

First Tri-Star Modaraba



HALF YEARLY REPORT
DECEMBER 31, 2020 (Un-audited)

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, Main Shahrah-e-Faisal,
Karachi.

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



**Report of the Directors
of A.R.T. Modaraba Management (Pvt) Ltd.,
For the half year ended December 31, 2020**

The un-audited accounts of First Tri-Star Modaraba for the half year ended December 31, 2020 are presented herewith.

As reported in the last quarterly report, your Modaraba has successfully started a 2 year Associate Degree in Fashion Design in affiliation with Nisantasi University, Turkey. The financial results are encouraging and better results are expected this year In Shaa Allah.

On behalf of the Board

ASAD AHMAD
Chief Executive

Karachi.
February 27, 2021



INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE CERTIFICATE HOLDERS OF FIRST TRI-STAR MODARABA REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **First Tri-Star Modaraba** as at **December 31, 2020** and the related condensed interim statement of profit and loss account, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the financial statements for the six-month 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 statements 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 Qualified Conclusion

1. The Modaraba has an investment in the group company Tri Star Energy Limited (an unlisted associated company) amounting to Rs. 38.386 million (June 30 2020: Rs. 38.386 million) in contravention to Clause 7(7) of the Prudential Regulations for Modaraba relating to investment in unlisted securities whereof the Modaraba are not allowed to have investment exceeding 5% of its equity.
2. As disclosed in note 12.2, the investment is measured at cost instead of fair value in contravention with the requirements of IFRS 9 and the accounting policy of investment (FVOCI) as adopted by the Modaraba. Furthermore, the Modaraba had sold the shares of Tri-Star Energy Limited at par value. However, due to various reasons including those as explained by the management in this regard we are unable to determine arm length price of those shares.
3. As disclosed in note 8, the amount of income tax payable Rs. 2.337 million has not been paid yet to the tax authorities. Furthermore, as disclosed in note 8, Zakat which was deducted by the Modaraba was not paid to the Central Zakat Fund established under section 7 of Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

Qualified Conclusion

Based on our review, with the exception of the matters described in the paragraphs (1-3) above, nothing has come to our attention that causes us to believe that the accompanying interim financial statements are 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 condensed interim statement of profit and loss account and condensed interim statement of comprehensive income for the quarters ended December 31, 2020 and 2019 have not been reviewed, as we are required to review only the cumulative figures for the six-months period ended December 31, 2020.

The engagement partner on the review resulting in this independent auditor's report is Sohail Saleem.

Date: February 27, 2021

sd/-
Munif Ziauddin & Co.
Chartered Accountants



**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2020**

	Note	December 31, 2020 (Unaudited)	June 30, 2020 (Audited)
-----Rupees-----			
CAPITAL AND RESERVES			
Authorised Capital 40,000,000 (June 30, 2020: 40,000,000) Modaraba Certificates of Rs. 10/- each		400,000,000	400,000,000
Issued, subscribed and paid-up certificate capital	4	211,631,040	211,631,040
Reserves	5	(25,480,971)	(29,241,223)
Certificate holders' equity		186,150,069	182,389,817
Deficit on revaluation of investments	6	(1,514,414)	(1,914,121)
NON CURRENT LIABILITIES			
Security deposits	7	1,690,000	335,000
CURRENT LIABILITIES			
Creditors, accrued and other liabilities	8	9,681,164	7,235,586
Unclaimed dividend		4,616,839	6,134,956
Provision for taxation		-	-
Total current liabilities		14,298,003	13,370,542
Contingencies and commitments	9		
TOTAL LIABILITIES AND EQUITY		200,623,658	194,181,238
NON-CURRENT ASSETS			
Fixed assets - tangible	10	51,474,822	54,186,052
Investment property	11	48,153,492	50,687,886
Advance against fixed asset		31,400,000	-
Long term deposit		58,500	58,500
Long term investments	12	38,392,193	38,390,413
Total non-current assets		169,479,007	143,322,851
CURRENT ASSETS			
Short term investments	13	2,861,644	2,463,717
Due from associated undertakings		25,400,000	46,100,000
Advances and deposits		1,192,044	743,392
Other receivables		95,517	8,578
Cash and bank balances	14	1,595,446	1,542,701
Total current assets		31,144,651	50,858,387
TOTAL ASSETS		200,623,658	194,181,238

The annexed notes form an integral part of these financial statements.

