First Tri-Star Modaraba

HALF YEARLY REPORT
DECEMBER 31, 2019 (Un-audited)

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 half year ended December 31, 2019

The un-audited accounts of First Tri-Star Modaraba for the half year ended December 31, 2019 are presented herewith.

Your Modaraba is generating rental income and running an A-level college. At present, the rental income is stable, however, college requires some more time to be profitable.

On behalf of the Board

ASAD AHMAD
Chief Executive

Karachi.
February 28, 2020

INDEPENDENT AUDITORS' 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 balance sheet of **First Tri-Star Modaraba** (the Modaraba) as at **December 31, 2019**, the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement, condensed interim statement of changes in equity, and notes to the interim financial statements for the six months period then ended (here-in-after referred to as "interim financial statements"). Management Company is responsible for the preparation and presentation of these interim financial statements in accordance with approved accounting 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. The figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarters ended December 31, 2019 and December 31, 2018 have not been subject to limited scope review by the external auditors as we are only required to review the cumulative figures for the six-month period ended December 31, 2019.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of interim Financial Statements Performed by the Independent Auditor of the Entity". A review of interim financial statements 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 Qualified Conclusion

1. the Modaraba has an investment in the group company Tri Star Energy Limited (an unlisted associated company) amounting to Rs. 39.386 million (June 30, 2019 : Rs. 40.586 million) in contravention to Clause 7(7) of the Prudential Regulations for Modaraba relating to investment in unlisted securities whereof the Modaraba are not allowed to have investment exceeding 5% of its equity;

2. As disclosed in note 13.2, the investment in Tri Star Energy Limited 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.

3. As disclosed in note 13.3, the Modaraba has sold the shares of Tri-Star Energy Limited at par value. However, due to various reasons including those as explained by the management on this regard we are unable to determine arm length price of these shares.

4. As disclosed in note 9, zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Modaraba but the same amount was not deposited in the Central Zakat Fund established under section 7 of that Ordinance. Furthermore, the amount of income tax payable as stated in the same note 9 has not been subsequently paid to the tax authorities.

Qualified Conclusion

Based on our review, with the exception of the matters described in the paragraphs (1-4) above, nothing has come to our attention that causes us to believe that the accompanying interim financial statements are not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the audit resulting in this independent auditors' report is Sohail Saleem.

sd/-
Munif Ziauddin & Co.
Chartered Accountants

Date: February 28, 2020

CONDENSED INTERIM BALANCE SHEET
AS AT DECEMBER 31, 2019

	Note	December 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	6	**(30,916,317)**	(31,515,489)
Certificate holders' equity		**180,714,723**	180,115,551
Deficit on revaluation of investments		**(1,567,358)**	(2,208,110)
NON CURRENT LIABILITIES			
Security deposits		**335,000**	105,000
CURRENT LIABILITIES			
Creditors, accrued and other liabilities	9	**7,546,239**	8,946,282
Unclaimed dividend		**6,134,956**	6,134,956
Provision for taxation		**-**	-
Total current liabilities		**13,681,195**	15,081,238
Contingencies and commitments	10		
TOTAL LIABILITIES AND EQUITY		**193,163,560**	193,093,679
NON-CURRENT ASSETS			
Fixed assets - tangible	11	**57,197,195**	59,977,862
Investment property	12	**53,503,880**	56,319,874
Long term deposit		**58,500**	58,500
Long term investments	13	**39,391,352**	40,591,419
Total non-current assets		**150,150,927**	156,947,655
CURRENT ASSETS			
Short term investments	14	**2,809,541**	2,168,722
Due from associated undertakings		**35,300,000**	27,000,000
Advance and deposits		**641,432**	454,412
Other receivables		**13,061**	13,061
Cash and bank balances	15	**4,248,600**	6,509,830
Total current assets		**43,012,634**	36,146,024
TOTAL ASSETS		**193,163,560**	193,093,679

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

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

CHIEF EXECUTIVE DIRECTOR DIRECTOR CHIEF FINANCIAL OFFICER

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2019

	Quarter ended		Half year ended	
	31/Dec/19	31/Dec/18	31/Dec/19	31/Dec/18
	------------Rupees------------			
Revenue	**6,895,690**	9,295,000	**14,384,120**	13,795,000
Administrative expenses	**(7,754,981)**	(12,851,167)	**(13,966,075)**	(16,967,843)
	(859,291)	(3,556,167)	**418,045**	(3,172,843)
Other income	**145,803**	(89,398)	**182,578**	11,992
Financial charges	**(1,222)**	(7,885)	**(1,451)**	(7,910)
Profit /(Loss) before taxation	**(714,710)**	(3,653,450)	**599,172**	(3,168,761)
Taxation	**-**	-	**-**	-
Profit/(Loss) for the period	**(714,710)**	(3,653,450)	**599,172**	(3,168,761)
Earnings/(Loss) per certificate	**(0.034)**	(0.173)	**0.028**	(0.150)

