

REVIEW REPORT ON STATEMENT OF NET CAPITAL BALANCE

To the Chief Executive Officer of First Equity Modaraba

Opinion

We have reviewed the accompanying Statement of Net Capital Balance of First Equity Modaraba (the Modaraba) and notes to the Statement of Net Capital Balance as at December 31, 2020 (together 'the statement'). Management is responsible for the preparation of the statement in accordance with the requirement of the Second Schedule of the Securities Brokers (Licensing and Operations) Regulations, 2016 (the Regulations) issued by the Securities & Exchange Commission of Pakistan (SECP). Our responsibility is to express a conclusion on the statement based on our review.

In our opinion, the financial information in the statement of the Modaraba as at December 31, 2020 is prepared, in all material respects, in accordance with the requirements of the Second Schedule of the Securities Brokers (Licensing and Operations) Regulations, 2016 (the Regulations) read with Rule 2(d) of the Securities Exchange Commission (SEC) Rules 1971 (SEC Rules 1971).

Scope of Review

We conducted our review in accordance with International Standards on Review Engagements 2410 "review of Interim Financial Information Performed by the Independent Auditor of the Entity" which applies to review of historical financial information performed by the independent auditors of the securities brokers. A review of historical 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 with the International Standards on Auditing and consequently does not enable us to obtain assurance that would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that accompanying statement is not prepared, in all material respects, in accordance with the requirement of Second Schedule of the Regulation.

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Other Matter- Restriction on Distribution and Use

Our report is intended solely for the Modaraba, SECP, Pakistan Stock Exchange and National Clearing Company of Pakistan Limited and should not be distributed to any other parties. Our conclusion is not modified in respect of this matter.

Ghame Hussain Chaudhury

**Crowe Hussain Chaudhury & Co.
Chartered Accountants
Engagement Partner: Imran Shaikh**

Karachi

Date: 12 MAR 2021

**FIRST EQUITY MODARBA
NET CAPITAL BALANCE CERTIFICATE
AS AT DECEMBER 31, 2020**

CALCULATION OF CAPITAL FOR THE PURPOSES OF
RULE 2(d) OF SECURITIES AND EXCHANGE RULES, 1971

	Note	2020 Rupees
CURRENT ASSETS		
Cash in Hand and Bank Balances		
Cash in hand		30,431
		30,431
Bank balance(s) pertaining to Proprietor Account	2	90,576,350
Bank balance(s) pertaining to clients	3	7,730,628
		98,306,978
		98,337,409
Trade Receivables		
Book value		22,913,607
Less: Over due for more than 14 days		(21,407,621)
		1,505,986
Investment in Listed Securities in the Name of the Brokerage Houses		
Securities on the exposure list marked to market		92,011,357
less: 15% discount		(13,801,704)
		78,209,652
Securities Purchase for Clients		
		8,138,565
Securities purchase for the customer and held by the broker where the payment has not been received within 14 days		186,191,613
CURRENT LIABILITIES		
Trade Payables		
Book value		6,871,344
Less: Over due for more than 30 days		(2,613,053)
		4,258,291
Other Liabilities		
	4	35,326,474
		39,584,765
NET CAPITAL BALANCE		
		146,606,848

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Chief Executive Officer



Chief Financial Officer

**FIRST EQUITY MODARBA
NET CAPITAL BALANCE CERTIFICATE
AS AT DECEMBER 31, 2020**

NOTES TO CALCULATION OF CAPITAL FOR THE PURPOSES OF
RULE 2(d) OF SECURITIES AND EXCHANGE RULES, 1971

Note 1

1.1 The Company and its Operations

First Equity Modaraba (the 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.

1.2 Basis of accounting

This statement has been prepared to assist the Modaraba to meet the requirement of the Securities and Exchange Commission of Pakistan (SECP), Pakistan Stock Exchange (PSX) and National Clearing Company of Pakistan Limited (NCCPL). As a result, the statement may not be suitable for another purpose.

Note 2

- Bank Balance(s) pertaining to Brokerage House

	December 31, 2020
	Rupees
- Bank balance(s) pertaining to proprietor Account	90,576,350
	90,576,350

Note 3

- Bank Balance(s) pertaining to Clients

	December 31, 2020
	Rupees
Cash at bank - Clients	
-Bank Islami Pakistan - Client Account	7,730,628
	7,730,628

Note 4


Other Liabilities


	December 31, 2020
	Rupees
Total other liabilities	35,326,474
	35,326,474

Note 5

Authorization

These notes have been extracted from record as on December 31, 2020.


Chief Executive Officer


Chief Financial Officer

