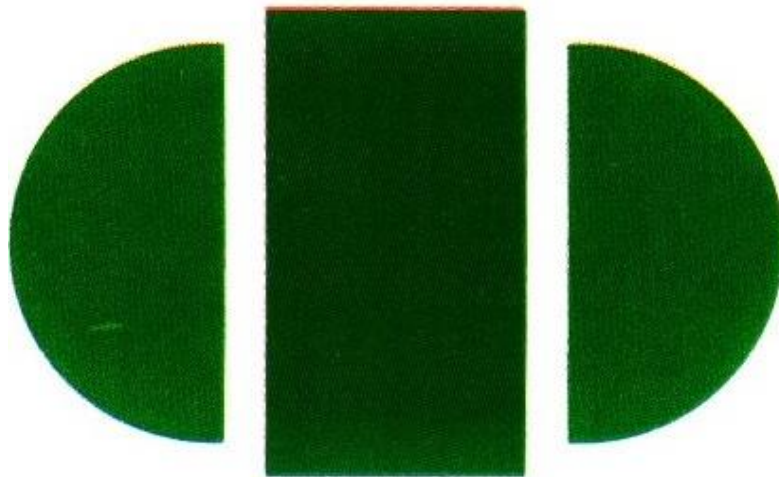


FIRST EQUITY MODARABA

Half Yearly and Six Months
For the period ended
December 31, 2021



Managed by

PREMIER FINANCIAL SERVICES (PVT) LTD



FIRST EQUITY MODARABA

CORPORATE INFORMATION

Modaraba Company : PREMIER FINANCIAL SERVICES (PVT) LTD

BOARD OF DIRECTORS

Mr Nadeem Maqbool

Mr Qaiser Ahmed Magoon

Ms Alizeh Bashir

Mr Adil A Ghaffar - Chief Executive Officer

AUDIT COMMITTEE

Mr Qaiser Ahmed Magoon

Ms Alizeh Bashir

Mr Nadeem Maqbool

HUNAM RESOURCE COMMITTEE

Mr Qaiser Ahmed Magoon

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

website: firstequitymodaraba.com.pk

Room No 503-504

Karachi 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 (Private) Ltd, the management company of FIRST EQUITY MODARABA, are pleased to present their report together with the auditors review on the financial statements of the Modaraba for the half year ended December 31, 2021.

Financial Results

Profit for the half year ended December 31, 2021 amounted to Rs 9.75 million as compared to profit Rs 6.348 million for the same period last year. The earning per certificate as at December 31, 2021 stood at Rs 0.186 from Rs 0.121 last December. The break up value per modaraba certificate stands at Rs 11.37

During the period under the review, due to economic uncertainties, such as budget implications, MSCI reclassification, IMF program, rupee parity and hike in interest rates etc. stock market declined and price of most of the liquid securities took a massive hit. This massive decline in share prices has not been translated through KSE-100 index which was hovering around 45,000 due to its re-composition from time to time. Political instability was also observed through upsets in by-elections.

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

Karachi
February 25 2022

Adil A Ghaffar
Chief Executive Officer

فرسٹ ایکویٹی مضاربہ

ڈائریکٹرز رپورٹ

فرسٹ ایکویٹی مضاربہ کی انتظامی کمپنی پریمیئر فنانشل سروسز (پرائیویٹ) لمیٹڈ کے ڈائریکٹرز اپنی رپورٹ اور مضاربہ کے مالیاتی بیانیے پر آڈیٹرز کا جائزہ برائے سال اختتام پذیر ششماہی 31 دسمبر 2021 پیش کرتے ہوئے مسرت محسوس کرتے ہیں۔

مالیاتی نتائج:

گذشتہ منافع مبلغ 6.348 ملین روپے کے مقابلے میں 31 دسمبر 2021 کو اختتام پذیر ہونے والی ششماہی میں مبلغ 9.75 ملین روپے کا منافع ہوا۔ 31 دسمبر 2021 تک فی سٹریٹجیکٹ آمدنی مبلغ 0.186 روپے ہوئی جبکہ گذشتہ سال دسمبر کے آخر میں سٹریٹجیکٹ آمدنی مبلغ 0.121 روپے تھی۔ بریک اپ ویلیو مبلغ 11.37 روپے فی سٹریٹجیکٹ رہی۔