The annexed notes form an integral part of these 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
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2019

	Quarter ended		Half year ended	
	December 2019	December 2018	**December 2019**	December 2018
	----------- Rupees -----------		----------- Rupees -----------	
Profit/(Loss) for the period	**(714,710)**	(3,653,450)	**599,172**	(3,168,761)
Components of other comprehensive income reflected below equity				
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	**(9,351)**	-	**(59,248)**	-
Items that will be reclassified to profit or loss in subsequent periods:				
Unrealized gain during the year on re-measurement of investment classified as available for sale	-	1,314,702	-	(352,585)
Total comprehensive (loss) / income for the year	(724,061)	(2,338,748)	539,924	(3,521,346)

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

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

CHIEF EXECUTIVE DIRECTOR DIRECTOR CHIEF FINANCIAL OFFICER

CONDENSED INTERIM CASH FLOW STATEMENT
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2019

	Note	December 2019	December 2018
		------------Rupees------------	
CASH FLOW FROM OPERATING ACTIVITIES			
Profit/(Loss) for the period		**599,172**	(3,168,761)
Add/(Less): Item not involving movement of cash:			
Depreciation		**5,829,262**	6,463,005
Other Income		**(171,850)**	
Dividend income		**(6,768)**	(11,992)
		5,650,644	6,451,013
		6,249,816	3,282,252
Changes of Working Capital:			
(Increase) Decrease in current assets		**(8,300,000)**	(13,000,000)
Increase (Decrease) in current liabilities		**(1,400,043)**	2,710,474
		(9,700,043)	(10,289,527)
Income tax paid		**(187,021)**	(60,123)
Net cash used in operating activities		**(3,637,248)**	(7,067,398)
CASH FLOW FROM INVESTING ACTIVITIES			
Dividend income		**6,768**	11,992
Other Income		**171,850**	-
Capital Expenditure Incurred		**(232,600)**	(2,704,671)
Sale proceeds of investments		**1,200,000**	12,282,000
Net cash inflow from investing activities		**1,146,018**	9,589,321
CASH FLOW FROM FINANCING ACTIVITIES			
Dividend paid		**-**	(2,116,310)
Long term deposits		**230,000**	-
Net cash inflow from / (used in) financing activities		**230,000**	(2,116,310)
Net increase in cash & cash equivalents during the period		**(2,261,231)**	405,613
Cash & cash Equivalent at the beginning of the period		**6,509,830**	230,685
Cash & cash Equivalent at the end of the period		**4,248,600**	636,298

The annexed notes form an integral part of these interim 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
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2019

		Capital Reserve	Revenue Reserve		
	Certificate Capital	Statutory Reserve	General Reserve	Accumulated Loss	Total
	Rupees				
Balance as at June 30, 2018	211,631,040	21,744,353	10,000,000	(34,550,400)	208,824,993
Loss for the period	-	-	-	(3,168,761)	(3,168,761)
Other comprehensive income	-	-	-	-	-
Total comprehensive loss for the period	-		-	(3,168,761)	(3,168,761)
Final dividend for the year ended June 30, 2018	-	-	-	(2,116,310)	(2,116,310)
Balance as at December 31, 2018	211,631,040	21,744,353	10,000,000	(39,835,471)	203,539,921
Balance as at June 30, 2019	211,631,040	21,744,353	10,000,000	(63,259,842)	180,115,551
Profit for the period	-	-	-	599,172	599,172
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	-	-	-	599,172	599,172
Balance as at December 31, 2019	**211,631,040**	**21,744,353**	**10,000,000**	**(62,660,670)**	**180,714,723**

The annexed notes form an integral part of these interim 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 INFORMATION
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 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, Main Shahrah-e-Faisal, 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 These interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. Such standards comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017; and
- The requirements of Modaraba Companies and Modarabas (Floatation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981 and Prudential Regulations for Modarabas (hereinafter referred to as the relevant laws).
- Where provisions and directives issued under Companies Act, 2017 and the relevant laws differ from IFRS Standards, the provisions and directives issued under Companies Act, 2017 and the relevant laws have been followed

2.2 The interim financial statements do not include all the information and disclosures required for full annual financial statements and should be read in conjunction with the annual financial statements of the Modaraba as at and for the year ended June 30, 2019.