For A.R.T. Modaraba Management (Private) Limited
(Management Company)

CHIEF EXECUTIVE DIRECTOR DIRECTOR CHIEF FINANCIAL OFFICER



**CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2020**

Note	Six month period ended		Quarter ended	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
	-----Rupees-----			
Revenue	15,675,741	14,384,120	8,877,280	6,895,690
Administrative expenses	(9,805,275)	(13,966,075)	(5,482,473)	(7,754,981)
	5,870,466	418,045	3,394,807	(859,291)
Other income	8,539	182,578	4,539	145,803
Financial charges	(2,442)	(1,451)	(1,945)	(1,222)
Profit / (Loss) before taxation	5,876,562	599,172	3,397,400	(714,710)
Taxation	-	-	-	-
Profit / (Loss) for the period	5,876,562	599,172	3,397,400	(714,710)
Earnings / (Loss) per certificate	0.28	0.03	0.16	(0.03)

The annexed notes form an integral part of these condensed interim financial statements.

For A.R.T. Modaraba Management (Private) Limited
(Modaraba Management Company)

CHIEF EXECUTIVE

DIRECTOR

DIRECTOR

CHIEF FINANCIAL OFFICER



**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2020**

	Six month period ended		Quarter ended	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
	----- Rupees -----		----- Rupees -----	
Profit/(Loss) for the period	5,876,562	599,172	3,397,400	(714,710)
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	399,707	(59,248)	148,104	(9,351)
Total comprehensive income / (loss) for the period	<u>6,276,269</u>	<u>539,924</u>	<u>3,545,504</u>	<u>(724,061)</u>

The annexed notes form an integral part of these financial statements.

For A.R.T. Modaraba Management (Private) Limited
(Management Company)

CHIEF EXECUTIVE

DIRECTOR

DIRECTOR

CHIEF FINANCIAL OFFICER



**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2020**

	<i>Six month period ended</i>	
	December 31, 2020	December 31, 2019
Note	-----Rupees-----	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	5,876,562	599,172
Add/(Less): Item not involving movement of cash:		
Depreciation	5,245,624	5,829,262
Other Income	(8,539)	(171,850)
Dividend income	(2,844)	(6,768)
	<u>5,234,241</u>	<u>5,650,644</u>
	11,110,804	6,249,816
Changes of Working Capital:		
(Increase) Decrease in current assets	20,613,061	(8,300,000)
Increase (Decrease) in current liabilities	927,460	(1,400,043)
	<u>21,540,521</u>	<u>(9,700,043)</u>
Income tax paid	(448,653)	(187,021)
Net cash generated from / (used in) operating activities	32,202,672	(3,637,248)
CASH FLOW FROM INVESTING ACTIVITIES		
Dividend income	2,844	6,768
Other Income	8,539	171,850
Capital Expenditure Incurred	(31,400,000)	(232,600)
Sale proceeds of investments	-	1,200,000
Net cash (used in) / generated from investing activities	(31,388,617)	1,146,018
CASH FLOW FROM FINANCING ACTIVITIES		
Long term deposits	1,355,000	230,000
Dividend paid	(2,116,310)	-
Net cash (used in) / generated from financing activities	(761,310)	230,000
Net increase / (decrease) in cash and cash equivalents during the year	52,745	(2,261,230)
Cash & cash equivalent at the beginning of the year	1,542,701	6,509,829
Cash & cashequivalent at the end of the year	1,595,446	4,248,600

The annexed notes form an integral part of these financial statements.

For A.R.T. Modaraba Management (Private) Limited
(Management Company)

CHIEF EXECUTIVE

DIRECTOR

DIRECTOR

CHIEF FINANCIAL OFFICER



**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 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 period	-	-	-	599,172	599,172
Other comprehensive income	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	599,172	599,172
Balance as at December 31, 2019	211,631,040	21,744,353	10,000,000	(62,660,669)	180,714,723
Balance as at June 30, 2020	211,631,040	21,744,353	10,000,000	(60,985,576)	182,389,817
Profit for the period	-	-	-	5,876,562	5,876,562
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	-	-	-	5,876,562	5,876,562
Final dividend for the year ended June 30, 2020	-	-	-	(2,116,310)	(2,116,310)
Balance as at December 31, 2020	211,631,040	21,744,353	10,000,000	(57,225,323)	186,150,069

The annexed notes form an integral part of these financial statements.