دوران جائزہ مدت، معاشی غیر یقینی صورتحال جیسا کہ بجٹ کے مضمرات، MSCI کی دوبارہ درجہ بندی، IMF پروگرام، روپے کی قدر میں کمی اور شرح سود میں اضافہ وغیرہ جیسے عوامل کے باعث اسٹاک مارکیٹ میں مندی کا رجحان رہا اور لیکویڈ سیکورٹیز کی قیمتوں کو کافی نقصان پہنچا۔ حصص کی قیمتوں میں اس کمی کو KSE-100 انڈیکس کے ذریعے منتقل نہیں کیا گیا ہے جو کہ وقتاً فوقتاً اپنی تشکیل نو کے باعث 45,000 کے قریب گردش کر رہا تھا۔ ضمنی انتخابات میں اپ سیٹ کے ذریعے سیاسی عدم استحکام بھی رہا۔

ہم امید کرتے ہیں کہ ایک باریک بینی اور معاشی عدم فیصلہ کن صورتحال کے اختتام کے بعد کینیڈیل مارکیٹ میں دوبارہ تیزی کا رجحان ہوگا۔

بورڈ کی جانب سے

کراچی؛

25 فروری 2022ء

عادل اے غفار

چیف ایگزیکٹو آفیسر

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

Introduction

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of First Equity Modaraba ("the Modaraba"), as at December 31, 2021 and the related unconsolidated condensed interim profit and loss account and other comprehensive income, unconsolidated condensed interim statement of changes in equity, unconsolidated condensed interim statement of cash flows, and notes to the unconsolidated condensed interim financial statements for the six-months period then ended (here-in-after referred to as the "interim financial statements"). The Modaraba Management Company is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review.

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 interim financial statement 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

Basis for Qualification

Modaraba has charged unrealised gain of Rs. 53.32 million, 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.

Had the Modaraba charged the unrealize gain to the profit and loss account, its profit for the period would have converted into a loss of Rs. 43.56 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 and for the half year ended December 31, 2021 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Other Matters

The figures of the unconsolidated condensed interim statement of profit or loss and unconsolidated condensed interim statement of comprehensive income for the three months period ended December 31, 2021 and December 31, 2020 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2021.

The engagement Partner on the review resulting in this independent auditor's report is **Mr. Imran Sheikh**.

Crowe Hussain Chaudhury & Co.
Chartered Accountants

Karachi
Dated: February 25, 2022

FIRST EQUITY MODARABA
CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)
AS AT DECEMBER 31, 2021

