

First Tri-Star Modaraba



HALF YEARLY REPORT **DECEMBER 31, 2021 (Un-audited)**

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

Company Information

Board of Directors:	Mr. Ahmed Khizer Khan Mr. Asad Ahmad Ms. Marium Ahmad	Non-Executive Chairman / Independent Director Chief Executive Non-Executive Director
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Auditors:	M/s. Muniff Ziauddin & Co. Chartered Accountants
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Audit Committee:	Mr. Ahmed Khizer Khan Ms. Marium Ahmad Mr. Asad Ahmad	Chairman Member Member
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Shariah Advisor:	Alhamd Shariah Advisory Services (Pvt) Ltd.
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Bankers:	Al Baraka Bank (Pakistan) Ltd. Bank Al-Habib Ltd. Habib Bank Ltd. National Bank of Pakistan
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Registered Office:	A/33, Central Commercial Area, Block 7/8, KCHSU, Karachi.
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Management Company:	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 half year ended December 31, 2021**

The un-audited accounts of First Tri-Star Modaraba for the half year ended December 31, 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 better results in years to come.

On behalf of the Board

Asad Ahmad
Chief Executive

Marium Ahmad
Director

Place: Karachi.

Dated: February 28, 2022

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** ("the Modaraba"), as at December 31, 2021 and the related condensed interim profit and loss account and other comprehensive income, condensed interim statement of changes in equity, condensed interim statement of cash flows, and notes to the 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

- A. The Modaraba has an investment in the group company Tri Star Energy Limited (an unlisted associated company) amounting to Rs. 35.886 million (June 30, 2021: Rs. 35.886 million) in contravention to Clause 10(i) of the Modaraba Regulations, 2021, relating to investment in unlisted securities whereof the Modaraba are not allowed to have investment exceeding 5% of its equity, furthermore, both the companies i.e Tri Star Energy Limited and Modaraba Management Company (A.R.T Modaraba Management (Private) Limited) have the common Chief Executive which is again in contravention with the requirements of clause 10(ii) of the Modaraba Regulations, 2021.
- B. The investment in Tri Star Energy Limited is carried at cost instead of fair value in contravention with the requirement with the requirements of IFRS 9 and the accounting policy of investment (FVOCI) as adopted by the Modaraba.
- C. As disclosed in note 8, the amount of income tax payable Rs. 2.778 million has not been paid yet to the tax authorities. Furthermore, as disclosed in note 8, Zakat which was deducted by the Modaraba during the year ended June 30, 2019 was not paid to Central Zakat Fund established under section 7 of Zakat and Ushr Ordinance, 1980(XVIII of 1980)

Qualified 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.

Other Matters

The figures of the condensed interim statement of profit or loss and 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 figures for the year ended June 30, 2021 and December 31, 2020 were audited and reviewed by another firm of chartered accountants, who in their reported dated October 5, 2021, and February 27, 2021 issued a qualified report on following basis:

- a) Non compliance of clause 10(i) of the Modaraba Regulation 2021
- b) Non determinability of arm length price of the transactions with related party.
- c) Non payment of income tax and zakat.

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

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Crowe Hussain Chaudhury & Co.
Chartered Accountants
Place: Karachi
Date: February 28, 2022
UDIN No: RR202110207TEkNeSJiA