2.3 These interim financial statements are unaudited but subject to limited scope review by the external auditors as required by the Code of Corporate Governance and are being submitted to the certificate holders as required under Rule 10 of the Modaraba Companies and Modaraba Rules, 1981.

2.4 These interim financial statements have been presented in Pak Rupee, which is the functional currency of the Modaraba.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 The accounting policies and methods of computation adopted in the preparation of these condensed interim financial statements are consistent with those applied in the preparation of the annual audited financial statements for the year ended June 30, 2019 except those that stated in note 3.2 (a) below.

3.2 Change in accounting standards, interpretations and amendments to published accounting and reporting standards

(a) Standards and amendments to published accounting and reporting standards which were effective during the half year ended December 31, 2019

IFRS 16 'Leases' - IFRS 16 replaces the previous lease standard: IAS 17: Leases. As the distinction between operating and finance lease is eliminated, it has resulted in leases being recognised on the statement of financial position except for short-term and low-value leases. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised.

However, the application of IFRS 16 does not have any material impact on the Modaraba's books of account.
The amendments that were mandatory for the half year ended December 31, 2019 are considered not to be relevant for the Modaraba's financial reporting process and hence have not been disclosed here.

(b) Standards and amendments to approved accounting and reporting standards that are not yet effective
There is a new standard and certain amendments and interpretation to the accounting and reporting standards that will be mandatory for the Modaraba's annual accounting periods beginning on or after July 1, 2020. However, these standard, amendments and interpretation will not have any significant impact on the financial reporting of the Modaraba and, therefore, have not been disclosed in these condensed interim financial statements.

4 ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts. Actual results may differ from these judgements, estimates and assumptions.

Judgements and estimates made by the management in the preparation of these interim financial statements are same as those applied in the Modaraba's annual audited financial statements for the year ended June 30, 2019.

The Modaraba's financial risk management objectives and policies are consistent with those disclosed in the Modaraba's annual audited financial statements for the year ended June 30, 2019.

5 Issued, subscribed and paid-up certificate capital

December 2019	June 2019		December 2019	June 2019
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 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

6 Reserves

	Note	December 2019	June 2019
Capital reserves			
Statutory Reserve	6.1	**21,744,353**	21,744,353
Revenue reserves			
General Reserve		**10,000,000**	10,000,000
Accumulated loss		**(62,660,670)**	(63,259,842)
		(52,660,670)	(53,259,842)
		(30,916,317)	(31,515,489)

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

7 Deficit on revaluation of investments

	December 2019	June 2019
Market value of investments	**42,200,893**	42,760,141
Less: Cost of investments	**43,768,251**	44,968,251
	(1,567,358)	(2,208,110)
Deficit on revaluation at beginning of the year	**(352,585)**	-
Deficit arisen during the year	**(59,248)**	(352,585)
Surplus transferred to profit and loss account during the year on disposal	-	
Surplus transferred to retained earning on disposal	-	-
	(411,833)	(352,585)

8 Security deposits

	Note	December 2019	June 2019
Security deposits	8.1	**335,000**	105,000

8.1 These represent deposits from students without any remuneration.

9 Creditors, accrued and other liabilities

	December 2019	June 2019
Accrued expenses	**1,769,868**	3,618,311
Sales tax payable on Management fees	**50,007**	50,007
Income tax payable	**2,326,576**	1,878,176
Zakat payable	**3,399,788**	3,399,788
	7,546,239	8,946,282

10 Contingencies and commitments

There are no contingencies and commitments as on December 31, 2019 (June 2019 : Nil)

	December 2019	June 2019
	-----------Rupees-----------	
11 Property and equipments		
Book value at the beginning of the period / year	**59,977,862**	3,338,677
Transferred from investment property	**-**	70,115,000
Additions during the period / year	**232,600**	2,751,171
	60,210,462	76,204,848
Deletion during the period / year at book value	**-**	-
Impairment during the period / year reversed (net)	**-**	-
Depreciation charge during the period / year	**(3,013,268)**	(16,226,986)
Book value at the end of the period / year	**57,197,194**	59,977,862

