

# First Tri-Star Modaraba



**UN-AUDITED ACCOUNTS  
FOR THE FIRST QUARTER  
ENDED 30TH SEPTEMBER, 2020**

Managed by:  
A.R.T. Modaraba Management (Pvt) Ltd.



## Board of Directors

Directors of Modaraba Company:

Mr. Ahmed Khizer Khan	Non Executive Chairman/Independent Director
Mr. Asad Ahmad	Chief Executive
Ms. Marium Ahmad	Non Executive Director

Auditors: M/s. Muniff Ziauddin & Co.  
Chartered Accountants

Audit Committee:	Mr. Ahmed Khizer Khan	Chairman
	Ms. Marium Ahmad	Member
	Mr. Asad Ahmad	Member

Shariah Advisor: Alhamd Shariah Advisory Services (Pvt) Ltd.

Bankers: Al Baraka Bank (Pakistan) Ltd.  
Bank Al-Habib Ltd.  
Habib Bank Ltd.  
National Bank of Pakistan

Registered Office: A/33, Central Commercial Area,  
Block 7/8, KCHSU,  
Karachi.

Management Company: A.R.T. Modaraba Management (Pvt) Ltd.



**Report of the Directors  
of A.R.T. Modaraba Management (Pvt) Ltd.,  
For the quarter ended September 30, 2020**

The un-audited accounts of First Tri-Star Modaraba for the quarter ended September 30, 2020 are presented herewith.

Alhamdulillah, the educational institutions were allowed to operate from October, 2020 and we are pleased to report that we have entered into an affiliation with Nisantasi University, Turkey and have started a 2 year Associate Degree in Fashion Design. The initial response is very encouraging and we are hopeful of achieving good results.

On behalf of the Board

**ASAD AHMAD**  
Chief Executive

Karachi.  
October 29, 2020

**Condensed Interim Statement of Financial Position**

as at September 30, 2020

	September 2020	June 2020
	-----Rupees-----	
<b>CAPITAL AND RESERVES</b>		
Authorised Capital		
40,000,000 (2020: 40,000,000) Modaraba Certificates of Rs. 10 each	400,000,000	400,000,000
Issued, subscribed and paid-up certificate capital	211,631,040	211,631,040
Reserves	(26,762,061)	(29,241,223)
<b>Certificate holders' equity</b>	<b>184,868,979</b>	<b>182,389,817</b>
Deficit on revaluation of investments	(1,662,518)	(1,914,121)
<b>NON CURRENT LIABILITIES</b>		
Security deposits	1,485,000	335,000
<b>CURRENT LIABILITIES</b>		
Creditors, accrued and other liabilities	7,935,577	7,235,586
Unclaimed dividend	6,134,956	6,134,956
Provision for taxation	-	-
<b>Total current liabilities</b>	<b>14,070,534</b>	<b>13,370,542</b>
<b>Contingencies and commitments</b>		
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>198,761,994</b>	<b>194,181,238</b>
<b>NON-CURRENT ASSETS</b>		
Fixed assets - tangible	52,830,437	54,186,052
Investment property	49,420,689	50,687,886
Long term deposit	58,500	58,500
Long term investments	38,392,186	38,390,413
<b>Total non-current assets</b>	<b>140,701,812</b>	<b>143,322,851</b>
<b>CURRENT ASSETS</b>		
Short term investments	2,713,547	2,463,717
Due from associated undertakings	23,900,000	46,100,000
Advances	923,392	743,392
Other receivables	326,768	8,578
Cash and bank balances	30,196,476	1,542,701
<b>Total current assets</b>	<b>58,060,182</b>	<b>50,858,387</b>
<b>TOTAL ASSETS</b>	<b>198,761,994</b>	<b>194,181,238</b>