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2021

		December 31, 2021 (Unaudited)	June 30, 2021 (Audited)
	Note	-----Rupees-----	
CAPITAL AND RESERVES			
Authorized Capital		400,000,000	400,000,000
40,000,000 (June 30, 2021: 40,000,000) Modaraba Certificates of Rs. 10/- each			
Issued, subscribed and paid-up certificate capital	4	211,631,040	211,631,040
Reserves	5	(17,226,761)	(17,867,983)
Certificate holders' equity		194,404,279	193,763,057
Deficit on revaluation of investments	6	(1,846,595)	(1,520,169)
NON CURRENT LIABILITIES			
Security deposits	7	2,120,000	1,650,000
CURRENT LIABILITIES			
Creditors, accrued and other liabilities	8	7,742,924	9,512,289
Due to associated undertakings		659,343	519,765
Unclaimed dividend		6,982,879	7,321,063
Total current liabilities		15,385,146	17,353,117
Contingencies and commitments	9	-	-
TOTAL LIABILITIES AND EQUITY		210,062,830	211,246,005
NON-CURRENT ASSETS			
Fixed assets - tangible	10	18,971,456	13,245,576
Investment property	11	77,141,894	81,201,994
Long term deposit		58,500	58,500
Long term investments	12	35,902,171	35,901,481
Total non-current assets		132,074,021	130,407,551
CURRENT ASSETS			
Short term investments	13	2,614,454	2,936,215
Due from associated undertakings		3,000,000	-
Advances and deposits		69,009,081	32,971,622
Other receivables		1,324,538	8,578
Cash and bank balances	14	2,040,736	44,922,038
Total current assets		77,988,809	80,838,453
TOTAL ASSETS		210,062,830	211,246,005

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, 2021

	For the six months period ended		For the three months period ended	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Note	-----Rupees-----			
Revenue	14,443,750	15,675,741	4,987,000	8,877,280
Administrative expenses	(13,722,777)	(9,805,275)	(7,068,002)	(5,482,473)
	720,973	5,870,466	(2,081,002)	3,394,807
Other income	141,339	8,539	122,514	4,539
Financial charges	(1,442)	(2,442)	(759)	(1,945)
Profit /(Loss) before taxation	860,870	5,876,562	(1,959,247)	3,397,401
Taxation	(219,647)	-		-
Profit/(Loss) for the period	641,223	5,876,562	(1,959,247)	3,397,401
Earnings/(Loss) per certificate	0.03	0.28	-0.09	0.16

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, 2021

	For the six months period ended		For the three months period ended	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
	----- Rupees -----		----- Rupees -----	
Profit/(Loss) for the period	860,870	5,876,562	(1,959,247)	3,397,401
Components of other comprehensive income reflected below equity				
Items that will not be reclassified subsequently to profit or loss account				
Deficit on revaluation of investments classified as 'at fair value through other comprehensive income' - net	(326,426)	399,707	(547,114)	148,104
Total comprehensive income / (loss) for the period	<u>534,443</u>	<u>6,276,269</u>	<u>(2,506,361)</u>	<u>3,545,505</u>

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

For A.R.T. Modaraba Management (Private) Limited
(Modaraba 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, 2021

	Six month period ended	
	December 31, 2021	December 31, 2020
Note	-----Rupees-----	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	641,223	5,876,562
Adjustments for non-cash and other items:		
Depreciation	5,362,985	5,245,624
Other Income	(141,339)	(8,539)
Dividend income	(6,449)	(2,844)
	5,215,197	5,234,241
	5,856,420	11,110,803
Increase/(Decrease) in working capital		
(Increase)/ Decrease in current assets	(39,276,314)	20,613,061
Increase /(Decrease) in current liabilities	(1,967,972)	927,460
	(41,244,285)	21,540,521
Cash (used in)/ generated from operations	(35,387,865)	32,651,324
Income tax paid	(1,077,106)	(448,653)
Cash (used in)/generated from operating activities	(36,464,971)	32,202,671
CASH FLOW FROM INVESTING ACTIVITIES		
Dividend income	6,449	2,844
Other Income	141,339	8,539
Purchase of shares	(5,355)	-
Capital Expenditure Incurred	(7,028,765)	(31,400,000)
Cash (used in) investing activities	(6,886,332)	(31,388,617)
CASH FLOW FROM FINANCING ACTIVITIES		
Long term deposits	470,000	1,355,000
Dividend paid	-	(2,116,310)
Cash generated from/(used in) financing activities	470,000	(761,310)
Net (decrease)/increase in cash and cash equivalents	(42,881,303)	52,744
Cash & cash equivalent at the beginning of the period	44,922,039	1,542,701
Cash & cash equivalent at the end of the period	2,040,736	1,595,446

