



## First Equity Modaraba

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Ref. No. : QO-253(1)/2015

Managed by  
Premier Financial Services (Private) Limited

October 09, 2015

The General Manager  
Karachi Stock Exchange Limited  
Stock Exchange Building  
Stock Exchange Road  
Karachi .

### FINANCIAL RESULTS FOR THE YEAR ENDED JUNE 30, 2015

Dear Sir,

We have to inform you that the Board of Directors of Premier Financial Services (Pvt.) Ltd the management company of **FIRST EQUITY MODARABA** in their meeting held on October 08, 2015 at Karachi, recommended the following:

#### CASH DIVIDEND

A Cash Dividend for the year ended June 30, 2015 at Rs 0.17 per share i.e. 1.70%

#### BONUS SHARES

NIL

#### RIGHT SHARES

NIL

The financial results of the Modaraba and Consolidated are enclosed, along with the Auditors Report.

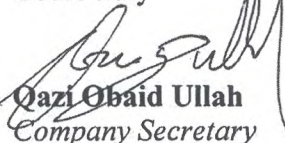
The Annual Review Meeting of the Certificate holders of the Modaraba will be held on November 26, 2015.

The certificate transfer book of the Modaraba will be closed from Saturday, November 14, 2015 to Thursday, November 26, 2015 (both days inclusive). Transfer received at THK Associates (Pvt), State Life Building # 03, Dr Zia uddin Ahmed Road Karachi at the close of the business on Friday, November 13, 2015 will be treated in time.

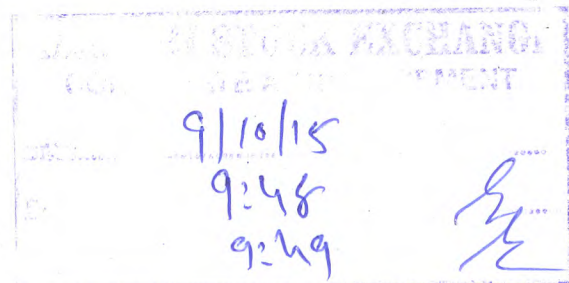
We will be sending you 200 copies of financial statements for distribution amongst the members of the Exchange.

Kindly acknowledge receipt.

Yours truly

  
Qazi Obaid Ullah  
Company Secretary

Encl : a/a



**FIRST EQUITY MODARABA  
PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED JUNE 30, 2015**

	<b>2015 Rupees</b>	<b>2014 Rupees</b>
<b>Income</b>	<b>34,252,047</b>	<b>46,224,523</b>
<b>Expenditures</b>		
Operating expenses	(21,538,416)	(18,425,749)
Financial charges	(2,688)	(5,695)
	<b>(21,541,104)</b>	<b>(18,431,444)</b>
Operating profit	<b>12,710,943</b>	<b>27,793,079</b>
Other income	<b>431,953</b>	<b>713,980</b>
	<b>13,142,896</b>	<b>28,507,059</b>
Management fee	(1,314,288)	(2,850,700)
Service Sales Tax on management remuneration	(197,143)	(456,112)
	<b>11,631,465</b>	<b>25,200,247</b>
Worker Welfare Fund	(232,629)	(504,005)
<b>Profit before taxation</b>	<b>11,398,836</b>	<b>24,696,242</b>
Taxation	-	-
<b>Profit for the year</b>	<b>11,398,836</b>	<b>24,696,242</b>
<b>Earnings per certificate - basic and diluted</b>	<b>0.217</b>	<b>0.471</b>

*Signature*



**FIRST EQUITY MODARABA**  
**CONSOLIDATED PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED JUNE 30, 2015**

	2015 Rupees	2014 Rupees
Income	200,762,263	221,646,648
<b>Expenditures</b>		
Operating expenses	(45,050,873)	(36,028,548)
Distribution and selling expenses	(16,940,059)	(15,117,068)
	(61,990,932)	(51,145,616)
Operating profit	138,771,331	170,501,032
Financial charges	(71,492,500)	(76,568,945)
	67,278,831	93,932,087
Other income	1,951,525	1,281,706
	69,230,356	95,213,793
Other charges	(5,761,443)	(5,544,585)
Management fee	(1,314,288)	(2,850,700)
Service Sales Tax on management remuneration	(197,143)	(456,112)
Impairment in associated company	(10,685,020)	-
Share of (loss) /profit in associated company	3,073,446	(2,901,431)
<b>Profit before taxation</b>	<b>54,345,908</b>	83,460,965
<b>Taxation</b>		
- current	(15,905,952)	(20,996,096)
- prior	(285,243)	(708,990.0)
- deferred	30,422,755	33,682,101
	14,231,560	11,977,015
<b>Profit for the year</b>	<b>68,577,468</b>	95,437,980
<b>Earnings per certificate - basic and diluted</b>	<b>1.31</b>	1.82

*[Signature]*



## AUDITORS' REPORT TO THE CERTIFICATE HOLDERS

**RSM Avasi Hyder Liaquat Nauman**  
 Chartered Accountants

407, Progressive Plaza, Beaumont Road,  
 Karachi, 75530 - Pakistan.  
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We have audited the annexed balance sheet of **FIRST EQUITY MODARABA (the Modaraba)** as at June 30, 2015 and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof (hereinafter referred to as the financial statements), for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

These financial statements are the Modaraba Company's [Premier Financial Services (Private) Limited] responsibility who is also responsible to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards as applicable in Pakistan and the requirements of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance 1980 (XXXI of 1980), and the Modaraba Companies and Modaraba Rules, 1981. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of any material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting policies and significant estimates made by the Modaraba Company, as well as, evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

- (a) 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) of 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.
- (b) Modaraba has charged unrealised loss of Rs. 16.728 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 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 Modaraba charged the unrealized loss to the profit and loss account, its profit for the year would have been lower by Rs. 16.728 million.



- (c) Except for the matter discussed in paragraph (a) and (b) above, in our opinion, proper books of accounts have been kept by the Modaraba Company in respect of the Modaraba as required by the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 (XXXI of 1980), and the Modaraba Companies and Modaraba Rules, 1981;
- (d) Except for the matter discussed in paragraph (a) and (b) above, in our opinion:
  - (i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 (XXXI of 1980), and the Modaraba Companies and Modaraba Rules 1981, and are in agreement with the books of accounts and are further in agreement with accounting policies consistently applied;
  - (ii) the expenditure incurred during the year was for the purpose of the Modaraba's business; and
  - (iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects, terms and conditions of the Modaraba;
- (e) Except for the matter discussed in paragraph (a) and (b) above, in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof confirm with the approved accounting standards as applicable in Pakistan and give the information required by the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 (XXXI of 1980), and the Modaraba Companies and Modaraba Rules, 1981, in the manner so required and respectively give a true and fair view of the state of Modaraba's affairs as at June 30, 2015 and of its profit, its total comprehensive income, its cash flows and changes in equity for the year then ended;
- (f) In our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

*psm*

Chartered Accountants  
Karachi.  
Dated:

Engagement Partner: Adnan Zaman