Chief Executive

Director

Director

Chief Financial Officer

**Condensed Interim Statement of Profit or Loss (Unaudited)**

for the quarter ended September 30, 2020

September 2020	September 2019
-----Rupees-----	

Revenue	6,798,461	7,488,430
Administrative expenses	(4,322,802)	(6,211,094)
	<u>2,475,659</u>	<u>1,277,336</u>
Other income	4,000	36,775
Financial charges	(497)	(229)
Profit before taxation	<u>2,479,162</u>	<u>1,313,882</u>
Taxation	-	-
Profit for the year	<u><u>2,479,162</u></u>	<u><u>1,313,882</u></u>
Earning per certificate	<u><u>0.12</u></u>	<u><u>0.06</u></u>

Chief Executive

Director

Director

Chief Financial Officer

**Condensed Interim Statement of Other Comprehensive Income (Unaudited)**

for the quarter ended September 30, 2020

September 2020	September 2019
----- Rupees -----	

Profit for the year	2,479,162	1,313,882
Components of other comprehensive income reflected below equity		
<i>Items that will not be reclassified subsequently to profit and loss account</i>		
Deficit on revaluation of investments classified as 'at fair value through other comprehensive income' - net	251,603	(49,897)
Total comprehensive income / (loss) for the year	<u>2,730,765</u>	<u>1,263,985</u>

Chief Executive

Director

Director

Chief Financial Officer



**Condensed Interim Statement of Cash Flows (Unaudited)**

for the quarter ended September 30, 2020

	September 2020	September 2019
Note	-----Rupees-----	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	2,479,162	1,313,882
Add/(Less): Item not involving movement of cash:		
Depreciation	2,622,812	2,914,356
Other Income	-	(36,745)
Dividend income	-	(30)
	<u>2,622,812</u>	<u>2,877,581</u>
	5,101,974	4,191,463
<b>Changes of Working Capital:</b>		
(Increase) Decrease in current assets	21,881,810	(4,000,000)
Increase (Decrease) in current liabilities	699,991	(1,241,489)
	<u>22,581,801</u>	<u>(5,241,489)</u>
Income tax paid	(180,000)	(57,250)
<i>Net cash generated from operating activities</i>	<u>27,503,775</u>	<u>(1,107,276)</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Dividend income	-	30
Other Income	-	36,745
Capital Expenditure Incurred	-	(221,600)
Sale proceeds of investments	-	500,000
<i>Net cash inflow from investing activities</i>	-	315,175
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Long term deposits	<u>1,150,000</u>	<u>215,000</u>
<i>Net cash outflow from financing activities</i>	<u>1,150,000</u>	<u>215,000</u>
Net increase in cash and cash equivalents during the year	28,653,775	(577,101)
Cash & cash equivalent at the beginning of the year	<u>1,542,702</u>	<u>6,509,829</u>
<b>Cash &amp; cashequivalent at the end of the year</b>	<u>30,196,477</u>	<u>5,932,729</u>

Chief Executive

Director

Director

Chief Financial Officer

**Condensed Interim Statement of Changes in Equity**

for the quarter ended September 30, 2020

	Certificate Capital	Capital Reserve	Revenue Reserve		Total
		Statutory Reserve	General Reserve	Accumulated Loss	
			Rupees		
Balance as at June 30, 2019	211,631,040	21,744,353	10,000,000	(63,259,841)	180,115,551
Profit for the year	-	-	-	1,313,882	1,313,882
Other comprehensive income	-	-	-	-	-
Total comprehensive loss for the year	-	-	-	1,313,882	1,313,882
Balance as at September 30, 2019	211,631,040	21,744,353	10,000,000	(61,945,959)	181,429,434
Balance as at June 30, 2020	211,631,040	21,744,353	10,000,000	(60,985,576)	182,389,817
Profit for the year	-	-	-	2,479,162	2,479,162
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	-	-	-	2,479,162	2,479,162
Balance as at September 30, 2020	211,631,040	21,744,353	10,000,000	(58,506,414)	184,868,979

Chief Executive

Director

Director

Chief Financial Officer





**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)  
FOR THE QUARTER ENDED SEPTEMBER 30, 2020**

**1 LEGAL STATUS AND NATURE OF THE BUSINESS**

- 1.1 First Tri-Star Modaraba was formed under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 and the Rules framed thereunder and is managed by A.R.T. Modaraba Management (Private) Ltd. It is a perpetual, multipurpose and multidimensional Modaraba. The Modaraba is listed on Pakistan Stock Exchange Limited. The registered office of the Modaraba is situated at A/33, Central Commercial Area, Block 7/8, KCHSU, Main Shahrah-e-Faisal, Karachi.

