

# **FIRST EQUITY MODARABA**

## **CORPORATE BRIEFING SESSION**

**Managed by :  
PREMIER FINANCIAL SERVICES (PVT) LTD**



بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

السَّلَامُ عَلَيْكُمْ وَرَحْمَةُ اللَّهِ وَبَرَكَاتُهُ

# MISSION AND VISION

*First Equity Modaraba  
is committed to strive for excellence  
in all areas of its activities.*

*We view our business objective  
of providing distinctive financial products  
and services that promote commerce and industry  
within the context of our overall objective  
of contributing of the nation's prosperity*

# CORPORATE INFORMATION

## MODARABA COMPANY

Premier Financial Services (Pvt) Ltd

### BOARD OF DIRECTORS

Mr Qaiser Ahmed Magoon – Independent Director

Ms Alizeh Bashir – Non Executive Director

Mr Nadeem Maqbool – Non Executive Director

Mr Adil A Ghaffar – Chief Executive Officer & Director

### KEY MANAGEMENT PERSONALS

Adil A Ghaffar - *Chief Executive Officer*

Qazi Obaid Ullah - *Company Secretary &  
Chief Financial Officer*

Mr Sultan Nayani - *Compliance Officer*

Mr Sheraz Lakhani - *Equity Trader*

Mr Sabir Ansari - *Brokerage Back Office Incharge*

### REGISTERED AND BUSINESS ADDRESS

B-1004, 10 <sup>th</sup> Floor Lakson Square Building # 3 Sarwar Shaheed Road Karachi	Room No 503-504, 5 <sup>th</sup> Floor Karachi Stock Exchange Building I. I. Chundrigar Road Karachi
Tel : 021-35672815-18	Tel : 021-32446020-3
Fax : 021-35686116	Fax : 021-32446024
e-mail : <a href="mailto:info@firstequitymodaraba.com.pk">info@firstequitymodaraba.com.pk</a>	

**WEB SITE** - [www.firstequitymodaraba.com.pk](http://www.firstequitymodaraba.com.pk)

### SHARIAH ADVISOR

Mufti Abdul Qadir

### AUDITORS

Crowe Hussain Chaudhury & Co  
Chartered Accountants

### REGISTRAR

THK Associates (Pvt.) Ltd.

### GENERAL COUNSEL

Moshin M. Tayebaly & Co.

# LEGAL STATUS AND NATURE OF BUSINESS

First Equity Modaraba (**FEM**) was formed in 1991 under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 and the Rules framed there under.

FEM is managed by Premier Financial Services (Private) Limited (PFSL) (the Modaraba Management Company) a company incorporated in Pakistan and registered with the Registrar Modaraba, SECP under the Modaraba Ordinance.

PFSL derives its board from the Crescent Group, with direct involvement in more than twenty business sectors. This cross-sectoral expertise, enhanced by other linkages, is an invaluable base for informed decision making. FEM's professional management draws on this unique resource to make optimal use of its charter.

The FEM is a perpetual, multipurpose modaraba and is able to undertake a variety of fund and fee based activities. These include trading, manufacturing, equity investment, brokerage, agent and their financing and facilitation.

The FEM is listed on Pakistan Stock Exchange Ltd

# LEGAL STATUS AND NATURE OF BUSINESS

The FEM is holding **Trading Right Entitlement Certificates holder (TREC) of the Pakistan Stock Exchanges Ltd** and since 2002 operating its brokerage activities in Karachi and is registered with SECP under Securities Brokers (Licensing and Operations) Regulations, 2016.

FEM also hold **membership of Pakistan Mercantile Exchange Limited** formally National Commodity Exchange Limited.

The FEM **wholly owned subsidiary companies are (1) Equity Textiles Limited** (a spinning unit with more than 25,000 spindle located at Nooriabad, Karachi), **(2) Capital Financial Services (Private) Limited** (Brokerage House) and **(3) Apex Financial Services (Private) Limited** (Brokerage House)

FEM initial paid-up capital fund was Rs. 200 have increased to Rs 524 million by stock dividends of Rs 62 million and issuance of Right certificate of Rs 262 million. The Modaraba has so far distributed Rs. 62 million in stock dividends and Rs. 544 million in cash dividends.

