

First Tri-Star Modaraba



**UN-AUDITED ACCOUNTS
FOR THE FIRST QUARTER
ENDED 30TH SEPTEMBER, 2018**

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, 2018**

The un-audited accounts of First Tri-Star Modaraba for the quarter ended September 30, 2018 are presented herewith.

The diversity of the Modaraba concept provides unique kind of business opportunities, which are not available in other such entities of the Islamic financial regime; having tax benefit by distributing 90% of the net profit to its certificate holders. During the period under review, your Modaraba has diversified its business by starting an A-Level college under the name and style of Imperial Tutorial College.

On behalf of the Board

ASAD AHMAD
Chief Executive

Karachi.
October 31, 2018

**Condensed Interim Financial Position (Un-audited)**

as at 30th September 2018

	September 2018	June 2018
	-----Rupees-----	
CAPITAL AND RESERVES		
Authorised Capital		
40,000,000 (2017: 40,000,000) Modaraba	400,000,000	400,000,000
Certificates of Rs. 10 each		
Issued, subscribed and paid-up certificate capital	211,631,040	211,631,040
Reserves	31,744,353	31,744,353
Accumulated loss	(34,065,711)	(34,550,400)
Certificate holders' equity	209,309,682	208,824,993
Unrealized loss on remeasurement of available-for-sale investments	(7,707,917)	(7,598,788)
CURRENT LIABILITIES		
Creditors, accrued and other liabilities	3,678,678	3,829,571
Unclaimed dividend	7,525,416	7,525,416
Provision for taxation	-	-
Total current liabilities	11,204,094	11,354,987
Contingencies and commitments		
TOTAL LIABILITIES AND EQUITY	212,805,859	212,581,192
NON-CURRENT ASSETS		
Property and equipments	1,287,696	1,321,950
Investment property	122,026,393	125,155,275
Long term deposit	21,000	21,000
Long term investments	63,646,461	64,595,418
Total non-current assets	186,981,550	191,093,643
CURRENT ASSETS		
Due from associated undertakings	22,500,000	18,000,000
Short term investments	2,831,410	2,941,582
Advance and deposits	303,930	302,221
Other receivables	13,061	13,061
Cash and bank balances	175,908	230,685
Total current assets	25,824,309	21,487,549
TOTAL ASSETS	212,805,859	212,581,192

Asad Ahmad
Chief ExecutiveMariam Ahmad
DirectorAhmed Khizer Khan
Director

**Condensed Interim Profit and Loss Account (Un-audited)**

for the quarter ended 30th September 2018

	Sept 2018	Sept 2017
	-----Rupees-----	
Revenue	4,500,000	-
Administrative expenses	(4,116,676)	(3,580,370)
	383,324	(3,580,370)
Other income / (loss)	101,390	1,363
Financial charges	(25)	(450)
Profit before taxation	484,689	(3,579,457)
Taxation	-	-
Profit for the year	484,689	(3,579,457)
Earnings per certificate	0.023	(0.169)

Asad Ahmad
Chief Executive

Marium Ahmad
Director

Ahmed Khizer Khan
Director

**STATEMENT OF COMPREHENSIVE INCOME**

for the quarter ended 30th September 2018

	2018	2017
	----- Rupees -----	
Profit for the year	484,689	(3,579,457)
Components of other comprehensive income reflected below equity		
<i>Items that may 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)	1,177,479
Total comprehensive income for the year	<u>(1,182,598)</u>	<u>(2,401,978)</u>

