

First Tri-Star Modaraba



**UN-AUDITED ACCOUNTS
FOR THE FIRST QUARTER
ENDED 30TH SEPTEMBER, 2019**

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



Board of Directors

Directors of Modaraba Company:

Mr. Ahmed Khizer Khan	Non Executive Chairman/Independent Director
Mr. Asad Ahmad	Chief Executive
Ms. Marium Ahmad	Non Executive Director

Auditors: M/s. Muniff Ziauddin & Co.
Chartered Accountants

Audit Committee:	Mr. Ahmed Khizer Khan	Chairman
	Ms. Marium Ahmad	Member
	Mr. Asad Ahmad	Member

Shariah Advisor: Alhamd Shariah Advisory Services (Pvt) Ltd.

Bankers: Al Baraka Bank (Pakistan) Ltd.
Bank Al-Habib Ltd.
Habib Bank Ltd.
National Bank of Pakistan

Registered Office: A/33, Central Commercial Area,
Block 7/8, KCHSU, Main Shahrah-e-Faisal,
Karachi.

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



**Report of the Directors
of A.R.T. Modaraba Management (Pvt) Ltd.,
For the quarter ended September 30, 2019**

The un-audited accounts of First Tri-Star Modaraba for the quarter ended September 30, 2019 are presented herewith.

As reported in the Annual Report 2019, your Modaraba Alhamdulillah is successfully running A-Level college and also conducts short courses. The college at present is in an infancy stage, however, the business model is unique and we expect to perform well in the next couple of years.

On behalf of the Board

ASAD AHMAD
Chief Executive

Karachi.
October 30, 2019

**Condensed Interim Statement of Financial Position**

as at September 30, 2019

	September 2019	June 2019
	-----Rupees-----	
CAPITAL AND RESERVES		
Authorised Capital 40,000,000 (June 2019: 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	(30,201,606)	(31,515,489)
Certificate holders' equity	181,429,434	180,115,551
Deficit on revaluation of investments	(2,258,007)	(2,208,110)
NON CURRENT LIABILITIES		
Security deposits	320,000	105,000
CURRENT LIABILITIES		
Creditors, accrued and other liabilities	7,704,793	8,946,282
Unclaimed dividend	6,134,956	6,134,956
Provision for taxation	-	-
Total current liabilities	13,839,749	15,081,238
Contingencies and commitments		
TOTAL LIABILITIES AND EQUITY	193,331,176	193,093,679
NON-CURRENT ASSETS		
Fixed assets - tangible	58,693,104	59,977,862
Investment property	54,911,877	56,319,874
Long term deposit	58,500	58,500
Long term investments	40,090,268	40,591,419
Total non-current assets	153,753,749	156,947,655
CURRENT ASSETS		
Short term investments	2,119,976	2,168,722
Due from associated undertakings	31,000,000	27,000,000
Advance and deposits	541,511	454,412
Other receivables	13,061	13,061
Cash and bank balances	5,902,879	6,509,830
Total current assets	39,577,427	36,146,024
TOTAL ASSETS	193,331,176	193,093,679

Chief Executive

Director

Director

Chief Financial Officer



Condensed Interim Statement of Profit or Loss (Unaudited)

for the quarter ended September 30, 2019

	September 2019	September 2018
	-----Rupees-----	
Revenue	7,488,430	4,500,000
Administrative expenses	<u>(6,211,094)</u>	<u>(4,116,676)</u>
	1,277,336	383,324
Other income	36,775	101,390
Financial charges	<u>(229)</u>	<u>(25)</u>
Profit before taxation	1,313,882	484,689
Taxation	-	-
Profit for the year	<u>1,313,882</u>	<u>484,689</u>
Earnings per certificate	<u>0.06</u>	<u>0.02</u>