| | Note | Unaudited December 31, 2021 Rupees | Audited June 30, 2021 Rupees |
|--|------|---|---------------------------------------|
| EQUITY AND LIABILITIES | | | |
| Capital and reserves | | | |
| Certificate capital | | | |
| Authorised capital | | | |
| 60,000,000 (June 30, 2021: 60,000,000) modarabacertificates of Rs. 10 each | | 600,000,000 | 600,000,000 |
| Certificate capital | 5 | 524,400,000 | 524,400,000 |
| Reserves | | 117,436,521 | 133,906,238 |
| Remeasurement of define benefit liability - Actuarial gain | | 738,541 | 738,541 |
| Unrealised (loss) /gain on re-measurement of investments | | (46,119,522) | 7,200,492 |
| Certificate holders' equity | | 596,455,540 | 666,245,271 |
| Non-current liabilities | | | |
| Deferred liabilities | | 5,710,591 | 5,710,591 |
| Security deposit | | 200,000 | - |
| Total non-current liabilities | | 5,910,591 | 5,710,591 |
| Current liabilities | | | |
| Creditors, accrued and other liabilities | | 11,461,654 | 22,455,658 |
| Unclaimed profit distributions | | 55,773,525 | 29,553,525 |
| Total current liabilities | | 67,235,179 | 52,009,183 |
| Total liabilities | | 73,145,770 | 57,719,774 |
| Contingencies & Commitments | 6 | | |
| Total equity and liabilities | | 669,601,310 | 723,965,045 |
| ASSETS | | | |
| Non - current assets | | | |
| Fixed assets | | | |
| - tangible | 7 | 4,595,882 | 5,211,713 |
| - intangible | 8 | - | - |
| | | 4,595,882 | 5,211,713 |
| Investment property | | 1,171,660 | 1,231,668 |
| Investments | 9 | 405,993,292 | 402,194,797 |
| Advances | | 2,510,000 | 2,510,000 |
| Deposits | | 1,350,000 | 1,750,000 |
| Total non-current assets | | 415,620,834 | 412,898,178 |
| Current assets | | | |
| Morabaha / musharaka receivables - secured | | 9,101,221 | 8,634,174 |
| Short term investments | | 129,108,425 | 161,149,390 |
| Advances | | 11,545,854 | 11,374,403 |
| Trade deposits and prepayments | | 16,818,179 | 16,382,098 |
| Other receivables | | 55,372,416 | 30,075,414 |
| Cash and bank balances | | 32,034,381 | 83,451,388 |
| Total current assets | | 253,980,476 | 311,066,867 |
| Total assets | | 669,601,310 | 723,965,045 |

The annexed notes from 1 to 14 form an integral part of the condensed interim financial information.

| | | | |
|---|---|---|--|
| Qazi Obaid Ullah Chief Financial Officer | Adil A. Ghaffar Chief Executive Officer Premier Financial Services (Private) Limited | Nadeem Maqbool Director Premier Financial Services (Private) Limited | Kaiser Ahmed Magoon Director Premier Financial Services (Private) Limited |
|---|---|---|--|

FIRST EQUITY MODARABA
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE QUARTER AND HALF YEAR ENDED DECEMBER 31, 2021

| | Quarter ended | | Half year ended | |
|--|---------------------|--------------------|--------------------|--------------------|
| | December 31, | December 31, | December 31, | December 31, |
| | 2021 | 2020 | 2021 | 2020 |
| Note | Rupees | Rupees | Rupees | Rupees |
| Income | 24,746,091 | 15,234,763 | 4,284,794 | 8,227,024 |
| Expenditure | | | | |
| Operating expenses | (11,633,652) | (9,541,412) | (6,022,196) | (4,859,293) |
| Financial charges | (243) | (7,783) | (96) | (243) |
| | (11,633,895) | (9,549,195) | (6,022,292) | (4,859,536) |
| Operating profit / (loss) | 13,112,196 | 5,685,568 | (1,737,498) | 3,367,488 |
| Other income | 308,087 | 662,354 | 270,607 | 131,490 |
| Profit/(loss) before income tax | 13,420,283 | 6,347,922 | (1,466,891) | 3,498,978 |
| Income tax expense | (3,670,000) | - | (845,000) | - |
| Profit for the period | 9,750,283 | 6,347,922 | (2,311,891) | 3,498,978 |
| Earnings / (loss) per certificate | 10 | 0.186 | 0.121 | 0.067 |

The annexed notes from 1 to 14 form an integral part of the condensed interim financial information.

Qazi Obaid Ullah
Chief Financial Officer

Adil A. Ghaffar
Chief Executive Officer
Premier Financial
Services (Private) Limited