Asad Ahmad
Chief ExecutiveMariam Ahmad
DirectorAhmed Khizer Khan
Director

**Condensed Interim Cash Flow Statement (Un-audited)**

for the quarter ended 30th September 2018

	2018	2017
	-----Rupees-----	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	484,689	3,412,038
Add/(Less): Item not involving movement of cash:		
Depreciation	3,163,136	1,201,930
Dividend income	(1,390)	(50,170)
Loss on sale of investment	-	631,294
	3,161,746	1,783,054
	3,646,435	5,195,092
Changes of Working Capital:		
(Increase) Decrease in current assets	(4,500,000)	4,708,399
Increase (Decrease) in current liabilities	(150,893)	(8,470,880)
	(4,650,893)	(3,762,481)
Income tax paid	(1,709)	(1,410,777)
Net cash generated from operating activities	(1,006,167)	21,835
CASH FLOW FROM INVESTING ACTIVITIES		
Dividend income	1,390	50,170
Advance against purchase of property	-	132,900,000
Write off Capital Work-in-Progress	-	1,519,900
Capital Expenditure Incurred	-	(140,277,000)
Sale proceeds of investments	950,000	5,787,577
Net cash outflow from investing activities	951,390	(19,353)
Net increase/(decrease) in cash & cash equivalents during the year	(54,777)	2,482
Cash & cash Equivalent at the beginning of the year	230,685	138,532
Cash & cash Equivalent at the end of the year	175,908	141,014

Asad Ahmad
Chief ExecutiveMarium Ahmad
DirectorAhmed Khizer Khan
Director



Condensed Interim Statement of Changes in Equity (Un-audited)

for the quarter ended 30th September 2018

Particulars	Certificate Capital	General Reserve	Statutory Reserve	Re-measurement of investment classified as available for sale	Accumulated Loss	Total
-----Rupees-----						
Balance as at June 30, 2017	211,631,040	10,000,000	21,280,446	-	(36,406,025)	206,505,461
Profit for the year	-	-	-	-	(3,579,457)	(3,579,457)
Other comprehensive income	-	-	-	(330,878)	-	(330,878)
Total comprehensive income for the year	-	-	-	(330,878)	(3,579,457)	(3,910,335)
Balance as at September 30, 2017	211,631,040	10,000,000	21,280,446	(330,878)	(39,985,482)	202,595,126
Balance as at June 30, 2018	211,631,040	10,000,000	21,744,353	-	(34,550,400)	208,824,993
Profit for the year	-	-	-	-	484,689	484,689
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	484,689	484,689
Transfer to statutory reserves	-	-	-	-	-	-
Balance as at September 30, 2018	211,631,040	10,000,000	21,744,353	-	(34,065,711)	209,309,682

Asad Ahmad
Chief Executive

Marium Ahmad
Director

Ahmed Khizer Khan
Director



NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE QUARTER ENDED SEPTEMBER 30th, 2018

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 there under and is managed by A.R.T. Modaraba Management (Private) Ltd. The Modaraba is a perpetual Modaraba and is primarily engaged in leasing / Ijarah of plant, machinery, motor vehicles (both commercial and private) and computer equipment, etc. 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.

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 IAS-39 "Financial Instruments: Recognition and Measurement", 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.

3 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING STANDARDS

3.1 Standards, interpretations and amendments to published approved accounting standards that are effective but not relevant:

During the year certain amendments to the approved accounting standards and new interpretations became effective. However, these do not have any significant or material impact on the Modaraba's financial reporting and therefore have not been detailed in these financial statements.

	September 2018	June 2018
	-----Rupees-----	
4 Operating Fixed Assets		
Property and equipments	1,287,696	1,321,950
Investment property	<u>122,026,393</u>	<u>125,155,275</u>
	<u>123,314,089</u>	<u>126,477,225</u>
	September 2018	September 2017
5 Revenue		
Rental income	<u>4,500,000</u>	<u>-</u>
	<u>4,500,000</u>	<u>-</u>

**INVESTMENTS IN COMPANIES & MODARABAS**

AS AT SEPTEMBER 30th, 2018

Long term investments

Sep 2018	June 2018
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-----Rupees-----

Available for sale

Shares and certificates of listed companies & associated undertaking

11,461 10,418

Shares of unlisted subsidiary & associated undertakings

63,635,000 64,585,000

63,646,461	64,595,418
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Investments in listed companies