# BUSINESS INFORMATION

## *Finance / Participation*

Working capital transactions under Morabaha, musharaka, term and lease and other Shariah base finance and facilitation

## *Corporate Brokerage*

Capital market transactions for corporate as well as individual clients through stock exchange

## *Corporate Finance*

Capital and transaction structuring, acquisition, privatization, divestitures, underwriting, placement, arrangement

## *Portfolio Management*

Equity, non-equity

# LIST OF ASSOCIATED AND GROUP COMPANIES

1. Ahsan Associates (Pvt)Ltd.
2. Altern Energy Limited
3. Amin Bashir C.G.P.F & Oil Mills Ltd.
4. Apex Financial Services (Pvt) Limited
5. Capital Financial Services (Pvt) Limited
6. Crescent Bahuman Limited
7. Crescent Cotton Mills Ltd.
8. Crescent Fibres Limited
9. Crescent Powertec Ltd.
10. Crescent Steel & Allied Products Limited
11. Equity Textiles Limited
12. Mohammad Amin Mohammad Bashir Inter (Pvt) Ltd.
13. Mohammad Amin Mohammad Bashir Limited
14. Premier Financial Services (Pvt) Limited
15. Premier Insurance Ltd
16. Shakarganj Food Products Limited
17. Shakarganj Limited
18. Shams Textile Mills Limited
19. Suraj Cotton Mills Limited.
20. The Crescent Textile Mills Limited



# MAJOR ACHIEVEMENTS AND AWARDS

Listed 16<sup>th</sup> in the top 25 best companies of Karachi Stock Exchange for the year 2004



Declared second best Modaraba in the sector 2003 and best Modaraba in 2004



# PATTERN OF CERTIFICATE HOLDING

As On December 31 2021

Particulars	No of Folio	Balance Share	Percentage
DIRECTORS, CEO & CHILDREN	6	852,722	1.626
ASSOCIATED COMPANIES	5	12,214,893	23.293
NIT & ICP	2	1,700	0.003
BANKS, DFI & NBF	9	58,122	0.111
INSURANCE COMPANIES	4	1,323,409	2.524
MODARABAS & MUTUAL FUNDS	31	550	.001
GENERAL PUBLIC (LOCAL)	3602	31,065,646	59.240
GENERAL PUBLIC(FOREIGN)	1139	963,621	1.838
OTHERS	34	5,959,337	11.364
<b>Total</b>	<b>4804</b>	<b>52,440,000</b>	<b>100.000</b>

# FREE FLOAT REPORT

Central Depository Company of Pakistan Limited  
Non Free Float Security Wise Summary Report

Security Symbol : FEM FIRST EQUITY MODARABA  
Non Free Float Date : 30/06/2023

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User : C0023201  
Date : 14/07/2023  
Time : 01:55:45

Category No.	Category Description	No. Of Shares
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	Issued Share / Certificate Capital of the Company / Modaraba / Mutual Funds	52,440,000
Less:		
Physical Shares		(3,240,541)
CAT02	Directors, Sponsors and Senior Management Officers and their Associates	(852,722)
CAT04	Associate companies / Group Companies (cross holdings)	(12,328,935)
<hr/>		
Free Float Shares		36,017,802
<hr/>		

# FINANCIAL RESULTS

## June 30 2023

FEM, incurred loss for the year amounted to Rs. (22.3) million as compared to loss of Rs (6.7) million for the last year translated in a loss per certificate of Rs. (0.43) as compared to Rs. (0.13) last year. The consolidated loss for the year is Rs (252) million as compared to profit of Rs 204 million. Break-up value per certificate amounted to Rs. 10.12 as against Rs. 10.63 last year.