Nadeem Maqbool
Director
Premier Financial
Services (Private) Limited

Qaiser Ahmed Magoon
Director
Premier Financial
Services (Private) Limited

FIRST EQUITY MODARABA
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER AND HALF YEAR ENDED DECEMBER 31, 2021

| | Quarter ended | | Half Yearly | |
|---|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| | December 31, 2021 Rupees | December 31, 2020 Rupees | December 31, 2021 Rupees | December 31, 2020 Rupees |
| Profit/ (loss) for the period | 9,750,283 | 6,347,922 | (2,311,891) | 3,498,978 |
| Other comprehensive income | | | | |
| Unrealised (loss) /gain on re-measurement of investments | (53,953,106) | 22,030,016 | (21,010,969) | 7,210,868 |
| Gain realised on disposal of investments | 633,092 | 6,746,120 | (187,269) | 576,252 |
| Other comprehensive Income / (Loss) for the Period | (53,320,014) | 28,776,136 | (21,198,238) | 7,787,120 |
| Total comprehensive income / (loss) for the Period | (43,569,731) | 35,124,058 | (23,510,129) | 11,286,098 |

The annexed notes from 1 to 14 form an integral part of the condensed interim financial information.

| | | | |
|---|---|---|--|
| Qazi Obaid Ullah Chief Financial Officer | Adil A. Ghaffar Chief Executive Officer Premier Financial Services (Private) Limited | Nadeem Maqbool Director Premier Financial Services (Private) Limited | Kaiser Ahmed Magoon Director Premier Financial Services (Private) Limited |
|---|---|---|--|

FIRST EQUITY MODARABA
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2021

| | December 31, 2,021 Rupees | December 31, 2,020 Rupees |
|---|---------------------------------|---------------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit Before Income Tax | 13,420,283 | 6,347,922 |
| Adjustments for non cash items: | | |
| Depreciation | 802,831 | 799,091 |
| Dividend income | (24,466,403) | (2,308,204) |
| | (23,663,572) | (1,509,113) |
| Operating Profit before working capital changes | (10,243,289) | 4,838,809 |
| (Increase) / decrease in current assets | | |
| Morabaha / musharaka receivables | (467,040) | 46,285,073 |
| Advances | (3,841,451) | (588,119) |
| Trade deposits and prepayments | (236,081) | (2,590,491) |
| Other receivables | (25,297,002) | (4,281,836) |
| | (29,841,574) | 38,824,627 |
| Increase / (Decrease) in current liabilities | | |
| Creditors, accrued and other liabilities | (10,994,004) | 493,946 |
| | (51,078,867) | 44,157,382 |
| Dividend paid | - | - |
| | - | - |
| Net cash generated from operating activities | (51,078,867) | 44,157,382 |
| CASH FLOW FROM INVESTING ACTIVITIES | | |
| Investments disposed / (Purchased) - net | (25,077,543) | (38,482,800) |
| Dividends received | 24,466,403 | 2,308,204 |
| Addition in tangible assets | 400,000 | (203,594) |
| Return of Security deposit | (127,000) | (200,000) |
| Net cash (Used in) / generated from investing activities | (338,140) | (36,578,190) |
| Net Increase in cash and cash equivalents | (51,417,007) | 7,579,192 |
| Cash and cash equivalents at the beginning of the half year | 83,451,388 | 90,758,217 |
| Cash and cash equivalents at the end of the half year | 32,034,381 | 98,337,409 |

The annexed notes from 1 to 14 form an integral part of the condensed interim financial information.

Qazi Obaid Ullah
Chief Financial Officer

Adil A. Ghaffar
Chief Executive Officer
Premier Financial
Services (Private) Limited