No. of Shares/Certificates		Name of Company/ Associated Undertaking	Sep-18		Jun-18	
			Cost	Fair Value	Cost	Fair Value
Sep-18	Jun 2018		Rupees	Rupees	Rupees	Rupees
476	476	Tri-Star Polyester Limited	5,821	8,511	5,821	7,906
400	400	Tri-Star Power Limited	8,634	2,950	8,634	2,512
			14,455	11,461	14,455	10,418
		Less: Fair Value Adjustment	2,994		4,037	
		Fair Value	11,461		10,418	

Investment of Unlisted companies

No. of Shares/Certificates		Name of Company/ Associated Undertaking	Sep-18	Jun-18
			Cost	Cost
Sep-18	Jun 2018		Rupees	Rupees
			Cost	Cost
6,363,500	6,458,500	Tri-Star Energy Limited	63,635,000	64,585,000
(Percentage Holding)				
21%	21%			
		Less: Fair Value Adjustment	-	-

During the year, the Management has sold the 268,000 shares amounting to Rs. 2,680,000. 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

No. of Shares/Certificates		Name of Company	Sep-18		Jun-18	
			Cost	Fair Value	Cost	Fair Value
Sep-18	Jun-18		Rupees	Rupees	Rupees	Rupees
437	437	Orix Modaraba	7,305	8,316	7,305	7,259
70	70	First IBL Modaraba	1,860	252	1,860	306
		Orix Leasing Pakistan				
362	362	Limited	9,938	15,624	9,938	15,736
		Saudi Pak Leasing				
132	132	Limited	2,349	-	2,349	-
12	12	Bank AL Habib Limited	23	968	23	946
86	86	Soneri Bank Limited	315	1,074	315	1,115
28	28	Samba Bank Limited	500	217	500	214



No. of Shares/Certificates		Name of Company	Sep-18		Jun-18	
			Cost	Fair Value	Cost	Fair Value
			Rupees	Rupees	Rupees	Rupees
851	851	Saritow Spinning Mills	12,375	4,578	12,375	6,765
		Faisal Spinning Mills				
100	100	Limited	3,115	34,000	3,115	30,000
171	171	Sana Industries Limited	11,499	7,293	11,499	6,498
242	242	Nishat Chunian Limited	2,882	12,381	2,882	11,490
140	140	Nishat Mills Limited	3,533	19,683	3,533	19,729
		Jubilee Spinning &				
127	127	Weaving Mills Limited	2,004	622	2,004	747
		Kohinoor Industries				
301	301	Limited	11,264	1,839	11,264	1,093
		Mohammad Farooq				
230	230	Textile Mills Ltd.	7,743	-	7,743	-
20	20	Hinopak Motors Limited	1,660	14,108	1,660	16,154
		Engro Corporation				
6,000	6,000	Limited	246,032	1,869,780	246,032	1,883,160
		Sanofi-Aventis (Aventis)				
100	100	Limited	16,064	98,000	16,064	107,000
259	259	Packages Limited	7,816	115,830	7,816	126,837
2,000	2,000	Cherat Cement Limited	83,600	161,100	83,600	194,460
613	613	Shell Pakistan Limited	1,280	146,905	1,280	193,763
		Pakistan State Oil				
1,000	1,000	Company limited	415,215	318,840	415,215	318,310
		Dewan Salman Fibre				
264	264	Limited	6,622	-	6,622	-
			898,338	2,831,410	898,246	2,941,582
Fair Value Adjustment			1,933,072		2,043,336	
Fair Value			2,831,410		2,941,582	

Companies delisted/Trading suspended

No. of Shares/Certificates		Name of Company	Sep-18		Jun-18	
			Cost	Fair Value	Cost	Fair Value
			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	-
			3,503,257	-	3,503,257	-

The fair value of investments of companies which are under suspension and delisted by Pakistan Stock Exchange Limited is taken as nil.