Income		4,751,298
Expenses		
	Operating Expenses	(26,318,610))
	Bank Charges	(62,741))
		<hr/>
		(26,381,351))
Operating loss		(21,630,053))
Other Income		115,154
		<hr/>
Loss for the year before taxation		(21,514,899))
Taxation		(831,069))
		<hr/>
		-
		<hr/>
Loss for the year		(22,345,968))
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Loss per Certificate		(0.43)

### Dividend Distribution

Since the Modaraba sustained loss during the year, consequently there would be no announcement of profit distribution

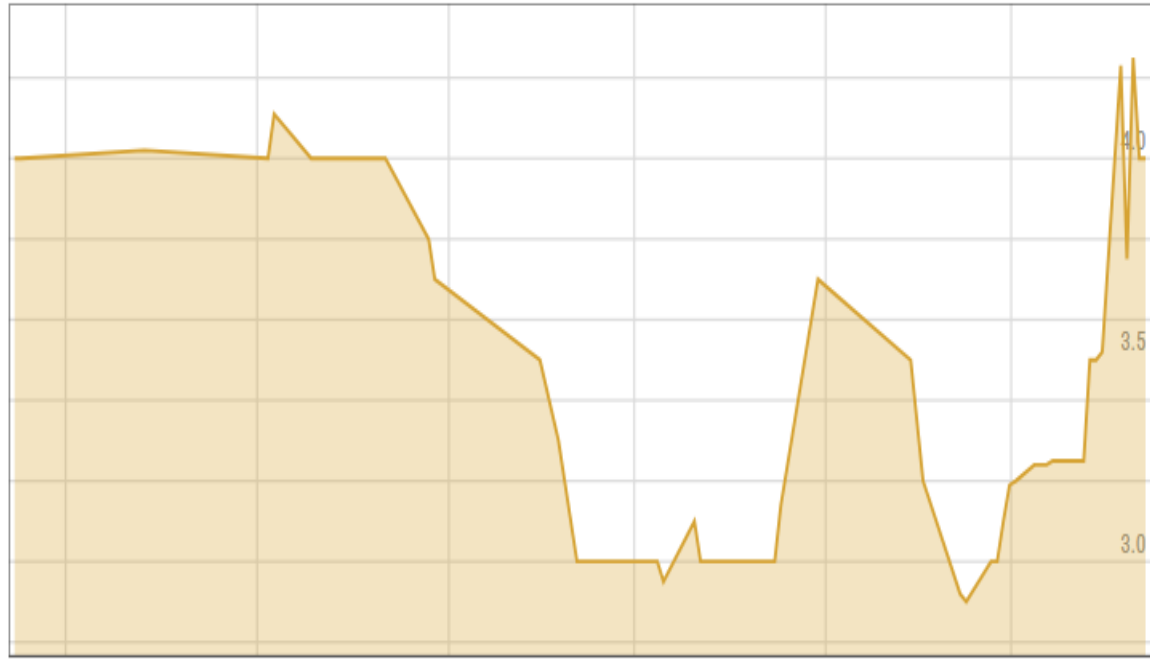
# Auditors Qualification

Auditors qualified their opinion based on non-compliance in respect of investment classified as financial asset held at fair value through profit and loss, in other comprehensive income instead of profit and loss account as required under IFRS 9.

