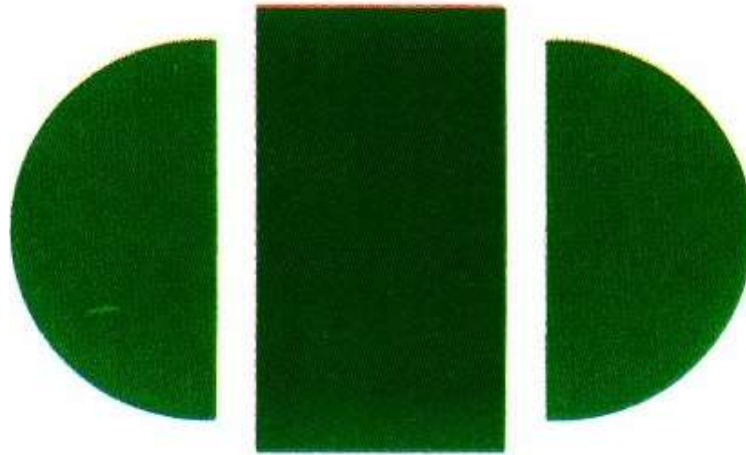


Quarterly Report  
For the period ended  
September 30, 2019



# **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 Qaiser Magoon

Mr Adil A Ghaffar - Chief Executive Officer

### AUDIT COMMITTEE

Mr Qaiser Magoon

Mr Zahid Bashir

Mr Nadeem Maqbool

### HUNAM RESOURCE COMMITTEE

Mr Zahid Bashir

Mr Nadeem Maqbool

Mr Adil A Ghaffar

## REGISTERED 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](mailto:info@firstequitymodaraba.com.pk)

website: [firstequitymodaraba.com.pk](http://firstequitymodaraba.com.pk)

Room No 503-504

Pakistan Stock Exchange Building

Karachi

Tel : 021-32446020-3

Fax : 021-32446024

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**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, 2019.

***Financial Results***

Profit for the quarter ended September 30, 2019 amounted to Rs 0.277 million as against 0.129 million, for the same period last year

The earning per certificate as at September 30, 2019 was Rupees 0.005 while the earnings for the same period last year was Rupees 0.002. The Breakup value as of September 30 2019 was Rupees 11.16 per certificate.

***Prospects***

We anticipate that once the political and economic indecisiveness is settled, the capital market will again show a bullish trend. 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 30, 2019

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

**FIRST EQUITY MODARABA**  
**CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)**  
**AS AT SEPTEMBER 30, 2019**

	Note	September 2019 Rupees	Audited June 30, 2019 Rupees
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>			
<b>Certificate capital</b>			
Authorised capital			
60,000,000 (June 30, 2019: 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>123,623,916</b>	123,346,512
Remeasurement of define benefit liability - Actuarial gain		<b>446,440</b>	446,440
Unrealized loss on re-measurement of investments		<b>(63,132,934)</b>	(53,883,253)
<b>Certificate holders' equity</b>		<b>585,337,422</b>	594,309,699
<b>Non-current liabilities</b>			
Deferred liabilities		<b>4,340,169</b>	4,251,794
Security Deposit		<b>200,000</b>	200,000
<b>Total non-current liabilities</b>		<b>4,540,169</b>	4,451,794
<b>Current liabilities</b>			
Creditors, accrued and other liabilities		<b>8,645,615</b>	8,133,128
Unclaimed profit distributions		<b>29,561,214</b>	29,561,214
<b>Total current liabilities</b>		<b>38,206,829</b>	37,694,342
<b>Total liabilities</b>		<b>42,746,998</b>	42,146,136
<b>Contingencies &amp; Commitments</b>			
<b>Total equity and liabilities</b>		<b>628,084,420</b>	636,455,835

**FIRST EQUITY MODARABA**  
**CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)**  
**AS AT SETEMBER 30, 2019**

	Note	September 2019 Rupees	Audited June 30, 2019 Rupees
<b>Non - current assets</b>			
Fixed assets			
- tangible		7,307,139	7,653,790
- intangible		-	-
Investment property		1,441,667	1,471,667
Investments	4	382,187,830	392,999,771
Advances		2,510,000	2,510,000
Deposits		1,750,000	1,750,000
<b>Total non-current assets</b>		<b>395,196,636</b>	<b>406,385,228</b>
<b>Current assets</b>			
Morabaha / musharaka receivables - secured		141,903,165	139,582,651
Short term investments		39,487,767	37,925,507
Advances		10,122,305	9,967,922
Trade deposits and prepayments		15,251,285	15,255,678
Other receivables		22,292,309	22,955,237
Cash and bank balances		3,830,953	4,383,612
<b>Total current assets</b>		<b>232,887,784</b>	<b>230,070,607</b>
<b>Total assets</b>		<b>628,084,420</b>	<b>636,455,835</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 PROFIT AND LOSS ACCOUNT  
 FOR THE QUARTER ENDED SETEMBER 30, 2019