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, 2021

	Certificate Capital	Capital Reserve Statutory Reserve	Revenue Reserve General Reserve	Accumulated Loss	Total
	-----Rupees-----				
Balance as at July 01, 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 loss for the period	-	-	-	5,876,562	5,876,562
Balance as at December 31, 2020	211,631,040	21,744,353	10,000,000	(55,109,013)	188,266,379
Balance as at July 01, 2021	211,631,040	21,744,353	10,000,000	(49,612,336)	193,763,057
Profit for the period	-	-	-	641,223	641,223
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	-	-	-	641,223	641,223
Balance as at December 31, 2021	211,631,040	21,744,353	10,000,000	(48,971,113)	194,404,279

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 HALF YEAR ENDED DECEMBER 31, 2021

1. LEGAL STATUS AND NATURE OF THE BUSINESS

- 1.1** 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) Limited. 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, Karachi.

The Modaraba is engaged in the following activities:

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

2. BASIS OF PREPARATION

2.1 Statement of compliance

These condensed interim financial information of the Modaraba for the six months period ended December 31, 2021 has been prepared in accordance with the requirements of the International Accounting Standard 34 - "Interim Financial Reporting" and provisions of and directives issued under the Modaraba Companies and Modarabas (Floatation and Control) Ordinance, 1980, the Modaraba Companies and Modaraba Rules, 1981 and Prudential Regulations for Modarabas.

In case where requirements differ, the provisions of or directives issued under the Modaraba Companies and Modarabas (Floatation and Control) Ordinance, 1980, the Modaraba Companies and Modaraba Rules, 1981 and Prudential Regulations for Modarabas have been followed.

The disclosures made in this condensed interim financial information have been limited, based on the requirements of International Accounting Standard 34 - "Interim Financial Reporting". These condensed interim financial information do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the financial statements of the Modaraba for the year ended June 30, 2021.

This condensed interim financial information is un-audited. However, limited scope review has been performed by the statutory auditors, except for the figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarters ended December 31, 2021 and December 31, 2020, in accordance with the requirement of clause 27 of the Listed Companies (Code of Corporate Governance) Regulations, 2017 and are being submitted to the Certificate holders as required by Rule 10 of Modaraba Companies and Modaraba Rules, 1981.

2.2 Basis of measurement

This condensed interim financial information has been prepared under the "historical cost convention" except for the revaluation of certain financial assets which are stated at fair value. This condensed interim financial information has been prepared following accrual basis of accounting except for cash flow statement.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted and methods of computation followed in the preparation of this condensed interim financial information are same as those applied in the preparation of annual financial statements for the year ended June 30, 2021.

3.1 Standards and amendments to published approved accounting standards which are effective during the half year ended December 31, 2021.

There are certain amendments and interpretations to the accounting and reporting standards which are mandatory for annual accounting period which began on July 1, 2021.

However, the application of such standards do not have any significant impact on the Modaraba's financial reporting and, therefore, have not been presented in these condensed interim unconsolidated financial statements.

3.2 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of condensed interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. The significant judgments made by management in applying the Modaraba's accounting policies and key sources of estimation of uncertainty are the same as those that were applied to the financial statements for the year ended June 30, 2021.

4 Issued, subscribed and paid-up certificate capital

December 2021	June 2021		December 31, 2021 (Unaudited)	June 30, 2021 (Audited)
No of shares			-----Rupees-----	
11,900,000	11,900,000	Modaraba Certificates of Rs. 10 each fully paid in	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

(48,971,113)

(49,612,336)

(38,971,113)

(39,612,336)

(17,226,761)

(17,867,983)

5.1 This represents profit set aside to comply with requirement of Prudential Regulations for Modaraba issued by SECP, which is not available for distribution.

