

First Tri-Star Modaraba



**UN-AUDITED ACCOUNTS
FOR THE FIRST QUARTER
ENDED 30TH SEPTEMBER, 2023**

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.

**Report of the Directors
of A.R.T. Modaraba Management (Pvt) Ltd.
For the quarter ended September 30, 2023**

The un-audited accounts of First Tri-Star Modaraba for the quarter ended September 30, 2023 are presented herewith.

Alhamdulillah, Modaraba has continued generating revenue from running an educational institution which has established itself very well. We are optimistic of achieving continued good results in years to come.

On behalf of the Board

Asad Ahmad
Chief Executive

Marium Ahmad
Director

Place: Karachi, October 30, 2023.

**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)
AS AT SEPTEMBER 30, 2023**

		(Un-audited) Sep-23	(Audited) Jun-23
	Note	-----Rupees-----	
CAPITAL AND RESERVES			
Authorised Capital 40,000,000 (2022: 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	334,911,933	324,419,609
Certificate holders' equity		546,542,973	536,050,649
Deficit on revaluation of investments	6	(3,319,046)	(3,347,588)
NON CURRENT LIABILITIES			
Security deposits	7	1,700,000	1,770,000
CURRENT LIABILITIES			
Creditors, accrued and other liabilities	8	15,545,755	16,603,837
Unclaimed dividend		8,054,502	8,054,502
Total current liabilities		23,600,257	24,658,340
Contingencies and commitments	9	-	-
TOTAL LIABILITIES AND EQUITY		568,524,184	559,131,400
NON-CURRENT ASSETS			
Fixed assets - tangible	10	6,595,382	6,873,748
Investment property	11	-	-
Long term deposit		58,500	58,500
Long term investments	12	426,017,582	461,900,518
Total non-current assets		432,671,464	468,832,766
CURRENT ASSETS			
Short term investments	13	348,873	323,395
Rent receivable	14	12,000,000	12,000,000
Advance and deposits	15	102,563,991	70,802,941
Other receivables		8,578	8,578
Cash and bank balances	16	20,931,278	7,163,720
Total current assets		135,852,720	90,298,634
TOTAL ASSETS		568,524,184	559,131,400

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 ACCOUNT (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2023**

	Sep-23	Sep-22
	-----Rupees-----	
Revenue	16,230,000	15,194,000
Administrative expenses	(5,905,033)	(7,128,987)
	10,324,967	8,065,013
Other income	411,005	20,160
Financial charges	(198)	(119)
	10,735,775	8,085,054
Taxation	(243,450)	(189,925)
Profit for the year	10,492,325	7,895,129
Earning per certificate	0.50	0.37

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

Chief Executive

Director

Director

Chief Financial Officer

**CONDENSED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2023**

	Sep-23	Sep-22
	----- Rupees -----	-----
Profit for the year	10,492,325	7,895,129
Items that will not be reclassified subsequently to profit and loss account		
Deficit on revaluation of investments classified as 'at fair value through other comprehensive income' - net	(35,857,458)	2,211,931
Total comprehensive income for the year	<u>(25,365,133)</u>	<u>10,107,060</u>

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

Chief Executive

Director

Director

Chief Financial Officer

**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2023**

	Note	Sep-23 -----Rupees-----	Sep-22
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		10,735,775	8,085,054
Adjustments:			
Depreciation		278,366	2,405,178
		278,366	2,405,178
		11,014,140	10,490,232
Changes of Working Capital:			
(Increase)/decrease in current assets		(32,004,500)	(3,681,478)
Increase/(decrease) in current liabilities		(1,053,582)	301,355
		(33,058,082)	(3,380,123)
Income tax paid		(4,500)	(667,860)
Net cash generated from operating activities		(22,048,442)	6,442,250
CASH FLOW FROM INVESTING ACTIVITIES			
Sale proceeds from disposal of investments		35,886,000	-
Net cash inflow from investing activities		35,886,000	-
CASH FLOW FROM FINANCING ACTIVITIES			
Dividend paid			(5,628,264)
Long term deposits		(70,000)	490,000
Net cash outflow from financing activities		(70,000)	(5,138,264)
Net increase in cash & cash equivalents during the year		13,767,558	1,303,985
Cash & cash Equivalent at the beginning of the year		7,163,718	2,350,999
Cash & cash Equivalent at the end of the year		20,931,278	3,654,984