For A.R.T. Modaraba Management (Private) Limited
(Management Company)

CHIEF EXECUTIVE

DIRECTOR

DIRECTOR

CHIEF FINANCIAL OFFICER



**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2020**

1 STATUS AND NATURE OF BUSINESS

First Tri-Star Modaraba (the 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

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of compliance

These condensed interim financial information of the Modaraba for the six months period ended December 31, 2020 has been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017;
- Modaraba Companies and Modarabas (Floatation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981 and Prudential Regulations 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 AND IFAS have been followed.

2.2 These condensed interim financial statements do not include all the information and disclosures required in an annual audited financial statements, and should be read in conjunction with the Modaraba's annual audited financial statements for the year ended June 30, 2020.

2.3 New standards, amendments to approved accounting standards and new interpretations

2.3.1 Amendments to approved accounting standards which are effective during the year ending June 30, 2021

There are certain amendments to approved accounting standards which are mandatory for accounting periods beginning on or after July 1, 2020 but are considered not to be relevant or have any significant effect on the Modaraba's financial reporting.

2.3.2 New standards and amendments to approved accounting standards that are effective for the Modaraba's accounting periods beginning on or after July 1, 2021

There is a new standard and certain amendments to approved accounting standards that will be mandatory for accounting periods beginning on or after July 1, 2021 but are considered not to be relevant or expected to have any significant effect on the Modaraba's financial reporting.

2.4 The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are same as those applied in the preparation of the financial statements for the year ended June 30, 2020.

3 SIGNIFICANT ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISKMANAGEMENT

The preparation of these condensed interim financial statements in conformity with the approved accounting and reporting standards as applicable in Pakistan for interim reporting requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on the historical experience and other factors, including reasonable expectations of future events. Revision to accounting estimates are recognised prospectively commencing from the period of revision.

Judgements and estimates made by the management in the preparation of these condensed interim financial statements are same as those applied to financial statements as at and for the year ended June 30, 2020.

The Modaraba's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2020.



4	Issued, subscribed and paid-up certificate capital			December	June	December 31,	June 30,
	2020	2020		2020	2020	(Unaudited)	(Audited)
	No of shares			-----Rupees-----			
	11,900,000	11,900,000	Modaraba Certificates of Rs. 10 each fully paid in cash.	119,000,000		119,000,000	
	2,180,000	2,180,000	Bonus certificates of Modaraba of Rs. 10 each issued as fully paid.	21,800,000		21,800,000	
	7,083,104	7,083,104	Modaraba Certificates of Rs.10 issued for acquisition	70,831,040		70,831,040	
				211,631,040		211,631,040	
5	Reserves						
	Capital reserves						
	Statutory Reserve	5.1		21,744,353		21,744,353	
	Revenue reserves						
	General Reserve			10,000,000		10,000,000	
	Accumulated loss			(57,225,323)		(60,985,576)	
				(47,225,323)		(50,985,576)	
				(25,480,971)		(29,241,223)	
5.1	This represents profit set aside to comply with requirement of Prudential Regulations for Modarabas issued by SECP, which is not available for distribution.						
6	Deficit on revaluation of investments						
	Market value of investments			41,253,837		40,854,130	
	Less: Cost of investments			42,768,251		42,768,251	
				(1,514,414)		(1,914,121)	
	Deficit on revaluation at beginning of the period / year			(2,267,358)		(2,208,110)	
	Gain / (loss) during the period / year			399,707		(59,248)	
	Net Deficit on revaluation at period / year end			(1,867,651)		(2,267,358)	
7	Security deposits	7.1		1,690,000		335,000	
7.1	These represents deposits from students without any remuneration.						
8	Creditors, accrued and other liabilities						
	Accrued expenses			1,156,446		1,329,244	
	Management fee			-		256,400	
	Sales tax payable on Management fees			83,339		83,339	
	Income tax payable			2,337,367		2,166,815	
	Zakat payable			6,104,012		3,399,788	
				9,681,164		7,235,586	
9	Contingencies and commitments						
	There are no contingencies and commitments as on December 31, 2020 (June 30, 2020 : Nil)						



