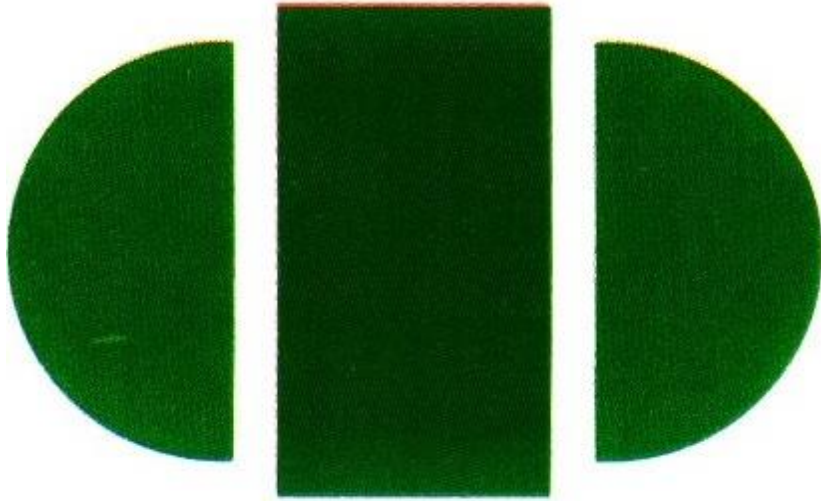


Quarterly Report  
For the period ended  
September 30, 2020



# **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

Ms Alizeh Bashir

Mr Nadeem Maqbool

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

Pakistan Stock Exchange Building

Karachi

Tel : 021-32446020-3

Fax : 021-32446024

### *Contents*

Corporate information	1
Report of the Directors	2
Balance sheet	3
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	11
Equity Textile Ltd-Profit & Loss A/c	12

**FIRST EQUITY MODARABA  
DIRECTORS REPORT**

The Directors of Premier Financial Services (Pvt) Ltd, the management company of FIRST EQUITY MODARABA, present their report and the un-audited financial statements of the Modaraba for the three months ended September 30, 2020.

***Financial Results***

Profit for the quarter ended September 30, 2020 amounted to Rs 2.85 million as against 0.277 million, for the same period last year

The earning per certificate as at September 30, 2020 was Rupees 0.054 while the earnings for the same period last year was Rupees 0.005. The Breakup value as of September 30 2020 was Rupees 11.76 per certificate.

***Prospects***

Our last year's annual report 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 on declining trend and economic activities have started.

For and on behalf of Board

Karachi  
October 21, 2020

**Adil A Ghaffar**  
**Chief Executive Officer**

**FIRST EQUITY MODARABA**  
**CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)**  
**AS AT SEPTEMBER 30, 2020**

	Note	September 2020 Rupees	Audited June 30, 2020 Rupees
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>			
<b>Certificate capital</b>			
Authorised capital			
60,000,000 (June 30, 2020: 60,000,000) modaraba certificates of Rs. 10 each		<b>600,000,000</b>	600,000,000
Certificate capital		<b>524,400,000</b>	524,400,000
Reserves	3	<b>120,334,146</b>	117,485,202
Remeasurement of define benefit liability - Actuarial gain		<b>1,135,501</b>	1,135,501
Unrealized loss on re-measurement of investments		<b>(29,183,052)</b>	(50,172,068)
<b>Certificate holders' equity</b>		<b>616,686,595</b>	592,848,635
<b>Non-current liabilities</b>			
Deferred liabilities		<b>4,551,260</b>	4,551,260
Security Deposit		-	200,000
<b>Total non-current liabilities</b>		<b>4,551,260</b>	4,751,260
<b>Current liabilities</b>			
Creditors, accrued and other liabilities		<b>10,253,038</b>	9,530,468
Unclaimed profit distributions		<b>29,560,348</b>	29,560,348
<b>Total current liabilities</b>		<b>39,813,386</b>	39,090,816
<b>Total liabilities</b>		<b>44,364,646</b>	43,842,076
<b>Contingencies &amp; Commitments</b>			
<b>Total equity and liabilities</b>		<b>661,051,241</b>	636,690,711

**FIRST EQUITY MODARABA**  
**CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)**  
**AS AT SEPTEMBER 30, 2020**

	Note	September 2020 Rupees	Audited June 30, 2020 Rupees
<b>Non - current assets</b>			
Fixed assets			
- tangible		6,273,099	6,436,337
- intangible		-	-
Investment property		1,321,667	1,351,667
Investments	4	382,187,830	382,187,831
Advances		2,510,000	2,510,000
Deposits		1,843,566	1,750,000
<b>Total non-current assets</b>		<b>394,136,162</b>	<b>394,235,835</b>
<b>Current assets</b>			
Morabaha / musharaka receivables - secured		15,261,852	53,074,682
Short term investments		94,886,042	48,464,418
Advances- Considered		10,817,504	10,551,064
Trade deposits and prepayments		17,374,242	15,179,527
Other receivables		26,476,285	24,426,969
Cash and bank balances		102,099,153	90,758,217
<b>Total current assets</b>		<b>266,915,079</b>	<b>242,454,876</b>
<b>Total assets</b>		<b>661,051,241</b>	<b>636,690,711</b>