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

Chief Executive

Director

Director

Chief Financial Officer

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2023**

	Certificate Capital	Capital Reserve	Revenue Reserve		Surplus on Revaluation of Investments	Total
		Statutory Reserve	General Reserve	Accumulated Loss		
-----Rupees-----						
Balance as at June 30, 2022	211,631,040	21,826,099	10,000,000	(61,575,640)	(3,377,952)	178,503,547
Profit for the year	-	-	-	7,895,129	-	7,895,129
Other comprehensive income	-	-	-	-	2,211,931	2,211,931
Total comprehensive income for the year	-	-	-	7,895,129	2,211,931	10,107,060
Balance as at September 30, 2022	211,631,040	21,826,099	10,000,000	(53,680,511)	(1,166,021)	188,610,607
Balance as at June 30, 2023	211,631,040	92,659,929	10,000,000	221,759,679	(3,347,588)	532,703,060
Profit for the year	-	-	-	10,492,325	-	10,492,325
Other comprehensive income	-	-	-	-	(35,857,458)	(35,857,458)
Total comprehensive loss for the year	-	-	-	10,492,325	(35,857,458)	(25,365,133)
Balance as at September 30, 2023	211,631,040	92,659,929	10,000,000	232,252,004	(39,205,046)	507,337,927

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

Chief Executive

Director

Director

Chief Financial Officer

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2023

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) Running an educational institution

2. BASIS OF PREPARATION

2.1 Statement of compliance

These condensed interim financial information of the Modaraba for the three months period ended September 30, 2023 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, 2023.

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, 2023.

3.1 Standards and amendments to published approved accounting standards which are effective during the three months ended September 30, 2023.

There are certain amendments and interpretations to the accounting and reporting standards which are mandatory for annual accounting period which began on July 1, 2023.

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, 2023.

4 Issued, subscribed and paid-up certificate capital

September 2023 -----No of shares-----	June 2023		September 30, 2023 -----Rupees-----	June 30, 2023 (Audited)
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
<u>21,163,104</u>	<u>21,163,104</u>		<u>211,631,040</u>	<u>211,631,040</u>

5 Reserves

Capital reserves

Statutory Reserve

5.1

92,659,929

92,659,929

Revenue reserves

General Reserve

10,000,000

10,000,000

Accumulated loss

232,252,004

221,759,680

242,252,004

231,759,680

334,911,933

324,419,609

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

Sep-23

Jun-23

-----Rupees-----

426,366,455

462,223,913

Less: Cost of investments

429,685,501

465,571,501

(3,319,046)

(3,347,588)

Deficit on revaluation at beginning of the period / year

1,299,920

(912,011)

Loss during the period / year

(35,857,458)

2,211,931

(34,557,538)

1,299,920

7 Security deposits

7.1

1,700,000

1,770,000

7.1 These represents deposits from students without any remuneration.

8 Creditors, accrued and other liabilities

Accrued expenses

3,649,283

1,779,041

Management fee

-

3,000,000

Sales tax payable on management fees

686,207

686,207

Workers' welfare fund

275,297

275,297

Income tax payable

4,146,086

4,074,410

Zakat payable

6,788,882

6,788,882

15,545,755

16,603,837

9 Contingencies and commitments

There are no contingencies and commitments as at September 30, 2023. (June 30, 2023 : Nil)

	September 30, 2023	June 30, 2023 (Audited)
	-----Rupees-----	
10 Property and equipments		
Book value at the beginning of the period / year	6,873,749	8,209,943
Transferred from investment property	-	
Additions during the period / year	-	19,600
	6,873,749	8,229,543
Deletion during the period / year at book value	-	-
Accumulate of assets transferred to investment property	-	
Depreciation charge during the period / year	(278,366)	(1,355,794)
Book value at the end of the period / year	6,595,383	6,873,749
10.1 Additions		
Office Equipment	-	19,600
	-	19,600
11 Investment property		
Gross carrying amount		
Balance at the beginning of the period / year	-	124,804,700
Transferred from fixed assets - tangible	-	15,425,300
Additions	-	616,000
Disposals	-	(140,846,000)
Balance at the end of the period / year	-	-
Accumulated Depreciation		
Balance at the beginning of the period / year	-	58,177,224
Depreciation charge for the period / year	-	7,577,971
Disposals	-	(65,755,195)
Balance at the end of the period / year	-	-
Net book amount	-	-
As at September 30 2023		
Cost	-	-
Accumulated Depreciation	-	-
Net book amount	-	-
Rate	10%	10%