12 Investment property

	December 2019	June 2019
Gross carrying amount		
Balance at the begening of the period	**70,115,000**	140,230,000
Transferred to fixed assets - tangible	**-**	(70,115,000)
Additions	**-**	-
Disposals	**-**	-
Balance at the end of the period	**70,115,000**	70,115,000
Accumulated Depreciation		
Balance at the begening of the period	**13,795,126**	15,074,725
Transferred to fixed assets - tangible	**-**	(7,537,363)
Additions	**-**	-
Depreciation charge for the year	**2,815,994**	6,257,764
Disposals	**-**	-
Balance at the end of the period	**16,611,120**	13,795,126
Net book amount	**53,503,880**	56,319,874
As at December 31 2019		
Cost	**70,115,000**	70,115,000
Accumulated Depreciation	**(16,611,120)**	(13,795,126)
Net book amount	**53,503,880**	56,319,874
Rate	**10%**	10%

12.1 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 of registration of Sale Deed by the Sub-Registrar of Properties. The seller has already applied for approval of Completion Plan to the Sind Building Control Authority 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.

12.2 During the year ended June 30, 2019, a portion of the above building has been put to own use as the Modaraba as established an educational institution in the building, therefore the same has been transferred to the "Fixed assets - tangible".

12.3 The above building is situated on A/33, Central Commercial Area, Block 7/8, KCHSU, Karachi.

		Note	December 2019	June 2019
			-----------Rupees-----------	
13	**Long term investments**			
	At fair value through other comprehensive income (FVOCI)			
	Shares and certificates of listed companies & associated undertaking	13.1	**5,352**	5,419
	Shares of unlisted associated companies	13.2	**39,386,000**	40,586,000
			39,391,352	40,591,419

13.1 Investments in listed companies

No. of Shares/Certificates 2019	No. of Shares/Certificates 2019	Name of Company/ Associated Undertaking	December 2019 Cost Rupees	December 2019 Fair Value Rupees	June 2019 Cost Rupees	June 2019 Fair Value Rupees
476	476	Tri-Star Polyester Limited	**5,821**	**4,236**	5,821	4,379
400	400	Tri-Star Power Limited	**8,634**	**1,116**	8,634	1,040
			14,455	**5,352**	14,455	5,419
		Less: Fair Value Adjustment	**9,103**		9,036	
		Fair Value	**5,352**		5,419	

13.2 Investment of Unlisted companies

No. of Shares/Certificates 2019	No. of Shares/Certificates 2019	Name of Company/ Associated Undertaking	December 2019 Cost Rupees Cost	June 2019 Cost Rupees Cost
3,938,600	4,058,600	Tri-Star Energy Limited	**39,386,000**	40,586,000
(Percentage Holding)				
13%	13%			
		Less: Fair Value Adjustment	**-**	-

13.3 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.

14 Short term investments

At fair value through other comprehensive income (FVOCI)

No. of Shares/Certificates 2019	No. of Shares/Certificates 2019	Name of Company	December 2019 Cost Rupees	December 2019 Fair Value Rupees	June 2019 Cost Rupees	June 2019 Fair Value Rupees
437	437	Orix Modaraba	**7,305**	**7,324**	7,305	6,774
70	70	First IBL Modaraba	**1,860**	**182**	1,860	175
434	434	Orix Leasing Pakistan Limited	**9,938**	**11,393**	9,938	10,681
132	132	Saudi Pak Leasing Limited	**2,349**	**-**	2,349	-
12	12	Bank AL Habib Limited	**23**	**914**	23	941
86	86	Soneri Bank Limited	**315**	**847**	315	882
28	28	Samba Bank Limited	**500**	**224**	500	154