	December 31, 2020 (Unaudited)	June 30, 2020 (Audited)
	-----Rupees-----	
10 Property and equipments		
Book value at the beginning of the period / year	76,437,448	76,204,848
Transferred from investment property	-	-
Additions during the period / year	-	232,600
	<u>76,437,448</u>	<u>76,437,448</u>
Deletion during the period / year at book value	-	-
Impairment during the period / year reversed (net)	-	-
Depreciation charge during the period / year	(24,962,626)	(22,251,396)
Book value at the end of the period / year	<u><u>51,474,822</u></u>	<u><u>54,186,052</u></u>
10.1 Additions		
Furniture & fixtures	-	211,000
Office equipment	-	21,600
	<u>-</u>	<u>232,600</u>
11 Investment property		
<i>Gross carrying amount</i>		
Balance at the beginning of the period / year	70,115,000	70,115,000
Additions	-	-
Disposals	-	-
Balance at the end of the period / year	<u><u>70,115,000</u></u>	<u><u>70,115,000</u></u>
<i>Accumulated Depreciation</i>		
Balance at the beginning of the period / year	19,427,113	13,795,126
Additions	-	-
Depreciation charge for the period / year	2,534,394	5,631,987
Disposals	-	-
Balance at the end of the period / year	<u><u>21,961,507</u></u>	<u><u>19,427,113</u></u>
<i>Net book amount</i>	<u><u>48,153,493</u></u>	<u><u>50,687,887</u></u>
As at December 31 2020		
Cost	70,115,000	70,115,000
Accumulated Depreciation	(21,961,507)	(19,427,113)
<i>Net book amount</i>	<u><u>48,153,493</u></u>	<u><u>50,687,887</u></u>
Rate	<u><u>10%</u></u>	<u><u>10%</u></u>



- 11.1 The Modaraba acquired building for a total consideration of Rs. 140.230 million during the year ended June 30, 2016, however the title of the same was not transferred in the name of the Modaraba in view of the order passed by the Honorable Supreme Court of Pakistan imposing the condition of completion plan duly approved by the Sind Building Control Authority of registration of Sale Deed by the Sub-Registrar of Properties. The seller has already applied for approval of Completion Plan to the Sind Building Control Authority and the approval of same is awaited. As soon as Completion Plan is issued the Sale Deed will be registered before the concerned Sub-Registrar of Properties.
- 11.2 The above building is situated on A/33, Central Commercial Area, Block 7/8, KCHSU, Karachi.
- 11.3 The fair value of the investment property based on the latest available valuation dated February 11, 2019 is Rs. 195,960,000.

		December 31, 2020 (Unaudited)	June 30, 2020 (Audited)
		Note	-----Rupees-----
<i>At fair value through other comprehensive income (FVOCI)</i>			
12	Long term investments		
	Shares and certificates of listed companies & associated undertaking	12.1	6,193 4,413
	Shares of unlisted associated companies	12.2	38,386,000 38,386,000
			<u>38,392,193</u> <u>38,390,413</u>

12.1 Investments in listed companies

No. of Shares/Certificates		Name of Company/ Associated Undertaking	December 31, 2020		June 30, 2020	
			Cost	Fair Value	Cost	Fair Value
2020	2020		Rupees	Rupees	Rupees	Rupees
476	476	Tri-Star Polyester Limited	5,821	4,393	5,821	3,337
400	400	Tri-Star Power Limited	8,634	1,800	8,634	1,076
			<u>14,455</u>	<u>6,193</u>	<u>14,455</u>	<u>4,413</u>
Less: Fair Value Adjustment			8,262		10,042	
Fair Value			<u>6,193</u>		<u>4,413</u>	

12.2 Investment of Unlisted companies

No. of Shares/Certificates		Name of Company/ Associated Undertaking	Dec 31, 2020	June 30, 2020
			Cost	Cost
2020	2020		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	-	-

13 Short term investments

At fair value through other comprehensive income (FVOCI)

No. of Shares/Certificates		Name of Company	December 31, 2020		June 30, 2020	
			Cost	Fair Value	Cost	Fair Value
2020	2020		Rupees	Rupees	Rupees	Rupees
437	437	Orix Modaraba	7,305	7,669	7,305	7,866
70	70	First IBL Modaraba	1,860	170	1,860	154
		Orix Leasing Pakistan				
455	434	Limited	9,938	12,285	9,938	10,091
132	132	Saudi Pak Leasing Limited	2,349	165	2,349	78
12	12	Bank AL Habib Limited	23	835	23	628
86	86	Soneri Bank Limited	315	856	315	955