		September 2023	June 2023
		-----Rupees-----	
12	Long term investments	Note	
At fair value through other comprehensive income (FVOCI)			
	Shares and certificates of listed companies & associated undertaking	12.1	17,582 14,518
	Shares of unlisted associated companies	12.2	426,000,000 461,886,000
			426,017,582 461,900,518

12.1 Investments in listed companies

No. of Shares/Certificates		Name of Company/ Associated Undertaking	Sep-23		Jun-23	
			Cost	Fair Value	Cost	Fair Value
Sep-23	Jun-23		Rupees	Rupees	Rupees	Rupees
1,100	833	Image Pakistan Ltd	11,176	14,058	11,176	10,626
400	400	Tri-Star Power Limited	8,634	3,524	8,634	3,892
			19,810	17,582	19,810	14,518
Less: Fair Value Adjustment			(2,228)		5,292	
Fair Value			17,582		14,518	

12.2 Investment of Unlisted companies

No. of Shares/Units		Name of Company/ Associated Undertaking	Sep-23	Jun-23
			Cost	Cost
Sep-23	Jun-23		Rupees	Rupees
			Cost	Cost
-	3,588,600	Tri-Star Energy Limited	-	35,886,000
42,600,000	42,600,000	Image REIT	426,000,000	426,000,000
			426,000,000	461,886,000

13 Short term investments

At fair value through other comprehensive income (FVOCI)

No. of Shares/Certificates		Name of Company	Sep-23		Jun-23	
			Cost	Fair Value	Cost	Fair Value
Sep-23	Jun-23		Rupees	Rupees	Rupees	Rupees
437	437	Orix Modaraba	7,305	5,629	7,305	4,938
70	70	First IBL Modaraba	1,860	168	1,860	182
132	132	Saudi Pak Leasing Limited	2,349	-	2,349	-

No. of Shares/Certificates		Name of Company	Sep-23		Jun-23	
			Cost	Fair Value	Cost	Fair Value
			Rupees	Rupees	Rupees	Rupees
Sep-23	Jun-23					
394	394	Sana Industries Limited	13,849	8,447	13,849	9,358
140	140	Nishat Mills Limited	3,533	8,403	3,533	7,948
120	120	Din Textile Mills Ltd. Jubilee Spinning &	-	10,355	-	10,788
127	127	Weaving Mills Limited Kohinoor Industries	2,004	540	2,004	329
301	301	Limited	11,264	2,224	11,264	2,227
259	259	Packages Limited	7,816	95,400	7,816	100,735
1,616	1,616	Shell Pakistan Limited	88,544	217,708	88,544	186,890
			138,524	348,873	138,524	323,395
Fair Value Adjustment			210,349		184,871	
Fair Value			348,873		323,395	

Companies delisted/Trading suspended

No. of Shares/Certificates		Name of Company	Sep-23		Jun-23	
			Cost	Fair Value	Cost	Fair Value
			Rupees	Rupees	Rupees	Rupees
Sep-23	Jun-23					
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	-
230	230	Mohammad Farooq Textile Mills Ltd.	7,743	-	7,743	-
264	264	Dewan Salman Fibre Limited	6,622	-	6,622	-
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	-
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.

		Note	Sep-23	Jun-23
			-----Rupees-----	-----
14	Receivable from associated undertakings			
	Unsecured considered good			
	Image Pakistan Limited		6,000,000	6,000,000
	Image Tech Limited		6,000,000	6,000,000
			<u>12,000,000</u>	<u>12,000,000</u>
14.1	These represents amounts receivable in respect of rental property.			
15	Advance and Deposits			
	Advance income tax - net		1,963,991	2,202,941
	Advance for purchase of solar panels	15.1	100,600,000	68,600,000
			<u>102,563,991</u>	<u>70,802,941</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	Cash and Bank Balances			
	Cash in hand		19,092,544	82,997
	Bank balances			
	- Saving account		8,434	8,434
	- Current account		1,830,300	7,072,288
			1,838,734	7,080,723
			<u>20,931,278</u>	<u>7,163,720</u>

17 Date of Authorization for issue

These financial statements were authorized for issue on October 30, 2023 by the Board of Directors of the Modaraba Management Company.

Chief Executive

Director

Director

Chief Financial Officer