	(24,473,929)	2,390,782
Other income	<u>128,726</u>	<u>261,286</u>
Profit before taxation	(24,345,203)	2,652,068
Provision for taxation		
Current	<u>(5,911,659)</u>	<u>(3,994,527)</u>
Deferred	<u>295,071</u>	<u>10,068,624</u>
	<u>(5,616,588)</u>	<u>6,074,097</u>
Profit after taxation	<u>(29,961,791)</u>	<u>8,726,165</u>
Earning per share - basic and diluted	<u>(1.1985)</u>	<u>0.3490</u>

CHIEF EXECUTIVE

DIRECTOR