# Five Year Data

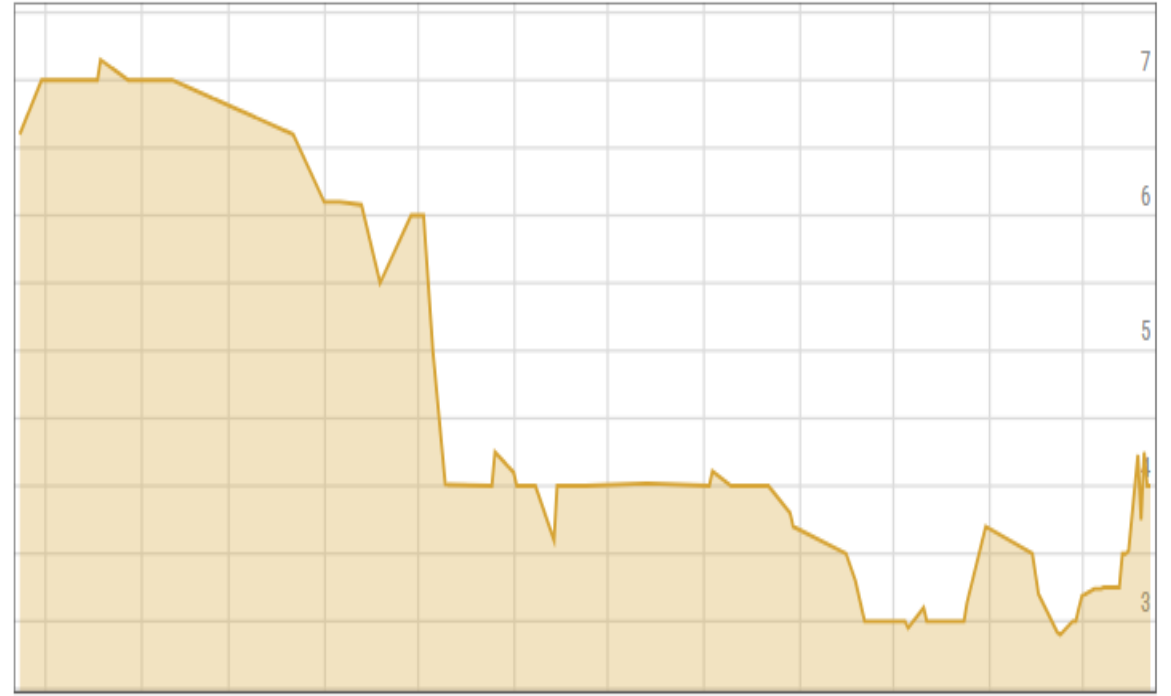
	2018	2019	2020	2021	2022	2023
<b>Total Assets</b>	659,895,078	636,455,835	655,757,298	723,965,045	608,460,300	578,845,529
<b>Total Liabilities</b>	45,970,193	42,146,136	43,842,076	57,719,774	51,110,099	48,348,857
<b>Certificate Holders' Equity</b>	613,924,885	594,309,699	611,915,222	666,245,271	557,350,201	530,496,672
<b>Net Profit (loss) After Tax</b>	(4,192,848)	(3,303,772)	(5,861,310)	16,421,036	(6,724,248)	(22,345,968)
<b>Earning (Loss) Per Certificate</b>	(0.08)	(0.06)	(0.11)	031	(0.13)	(0.43)
<b>Total Cash Distribution</b>	-	-	-	26,220,000	-	
<b>Distribution Per Certificate</b>	-	-	-	0.50 5.00%	-	
<b>Break up value</b>	11.71	11.33	11.30	12.70	10.63	10.12

1D 1M 6M YTD 1Y 3Y 5Y



JULY AUGUST SEPTEMBER OCTOBER NOVEMBER DECEMBER

1D 1M 6M YTD 1Y 3Y 5Y



2023 APRIL JULY OCTOBER

# FUTURE PLANNING AND STRATEGIES

After the withdrawal of the tax exemption available to the Modaraba sector, many Modarabas have started the process of quitting the Modaraba sector and many are thinking. The Board of FEM may see exits from the sector in the form of Conversion from Modarabas to Companies.

FEM have change in the business strategy from lending to investment. Stock market did not performed as envisaged. In Pakistan, stock market is always dependent on various factors including, but not limited to, political & economy stability, rupee parity, international oil prices, and interest rate, etc.



# FUTURE PLANNING AND STRATEGIES

Keeping in view of present economic and business circumstances, we have devised our future business strategy, Outlook & future strategy cautiously and more prudent manner.

Key points of our strategy would be as follows:

- Prudently entering into Mushsrakah Investment agreements with reliable and trustworthy parties having sound business expertise.
- Carefully entering into capital market transactions. Vigilance on market uncertainty.
- Enhancing the performance of brokerage house
- Effectively increase the production level of Equity Textile Limited.
- Implementing the risk management, appraisals & evaluation of credit proposals.
- Further strengthen risk assessment and internal controls parameters.
- Further strengthen compliance culture particularly regulatory and AML/CFT compliances.



Thank you

A large graphic consisting of the letters 'Q', '&', and 'A' in a bold, blue, sans-serif font. The 'Q' has a tail that extends downwards. The entire graphic is enclosed within a thin blue rectangular border. The background is split horizontally into a light green top half and a light gray bottom half.

**Q&A**

**Any Questions?**