Nadeem Maqbool
Director
Premier Financial
Services (Private) Limited

Qaiser Ahmed Magoon
Director
Premier Financial
Services (Private) Limited

FIRST EQUITY MODARABA
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2021

Page 9

| | Reserve | | | | | | | | Total |
|--|---------------------|--------------------|-----------------------------|-------------------|---|--------------------|--|---|--------------------|
| | Certificate capital | Statutory reserve | Certificate premium account | General reserve | Un appropriated profit / accumulated loss | Total Reserve | Remeasurement of defined benefit liability | Unrealized gain / (loss) on re-measurement of investments | |
| | Rupees | Rupees | Rupees | Rupees | Rupees | Rupees | Rupees | Rupees | |
| Balance as at July 01, 2020 | 524,400,000 | 161,050,000 | 131,100,000 | 27,120,000 | (201,784,798) | 117,485,202 | 1,135,501 | (50,172,068) | 592,848,635 |
| Total Comprehensive Income for the half year | - | - | - | - | 6,347,922 | 6,347,922 | - | 28,776,136 | 35,124,058 |
| Balance as at December 31, 2020 | 524,400,000 | 161,050,000 | 131,100,000 | 27,120,000 | (195,436,875) | 123,833,125 | 1,135,501 | (21,395,932) | 627,972,693 |
| Balance as at July 01, 2021 | 524,400,000 | 164,334,210 | 131,100,000 | 27,120,000 | (188,647,972) | 133,906,238 | 738,541 | 7,200,492 | 666,245,271 |
| Profit for the Half year ended December 31, 2020 | - | - | - | - | 9,750,283 | 9,750,283 | - | | 9,750,283 |
| Other Comprehensive Income | | | | | | | | (53,320,014) | (53,320,014) |
| Total Comprehensive Income for the Period | - | - | - | - | 9,750,283 | 9,750,283 | - | (53,320,014) | (43,569,731) |
| Dividend paid | | | | (9,798,964) | (16,421,036) | (26,220,000) | | | (26,220,000) |
| Balance as at December 31, 2021 | 524,400,000 | 164,334,210 | 131,100,000 | 17,321,036 | (195,318,725) | 117,436,521 | 738,541 | (46,119,522) | 596,455,540 |

The annexed notes from 1 to 14 form an integral part of the condensed interim financial information.

Qazi Obaid Ullah
Chief Financial Officer

Adil A. Ghaffar
Chief Executive Officer
Premier Financial
Services (Private) Limited

Nadeem Maqbool
Director
Premier Financial
Services (Private) Limited

Qaiser Ahmed Magoon
Director
Premier Financial
Services (Private) Limited

**FIRST EQUITY MODARABA
SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2021**

1 LEGAL STATUS AND OPERATIONS

First Equity Modaraba (the Modaraba) was formed in 1991 under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 and the Rules framed there under and is managed by Premier Financial Services (Private) Limited (the Modaraba Management Company), a company incorporated in Pakistan.

The Modaraba is a perpetual, multipurpose modaraba and is 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 a member of the Pakistan Stock Exchange Limited and is currently operating its brokerage activities in Pakistan Stock Exchange Limited.

1.2 The Modaraba is listed on Pakistan Stock Exchange Limited. The registered office of the Modaraba is situated at B-1004, 10th floor, Lakson Square Building 3, Sarwar Shaheed Road, Karachi. The Modaraba has the following wholly owned subsidiary companies.

- Equity Textiles Limited
- Capital Financial Services (Private) Limited
- Apex Financial Services (Private) Limited

2 BASIS OF PREPARATION

2.1 Statement of Compliance

This condensed interim financial information of the Modaraba for the six months period ended December 31, 2021 has been prepared in accordance with the requirements of the International Accounting Standard 34 - "Interim Financial Reporting" and provisions of and directives issued under the Modaraba Companies and Modarabas (Floatation and Control) Ordinance, 1980, the Modaraba Companies and Modaraba Rules, 1981 and Prudential Regulations for Modarabas.

The Modaraba Company's management fee, statutory reserve @ 20% to 50%, provisions and profit distribution 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.

In case where requirements differ, the provisions of or directives issued under the Modaraba Companies and Modarabas (Floatation and Control) Ordinance, 1980, the Modaraba Companies and Modaraba Rules, 1981 and Prudential Regulations for Modarabas have been followed.

The disclosures made in this condensed interim financial information have been limited, based on the requirements of International Accounting Standard 34 - "Interim Financial Reporting". These condensed interim financial information do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the financial statements of the Modaraba for the year ended June 30, 2021.

This condensed interim financial information is un-audited. However, limited scope review has been performed by the statutory auditors, except for the figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarters ended December 31, 2021 and December 31, 2020, in accordance with the requirement of clause 27 of the Listed Companies (Code of Corporate Governance) Regulations, 2017 and are being submitted to the Certificate holders as required by Rule 10 of Modaraba Companies and Modaraba Rules, 1981.

