

First Tri-Star Modaraba



HALF YEARLY REPORT **DECEMBER 31, 2022 (Un-audited)**

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

Company Information

Board of Directors: Mr. Ahmed Khizer Khan Non-Executive Chairman / Independent Director
Mr. Asad Ahmad Chief Executive
Ms. Marium Ahmad Non-Executive Director

Auditors: M/s. Crowe Hussain Chaudhury & 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.

**Directors' Report of
A.R.T. Modaraba Management (Pvt) Ltd.,
For the half year ended December 31, 2022**

The un-audited accounts of First Tri-Star Modaraba for the half year ended December 31, 2022 are presented herewith.

Alhamdulillah, Modaraba continued generating revenue through rental income as well as income from running an educational institution. 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 27, 2023

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, 2022 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

1. The Modaraba has an investment in the group company Tri Star Energy Limited (an unlisted associated company) amounting to Rs. 35.886 million (June 2022: 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.
2. As disclosed in note 12, the Modaraba has sold the shares of Tri-Star Energy Limited at par value during previous years. However, there were no agreement for sale of shares under which the selling price of shares had been agreed, in the absence of such agreement, we are unable to determine the impact if any, of the transaction on the unappropriated profit of the Modaraba. Furthermore, 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.

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, 2022 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, 2022 and December 31, 2021 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2022.

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

sd/-

Crowe Hussain Chaudhury & Co.
Chartered Accountants
Place: Karachi
Date: February 27, 2023
UDIN No: RR202210207eIHBMtSOL

**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2022**

	December 31, 2022 (Unaudited)	June 30, 2022 (Audited)
Note	-----Rupees-----	
CAPITAL AND RESERVES		
Authorized Capital 40,000,000 (June 30, 2022: 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	(25,300,518)	(29,749,541)
Certificate holders' equity	186,330,522	181,881,499
Deficit on revaluation of investments	(3,406,997)	(3,377,952)
NON CURRENT LIABILITIES		
Security deposits	1,520,000	2,280,000
CURRENT LIABILITIES		
Creditors, accrued and other liabilities	11,550,396	13,809,053
Unclaimed dividend	8,054,502	13,682,766
Total current liabilities	19,604,898	27,491,819
Contingencies and commitments	-	-
TOTAL LIABILITIES AND EQUITY	204,048,422	208,275,366
NON-CURRENT ASSETS		
Fixed assets - tangible	7,551,645	8,209,942
Investment property	78,535,337	82,668,776
Long term deposit	58,500	58,500
Long term investments	35,897,686	35,898,870
Total non-current assets	122,043,168	126,836,088
CURRENT ASSETS		
Short term investments	266,817	294,679
Rent Receivable	9,000,000	6,000,000
Advances and deposits	2,099,737	70,833,455
Other receivables	68,757,398	1,960,144
Cash and bank balances	1,881,302	2,350,999
Total current assets	82,005,254	81,439,277
TOTAL ASSETS	204,048,422	208,275,366

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, 2022**

	For the six months period ended		For the three months period ended	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Note	-----Rupees-----			
Revenue	20,168,933	14,443,750	4,974,933	8,877,280
Administrative expenses	(14,312,926)	(13,722,777)	(7,183,939)	(5,482,473)
	5,856,007	720,973	(2,209,006)	3,394,807
Other income	45,871	141,339	25,711	4,539
Financial charges	(1,019)	(1,442)	(900)	(1,945)
Profit /(loss) before taxation	5,900,859	860,870	(2,184,195)	3,397,401
Taxation	(1,451,835)	(219,647)	(1,261,910)	-
Profit/(loss) for the period	4,449,024	641,223	(3,446,105)	3,397,401
Earnings/(loss) per certificate	0.21	0.03	(0.16)	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, 2022**

	For the six months period ended		For the three months period ended	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
	----- Rupees -----	----- Rupees -----	----- Rupees -----	----- Rupees -----
Profit/(loss) for the period	5,900,859	860,870	(3,446,105)	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	(29,045)	(321,071)	(2,240,976)	(25,560)
Total comprehensive income / (loss) for the period	<u>5,871,814</u>	<u>539,798</u>	<u>(5,687,082)</u>	<u>3,371,840</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, 2022**