	September 2019 Rupees	September 2018 Rupees
<b><i>Income</i></b>	4,392,539	5,513,686
<b><i>Expenditure</i></b>		
Operating expenses	(4,131,212)	(5,392,676)
Bank charges	(305)	(4,831)
	(4,131,517)	(5,397,507)
	261,022	116,179
Other income	16,382	12,510
<b><i>Profit for the period</i></b>	277,404	128,689
Earnings per certificate	0.005	0.002

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 COMPREHENSIVE INCOME  
FOR THE QUARTER ENDED SEPTEMBER 30, 2019**

	September 2019 Rupees	September 2018 Rupees
Profit for the period	277,404	128,689
<b>Other comprehensive income</b>		
<hr/>		
Unrealized gain / (loss) on re-measurement of investments	(9,249,681)	(7,663,628)
Gain/(loss) realized on disposal of investments	-	-
	<hr/>	<hr/>
	(9,249,681)	(7,663,628)
Taxation relating to component of other comprehensive income	-	-
<hr/>		
Other comprehensive income	(9,249,681)	(7,663,628)
<hr/>		
<b>Total comprehensive income</b>	<b>(8,972,277)</b>	<b>(7,534,939)</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 SEPTEMBER 30, 2019

	September 2019 Rupees	September 2018 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit for the period	277,404	128,689
<b>Adjustments for non cash/non operating items:</b>		
Depreciation	391,662	392,248
Provision for gratuity	88,375	75,875
Dividend income	(1,000)	(739,831)
	479,037	(271,708)
<b>Operating profit before working capital changes</b>	<b>756,441</b>	<b>(143,019)</b>
<b>Increase in current assets</b>		
Morabaha / musharaka receivables	(2,320,514)	(3,829,214)
Advances	(154,383)	2,455,272
Trade deposits and prepayments	4,397	75,633
Other receivables	662,928	(842,090)
	(1,807,572)	(2,140,399)
<b>(Decrease) / increase in current liabilities</b>		
Creditors, accrued and other liabilities	512,487	(1,880,748)
Dividend paid	-	(38,947)
	512,487	(1,919,695)
<b>Net cash used in operating activities</b>	<b>(538,644)</b>	<b>(4,203,113)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Investments	-	-
Dividends received	1,000	739,831
Tangible assets	(15,015)	(2,763,634)
<b>Net cash generated (used in)/from investing activities</b>	<b>(14,015)</b>	<b>(2,023,803)</b>
<b>Net increase / (decrease) in cash and bank equivalents</b>	<b>(552,659)</b>	<b>(6,226,916)</b>
Cash and bank equivalents at the beginning of the period	4,383,612	11,626,025
<b>Cash and bank equivalents at the end of the period</b>	<b>3,830,953</b>	<b>5,399,108</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 STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)  
FOR THE QUARTER ENDED SEPTEMBER 30, 2019

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, 2018	524,400,000	161,050,000	131,100,000	27,120,000	(37,022,035)	(103,364)	(192,619,716)	613,924,885
Total comprehensive income for the period	-	-	-	-	(16,861,218)	549,804	(3,303,772)	(19,615,186)
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	-	-	-	-	(9,249,681)		277,404	(8,972,277)
<b>Balance as at September 30, 2019</b>	<b>524,400,000</b>	<b>161,050,000</b>	<b>131,100,000</b>	<b>27,120,000</b>	<b>(63,132,934)</b>	<b>446,440</b>	<b>(195,646,084)</b>	<b>585,337,422</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, 2019**

**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, 2019
- 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 2019 Rupees	June 2019 Rupees
<b>3 Reserves</b>		
Capital reserve	292,150,000	292,150,000
Revenue reserve	(168,526,084)	(168,803,488)
	<u>123,623,916</u>	<u>123,346,512</u>

**4 Investments**

Listed Securities - available for sale	41,800	41,800
Unlisted Securities	32,146,030	42,957,971
	<u>32,187,830</u>	<u>42,999,771</u>
Wholly owned subsidiary	350,000,000	350,000,000
	<u>382,187,830</u>	<u>392,999,771</u>

- 5 These financial statements were authorized for issue in accordance with a resolution of the Board of Directors on October 30 2019