The Modaraba is engaged in the following activities:

- i) Renting out its building
- ii) Running an educational institution

Geographical location and addresses of business units and immovable fixed asset of the Modaraba are as under:

Location	Address	Purpose
Karachi	A/33, Central Commercial Area, Block 7/8, KCHSU, Main Shahrah-e-Faisal	Registered Office & Investment Property

- 1.2 The novel coronavirus (COVID-19) emerged and since then, the condition has continued to deteriorate. On January 30, 2020, The International Health Regulations Emergency Committee of the World Health Organization declared the outbreak "Public Health Emergency of International Concern". Many countries including Pakistan have enacted protection measures against COVID-19, with a significant impact on economic activities in these countries. The evolution of COVID-19 as well as its impact on the global and the local economy is hard predict at this stage. As of the release date of these financial statements, there has been no specifically material quantifiable impact of COVID-19 on the Company's financial condition or results of operations.

**2 BASIS OF PREPARATION**

**2.1 STATEMENT OF COMPLIANCE**

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standard Board (IASB) as notified under the Companies Act 2017;

Provisions of and directions issued under the Companies Act 2017;

Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981 and Prudential Regulation for Modarabas; and

Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act 2017.

Where the provisions of and directives issued under the Companies Act, 2017, the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981 and Prudential Regulations for Modaraba differ from IFRS Standards and IFAS, the provision of and directives issued under the Companies Act, 2017 the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981 and Prudential Regulations for Modarabas have been followed.

The SECP has issued directive (vide SRO 431(1)/2007 dated May 22, 2007) that Islamic Financial Accounting Standard 2 (IFAS - 2) shall be followed in the preparation of the financial statements by Companies and Modarabas while accounting for lease financing transaction as defined by the said standard. The Modaraba has adopted the said standard.



## 2.2 BASIS OF MEASUREMENT

These financial statements have been prepared on the historical cost basis except for the measurement at fair value of certain financial instruments in accordance with the requirements of IFRS - 9 "Financial Instruments", wherever applicable.

Permissible Islamic financial products including Murabaha (as a liability) and Musharaka have been used by the Modaraba, in line with similar industry practices. The accounting and presentation of the same are in line with the substance of the transaction and are limited to the extent of actual amount of facility utilized and mutually agreed mark-up / profit thereon. Accordingly, purchases, sales and Musharaka profits / reserves are not reflected in these financial statements except for Murabaha facility (as an asset) which has been accounted for in line with Islamic Financial Accounting Standard - 1.

These financial statements have been prepared following accrual basis of accounting except for cash flow information.

## 2.3 FUNCTIONAL AND PRESENTATION CURRENCY

These financial statements are presented in Pakistan Rupee (Rs./Rupees) which is the Modaraba's functional currency. Amounts presented in the Financial statements have been rounded off to the nearest of Rs. /Rupees, unless otherwise stated.



## INVESTMENTS IN COMPANIES &amp; MODARABAS

AS AT SEPTEMBER 30th, 2020

Long term investments	Note	2020 -----Rupees-----	2019
<i>At fair value through other comprehensive income (FVOCI)</i>			
Shares and certificates of listed companies & associated undertaking	0.1	6,186	4,413
Shares of unlisted associated companies	0.2	38,386,000	38,386,000
		<u>38,392,186</u>	<u>38,390,413</u>