6 Deficit on revaluation of investments

Market value of investments

38,516,625

38,837,696

Less: Cost of investments

40,363,220

40,357,865

(1,846,595)

(1,520,169)

Deficit on revaluation at beginning of the period / year

(1,520,169)

(1,914,121)

Gain / (loss) during the period / year

(326,426)

393,952

Net Deficit on revaluation at period / year end

(1,846,595)

(1,520,169)

7 Security deposits

7.1

2,120,000

1,650,000

7.1 These represents deposits from students without any remuneration.

8 Creditors, accrued and other liabilities

Accrued expenses

477,411

1,656,393

Management fee

-

1,551,843

Deposit

527,000

-

Sales tax payable on Management fees

285,079

285,079

Workers' Welfare Fund

275,297

275,297

Income tax payable

2,778,349

2,343,889

Zakat payable

3,399,788

3,399,788

7,742,924

9,512,289

9 Contingencies and commitments

There are no contingencies and commitments as at December 31, 2021 (June 30, 2021 : Nil)

	December 31, 2021 (Unaudited)	June 30, 2021 (Audited)
	-----Rupees-----	
10 Property and equipments		
Book value at the beginning of the period / year	13,245,576	54,186,052
Transferred from investment property	-	(39,536,551)
Additions during the period / year	7,028,765	72,090
	20,274,341	14,721,591
Deletion during the period / year at book value	-	-
Impairment during the period / year reversed (net)	-	-
Depreciation charge during the period / year	(1,302,885)	(1,476,015)
Book value at the end of the period / year	18,971,456	13,245,576
10.1 Additions		
Furniture & fixtures	16,200	8,100
Motor Car	5,756,283	-
Building	1,256,283	-
Kitchen appliance	-	63,990
	7,028,765	72,090
11 Investment property		
Gross carrying amount		
Balance at the beginning of the period / year	124,804,700	70,115,000
Transferred from fixed assets - tangible	-	54,689,700
Additions	-	-
Disposals	-	-
Balance at the end of the period / year	124,804,700	124,804,700
Accumulated Depreciation		
Balance at the beginning of the period / year	43,602,706	19,427,114
Transferred from fixed assets - tangible	-	15,153,149
Additions	-	-
Depreciation charge for the period / year	4,060,100	9,022,444
Disposals	-	-
Balance at the end of the period / year	47,662,806	43,602,706
As at December 31 2020		
Cost	124,804,700	124,804,700
Accumulated Depreciation	(47,662,806)	(43,602,706)
Net book amount	77,141,894	81,201,994
Rate	10%	10%

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 (SBCA) of registration of sale deed by the Sub-Registrar of properties. The seller has already applied for approval of completion plan to the SBCA 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 June 29, 2021 is Rs. 298,200,000 (Forced sale value Rs 238,560,000).

		December 31, 2021 (Unaudited)	June 30, 2021 (Audited)
12	Long term investments	Note	-----Rupees-----
At fair value through other comprehensive income (FVOCI)			
	Shares and certificates of listed companies & associated undertaking	12.1	16,171 15,481
	Shares of unlisted associated companies	12.2	35,886,000 35,886,000
			35,902,171 35,901,481

12.1 Investments in listed companies

No. of Shares/Certificates		Name of Company/ Associated Undertaking	December 31, 2021		June 30, 2021	
			Cost Rupees	Fair Value Rupees	Cost Rupees	Fair Value Rupees
833	476	Image Pakistan Ltd	11,176	14,411	5,821	12,733
400	400	Tri-Star Power Limited	8,634	1,760	8,634	2,748
1,233	876		19,810	16,171	14,455	15,481
Less: Fair value gain/(loss)			(3,639)		(1,026)	
			16,171		15,481	

12.2 Investment of Unlisted companies

No. of Shares/Certificates		Name of Company/ Associated Undertaking	Dec 31, 2021	June 30, 2021
			Cost Rupees	Cost Rupees
3,588,600	3,588,600	Tri-Star Energy Limited	35,886,000	35,886,000
(Percentage Holding)				
12%	12%	Less: Fair value gain/(loss)	-	-