FIRST EQUITY MODARABA
SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2021

Page 11

2.2 Basis of measurement

This condensed interim financial information has been prepared under the "historical cost convention" except for the revaluation of certain financial assets which are stated at fair value. This condensed interim financial information has been prepared following accrual basis of accounting except for cash flow information.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted and methods of computation followed in the preparation of this condensed interim financial information are same as those applied in the preparation of annual financial statements for the year ended June 30, 2021.

4 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of condensed interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. The significant judgments made by management in applying the Modaraba's accounting policies and key sources of estimation of uncertainty are the same as those that were applied to the financial statements for the year ended June 30, 2021.

5 CERTIFICATE CAPITAL

Fully paid modaraba certificates of Rs. 10 each.

| December 31, 2021 | June 30, 2021 | | Unaudited December 31, 2021 | Audited June 30, 2021 |
|---------------------------------|--------------------------|------------------------------|--|--------------------------------------|
| (Number of certificates) | | | Rupees | Rupees |
| 46,220,000 | 46,220,000 | Issued for cash | 462,200,000 | 462,200,000 |
| 6,220,000 | 6,220,000 | Issued as bonus certificates | 62,200,000 | 62,200,000 |
| 52,440,000 | 52,440,000 | | 524,400,000 | 524,400,000 |

6 CONTINGENCIES AND COMMITMENTS

Modaraba has filed a suit against Samba Bank Ltd. for the recovery of deposit amounting to Rs. 21 million alongwith mark up. The matter is pending before the Honourable High Court of Sindh. Management of the Modaraba and its legal advisor are of the opinion that Modaraba has reasonable chance and it appears unlikely that Modaraba may suffer any loss from the same.

| | Unaudited December 31, 2021 | Audited June 30, 2021 |
|--------------------------------|--|--------------------------------------|
| | Rupees | Rupees |
| 7 TANGIBLE FIXED ASSETS | | |
| Opening WDV | 5,211,713 | 6,436,337 |
| Additions during the period | 127,000 | 271,500 |
| Deletions during the period | - | (273,000) |
| Depreciation for the period | (742,831) | (1,223,124) |
| Closing WDV | 4,595,882 | 5,211,713 |

FIRST EQUITY MODARABA
SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2021

Page 12

| | Unaudited December 31, 2021 Rupees | Audited June 30, 2021 Rupees |
|-------------------------------|---|---|
| 8 LONG TERM INVESTMENT | | |
| Wholly Owned Subsidiaries | 350,000,000 | 350,000,000 |
| Un-listed securities | 55,993,292 | 52,194,797 |
| | 405,993,292 | 402,194,797 |

| | (Unaudited December 31, 2021 Rupees | Audited June 30, 2021 Rupees |
|---|--|---|
| 9 EARNINGS PER CERTIFICATE- BASIC AND DILITED | | |
| Profit for the half year | 9,750,283 | 6,347,922 |
| | Number | Number |
| Weighted average number of certificates outstanding during the period | 52,440,000 | 52,440,000 |
| | Rupees | Rupees |
| Earnings per certificate - basic and diluted | 0.186 | 0.121 |

9.1 There is no dilution effect on the basic earnings per share of the modaraba as the modaraba has no such commitments.

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2021

10 SEGMENT INFORMATION

The modaraba determines the operating segments based on the services provided by it, further their segment analysis are used internally by the management to make strategic decision.

The modaraba has three primary source of revenue i.e. musharaka facility, brokerage operations and capital market based on the nature of business and related risk associated with each type of business segment which are not deemed by the management to be sufficiently significant to disclose as separate items are reported under others.

Segment assets and liabilities include all assets and liabilities related to the segment relevant proportion of the assets and liabilities allocated to the segment on reasonable basis.

Segment revenue and expenses include all revenue and expenses related to the segment and relevant proportion of the revenue and expenses allocated to the segment on reasonable basis.

| | December 31, 2021 | | | | | December 31, 2020 |
|--|--------------------|---------------------|--------------------|----------------|--------------------|--------------------|
| | Musharaka facility | Brokerage operation | Capital market | Others | TOTAL | TOTAL |
| | -----Rupees----- | | | | | ---Rupees--- |
| Segment revenues | 467,040 | 502,131 | 23,376,920 | 708,087 | 25,054,178 | 15,897,117 |
| Segment result | 467,040 | (1,549,493) | 23,376,920 | 708,087 | 23,002,554 | 14,708,865 |
| Unallocated cost | | | | | | |
| Operating expenses | | | | | (9,582,271) | (8,360,943) |
| Profit/(loss) before income tax | | | | | 13,420,283 | 6,347,922 |
| Income tax expense | | | | | - | - |
| Profit / (loss) for the period | | | | | 13,420,283 | 249,295 |
| | December 31, 2021 | | | | | December |
| | Musharaka facility | Brokerage operation | Capital market | Others | TOTAL | TOTAL |
| | -----Rupees----- | | | | | ---Rupees--- |
| Other information | | | | | | |
| Segment assets | 9,101,214 | 18,977,040 | 535,101,716 | - | 563,179,970 | 243,736,397 |
| Unallocated assets | | | | | 106,421,340 | 480,228,648 |
| Total assets | | | | | 669,601,310 | 723,965,045 |
| Segment liabilities | - | 6,896,811 | - | - | 6,896,811 | 15,628,272 |
| Unallocated liabilities | | | | | 66,248,959 | 42,091,502 |
| Total liabilities | 9,101,214 | 25,873,851 | 535,101,716 | | 73,145,770 | 57,719,774 |

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2021

11 TRANSACTIONS WITH RELATED PARTIES

The related parties of the modaraba comprise management company, staff retirement funds, directors of the management company and key management personnel. Transactions with related parties other than remuneration and benefits to officers and employees under the terms of their employment are as follows:

| 11.1 | Balance payable at end of half year | | Unaudited December 31, 2021 Rupees | Audited June 30 2021 Rupees |
|------|-------------------------------------|--------------------|---|--------------------------------------|
| | Modaraba Management Company | | 852,687 | 2,367,331 |
| 11.2 | Transactions during the period | Relationship | December 31, 2021 Rupees | December 31, 2020 Rupees |
| | Services acquired | Associated company | 401,492 | 289,160 |
| | Brokerage commission | Associated company | 42,867 | 204,615 |

12 AUTHORIZATION FOR ISSUE

The condensed interim financial information was authorized for issue in accordance with a resolution of the Board of Directors on February, 25 2022.

13 GENERAL

13.1 This condensed interim financial information is presented in Pak Rupees, which is the Modaraba's functional and presentation currency

13.2 Figures in the condensed interim financial information have been rounded off to the nearest of rupee.

| | | | |
|-------------------------|----------------------------|----------------------------|----------------------------|
| Qazi Obaid Ullah | Adil A. Ghaffar | /Nadeem Maqbool | Qaiser Ahmed Magoon |
| Chief Financial Officer | Chief Executive Officer | Director | Director |
| | Premier Financial | Premier Financial | Premier Financial |
| | Services (Private) Limited | Services (Private) Limited | Services (Private) Limited |

EQUITY TEXTILES LIMITED

Wholly Owned Subsidiary of
First Equity Modaraba
half yearly ended
December 31, 2021

EQUITY TEXTILES LIMITED
BALANCE SHEET AS AT DECEMBER 31 2021

| | UN-AUDITED Dec 2021 Rupees | AUDITED June 2021 Rupees |
|---|---|---|
| ASSETS | | |
| NON CURRENT ASSETS | | |
| Property, plant and equipment | 1,354,265,924 | 1,418,133,888 |
| Intangibles | 3,634,977 | 3,826,293 |
| Long Term Deposits | 7,763,700 | 7,763,700 |
| | 1,365,664,601 | 1,429,723,881 |
| CURRENT ASSETS | | |
| Stores and spares | 48,633,231 | 43,805,958 |
| Stock in trade | 1,061,858,598 | 254,040,783 |
| Short term investment | 9,383,745 | 8,688,653 |
| Trade debts | 484,889,429 | 359,332,660 |
| Loans and advances | 13,171,932 | 33,787,474 |
| Trade deposits and short term prepayments | 85,033,266 | 77,302,836 |
| Other receivables | 213,053,486 | 27,913,218 |
| Tax refund due from government | 22,492,682 | 41,984,914 |
| Cash and bank balances | 4,310,692 | 38,889,593 |
| | 1,942,827,061 | 885,746,089 |
| | <u>3,308,491,662</u> | <u>2,315,469,970</u> |
| TOTAL ASSETS | | |
| EQUITY AND LIABILITIES | | |
| SHARE CAPITAL AND RESERVES | | |
| 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 |
| Unappropriated profit | 554,666,802 | 345,474,229 |
| Unrealized loss on investments | (2,859,311) | (3,554,403) |
| Surplus on revaluation of property, plant and equipment | 543,135,666 | 571,721,754 |
| Surplus on revaluation of fixed assets | 1,344,943,157 | 1,163,641,580 |
| NON CURRENT LIABILITIES | | |
| Long term financing | 1,671,687 | 37,408,022 |
| Liabilities against assets subject to finance lease | 50,475,157 | 53,999,829 |
| Deffered Capital grant | 3,672,784 | 2,938,227 |
| Deferred taxation | 143,461,150 | 140,358,224 |
| | 199,280,778 | 234,704,302 |
| CURRENT LIABILITIES | | |
| Trade and other payables | 1,516,414,679 | 777,665,240 |
| Accrued Markup | 6,939,067 | 4,816,294 |
| Taxation- net | 28,851,231 | 19,367,909 |
| Short term borrowings | 118,706,181 | 29,043,486 |
| Current portion of long term liabilities | 75,160,610 | 65,613,948 |
| Current porttion of defered capital grant | 7,049,908 | 5,639,926 |
| Current portion of lease liability | 11,146,051 | 14,977,285 |
| | 1,764,267,727 | 917,124,088 |
| | <u>3,308,491,662</u> | <u>2,315,469,970</u> |
| TOTAL EQUITY AND LIABILITIES | | |

CHIEF EXECUTIVE

DIRECTOR

EQUITY TEXTILES LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE HALF YEAR ENDED DECEMBER 31, 2021

| | UN-AUDITED Dec 2021 Rupees | AUDITED Dec 2020 Rupees |
|-------------------------------------|---|--|
| Sales | 2,913,617,191 | 1,962,263,276 |
| Cost of Sales | (2,564,521,913) | (1,900,194,479) |
| Gross profit | <u>349,095,278</u> | <u>62,068,797</u> |
| Administrative and general expenses | (26,203,573) | (18,437,473) |
| Distribution and selling expenses | (15,624,778) | (12,411,539) |
| Operating profit/(loss) | <u>307,266,927</u> | <u>31,219,785</u> |
| Financial charges | (18,253,983) | (20,348,547) |
| Other charges | (20,422,132) | (837,360) |
| | <u>(38,676,115)</u> | <u>(21,185,907)</u> |
| Operating Profit/ (loss) | <u>268,590,812</u> | <u>10,033,878</u> |
| Other income | 3,081,431 | 1,047,028 |
| Profit / (Loss) before taxation | <u>271,672,243</u> | <u>11,080,906</u> |
| Provision for taxation | | |
| Current | (67,719,468) | (30,291,683) |
| Prior | (1,493,364) | (306,349) |
| Deferred | (3,102,926) | 52,437,529 |
| | <u>(72,315,758)</u> | <u>21,839,497</u> |
| Profit / (Loss) after taxation | <u>199,356,485</u> | <u>32,920,403</u> |
| Loss per share - basic and diluted | <u>7.974</u> | <u>1.317</u> |

CHIEF EXECUTIVE

DIRECTOR