## Investments in listed companies

No. of Shares/Certificates		Name of Company/ Associated Undertaking	September 2020		June 2020	
			Cost	Fair Value	Cost	Fair Value
			Rupees	Rupees	Rupees	Rupees
476	476	Tri-Star Polyester Limited	5,821	4,241	5,821	3,337
400	400	Tri-Star Power Limited	8,634	1,945	8,634	1,076
			<u>14,455</u>	<u>6,186</u>	<u>14,455</u>	<u>4,413</u>
		Less: Fair Value Adjustment	8,269		10,042	
		Fair Value	<u>6,186</u>		<u>4,413</u>	

## Investment of Unlisted companies

No. of Shares/Certificates		Name of Company/ Associated Undertaking	2020	2020
			Cost	Cost
			Rupees	Rupees
3,838,600	3,838,600	Tri-Star Energy Limited	38,386,000	38,386,000
(Percentage Holding)				
12%	12%	Less: Fair Value Adjustment		

## Short term investments

*At fair value through other comprehensive income (FVOCI)*

No. of Shares/Certificates		Name of Company	September 2020		June 2020	
			Cost	Fair Value	Cost	Fair Value
			Rupees	Rupees	Rupees	Rupees
437	437	Orix Modaraba	7,305	9,269	7,305	7,866
70	70	First IBL Modaraba	1,860	210	1,860	154
		Orix Leasing Pakistan				
434	434	Limited	9,938	11,879	9,938	10,091
132	132	Saudi Pak Leasing Limited	2,349	203	2,349	78
12	12	Bank AL Habib Limited	23	782	23	628
86	86	Soneri Bank Limited	315	802	315	955
28	28	Samba Bank Limited	500	192	500	219





851	851	Saritow Spinning Mills Ltd	12,375	3,395	12,375	3,310
100	100	Faisal Spinning Mills Limited	3,115	28,213	3,115	25,100
171	171	Sana Industries Limited	11,499	8,037	11,499	6,840
242	242	Nishat Chunian Limited	2,882	9,532	2,882	7,853
140	140	Nishat Mills Limited	3,533	14,150	3,533	10,921
120	120	Din Textile Mills Ltd.	-	5,652	-	5,038
		Mohammad Farooq Textile				
230	230	Mills Ltd.	7,743	-	7,743	-
		Jubilee Spinning & Weaving				
127	127	Mills Limited	2,004	484	2,004	413
301	301	Kohinoor Industries Limited	11,264	1,385	11,264	1,072
20	20	Hinopak Motors Limited	1,660	13,892	1,660	7,460
6,000	6,000	Engro Corporation Limited	246,032	1,806,180	246,032	1,757,520
		Sanofi-Aventis (Aventis)				
100	100	Limited	16,064	85,000	16,064	83,850
259	259	Packages Limited	7,816	130,103	7,816	89,927
2,000	2,000	Cherat Cement Limited	83,600	233,520	83,600	174,340
613	613	Shell Pakistan Limited	1,280	150,467	1,280	111,922
		Pakistan State Oil Company				
1,000	1,000	limited	415,215	200,200	415,215	158,160
264	264	Dewan Salman Fibre Limited	6,622	-	6,622	-
			854,994	2,713,547	854,994	2,463,717

Fair Value Adjustment

1,858,553

1,608,723

Fair Value

2,713,547

2,463,717

**Companies delisted/Trading suspended**

No. of Shares/Certificates		Name of Company	2020		2020	
			Cost	Fair Value	Cost	Fair Value
			Rupees	Rupees	Rupees	Rupees
400	400	Islamic Investment Bank Limited	2,757	-	2,757	-
5	5	Innovative Investment Bank Limited	4,545	-	4,545	-
102,350	102,350	Mohib Exports Limited	2,436,070	-	2,436,070	-
		Business & Industries insurance				
500	500	Company Limited	5,000	-	5,000	-
600	600	Mian Mohd. Sugar Mills Limited	6,000	-	6,000	-
17,671	17,671	Mohib Textile Mills Limited	897,530	-	897,530	-
10,000	10,000	Sunshine Cloth Limited	160,900	-	160,900	-
			3,512,802	-	3,512,802	-

The fair value of investments of companies which are under suspension and delisted by Pakistan Stock Exchange Limited is taken as nil.