

# First Tri-Star Modaraba



**UN-AUDITED ACCOUNTS  
FOR THE FIRST QUARTER  
ENDED 30TH SEPTEMBER, 2021**

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

## Company Information

<b>Board of Directors:</b>	Mr. Ahmed Khizer Khan Mr. Asad Ahmad Ms. Marium Ahmad	Non-Executive Chairman / Independent Director Chief Executive Non-Executive Director
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<b>Auditors:</b>	M/s. Muniff Ziauddin & Co. Chartered Accountants
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<b>Audit Committee:</b>	Mr. Ahmed Khizer Khan Ms. Marium Ahmad Mr. Asad Ahmad	Chairman Member Member
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<b>Shariah Advisor:</b>	Alhamd Shariah Advisory Services (Pvt) Ltd.
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<b>Bankers:</b>	Al Baraka Bank (Pakistan) Ltd. Bank Al-Habib Ltd. Habib Bank Ltd. National Bank of Pakistan
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<b>Registered Office:</b>	A/33, Central Commercial Area, Block 7/8, KCHSU, Karachi.
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<b>Management Company:</b>	A.R.T. Modaraba Management (Pvt) Ltd.
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**Report of the Directors  
of A.R.T. Modaraba Management (Pvt) Ltd.  
For the quarter ended September 30, 2021**

The un-audited accounts of First Tri-Star Modaraba for the quarter ended September 30, 2021 are presented herewith.

Alhamdulillah, Modaraba continued generating revenue through rental income as well as income from running an educational institution which has established itself well with a short time. We are optimistic of achieving continued good results in years to come.

On behalf of the Board

**Asad Ahmad**  
Chief Executive

Place: Karachi, October 29, 2021.

# Condensed Interim Statement of Financial Position

as at September 30, 2021

	(Un-audited) Sept 30, 2021	(Audited) June 30, 2021
	-----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	(15,047,867)	(17,867,983)
<b>Certificate holders' equity</b>	196,583,173	193,763,057
Deficit on revaluation of investments	(1,815,680)	(1,520,169)
<b>NON CURRENT LIABILITIES</b>		
Security deposits	1,970,000	1,650,000
<b>CURRENT LIABILITIES</b>		
Creditors, accrued and other liabilities	8,640,391	9,512,288
Due to associated undertakings	659,343	519,765
Unclaimed dividend	7,321,063	7,321,063
<b>Total current liabilities</b>	16,620,797	17,353,117
<b>Contingencies and commitments</b>		
<b>TOTAL EQUITY AND LIABILITIES</b>	213,358,290	211,246,005
<b>NON-CURRENT ASSETS</b>		
Fixed assets - tangible	14,862,036	13,245,576
Investment property	79,171,944	81,201,994
Long term deposit	58,500	58,500
Long term investments	35,907,123	35,901,481
<b>Total non-current assets</b>	129,999,603	130,407,551
<b>CURRENT ASSETS</b>		
Short term investments	2,640,417	2,936,215
Due from associated undertakings	1,500,000	-
Advance and deposits	47,586,819	32,971,622
Other receivables	587,144	8,578
Cash and bank balances	31,044,307	44,922,038
<b>Total current assets</b>	83,358,687	80,838,453
<b>TOTAL ASSETS</b>	213,358,290	211,246,005

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

Chief Executive

Director

Director

Chief Financial Officer

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

for the quarter ended September 30, 2021

	September 2021	September 2020
	-----Rupees-----	
Revenue	9,456,750	6,798,461
Administrative expenses	<u>(6,654,775)</u>	<u>(4,322,802)</u>
	2,801,975	2,475,659
Other income	18,825	4,000
Financial charges	<u>(684)</u>	<u>(497)</u>
Profit before taxation	2,820,116	2,479,162
Taxation	-	-
Profit for the year	<u>2,820,116</u>	<u>2,479,162</u>
Earnings per certificate - basic and diluted	<u>0.13</u>	<u>0.12</u>