	Six month period ended	
	December 31, 2022	December 31, 2021
Note	-----Rupees-----	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	5,900,859	860,870
Adjustments for non-cash and other items:		
Depreciation	4,811,336	5,362,985
Other income	(45,871)	(147,788)
	4,765,465	5,215,197
	10,666,324	6,076,067
Increase/(Decrease) in working capital		
(Increase)/ Decrease in current assets	(3,118,028)	(39,495,961)
Increase /(Decrease) in current liabilities	(987,338)	(1,967,972)
	(4,105,365)	(41,463,932)
Cash (used in)/ generated from operations	6,560,959	(35,387,866)
Income tax paid	(668,663)	(1,077,106)
Cash (used in)/generated from operating activities	5,892,296	(36,464,971)
CASH FLOW FROM INVESTING ACTIVITIES		
Other Income	45,871	147,788
Purchase of shares	-	(5,355)
Capital expenditure incurred	(19,600)	(7,028,765)
Cash generated from / (used in) investing activities	26,271	(6,886,332)
CASH FLOW FROM FINANCING ACTIVITIES		
Long term deposits	(760,000)	470,000
Dividend paid	(5,628,264)	-
Cash (used in) / generated from financing activities	(6,388,264)	470,000
Net (decrease)/increase in cash and cash equivalents	(469,697)	(42,881,303)
Cash & cash equivalent at the beginning of the period	2,350,999	44,922,039
Cash & cash equivalent at the end of the period	1,881,302	2,040,736

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, 2022**

	Certificate	Capital Reserve	Revenue Reserve		Total
		Statutory	General	Accumulated	
-----Rupees-----					
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	-	-	-	860,870	860,870
Other comprehensive income	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	860,870	860,870
Balance as at December 31, 2021	211,631,040	21,744,353	10,000,000	(48,751,466)	194,623,926
Balance as at July 01, 2022	211,631,040	21,826,099	10,000,000	(61,575,640)	181,881,499
Profit for the period	-	-	-	4,449,024	4,449,024
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	-	-	-	4,449,024	4,449,024
Balance as at December 31, 2021	211,631,040	21,826,099	10,000,000	(57,126,617)	186,330,522

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, 2022

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, 2022 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, 2022.

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, 2022.

3.1 Standards and amendments to published approved accounting standards which are effective during the half year ended December 31, 2022.

There are certain amendments and interpretations to the accounting and reporting standards which are mandatory for annual accounting period which began on July 1, 2022.

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, 2022.

4 Issued, subscribed and paid-up certificate capital

Decembe 2022	June 2022		December 31, 2022 (Unaudited)	June 30, 2022 (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	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
21,163,104	21,163,104		211,631,040	211,631,040

5 Reserves

Capital reserves

Statutory Reserve 5.1 **21,826,099** 21,826,099

Revenue reserves

General Reserve	10,000,000	10,000,000
Accumulated loss	(57,126,617)	(61,575,640)
	(47,126,617)	(51,575,640)
	(25,300,518)	(29,749,541)

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	36,164,504	36,193,549
Less: Cost of investments	39,571,501	39,571,501
	(3,406,997)	(3,377,952)
Deficit on revaluation at beginning of the period / year	(1,356,158)	(912,011)
Loss during the period / year	(29,045)	(444,147)
	(1,385,203)	(1,356,158)

7 **Security deposits** 7.1 **1,520,000** 2,280,000

7.1 These represents deposits from students without any remuneration.

8 Creditors, accrued and other liabilities

Accrued expenses	30,000	1,127,782
Management fee	85,600	85,600
Sales tax payable on management fees	296,207	296,207
Workers' welfare fund	275,297	275,297
Income tax payable	4,074,410	5,235,285
Zakat payable	6,788,882	6,788,882
	11,550,396	13,809,053

9 Contingencies and commitments

There are no contingencies and commitments as at December 31, 2022. (June 30, 2022 : Nil)

	December 31, 2022 (Unaudited)	June 30, 2022 (Audited)
	-----Rupees-----	
10 Property and equipments		
Book value at the beginning of the period / year	8,209,942	13,245,576
Transferred from investment property	-	(15,425,300)
Additions during the period / year	19,600	5,915,493
	8,229,542	3,735,769
Deletion during the period / year at book value	-	-
Accumulate of assets transferred to investment property	-	5,389,098
Depreciation charge during the period / year	(677,897)	(914,925)
Book value at the end of the period / year	7,551,645	8,209,942
10.1 Additions		
Furniture & fixtures	-	16,200
Motor Car	-	5,899,293
Office Equipment	19,600	-
	19,600	5,915,493
11 Investment property		
Gross carrying amount		
Balance at the beginning of the period / year	140,846,000	124,804,700
Transferred from fixed assets - tangible	-	15,425,300
Additions	-	616,000
Disposals	-	-
Balance at the end of the period / year	140,846,000	140,846,000
Accumulated Depreciation		
Balance at the beginning of the period / year	58,177,224	43,602,706
Transferred from fixed assets - tangible	-	5,389,098
Additions	-	-
Depreciation charge for the period / year	4,133,439	9,185,420
Disposals	-	-
Balance at the end of the period / year	62,310,663	58,177,224
Net book amount	78,535,337	82,668,776
As at December 31 2022		
Cost	140,846,000	140,846,000
Accumulated Depreciation	(62,310,663)	(58,177,224)
Net book amount	78,535,337	82,668,776
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, 2022 (Unaudited)	June 30, 2022 (Audited)
		-----Rupees-----	
12	Long term investments		
	Note		
	At fair value through other comprehensive income (FVOCI)		
	Shares and certificates of listed companies &	11,686	12,870
	Shares of unlisted associated companies	35,886,000	35,886,000
		35,897,686	35,898,870