Chief Executive

Director

Director

Chief Financial Officer

**Condensed Interim Statement of Other Comprehensive Income (Unaudited)**

For the quarter ended September 30, 2019

	September 2019	September 2018
	----- Rupees -----	
Profit for the year	1,313,882	484,689
Components of other comprehensive income reflected below equity		
<i>Items that will not be reclassified subsequently to profit and loss account</i>		
Deficit on revaluation of investments classified as 'at fair value through other comprehensive income' - net	(49,897)	-
<i>Items that will be reclassified to profit or loss in subsequent periods:</i>		
Unrealized gain during the year on re-measurement of investment classified as available for sale	-	(1,667,287)
Total comprehensive (loss) / income for the year	<u><u>1,263,985</u></u>	<u><u>(1,182,598)</u></u>

Chief Executive

Director

Director

Chief Financial Officer

**Condensed Interim Statement of Cash Flows (Unaudited)**

for the quarter ended September 30, 2019

	September 2019	September 2018
Note	-----Rupees-----	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	1,313,882	484,689
Add/(Less): Item not involving movement of cash:		
Depreciation	2,914,356	3,163,136
Other Income	(36,745)	-
Dividend income	(30)	(1,390)
	<u>2,877,581</u>	<u>3,161,746</u>
	4,191,463	3,646,435
Changes of Working Capital:		
(Increase) Decrease in current assets	(4,000,000)	(4,500,000)
Increase (Decrease) in current liabilities	(1,241,489)	(150,893)
	(5,241,489)	(4,650,893)
Income tax paid	(57,250)	(1,709)
Net cash generated from operating activities	<u>(1,107,276)</u>	<u>(1,006,167)</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Dividend income	30	1,390
Other Income	36,745	-
Capital Expenditure Incurred	(221,600)	-
Sale proceeds of investments	500,000	950,000
Net cash inflow from investing activities	<u>315,175</u>	<u>951,390</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Long term deposits	215,000	-
Net cash outflow from financing activities	<u>215,000</u>	<u>-</u>
Net increase in cash & cash equivalents during the year	(577,101)	(54,777)
Cash & cash Equivalent at the beginning of the year	6,509,829	230,685
Cash & cash Equivalent at the end of the year	<u><u>5,932,729</u></u>	<u><u>175,908</u></u>

Chief Executive

Director

Director

Chief Financial Officer

**Condensed Interim Statement of Changes in Equity**

for the quarter ended September 30, 2019

	Certificate Capital	Capital Reserve	Revenue Reserve		Total
		Statutory Reserve	General Reserve	Accumulated Loss	
-----Rupees-----					
Balance as at June 30, 2018	211,631,040	21,744,353	10,000,000	(42,553,779)	200,821,613
Profit for the year	-	-	-	484,689	484,689
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	-	-	-	484,689	484,689
Balance as at September 30, 2018	211,631,040	21,744,353	10,000,000	(42,069,090)	201,306,303
Balance as at June 30, 2019	211,631,040	21,744,353	10,000,000	(63,259,841)	180,115,551
Profit for the year	-	-	-	1,313,882	1,313,882
Other comprehensive income	-	-	-	-	-
Total comprehensive loss for the year	-	-	-	1,313,882	1,313,882
Balance as at September 30, 2019	211,631,040	21,744,353	10,000,000	(61,945,959)	181,429,434

Chief Executive

Director

Director

Chief Financial Officer



**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2019**

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, 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 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 Prudential Regulation for Modarabas; and

Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act 2017.

Where the provisions of and directives issued under the Companies Act, 2017, the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981 and Prudential Regulations for Modaraba differ from IFRS Standards and IFAS, the provision of and directives issued under the Companies Act, 2017 the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981 and Prudential Regulations for Modarabas have been followed.

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.

	September 2019	June 2019
	-----Rupees-----	
3 Operating Fixed Assets		
Property and equipments	58,693,104	59,977,862
Investment property	<u>54,911,877</u>	<u>56,319,874</u>
	<u>113,604,981</u>	<u>116,297,736</u>
	September 2019	September 2018
4 Revenue		
Rental income	<u>4,500,000</u>	<u>4,500,000</u>
	<u>4,500,000</u>	<u>4,500,000</u>



INVESTMENTS IN COMPANIES & MODARABAS

AS AT SEPTEMBER 30th, 2019

	September 2019	June 2019
Long term investments	-----Rupees-----	
<i>At fair value through other comprehensive income (FVOCI)</i>		
Shares and certificates of listed companies & associated undertaking	4,268	5,419
Shares of unlisted associated companies	<u>40,086,000</u>	<u>40,586,000</u>
	<u>40,090,268</u>	<u>40,591,419</u>