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  
FOR THE QUARTER ENDED SETEMBER 30, 2020

	September 2020 Rupees	September 2019 Rupees
<b><i>Income</i></b>	7,007,739	4,392,539
<b><i>Expenditure</i></b>		
Operating expenses	(4,682,119)	(4,131,212)
Bank charges	(7,540)	(305)
	(4,689,659)	(4,131,517)
	2,318,080	261,022
Other income	530,864	16,382
<b><i>Profit for the period</i></b>	2,848,944	277,404
Earnings per certificate	0.054	0.005

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 ENDED SEPTEMBER 30, 2020**

	September 2020 Rupees	September 2019 Rupees
Profit for the period	2,848,944	277,404
<b>Other comprehensive income</b>		
<hr/>		
Unrealized gain / (loss) on re-measurement of investments	14,819,148	(9,249,681)
Gain/(loss) realized on disposal of investments	6,169,868	-
	<b>20,989,016</b>	<b>(9,249,681)</b>
Taxation relating to component of other comprehensive income	-	-
<hr/>		
Other comprehensive income / (loss)	20,989,016	(9,249,681)
<hr/>		
<b>Total comprehensive income / (loss)</b>	<b>23,837,960</b>	<b>(8,972,277)</b>

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

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.

**FIRST EQUITY MODARABA**  
**CONDENSED INTERIM STATEMENT OF CASH FLOWS STATEMENTS(UN-AUDITED)**  
**FOR THE QUARTER ENDED SETEMBER 30, 2020**

	September 2020 Rupees	September 2019 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit for the period	2,848,944	277,404
<b>Adjustments for non cash/non operating items:</b>		
Depreciation	404,851	391,662
Provision for gratuity	-	88,375
Dividend income	(131,800)	(1,000)
	273,051	479,037
<b>Operating profit before working capital changes</b>	<b>3,121,995</b>	<b>756,441</b>
<b>(Increase) / Decrease in current assets</b>		
Morabaha / musharaka receivables	37,812,830	(2,320,514)
Advances	(266,440)	(154,383)
Trade deposits and prepayments	(2,288,281)	4,397
Other receivables	(2,049,316)	662,928
	33,208,793	(1,807,572)
<b>(Decrease) / increase in current liabilities</b>		
Creditors, accrued and other liabilities	722,570	512,487
Dividend paid	-	-
	722,570	512,487
<b>Net cash used in operating activities</b>	<b>37,053,358</b>	<b>(538,644)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Investments	(25,432,607)	-
Dividends received	131,800	1,000
Tangible assets	(211,615)	(15,015)
Security Deposit Return	(200,000)	-
<b>Net cash generated (used in)/from investing activities</b>	<b>(25,712,422)</b>	<b>(14,015)</b>
<b>Net increase / (decrease) in cash and bank equivalents</b>	<b>11,340,936</b>	<b>(552,659)</b>
Cash and bank equivalents at the beginning of the period	90,758,217	4,383,612
<b>Cash and bank equivalents at the end of the period</b>	<b>102,099,153</b>	<b>3,830,953</b>

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

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.



FIRST EQUITY MODARABA  
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)  
FOR THE QUARTER ENDED SEPTEMBER 30, 2020

Page 8

	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, 2019	524,400,000	161,050,000	131,100,000	27,120,000	(53,883,253)	446,440	(195,923,488)	594,309,699
Total comprehensive income for the period	-	-	-	-	3,711,185	689,061	(5,861,310)	(1,461,064)
Balance as at June 30, 2020	524,400,000	161,050,000	131,100,000	27,120,000	(50,172,068)	1,135,501	(201,784,798)	592,848,635
Total comprehensive income for the period	-	-	-	-	20,989,016		2,848,944	23,837,960
<b>Balance as at September 30, 2020</b>	<b>524,400,000</b>	<b>161,050,000</b>	<b>131,100,000</b>	<b>27,120,000</b>	<b>(29,183,052)</b>	<b>1,135,501</b>	<b>(198,935,854)</b>	<b>616,686,595</b>

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 SETEMBER 30, 2020**

**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, 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. 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 2020 Rupees	June 2020 Rupees
<b>3 Reserves</b>		
Capital reserve	292,150,000	292,150,000
Revenue reserve	(171,815,854)	(174,664,798)
	<b>120,334,146</b>	<b>117,485,202</b>

**4 Investments**

Listed Securities - Suspended	41,800	41,800
Unlisted Securities	32,146,030	32,146,031
	<b>32,187,830</b>	<b>32,187,831</b>
Wholly owned subsidiary	350,000,000	350,000,000
	<b>382,187,830</b>	<b>382,187,831</b>

- 5 These financial statements were authorized for issue in accordance with a resolution of the Board of Directors on October 21 2020