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Chief Executive

Director

Director

Chief Financial Officer

**Condensed Interim Statement of Other Comprehensive Income (Unaudited)**  
for the quarter ended September 30, 2021

	September 2021	September 2020
	----- Rupees -----	
Profit for the year	2,820,116	2,479,162
<b>Components of other comprehensive income reflected below equity</b>		
<i>Items that will not be reclassified subsequently to profit and loss account</i>		
Surplus on revaluation of investments classified as 'at fair value through other comprehensive income' - net	(295,511)	251,603
<b>Total comprehensive income for the year</b>	<b>2,524,605</b>	<b>2,730,765</b>

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

Chief Executive

Director

Director

Chief Financial Officer

## Condensed Interim Statement of Cash Flows (Unaudited)

for the quarter ended September 30, 2021

	September 2021	September 2020
Note	-----Rupees-----	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	2,820,116	2,479,162
Add/(Less): Item not involving movement of cash:		
Depreciation	2,460,540	2,622,812
	2,460,540	2,622,812
	5,280,657	5,101,974
<b>Changes of Working Capital:</b>		
(Increase) Decrease in current assets	(16,693,763)	21,881,810
Increase (Decrease) in current liabilities	(88,630)	699,991
	(16,782,393)	22,581,801
Income tax paid	(643,689)	(180,000)
<b>Net cash generated from / (used in) operating activities</b>	(12,145,426)	27,503,775
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Capital Expenditure Incurred	(2,046,950)	-
Purchases of investments	(5,355)	-
<b>Net cash generated from investing activities</b>	(2,052,305)	-
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Long term deposits	320,000	1,150,000
<b>Net cash (used in) / generated from financing activities</b>	320,000	1,150,000
Net increase / (decrease) in cash & cash equivalents during the year	(13,877,731)	28,653,775
Cash & cash Equivalent at the beginning of the year	44,922,038	1,542,702
<b>Cash &amp; cash Equivalent at the end of the year</b>	31,044,307	30,196,477

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

Chief Executive

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Director

Chief Financial Officer

## Condensed Interim Statement of Changes in Equity

for the quarter ended September 30, 2021

	Certificate Capital	Capital Reserve Statutory Reserve	Revenue Reserve General Reserve	Accumulated Loss	Total
	-----Rupees-----				
<b>Balance as at June 30, 2020</b>	211,631,040	21,744,353	10,000,000	(60,780,679)	182,594,713
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
<b>Balance as at September 30, 2020</b>	<b>211,631,040</b>	<b>21,744,353</b>	<b>10,000,000</b>	<b>(58,301,518)</b>	<b>185,073,875</b>
<b>Balance as at June 30, 2021</b>	<b>211,631,040</b>	<b>21,744,353</b>	<b>10,000,000</b>	<b>(49,612,336)</b>	<b>193,763,057</b>
Profit for the year	-	-	-	2,820,116	2,820,116
Other comprehensive income	-	-	-	-	-
Total comprehensive loss for the year	-	-	-	2,820,116	2,820,116
<b>Balance as at September 30, 2021</b>	<b>211,631,040</b>	<b>21,744,353</b>	<b>10,000,000</b>	<b>(46,792,219)</b>	<b>196,583,173</b>

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

Chief Executive

Director

Director

Chief Financial Officer



## **NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2021**

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

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 under the name and style of Imperial Tutorial College

### **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 the modaraba regulation 2021; 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 the Modaraba Regulation 2021 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 the Modaraba Regulation 2021 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 have been presented in Pakistan Rupees, which is the functional and presentation currency of the Modaraba. All information presented has been rounded off to the nearest Rupee.

## INVESTMENTS IN COMPANIES & MODARABAS

AS AT SEPTEMBER 30th, 2021

		September 2021	June 2021
Long term investments	Note	-----Rupees-----	
<i>At fair value through other comprehensive income (FVOCI)</i>			
Shares and certificates of listed companies & associated undertaking	15.1	21,123	15,481
Shares of unlisted associated companies	15.2	35,886,000	35,886,000
		<u>35,907,123</u>	<u>35,901,481</u>