Investments in listed companies

No. of Shares/Certificates		Name of Company/ Associated Undertaking	September 2019		June 2019	
			Cost	Fair Value	Cost	Fair Value
2019	2019		Rupees	Rupees	Rupees	Rupees
476	476	Tri-Star Polyester Limited	5,821	3,118	5,821	4,379
400	400	Tri-Star Power Limited	8,634	1,150	8,634	1,040
			<u>14,455</u>	<u>4,268</u>	<u>14,455</u>	<u>5,419</u>
		Less: Fair Value Adjustment	<u>10,187</u>		<u>9,036</u>	
		Fair Value	<u>4,268</u>		<u>5,419</u>	

Investment of Unlisted companies

No. of Shares/Certificates		Name of Company/ Associated Undertaking	September	June
			2019	2019
2019	2019		Cost	Cost
			Rupees	Rupees
			Cost	Cost
4,008,600	4,058,600	Tri-Star Energy Limited	40,086,000	40,586,000
(Percentage Holding)				
13%	13%			
		Less: Fair Value Adjustment	-	-

During the quarter, the Management has sold the 50,000 shares amounting to Rs. 500,000. 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)

No. of Shares/Certificates		Name of Company	September 2019		June 2019	
			Cost	Fair Value	Cost	Fair Value
2019	2019		Rupees	Rupees	Rupees	Rupees
437	437	Orix Modaraba	7,305	7,320	7,305	6,774
70	70	First IBL Modaraba	1,860	119	1,860	175
434	434	Orix Leasing Pakistan Limited	9,938	11,202	9,938	10,681
132	132	Saudi Pak Leasing Limited	2,349	-	2,349	-
12	12	Bank AL Habib Limited	23	802	23	941
86	86	Soneri Bank Limited	315	826	315	882
28	28	Samba Bank Limited	500	154	500	154



No. of Shares/Certificates		Name of Company	September		June	
			2019		2019	
			Cost	Fair Value	Cost	Fair Value
2019	2019	Rupees	Rupees	Rupees	Rupees	
851	851	Saritow Spinning Mills	12,375	3,736	12,375	3,812
		Faisal Spinning Mills				
100	100	Limited	3,115	27,495	3,115	23,750
171	171	Sana Industries Limited	11,499	6,823	11,499	7,350
242	242	Nishat Chunian Limited	2,882	8,100	2,882	8,475
140	140	Nishat Mills Limited	3,533	11,760	3,533	13,068
120	120	Din Textile Mills Ltd.	-	9,840	-	9,750
		Jubilee Spinning &				
127	127	Weaving Mills Limited	2,004	399	2,004	287
		Kohinoor Industries				
301	301	Limited	11,264	774	11,264	840
		Mohammad Farooq				
230	230	Textile Mills Ltd.	7,743	-	7,743	-
		Hinopak Motors Limited				
20	20	Engro Corporation	1,660	5,400	1,660	6,440
		Limited				
6,000	6,000	Sanofi-Aventis (Aventis)	246,032	1,601,340	246,032	1,593,600
		Limited				
100	100	Packages Limited	16,064	49,000	16,064	60,500
259	259	Cherat Cement Limited	7,816	77,441	7,816	77,845
2,000	2,000	Shell Pakistan Limited	83,600	56,360	83,600	61,920
613	613	Pakistan State Oil	1,280	83,595	1,280	111,848
		Company limited				
1,000	1,000	Dewan Salman Fibre	415,215	157,490	415,215	169,630
		Limited				
264	264		6,622	-	6,622	-
			854,994	2,119,976	854,994	2,168,722
		Fair Value Adjustment	1,264,982		1,313,728	
		Fair Value	2,119,976		2,168,722	

Companies delisted/Trading suspended

No. of Shares/Certificates		Name of Company	September		June	
			2019		2019	
			Cost	Fair Value	Cost	Fair Value
2019	2019	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	-
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	-
			3,512,802	-	3,512,802	-
			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.