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, 2019

**EQUITY TEXTILES LIMITED**  
**BALANCE SHEET AS AT SETEMBER 30, 2019**

	<b>September 2019</b>	<b>Audited</b>
	<b>Rupees</b>	<b>June 2019</b>
		<b>Rupees</b>
<b>ASSETS</b>		
<b>NON CURRENT ASSETS</b>		
Property, plant and equipment		
Operating fixed assets	1,160,121,195	1,182,102,543
Intangible fixed Assets	5,389,467	-
CWIP	917,960	5,393,156
Long Term Deposits	771,800	380,800
	1,167,200,422	1,187,876,499
<b>CURRENT ASSETS</b>		
Stores and spares	45,636,268	50,484,405
Stock in trade	261,689,084	397,258,108
Short term investment	6,461,198	9,525,923
Trade debts	205,373,913	211,690,534
Loans and advances	35,283,346	35,603,654
Trade deposits and short term prepayments	65,739,231	59,601,986
Other receivables	78,221	5,711,956
Tax refund due from government	80,555,699	85,305,165
Cash and bank balances	6,892,775	6,237,345
	707,709,735	861,419,076
	1,874,910,157	2,049,295,575
<b>TOTAL ASSETS</b>		
<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 Gain on investments	(5,781,857)	(2,717,132)
Profit and loss account	111,383,087	81,605,745
	105,601,230	78,888,613
	355,601,229	328,888,613
Surplus on revaluation of fixed assets	394,653,524	404,772,845
<b>NON CURRENT LIABILITIES</b>		
Long term financing	26,264,709	35,317,681
Liabilities against subject to finance lease	3,072,155	890,432
Deferred taxation	144,694,489	146,501,496
	174,031,353	182,709,609
<b>CURRENT LIABILITIES</b>		
Trade and other payables	719,942,547	718,110,594
Accrued Markup	29,877,434	34,691,151
Taxation-Net	3,430,682	4,749,466
Short term borrowings	84,448,539	231,604,616
Current portion of long term liabilities	112,924,849	143,768,681
	950,624,051	1,132,924,508
	1,874,910,157	2,049,295,575
<b>TOTAL EQUITY AND LIABILITIES</b>		

CHIEF EXECUTIVE

DIRECTOR

**EQUITY TEXTILES LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2019**

	<b>September 2019</b> <b>Rupees</b>	<b>September 2018</b> <b>Rupees</b>
Sales	903,638,389	819,349,655
Cost of Sales	(840,546,746)	(752,384,028)
Gross profit	<u>63,091,643</u>	<u>66,965,627</u>
Administrative and general expenses	(8,786,187)	(6,698,367)
Distribution and selling expenses	(6,554,464)	(6,033,954)
Operating profit	<u>47,750,992</u>	<u>54,233,306</u>
Financial charges	(13,481,292)	(11,741,186)
Other charges	(2,368,473)	(2,978,484)
	<u>(15,849,765)</u>	<u>(14,719,670)</u>
	31,901,227	39,513,636
Other income	55,996	674,311
Profit before taxation	<u>31,957,223</u>	<u>40,187,947</u>
Provision for taxation		
Current	(14,106,209)	(13,011,324)
Deferred	1,807,007	(5,654,935)
	<u>(12,299,202)</u>	<u>(18,666,259)</u>
Profit after taxation	<u>19,658,021</u>	<u>21,521,688</u>
Earning per share - basic and diluted	<u>0.786</u>	<u>0.861</u>

CHIEF EXECUTIVE

DIRECTOR

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 **Jama  
Punji**








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-  Financial calculator
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notifications, corporate and  
regulatory actions)
-  Jamapunji application for  
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\*Mobile apps are also available for download for android and ios devices

فرسٹ ایکویٹی مضاربہ  
ڈائریکٹرز رپورٹ

فرسٹ ایکویٹی مضاربہ کی انتظامی کمپنی پریمیر فائل سرورسز (پرائیویٹ) لمیٹڈ، فرسٹ ایکویٹی مضاربہ مینجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز 30 ستمبر 2019 کو ختم ہونے والی سہ ماہی کیلئے اپنی رپورٹ بشمول غیر آڈٹ شدہ مالیاتی حسابات پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

مالیاتی نتائج:

30 ستمبر 2019 کو ختم ہونے والی سہ ماہی میں مبلغ 0.277 ملین روپے کا منافع حاصل کیا جس کا موازنہ گزشتہ سال کی اسی مدت کے منافع 0.129 ملین روپے سے کیا جاسکتا ہے۔

30 ستمبر 2019 کو فی سٹریکیٹ مبلغ 0.005 روپے آمدنی ہوئی جبکہ گزشتہ سال اسی مدت کو مبلغ 0.002 روپے آمدنی حاصل ہوئی تھی۔ 30 ستمبر 2019 کو بریک اپ ریلیو مبلغ 11.16 روپے فی سٹریکیٹ تھی۔

اظہار تشکر:

ہم امید کرتے ہیں کہ سیاسی اور اقتصادی غیر یقینی صورتحال کے باوجود کیمپبل مارکیٹ میں دوبارہ تیزی کا رجحان دکھائی دے گا۔ ہم نے آخری سالانہ رپورٹ میں اپنی معاشی، تجارتی، مالی اور صنعتی حالت پر اظہار خیال کیا تھا۔

بورڈ کی طرف سے

کراچی  
30 اکتوبر 2019ء

عادل اے حفار  
چیف ایگزیکٹو آفیسر