12.1 Investment in Listed Companies

No. of Shares		Name of Company/ Associated Undertaking	Dec-22		Jun-22	
Dec-22	Jun-22		Cost Rupees	Fair Value Rupees	Cost Rupees	Fair Value Rupees
833	833	Image Pakistan Ltd	11,176	8,986	11,176	11,470
400	400	Tri-Star Power Limited	8,634	2,700	8,634	1,400
			19,810	11,686	19,810	12,870
		Less: Fair Value Adjustment	(8,124)		6,940	
		Fair Value	11,686		12,870	

12.2 Investment in Unlisted companies

No. of Certificates		Name of Company/ Associated Undertaking	Dec-22	Jun-22
Dec-22	Jun-22		Cost Rupees	Cost Rupees
3,588,600	3,588,600	Tri-Star Energy Limited	35,886,000	35,886,000
(Percentage Holding)				
12%	12%	Fair Value Gain/(Loss)	-	-

13 Short term investments

		December 31, 2022 (Unaudited)	June 30, 2022 (Audited)
		-----Rupees-----	
	Note		
	At fair value through other comprehensive income (FVOCI)		
	Shares and certificates of listed companies	266,818	294,679
	Shares and certificates of delisted companies	-	-
		266,818	294,679

No. of Shares		Name of Company	Dec-22		Jun-22	
Dec-22	Jun-22		Cost Rupees	Fair Value Rupees	Cost Rupees	Fair Value Rupees
437	437	Orix Modaraba	7,305	5,550	7,305	6,992
70	70	First IBL Modaraba	1,860	397	1,860	420
132	132	Saudi Pak Leasing Limited	2,349	-	2,349	-
239	218	Sana Industries Limited	13,849	9,560	13,849	14,340
140	140	Nishat Mills Limited	3,533	7,699	3,533	10,347
120	120	Din Textile Mills Ltd.	-	14,040	-	14,520
127	127	Limited	2,004	381	2,004	700
301	301	Kohinoor Industries Limited	11,264	1,598	11,264	1,839
259	259	Packages Limited	7,816	95,871	7,816	103,305
1226	1226	Shell Pakistan Limited	88,544	131,721	88,544	142,216
			138,524	266,818	138,524	294,679
		Fair Value Adjustment	128,294		156,155	
		Fair Value	266,818		294,679	

Companies Delisted / Trading Suspended

No. of Shares		Name of Company	Dec-22		Jun-22	
			Cost Rupees	Fair Value Rupees	Cost Rupees	Fair Value Rupees
400	400	Islamic Investment Bank Limited	2,757	-	2,757	-
5	5	Innovative Investment Bank Limited	4,545	-	4,545	-
102350	102350	Mohib Exports Limited	2,436,070	-	2,436,070	-
500	500	Company Limited	5,000	-	5,000	-
264	264	Dewan Salman Fibre Limited	6,622	-	6,622	-
230	230	Mohammad Farooq Textile Mills Ltd.	7,743	-	7,743	-
600	600	Mian Mohd. Sugar Mills Limited	6,000	-	6,000	-
17671	17671	Mohib Textile Mills Limited	897,530	-	897,530	-
10000	10000	Sunshine Cloth Limited	160,900	-	160,900	-
			3,527,167	-	3,527,167	-

The fairvalue of the investment in the companies which are under suspension and delisted by Pakistan Stock Exchange Limited is taken as nil.