		December 31, 2021 (Unaudited)	June 30, 2021 (Audited)
13	Short term investments	Note	-----Rupees-----
At fair value through other comprehensive income (FVOCI)			
	Shares and certificates of listed companies		2,614,454 2,936,215
	Shares and certificates of delisted companies		- -
			2,614,454 2,936,215

No. of		Name of Company	December 31, 2021		June 30, 2021	
			Cost	Fair Value	Cost	Fair Value
			Rupees	Rupees	Rupees	Rupees
2021	2021					
437	437	Orix Modaraba	7,305	6,913	7,305	7,648
70	70	First IBL Modaraba	1,860	525	1,860	209
455	455	Orix Leasing Pakistan Limited	9,938	9,783	9,938	11,716
132	132	Saudi Pak Leasing Limited	2,349	249	2,349	3,000
12	12	Bank AL Habib Limited	23	828	23	841
86	86	Soneri Bank Limited	315	835	315	843
28	28	Samba Bank Limited	500	349	500	187
		Saritow Spinning Mills Ltd				
851	851	(Azam Tex)	12,375	8,033	12,375	11,191
100	100	Faisal Spinning Mills Limited	3,115	44,990	3,115	42,000
239	218	Sana Industries Limited	13,849	13,367	13,849	12,241
242	242	Nishat Chunian Limited	2,882	11,023	2,882	12,170
140	140	Nishat Mills Limited	3,533	11,141	3,533	13,062
120	120	Din Textile Mills Ltd.	-	16,757	-	10,800
		Jubilee Spinning & Weaving				
127	127	Mills Limited	2,004	625	2,004	721
301	301	Kohinoor Industries Limited	11,264	1,803	11,264	2,571
20	20	Hinopak Motors Limited	1,660	7,063	1,660	12,243
6,000	6,000	Engro Corporation Limited	246,032	1,634,520	246,032	1,767,660
		Sanofi-Aventis (Aventis)				
100	100	Limited	16,064	89,767	16,064	92,100
259	259	Packages Limited	7,816	128,793	7,816	141,207
2,000	2,000	Cherat Cement Limited	83,600	296,620	83,600	354,760
1,226	1,226	Shell Pakistan Limited	88,544	148,579	88,544	214,795
		Pakistan State Oil Company				
1,000	1,000	limited	415,215	181,890	415,215	224,250
13,945	13,924		930,243	2,614,454	930,243	2,936,215
Fair value gain			1,684,211		2,005,972	
			2,614,454		2,936,215	

Companies delisted/Trading suspended

No. of		Name of Company	December 31, 2021		June 30, 2021	
			Cost	Fair Value	Cost	Fair Value
			Rupees	Rupees	Rupees	Rupees
2021	2021					
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 Company				
500	500	Limited	5,000	-	5,000	-
		Dewan Salman Fibre				
264	264	Limited	6,622	-	6,622	-
		Mohammad Farooq				
230	230	Textile Mills Ltd.	7,743	-	7,743	-
		Mian Mohd. Sugar Mills				
600	600	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	-
132,020	132,020		3,527,167	-	3,527,167	-

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
- Cheques-in-hand

Note

December 31, 2021 (Unaudited)	June 30, 2021 (Audited)
-----Rupees-----	
1,995,202	5,014,471
8,434	8,434
37,100	5,099,133
-	34,800,000
45,534	39,907,568
2,040,736	44,922,038

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 recognized 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, 2021				
	Rupees			
	Carrying amount / Cost	Level 1	Level 2	Level 3
Financial instruments by category				
At amortized cost				
Cash and bank balances	2,040,736	-	-	-
Other receivables	1,324,538	-	-	-
Due from associated undertakings	3,000,000	-	-	-
Long term deposit	58,500	-	-	-
	<u>6,423,774</u>			
At fair value through other comprehensive income				
Investments	38,516,625	2,630,625	35,886,000	-
Financial liabilities				
At amortized cost				
Security deposits	2,120,000	-	-	-
Accrued and other liabilities	477,411	-	-	-
Unclaimed profit distributions	6,982,879	-	-	-
	<u>9,580,290</u>			

