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**FIRST EQUITY MODARABA**  
**CONDENSED STANDALONE INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)**  
**FOR THE QUARTER AND HALF YEAR ENDED DECEMBER 31, 2023**

	<u>Quarter ended</u>		<u>Half year ended</u>	
	<u>December 31, 2023</u> Rupees	<u>December 31, 2022</u> Rupees	<u>December 31, 2023</u> Rupees	<u>December 31, 2022</u> Rupees
Income	5,830,499	(205,311)	6,280,167	2,537,413
Expenditure				
Operating expenses	<b>(5,949,864)</b>	(5,889,028)	<b>(11,036,995)</b>	(10,741,009)
Financial charges	<b>(278)</b>	(561)	<b>(710)</b>	(646)
<b>Operating profit</b>	<b>(119,643)</b>	(6,094,900)	<b>(4,757,538)</b>	(8,204,242)
Other income	<b>237,734</b>	21,250	<b>350,226</b>	53,732
<b>Profit before income tax</b>	<b>118,091</b>	(6,073,650)	<b>(4,407,312)</b>	(8,150,510)
Income tax expense	<b>(513,211)</b>	(524,755)	<b>(576,592)</b>	(750,408)
<b>Profit for the period</b>	<b>(395,120)</b>	(6,598,405)	<b>(4,983,904)</b>	(8,900,918)
<b>Earnings per certificate</b>	<b>(0.008)</b>	(0.126)	<b>(0.095)</b>	0.121



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**FIRST EQUITY MODARABA**  
**CONDENSED INTERIM CONSOLIDATED PROFIT AND LOSS ACCOUNT (UN-AUDITED)**  
**FOR THE QUARTER AND HALF YEAR ENDED DECEMBER 31, 2023**

	<u>Quarter ended</u>		<u>Half year ended</u>	
	<u>December 31,</u> <u>2023</u> <u>Rupees</u>	<u>December 31,</u> <u>2022</u> <u>Rupees</u>	<u>December 31,</u> <u>2023</u> <u>Rupees</u>	<u>December 31,</u> <u>2022</u> <u>Rupees</u>
<b>Income</b>	<b>(66,155,381)</b>	(58,731,547)	<b>(24,977,997)</b>	(93,440,050)
<b>Expenditures</b>				
Operating expenses	<b>(24,968,220)</b>	(23,175,441)	<b>(49,274,712)</b>	(45,260,792)
Distribution and selling expenses	<b>(7,948,643)</b>	(4,827,948)	<b>(15,197,549)</b>	(10,157,312)
	<b>(32,916,863)</b>	(28,003,389)	<b>(64,472,261)</b>	(55,418,104)
Operating profit	<b>(99,072,244)</b>	(86,734,936)	<b>(89,450,258)</b>	(148,858,154)
Financial charges	<b>(17,404,361)</b>	(15,544,095)	<b>(32,160,778)</b>	(31,807,579)
	<b>(116,476,605)</b>	(102,279,031)	<b>(121,611,036)</b>	(180,665,733)
Other income	<b>2,244,486</b>	1,253,731	<b>4,570,862</b>	3,707,075
<b>Loss before taxation</b>	<b>(114,232,119)</b>	(101,025,300)	<b>(117,040,174)</b>	(176,958,658)
Taxation				
- current	<b>(19,676,787)</b>	(11,571,146)	<b>(40,187,300)</b>	(22,387,701)
- prior	-	8,098,286	<b>(2,470,915)</b>	8,098,286
- deferred	<b>42,561,369</b>	34,137,624	<b>61,219,533</b>	56,251,795
	<b>22,884,582</b>	30,664,764	<b>18,561,318</b>	41,962,380
<b>Loss for the period</b>	<b>(91,347,537)</b>	(70,360,536)	<b>(98,478,856)</b>	(134,996,278)
<b>(Loss) / Earnings per certificate</b>	<b>(1.74)</b>	(1.34)	<b>(1.88)</b>	(2.57)



Baker Tilly Mehmood Idrees Qamar  
Chartered Accountants  
4th Floor, Central Hotel Building,  
Civil Lines, Mereweather Road,  
Karachi - Pakistan

**T:** +92 (021) 35644872-7  
**F:** +92 (021) 35644873

info@bakertilly.pk  
www.bakertilly.pk

**FIRST EQUITY MODARABA  
AUDITORS' REPORT TO THE CERTIFICATE HOLDERS ON REVIEW  
OF CONDENSED INTERIM FINANCIAL INFORMATION**

**Introduction**

We have reviewed the accompanying condensed interim balance sheet of **First Equity Modaraba** (the Modaraba) as at December 31, 2023 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of cash flows, condensed interim statement of changes in equity and notes to the condensed interim financial information for the six months period then ended (*here-in-after referred to as the "condensed interim financial information"*). The Modaraba Management Company [Premier Financial Services (Private) Limited] is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review. The figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the quarters ended December 31, 2023 and December 31, 2022 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2023.

**Scope of Review**

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

by



**Basis for Qualification**

Modaraba has charged unrealized gain of Rs. 37.05 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 IFRS 9.

Had the Modaraba charged the unrealized gain to the profit and loss account, its loss for the period would have been decreased by Rs. 37.05 million.

**Conclusion**

Based on our review, except for the matter referred in the above paragraph, nothing has come to our attention that causes us to believe that the accompanying interim financial information as at December 31, 2023 is not prepared, in all material respects, in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting.

**Other Matter**

The condensed interim financial information of the Modaraba for the six months period ended December 31, 2022 and financial statements for the year ended June 30, 2023 were respectively reviewed and audited by another firm of Chartered Accountants who had expressed qualified conclusion and opinion respectively.

The engagement partner on the audit resulting in this independent auditor's report is **Mehmood A. Razzak**.

*M*

**Baker Tilly Mehmood Idrees Qamar**  
Chartered Accountants

Karachi.

Date:

UDIN:

