

REVIEW REPORT ON STATEMENT OF NET CAPITAL BALANCE**To the Chief Executive Officer of First Equity Modarba****Opinion**

We have reviewed the accompanying Statement of Net Capital Balance of First Equity Modarba (the Modarba) and notes to the Statement of Net Capital Balance as at December 31, 2021 (together 'the statement'). Management is responsible for the preparation of the statement in accordance with the requirement of the Second Schedule of the Securities Brokers (Licensing and Operations) Regulations, 2016 (the Regulations) issued by the Securities & Exchange Commission of Pakistan (SECP). Our responsibility is to express a conclusion on the statement based on our review.

In our opinion, the financial information in the statement of the Modarba as at December 31, 2021 is prepared, in all material respects, in accordance with the requirements of the Second Schedule of the Securities Brokers (Licensing and Operations) Regulations, 2016 (the Regulations) read with Rule 2(d) of the Securities Exchange Commission (SEC) Rules 1971 (SEC Rules 1971).

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that accompanying statement is not prepared, in all material respects, in accordance with the requirement of Second Schedule of the Regulation.

Other Matter- Restriction on Distribution and Use

Our report is intended solely for the Modarba, SECP, Pakistan Stock Exchange and National Clearing Company of Pakistan Limited and should not be distributed to any other parties. Our conclusion is not modified in respect of this matter.

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

Karachi

Date:

04 MAR 2022

**FIRST EQUITY MODARBA
NET CAPITAL BALANCE CERTIFICATE
AS AT DECEMBER 31, 2021**

CALCULATION OF CAPITAL FOR THE PURPOSES OF
RULE 2(d) OF SECURITIES AND EXCHANGE RULES, 1971

	Note	2021 Rupees
CURRENT ASSETS		
Cash in Hand and Bank Balances		
Cash deposited as margin with Pakistan Stock Exchange Limited and National Clearing Company of Pakistan Limited		-
Cash in hand		24,841
		24,841
Bank balance(s) pertaining to brokerage house		24,255,639
Bank balance(s) pertaining to clients		7,753,901
		32,009,540
		32,034,381
Trade Receivables		
Book value		31,052,041
Less: Over due for more than 14 days		(30,959,505)
	4	92,536
Investment in Listed Securities in the Name of the Brokerage Houses		
Securities on the exposure list marked to market		107,108,425
less: 15% discount		(16,066,264)
		91,042,161
Securities Purchase for Clients		
Securities purchase for the customer and held by the broker where the payment has not been received with in 14 days		6,085,911
		129,254,989
CURRENT LIABILITIES		
Trade Payables		
Book value		6,896,811
Less: Over due for more than 30 days		(1,283,456)
		5,613,355
Other Liabilities		
		61,621,823
		67,235,178
Less : Amount segregated for minimum Net Capital Balance of National Commodity Exchange Limited		-
NET CAPITAL BALANCE		62,019,811

aw



Chief Financial Officer



Chief Executive Officer

FIRST EQUITY MODARBA
NET CAPITAL BALANCE CERTIFICATE
AS AT DECEMBER 31, 2021

NOTES TO CALCULATION OF CAPITAL FOR THE PURPOSES OF
RULE 2(d) OF SECURITIES AND EXCHANGE RULES, 1971

Note 1

1.1 The Company and its 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.

1.2 Basis of accounting

This statement has been prepared to assist the company to meet the requirement of the Securities and Exchange Commission of Pakistan (SECP), Pakistan Stock Exchange (PSX) and National Clearing Company of Pakistan Limited (NCCPL). As a result, the statement may not be suitable for another purpose.

FIRST EQUITY MODARBA

Notes to Calculation of Capital for the Purposes of Rule 2(D) of Securities and Exchange Rules, 1971

Note 2

Trade Receivables

	December 31, 2021
	Rupees
Book value	31,052,041
Less: Over due for more than 14 days	<u>(30,959,505)</u>
	<u>92,536</u>

Trade receivable aging is derived on transaction basis and not on overall basis. Further, First in First Out (FIFO) basis used reflecting position upto 14 days of the reporting date of NCB.

Note 3

Trade Payables

	December 31, 2021
	Rupees
Book value	6,896,811
Less: Over due for more than 30 days	<u>(1,283,456)</u>
	<u>5,613,355</u>

Payables overdue by 30 days amounting to Rs. 1,283,456 are deducted from total trade payables and are included in other liabilities.



**FIRST EQUITY MODARBA
NET CAPITAL BALANCE CERTIFICATE
AS AT DECEMBER 31, 2021**

NOTES TO CALCULATION OF CAPITAL FOR THE PURPOSES OF
RULE 2(d) OF SECURITIES AND EXCHANGE RULES, 1971

Note 4
Other Liabilities

	December 31, 2021
	Rupees
-Trade payables over due for more than 30 days	1,283,456
-Other Creditors	852,687
-Accrued expenses payable	3,512,155
-Unearned Income (rent)	200,000
-Unclaimed profit distribution	55,773,525
	<u>61,621,823</u>

Note 5

Figures have been rounded off to the nearest rupee.

Note 6

Authorization

These notes have been extracted by the management for the underlying record as on December 31, 2021.

gnc




Chief Financial Officer


Chief Executive Officer