	Note	December 31, 2022 (Unaudited)	June 30, 2022 (Audited)
		-----Rupees-----	-----Rupees-----
14 Rent Receivable			
Unsecured considered good			
Image Pakistan Limited		<u>9,000,000</u>	<u>6,000,000</u>
		<u>9,000,000</u>	<u>6,000,000</u>
14.1	These represents amounts receivable in respect of rental property from related party.		
15 Advance and Deposits			
Advance income tax - net		2,099,737	3,233,455
Advance for purchase of solar panels	15.1	-	67,600,000
		<u>2,099,737</u>	<u>70,833,455</u>
15.1	The advance is paid to related party "Habib Jamal & Co" for purchase of solar panels, subsequent to the year end the solar panels have been received and the advance has been adjusted accordingly.		
16 Other Receivables			
Receivable from image pakistan	16.1	68,748,820	-
Others		8,578	1,960,144
		<u>68,757,398</u>	<u>1,960,144</u>
16.1	This represents the balance amounting to Rs. 68,000,000 against the sale of solar panel and Rs. 748,820 against electricity expense charged.		
17 Cash and Bank Balances			
Cash in hand		1,851,385	1,829,224
Bank balances			
- Saving account		8,434	8,434
- Current account		21,483	513,341
- Cheques-in-hand		-	-
		<u>29,917</u>	<u>521,776</u>
		<u>1,881,302</u>	<u>2,350,999</u>

18 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, 2022			
	Rupees			
	Carrying amount / Cost	Level 1	Level 2	Level 3
Financial instruments by category				
At amortized cost				
Cash and bank balances	1,881,302	-	-	-
Other receivables	68,757,398	-	-	-
Due from associated undertakings	9,000,000	-	-	-
Long term deposit	58,500	-	-	-
	<u>79,697,199</u>			
At fair value through other comprehensive income				
Investments	36,164,504	278,504	35,886,000	-
Financial liabilities				
At amortized cost				
Security deposits	1,520,000	-	-	-
Accrued and other liabilities	11,550,396	-	-	-
Unclaimed profit distributions	8,054,502	-	-	-
	<u>21,124,898</u>			

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

	June 30, 2022			
	Rupees			
	Carrying amount / Cost	Level 1	Level 2	Level 3
Financial instruments by category				
At amortized cost				
Cash and bank balances	2,350,999	-	-	-
Other receivables	1,960,144	-	-	-
Due from associated undertakings	6,000,000	-	-	-
Long term deposit	58,500	-	-	-
	<u>10,369,644</u>			
At fair value through other comprehensive income				
Investments	36,193,549	307,549	35,886,000	-
Financial liabilities				
At amortized cost				
Security deposits	2,280,000	-	-	-
Accrued and other liabilities	13,809,053	-	-	-
Unclaimed profit distributions	13,682,766	-	-	-
	<u>29,771,819</u>			

19 Segment Information

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

	December 31, 2022			Total
	Income from property	Educational Institution	Unallocated	
-----Rupees-----				
Segment revenue	5,048,933	12,720,000	2,400,000	20,168,933
RESULT				
Segment result				
Operating expenses	4,133,439	10,179,487	-	14,312,926
Financial and other charges	1019	-	-	1,019
	4,134,457	10,179,487		14,313,945
Operating Profit	914,476	2,540,513	2,400,000	5,854,988
Other income	-	40,520	5,351	45,871
Profit / (Loss) for the year	914,476	2,581,033	2,405,351	5,900,859
Other information				
Segment assets	87,535,337	9,376,854	107,136,231	204,048,422
Total assets	87,535,337	9,376,854	107,136,231	204,048,422
Segment liabilities	1,520,000	30,000	11,520,396	13,070,396
Total liabilities	1,520,000	30,000	11,520,396	13,070,396
Net assets	86,015,337	9,346,854	95,615,835	190,978,026
Capital expenditure	-	19,600	-	19,600

20 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, 2022	December 31, 2021
		(Unaudited)	
		-----Rupees-----	
Paid to Modaraba Management Company.	Associated undertaking	88,600	88,600
Rental income - Image Pakistan Ltd.	Associated undertaking	3,000,000	-
Rental income - Tri-Star Polyester Ltd.	Associated undertaking	-	3,000,000
Received Payment For Solar Panel From Image Pakistan Limited	Associated undertaking	2,000,000	-
		December 31, 2022	June 30, 2022
		(Unaudited) (Audited)	
		-----Rupees-----	
Balance as at the year end			
Payable to Modaraba Management Company		88,600	88,600
Advance Paid For Solar Panel to Habib Jamal & Co.	Associated undertaking	-	67,600,000
Investment in Tri - Star Energy Ltd.	Associated undertaking	35,886,000	35,886,000
Investment in Image Pakistan Ltd.	Associated undertaking	8,986	11,470
Investment in Tri-Star Power Ltd.	Associated undertaking	2,700	1,400
Receivable from Image Pakistan Ltd	Associated undertaking	77,748,820	6,000,000

21 Date of Authorization for Issue

These financial statements were approved and authorized for issue on February 27, 2023 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