28	28 Samba Bank Limited	500	210	500	219
851	851 Santow Spinning Mills Ltd	12,375	7,319	12,375	3,310
100	100 Faisal Spinning Mills Limited	3,115	34,668	3,115	25,100
171	171 Sana Industries Limited	11,499	10,086	11,499	6,840
242	242 Nishat Chunian Limited	2,882	3,654	2,882	7,853
140	140 Nishat Mills Limited	3,533	14,248	3,533	10,921
120	120 Din Textile Mills Ltd.	-	5,605	-	5,038
230	Mohammad Farooq Textile Mills Ltd.	7,743	-	7,743	-
127	Jubilee Spinning & Weaving Mills Limited	2,004	729	2,004	413
301	301 Kohinoor Industries Limited	11,264	2,811	11,264	1,072
20	20 Hinopak Motors Limited	1,660	8,093	1,660	7,460
6,000	6,000 Engro Corporation Limited	246,032	1,844,160	246,032	1,757,520
100	Sanofi-Aventis (Aventis) Limited	16,064	75,734	16,064	83,850
259	259 Packages Limited	7,816	154,602	7,816	89,927
2,000	2,000 Cherat Cement Limited	83,600	292,380	83,600	174,340
613	613 Shell Pakistan Limited	1,280	170,065	1,280	111,922
1,000	Pakistan State Oil Company limited	415,215	215,300	415,215	158,160
264	264 Dewan Salman Fibre Limited	6,622	-	6,622	-
		<u>854,994</u>	<u>2,861,644</u>	<u>854,994</u>	<u>2,463,717</u>

Fair Value Adjustment	2,006,650	1,608,723
Fair Value	<u>2,861,644</u>	<u>2,463,717</u>

Companies delisted/Trading suspended

No. of Shares/Certificates		Name of Company	December 31, 2020		June 30, 2020	
			Cost	Fair Value	Cost	Fair Value
2020	2020					
		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	-
500	500	Business & Industries insurance 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	-
			<u>3,512,802</u>	-	<u>3,512,802</u>	-

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

14 Cash and Bank Balances

Cash in hand
Bank balances
- Saving account
- Current account

Note

	December 31, 2020 (Unaudited)	June 30, 2020 (Audited)
	1,535,614	1,497,695
	8,434	8,434
	51,397	36,571
	59,832	45,005
	<u>1,595,446</u>	<u>1,542,701</u>



15 Fair Value Of Financial Instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of financial asset fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Fair values of financial assets that are traded in active markets are based on quoted market prices. For all other financial instruments the Modaraba determine fair values using valuation techniques unless the fair value cannot be reliably measured.

For assets that are recognised in the financial statements at fair value on a recurring basis, the Modaraba recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. There were no transfers between different levels of fair values mentioned above.

The table below shows the carrying amounts and fair values of a financial asset and financial liability including their fair value hierarchy for financial instruments measured at fair value. It does not include the fair value information of financial assets and financial liabilities not measured at fair value if the carrying amount is reasonable approximation of fair value.

December 31, 2020				
Rupees				
	Carrying amount / Cost	Level 1	Level 2	Level 3
Financial instruments by category				
At amortised cost				
Cash and bank balances	1,595,446	-	-	-
Other receivables	95,517	-	-	-
Due from associated undertakings	25,400,000	-	-	-
Long term deposit	58,500	-	-	-
	<u>27,149,463</u>			
At fair value through other comprehensive income				
Investments	41,253,837	2,867,837	38,386,000	-
Financial liabilities				
At amortised cost				
Security deposits	1,690,000	-	-	-
Accrued and other liabilities	1,156,446	-	-	-
Unclaimed profit distributions	4,616,839	-	-	-
	<u>7,463,285</u>			

The carrying value of financial instruments reflected the financial statement approximate their fair values.

