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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, 2021**

	Quarter ended		Half year ended	
	December 31, 2021 Rupees	December 31, 2020 Rupees	December 31, 2021 Rupees	December 31, 2020 Rupees
Income	4,284,794	8,227,024	24,746,091	15,234,763
Expenditure				
Operating expenses	(6,022,196)	(4,859,293)	(11,633,652)	(9,541,412)
Financial charges	(96)	(243)	(243)	(7,783)
	(6,022,292)	(4,859,536)	(11,633,895)	(9,549,195)
<b>Operating profit / (loss)</b>	<b>(1,737,498)</b>	<b>3,367,488</b>	<b>13,112,196</b>	<b>5,685,568</b>
Other income	270,607	131,490	308,087	662,354
<b>Profit / (loss) before income tax</b>	<b>(1,466,891)</b>	<b>3,498,978</b>	<b>13,420,283</b>	<b>6,347,922</b>
Income tax expense	(845,000)	-	(3,670,000)	-
<b>Profit/ (loss) for the period</b>	<b>(2,311,891)</b>	<b>3,498,978</b>	<b>9,750,283</b>	<b>6,347,922</b>
<b>Earnings/ (loss) per certificate</b>	<b>(0.044)</b>	<b>0.067</b>	<b>0.186</b>	<b>0.121</b>

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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, 2021**

	<u>Quarter ended</u>		<u>Half year ended</u>	
	December 31, 2021 Rupees	December 31, 2020 Rupees	December 31, 2021 Rupees	December 31, 2020 Rupees
<b>Income</b>	<b>207,767,241</b>	48,917,658	<b>370,941,724</b>	82,414,356
<b>Expenditures</b>				
Operating expenses	(18,296,483)	(14,815,998)	(40,734,758)	(29,522,814)
Distribution and selling expenses	(6,295,108)	(4,120,103)	(15,624,778)	(12,411,538)
	(24,591,591)	(18,936,101)	(56,359,536)	(41,934,352)
Operating profit / (loss)	183,175,650	29,981,557	314,582,188	40,480,004
Financial charges	(8,273,522)	(12,487,772)	(18,254,226)	(20,356,331)
	174,902,128	17,493,785	296,327,962	20,123,673
Other charges	(12,530,953)	(1,155,515)	(20,422,132)	(1,558,915)
Other income	2,889,743	233,133	3,399,885	1,710,900
<b>Profit / (Loss) before taxation</b>	<b>165,260,918</b>	16,571,403	<b>279,305,715</b>	20,275,658
Taxation				
- current	(43,248,025)	(16,406,198)	(71,389,468)	(30,291,683)
- prior	(1,493,364)	(306,349)	(1,493,364)	(306,349)
- deferred	7,235,203	22,134,941	(3,102,926)	52,437,529
	(37,506,186)	5,422,394	(75,985,758)	21,839,497
<b>Profit for the period</b>	<b>127,754,732</b>	21,993,797	<b>203,319,957</b>	42,115,155
<b>Earnings per certificate</b>	<b>2.44</b>	0.42	<b>3.88</b>	<b>0.80</b>

## **INDEPENDENT AUDITOR'S REVIEW REPORT**

**To The Certificate holders of FIRST EQUITY MODARABA**

**Report 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 unrealized loss of Rs. 53.32 million, in respect of investment classified as financial asset held at fair value through profit or loss, in other comprehensive income instead of profit or loss account as required under IFRS 9.

Had the Modaraba charged the unrealized loss to the profit or 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 statements as at and for the half year ended December 31, 2021 is not prepared, in all material respects, in accordance with approved accounting and reporting standards as applicable in Pakistan for interim financial reporting.

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**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 Imran Shaikh.

*CVC*

**Crowe Hussain Chaudhury & Co.  
Chartered Accountants**

**Place: Karachi  
Date:**

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