

1/4

**FIRST EQUITY MODARABA
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2023**

	Note	2023 ----- Rupees -----	2022 -----
INCOME	20	4,751,298	22,439,295
EXPENSES:			
Operating expenses	21	(26,318,610)	(25,716,447)
Financial charges	22	(62,741)	(73,056)
		(26,381,351)	(25,789,503)
Operating loss		(21,630,053)	(3,350,208)
Other income	23	115,154	410,960
Loss before taxation		(21,514,899)	(2,939,248)
Taxation	24	(831,069)	(3,785,000)
Loss for the year		(22,345,968)	(6,724,248)
Loss per certificate - basic and diluted	26	(0.43)	(0.13)

The annexed notes 1 to 38 form an integral part of these financial statements.

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**For Premier Financial Services (Private) Limited
(Modaraba Management Company)**

Qazi Obaid Ullah Chief Financial Officer	Adil A. Ghaffar Chief Executive Officer	Director	Director
	Premier Financial Services (Private) Limited	Premier Financial Services (Private) Limited	Premier Financial Services (Private) Limited

2/4

**FIRST EQUITY MODARABA
CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2023**

	Note	2023 ----- Rupees -----	2022
Income - net	33	(119,313,209)	518,331,592
Expenditures			
Operating expenses	34	(104,060,330)	(86,562,150)
Distribution and selling expenses	35	(24,837,450)	(22,335,838)
		(128,897,780)	(108,897,988)
Operating (loss) / profit		(248,210,989)	409,433,604
Financial charges	36	(61,829,716)	(37,021,399)
Other income	37	6,550,243	22,175,394
Other charges	38	-	(29,825,258)
(Loss) / profit before taxation		(303,490,462)	364,762,341
Taxation			
- current		(50,436,010)	(56,487,284)
- prior		(6,607,466)	39,778,503
- deferred		108,460,763	(144,457,652)
		51,417,287	(161,166,433)
(Loss) / profit after taxation		(252,073,175)	203,595,908
(Loss) / earnings per certificate - basic and diluted	39	(4.81)	3.88

The annexed notes from 1 to 50 form an integral part of these consolidated financial statements.

Qazi Obaid Ullah Chief Financial Officer	Adil A. Ghaffar Chief Executive Officer	Director	Director
	Premier Financial Services (Private) Limited	Premier Financial Services (Private) Limited	Premier Financial Services (Private) Limited

3/4

AUDITORS' REPORT TO THE CERTIFICATE HOLDERS

We have audited the annexed balance sheet of **FIRST EQUITY MODARABA** ("the Modaraba") as at 30 June 2023 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 qualified opinion and, after due verification, we report that:

- (a) The Modaraba has recorded unrealized remeasurement loss of Rs. 10.677 million, in respect of investment in equity securities classified as 'financial asset at fair value through profit and loss', in other comprehensive income instead of profit and loss account as required under IFRS 9.

Had the Modaraba recorded the unrealized remeasurement loss to the profit and loss account, its loss for the year would have been increased by Rs. 10.677 million and other comprehensive loss would have been decreased by Rs. 10.677 million.

Except for the matter discussed in paragraph (a) above, in our opinion, proper books of account 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;

CAC

4/4

- (b) Except for the matter discussed in paragraph (a) 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 account 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;
- (c) Except for the matter discussed in paragraph (a) 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 conform with 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 the Modaraba's affairs as at June 30, 2023 and of the profit and loss, its comprehensive income, its cash flows and changes in equity for the year then ended; and
- (d) in our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980),

CAC

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

Place: Karachi

Date:

UDIN: _____