### Investments in listed companies

		September 2021		June 2021	
No. of Shares/Certificates	Name of Company/ Associated Undertaking	Cost	Fair Value	Cost	Fair Value
2021	2021	Rupees	Rupees	Rupees	Rupees
833	476 Image Pakistan Ltd	11,176	18,851	5,821	12,733
400	400 Tri-Star Power Limited	8,634	2,272	8,634	2,748
		<u>19,810</u>	<u>21,123</u>	<u>14,455</u>	<u>15,481</u>
	Less: Fair Value Adjustment	<u>(1,313)</u>		<u>(1,026)</u>	
	Fair Value	<u>21,123</u>		<u>15,481</u>	

### Investment of Unlisted companies

		September 2021	June 2021
No. of Shares/Certificates	Name of Company/ Associated Undertaking	Cost	Cost
2021	2021	Rupees	Rupees
3,588,600	3,588,600 Tri-Star Energy Limited	35,886,000	35,886,000
(Percentage Holding)			
12%	12%		
	Less: Fair Value Adjustment	<u>-</u>	<u>-</u>

During the year, the Management has sold the Nil shares amounting to Rs. Nil. The power project which Tri-Star Energy Limited was putting up is under litigation vide suit 312/1996 and is in evidence stage. As Tri-Star Energy Limited is a public unlisted Company and the Modaraba is unable to liquidate its investment made in Tri-Star Energy Limited in the open market, selling shares of Tri-Star Energy Limited at par value of Rs. 10/- would be considered an arm length value.

### Short term investments

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

		September 2021		June 2021	
No. of Shares/Certificates	Name of Company	Cost	Fair Value	Cost	Fair Value
2021	2021	Rupees	Rupees	Rupees	Rupees
437	437 Orix Modaraba	7,305	8,211	7,305	7,648
70	70 First IBL Modaraba	1,860	315	1,860	209
455	455 Orix Leasing Pakistan Limited	9,938	10,843	9,938	11,716
132	132 Saudi Pak Leasing Limited	2,349	279	2,349	3,000
12	12 Bank AL Habib Limited	23	830	23	841
86	86 Soneri Bank Limited	315	799	315	843
28	28 Samba Bank Limited	500	289	500	187

851	851	Saritow Spinning Mills	12,375	11,148	12,375	11,191
		Faisal Spinning Mills				
100	100	Limited	3,115	43,011	3,115	42,000
218	218	Sana Industries Limited	13,849	12,644	13,849	12,241
242	242	Nishat Chunian Limited	2,882	11,984	2,882	12,170
140	140	Nishat Mills Limited	3,533	12,720	3,533	13,062
120	120	Din Textile Mills Ltd.	-	14,771	-	10,800
		Jubilee Spinning &				
127	127	Weaving Mills Limited	2,004	748	2,004	721
		Kohinoor Industries				
301	301	Limited	11,264	2,209	11,264	2,571
20	20	Hinopak Motors Limited	1,660	8,100	1,660	12,243
		Engro Corporation				
6,000	6,000	Limited	246,032	1,655,940	246,032	1,767,660
		Sanofi-Aventis (Aventis)				
100	100	Limited	16,064	70,631	16,064	92,100
259	259	Packages Limited	7,816	121,564	7,816	141,207
2,000	2,000	Cherat Cement Limited	83,600	286,440	83,600	354,760
1,226	1,226	Shell Pakistan Limited	88,544	165,951	88,544	214,795
		Pakistan State Oil				
1,000	1,000	Company limited	415,215	200,990	415,215	224,250

930,243	2,640,417	930,243	2,936,215
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Fair Value Adjustment

1,710,174

2,005,972

Fair Value

2,640,417

2,936,215

**Companies delisted/Trading suspended**

No. of Shares/Certificates		Name of Company	2021		2021	
			Cost	Fair Value	Cost	Fair Value
2021	2021		Rupees	Rupees	Rupees	Rupees
400	400	Islamic Investment Bank Limited	2,757	-	2,757	-
		Innovative Investment Bank				
5	5	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	-
264	264	Dewan Salman Fibre Limited	6,622	-	6,622	-
		Mohammad Farooq Textile Mills				
230	230	Ltd.	7,743	-	7,743	-
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	-
			3,527,167	-	3,527,167	-
			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.