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

June 30, 2021				
	Rupees			
	Carrying amount / Cost	Level 1	Level 2	Level 3
Financial instruments by category				
At amortized cost				
Cash and bank balances	44,922,038	-	-	-
Other receivables	8,578	-	-	-
Due from associated undertakings	-	-	-	-
Long term deposit	58,500	-	-	-
	<u>44,989,116</u>			
At fair value through other comprehensive income				
Investments	38,837,696	2,951,696	35,886,000	-
Financial liabilities				
At amortized cost				
Security deposits	1,650,000	-	-	-
Accrued and other liabilities	1,656,393	-	-	-
Unclaimed profit distributions	7,321,063	-	-	-
	<u>10,627,456</u>			

16 Segment Information

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

	December 31, 2021		
	Income from property	Educational Institution	Unallocated
	Rupees		
			Total
Segment revenue	5,640,000	7,896,750	-
			13,536,750
RESULT			
Segment result			
Operating expenses	4,060,100	9,662,677	-
Financial and other charges	1442	-	-
	4,061,542	9,662,677	
			13,722,777
			1,442
			13,724,219
Operating Profit	1,578,458	(1,765,927)	-
Other income	-	134,890	6,449
			141,339
(Loss) / profit for the year	1,578,458	(1,631,037)	6,449
			(46,130)
Other information			
Segment assets	80,141,894	20,388,168	109,532,767
Total assets	80,141,894	20,388,168	109,532,767
			210,062,830
Segment liabilities	2,120,000	477,411	14,248,392
Total liabilities	2,120,000	477,411	14,248,392
			16,845,803
			16,845,803
Net assets	78,021,894	19,910,757	95,284,376
			193,217,027
Capital expenditure	-	7,028,765	-
			7,028,765

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:

		December 31, 2021 (Unaudited)	December 31, 2020	
		-----Rupees-----		
Transactions	Relationship			
Paid to Modaraba Management Company	Associated undertaking	<u><u>1,551,843</u></u>	<u><u>-</u></u>	
Disposal of unlisted shares of Tri star Energy Ltd to Mariam Ahmed.	Key management personnel's relative	<u><u>-</u></u>	<u><u>1,200,000</u></u>	
Rental income - Image Pakistan Ltd.	Associated undertaking	<u><u>3,000,000</u></u>	<u><u>4,500,000</u></u>	
Rental income - Tri-Star Industries (Pvt) Ltd.	Associated undertaking	<u><u>-</u></u>	<u><u>4,500,000</u></u>	
		December 31, 2021 (Unaudited)	June 30, 2021 (Audited)	
		-----Rupees-----		
Balance as at the year end				Change
Payable to Modaraba Management Company		<u><u>-</u></u>	<u><u>1,551,843</u></u>	<u><u>(1,551,843)</u></u>
Investment in Tri-Star Energy Ltd.	Associated undertaking	<u><u>35,886,000</u></u>	<u><u>35,886,000</u></u>	<u><u>-</u></u>
Investment in Image Pakistan Ltd.	Associated undertaking	<u><u>14,411</u></u>	<u><u>12,733</u></u>	<u><u>1,678</u></u>
Investment in Tri-Star Power Ltd.	Associated undertaking	<u><u>1,760</u></u>	<u><u>2,748</u></u>	<u><u>(988)</u></u>
Receivable from Image Pakistan Ltd.	Associated undertaking	<u><u>3,000,000</u></u>	<u><u>-</u></u>	<u><u>3,000,000</u></u>
Payable to Image Pakistan Ltd	Associated undertaking	<u><u>-</u></u>	<u><u>519,765</u></u>	<u><u>(519,765)</u></u>

18 Date of Authorization for Issue

These financial statements were approved and authorized for issue on February 28, 2022 by the Board of Directors of the Modaraba Management Company.

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

Chief Executive

Director

Director

Chief Financial Officer