June 30, 2020				
Rupees				
	Carrying amount / Cost	Level 1	Level 2	Level 3
Financial instruments by category				
At amortised cost				
Cash and bank balances	1,542,701	-	-	-
Other receivables	8,578	-	-	-
Due from associated undertakings	46,100,000	-	-	-
Long term deposit	58,500	-	-	-
	<u>47,709,778</u>			
At fair value through other comprehensive income				
Investments	40,854,130	2,867,837	37,986,293	-
Financial liabilities				
At amortised cost				
Security deposits	335,000	-	-	-
Accrued and other liabilities	1,585,644	-	-	-
Unclaimed profit distributions	6,134,956	-	-	-
	<u>8,055,600</u>			



16 Segment Information

Segment revenue, segment result, cost, assets and liabilities for the year ended are as follows:

	December 31, 2020			Total
	Income from property	Educational Institution	Unallocated	
-----Rupees-----				
Segment revenue	11,400,000	4,275,741	-	15,675,741
RESULT				
Segment result				
Operating expenses	2,534,394	7,270,881	-	9,805,275
Financial and other charges	2442	-	-	2,442
	2,536,837	7,270,881		9,807,718
Operating Profit	8,863,163	(2,995,140)	-	5,868,023
Other income	-	5,695	2,844	8,539
(Loss) / profit for the year	8,863,163	(2,989,445)	2,844	5,876,562
Other information				
Segment assets	73,553,492	52,891,534	74,178,632	200,623,658
Total assets	73,553,492	52,891,534	74,178,632	200,623,658
Segment liabilities	1,690,000	1,156,446	13,141,557	15,988,003
Total liabilities	1,690,000	1,156,446	13,141,557	15,988,003
Net assets	71,863,492	51,735,088	61,037,075	184,635,655
Capital expenditure	-	-	-	-

17 Transaction With Related Parties

The related parties comprise Modaraba management company, associate companies, directors, companies where directors also hold directorship, key management personnel and staff retirement funds of the Modaraba. Details of transactions with related parties during the year, other than those which have been disclosed elsewhere in these financial statements, are as follows:

Transactions	Relationship	December 31,	December 31,
		2020	2019
		(Unaudited)	
		-----Rupees-----	
Paid to Modaraba Management Company	Associated undertaking	<u>256,636</u>	<u>-</u>
Disposal of unlisted shares of Tri star Energy Ltd to Marium Ahmad.	Key management personnel's relative	<u>-</u>	<u>1,200,000</u>
Rental income - Tri-Star Polyester Ltd.	Associated undertaking	<u>4,500,000</u>	<u>4,500,000</u>
Reimbursable expense - Tri-Star Polyester Ltd.	Associated undertaking	<u>300,000</u>	<u>-</u>
Payment received against rentals from Tri-Star Polyester Ltd.	Associated undertaking	<u>9,500,000</u>	<u>-</u>
Payment received against rentals from Tri-Star Industries (Pvt) Ltd.	Associated undertaking	<u>2,500,000</u>	<u>-</u>
Rental Income - Indus Battery Industries (Pvt) Ltd	Associated undertaking	<u>4,500,000</u>	<u>-</u>
Payment received against rentals from Indus Battery Industries (Pvt) Ltd	Associated undertaking	<u>9,000,000</u>	<u>-</u>
		December 31,	June 30,
		2020	2020
		(Unaudited)	(Audited)
		-----Rupees-----	
Balance as at the year end			
Payable to Modaraba Management Company		<u>-</u>	<u>256,636</u>
Investment in Tri-Star Energy Ltd.	Associated undertaking	<u>38,386,000</u>	<u>38,386,000</u>
Investment in Tri-Star Polyester Ltd.	Associated undertaking	<u>4,393</u>	<u>3,337</u>
Investment in Tri-Star Power Ltd.	Associated undertaking	<u>1,800</u>	<u>1,076</u>
Receivable from Tri-Star Polyester Ltd.	Associated undertaking	<u>12,600,000</u>	<u>17,300,000</u>
Receivable from Image Embroidered Fabric	Associated undertaking	<u>-</u>	<u>9,000,000</u>
Receivable from Indus Battery Industries (Pvt) Ltd.	Associated undertaking	<u>6,300,000</u>	<u>10,800,000</u>

18 Date of Authorization for Issue

These financial statements were approved and authorized for issue on 27 February, 2021 by the Board of Directors of the Modaraba Management Company.

19 General

19.1 Figures of previous year have been reclassified and rearranged wherever necessary for the purpose of comparison.

For A.R.T. Modaraba Management (Private) Limited
(Management Company)

CHIEF EXECUTIVE

DIRECTOR

DIRECTOR

CHIEF FINANCIAL OFFICER