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**

**quarterly report for the period ended  
September 30, 2020**

**EQUITY TEXTILES LIMITED**  
**BALANCE SHEET AS AT SETEMBER 30, 2020**

	September 2020 Rupees	Audited June 2020 Rupees
<b>ASSETS</b>		
<b>NON CURRENT ASSETS</b>		
Property, plant and equipment		
Operating fixed assets	1,127,382,954	1,113,733,582
Intangible fixed Assets	4,038,864	4,251,436
CWIP	7,417,117	4,877,875
Long Term Deposits	7,186,700	4,034,700
	1,146,025,635	1,126,897,593
<b>CURRENT ASSETS</b>		
Stores and spares	47,991,121	52,292,527
Stock in trade	334,612,453	307,653,108
Short term investment	10,173,622	7,898,745
Trade debts	275,637,301	107,498,016
Loans and advances	16,476,075	15,947,984
Trade deposits and short term prepayments	70,430,275	63,407,734
Other receivables	6,266,565	4,613,723
Tax refund due from government	33,028,416	48,989,818
Cash and bank balances	27,249,594	10,129,441
	821,865,422	618,431,096
<b>TOTAL ASSETS</b>	<u>1,967,891,057</u>	<u>1,745,328,689</u>
<b>EQUITY AND LIABILITIES</b>		
<b>SHARE CAPITAL AND RESERVES</b>		
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 Revaluation of investments	(2,069,433)	(4,344,310)
Profit and loss account	109,272,449	83,962,092
	107,203,016	79,617,782
	357,203,016	329,617,782
Surplus on revaluation of fixed assets	355,188,171	364,295,560
<b>NON CURRENT LIABILITIES</b>		
Long term financing	98,734,213	37,648,555
Liabilities against subject to finance lease	55,801,133	34,206,452
Deferred taxation	75,984,100	106,286,688
	230,519,446	178,141,695
<b>CURRENT LIABILITIES</b>		
Trade and other payables	843,634,137	712,440,046
Accrued Markup	6,997,272	7,145,157
Taxation-Net	9,520,822	15,961,402
Short term borrowings	126,101,398	129,307,874
Current portion of long term liabilities	24,472,113	3,714,037
Current portion of lease Liability	14,254,682	4,705,136
	1,024,980,424	873,273,652
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>1,967,891,057</u>	<u>1,745,328,689</u>

CHIEF EXECUTIVE

DIRECTOR

**EQUITY TEXTILES LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2020**

	<b>September 2020</b>	<b>September 2019</b>
	<b>Rupees</b>	<b>Rupees</b>
Sales	902,347,712	903,638,389
Cost of Sales	(877,766,495)	(840,546,746)
Gross profit	<u>24,581,217</u>	<u>63,091,643</u>
Administrative and general expenses	(9,185,782)	(8,786,187)
Distribution and selling expenses	<u>(8,291,435)</u>	<u>(6,554,464)</u>
Operating profit	7,104,000	47,750,992
Financial charges	<u>(7,861,019)</u>	<u>(13,481,292)</u>
Other charges	<u>(403,400)</u>	<u>(2,368,473)</u>
	<u>(8,264,419)</u>	<u>(15,849,765)</u>
	<u>(1,160,419)</u>	<u>31,901,227</u>
Other income	946,284	55,996
Profit before taxation	<u>(214,135)</u>	<u>31,957,223</u>
Provision for taxation		
Current	<u>(13,885,485)</u>	<u>(14,106,209)</u>
Deferred	<u>30,302,588</u>	<u>1,807,007</u>
	<u>16,417,103</u>	<u>(12,299,202)</u>
Profit after taxation	<u><u>16,202,968</u></u>	<u><u>19,658,021</u></u>
Earning per share - basic and diluted	<u><u>0.648</u></u>	<u><u>0.786</u></u>

CHIEF EXECUTIVE

DIRECTOR

# فرسٹ ایکویٹی مضاربہ

## ڈائریکٹرز رپورٹ

فرسٹ ایکویٹی مضاربہ کی انتظامی کمپنی پریمیر فنانشل سروسز (پرائیویٹ) لمیٹڈ کے ڈائریکٹرز اپنی رپورٹ اور مضاربہ کے غیر آڈٹ شدہ مالیاتی برائے سہ ماہی اختتام پذیر 30 ستمبر 2020 پیش کرتے ہوئے مسرت محسوس کرتے ہیں۔

### مالیاتی نتائج:

گذشتہ سہ ماہی کے منافع مبلغ 0.277 ملین روپے کے مقابلے میں 30 ستمبر 2020ء کو اختتام پذیر ہونے والی سہ ماہی میں مبلغ 2.85 ملین روپے کا منافع ہوا۔

30 ستمبر 2020ء تک فی سٹیفکیٹ آمدنی مبلغ 0.054 روپے تھی جبکہ گذشتہ سال اسی مدت میں فی سٹیفکیٹ آمدنی مبلغ 0.005 روپے تھی۔ 30 ستمبر 2020ء تک بریک اپ ویلیو مبلغ 11.76 روپے فی سٹیفکیٹ 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 و باء کا رجحان کم ہو رہا ہے اور اقتصادی سرگرمیاں شروع ہو گئی ہیں۔

بورڈ کی جانب سے

کراچی، اکتوبر 21، 2020ء

عادل اے غفار  
چیف ایگزیکٹو آفیسر