No. of Shares/Certificates 2019	No. of Shares/Certificates 2019	Name of Company	December 2019 Cost Rupees	December 2019 Fair Value Rupees	June 2019 Cost Rupees	June 2019 Fair Value Rupees
851	851	Saritow Spinning Mills	**12,375**	**3,387**	12,375	3,812
100	100	Faisal Spinning Mills Limited	**3,115**	**28,000**	3,115	23,750
171	171	Sana Industries Limited	**11,499**	**8,037**	11,499	7,350
242	242	Nishat Chunian Limited	**2,882**	**4,646**	2,882	8,475
140	140	Nishat Mills Limited	**3,533**	**14,860**	3,533	13,068
120	120	Din Textile Mills Ltd.	**-**	**10,678**	-	9,750
127	127	Jubilee Spinning & Weaving Mills Limited	**2,004**	**437**	2,004	287
301	301	Kohinoor Industries Limited	**11,264**	**993**	11,264	840
230	230	Mohammad Farooq Textile Mills Ltd.	**7,743**	**-**	7,743	-
20	20	Hinopak Motors Limited	**1,660**	**9,755**	1,660	6,440
6,000	6,000	Engro Corporation Limited	**246,032**	**2,071,500**	246,032	1,593,600
100	100	Sanofi-Aventis (Aventis) Limited	**16,064**	**80,010**	16,064	60,500
259	259	Packages Limited	**7,816**	**103,274**	7,816	77,845
2,000	2,000	Cherat Cement Limited	**83,600**	**106,100**	83,600	61,920
613	613	Shell Pakistan Limited	**1,280**	**155,340**	1,280	111,848
1,000	1,000	Pakistan State Oil Company limited	**415,215**	**191,640**	415,215	169,630
264	264	Dewan Salman Fibre Limited	**6,622**	**-**	6,622	-
			854,994	**2,809,541**	854,994	2,168,722
		Fair Value Adjustment	**1,954,547**		1,313,728	
		Fair Value	**2,809,541**		2,168,722	

Companies delisted/Trading suspended

No. of Shares/Certificates 2019	No. of Shares/Certificates 2019	Name of Company	December 2019 Cost Rupees	December 2019 Fair Value Rupees	June 2019 Cost Rupees	June 2019 Fair Value Rupees
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	
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.

		Note	December 2019	June 2019
			-----------Rupees-----------	
15	**Cash and Bank Balances**			
	Cash in hand		**4,184,489**	1,268,019
	Bank balances			
	- Saving account		**8,434**	8,434
	- Current account		**55,676**	5,233,376
			64,110	5,241,810
			4,248,600	6,509,830

16 **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 recognised in the financial statements at fair value on a recurring basis, the Modaraba recognises 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.

	31-Dec-19			
	Rupees Carrying amount / Cost	**Level 1**	**Level 2**	**Level 3**
Financial instruments by category				
At amortised cost				
Cash and bank balances	4,248,600	-	-	-
Other receivables	13,061	-	-	-
Due from associated undertakings	35,300,000	-	-	-
Long term deposit	58,500	-	-	-
At fair value through other comprehensive income				
Investments	42,200,893	2,814,893	39,386,000	-
Financial liabilities				
At amortised cost				
Creditors, accrued and other liabilities	7,546,239	-	-	-
Security deposits	335,000			

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

	30-Jun-19			
	Rupees Carrying amount / Cost	**Level 1**	**Level 2**	**Level 3**
Financial instruments by category				
At amortised cost				
Cash and bank balances	6,509,830	-	-	-
Other receivables	13,061	-	-	-
Due from associated undertakings	27,000,000	-	-	-
Long term deposit	58,500	-	-	-
At fair value through other comprehensive income				
Investments	42,760,141	2,174,141	40,586,000	-
Financial liabilities				
At amortised cost				
Creditors, accrued and other liabilities	8,946,282	-	-	-
Security deposits	105,000	-	-	-

17 Segment Information

Segment revenue, segment result, cost, assets and liablities for the six months are as follows:

	December 31, 2019			
	Income from property	Educational Institution	Unallocated	Total
	---------------------------- Rupees ----------------------------			
Segment revenue	**9,000,000**	**5,384,120**	**-**	**14,384,120**
RESULT				
Segment result				
operating expenses	2,815,994	10,470,256	679,825	**13,966,075**
Financial and other charges		1,099	352	**1,451**
	2,815,994	10,471,355	680,177	**13,967,525**
Operating Profit	6,184,006	(5,087,235)	(680,177)	**416,595**
operating income		175,810	6,768	**182,578**
profit for the period	**6,184,006**	**(4,911,425)**	**(673,409)**	**599,172**
Other information				
Segment assets	135,214,493	3,863,271	54,085,797	**193,163,561**
Total assets	135,214,493	3,863,271	54,085,797	**193,163,561**
Segment liabilities	-	1,654,738	12,026,457	**13,681,195**
Unallocated liabilities	-	-	-	**-**
Total liabilities	-	1,654,738	12,026,457	**13,681,195**
Net assets	135,214,493	2,208,533	42,059,340	**179,482,366**
Capital expenditure	**-**	**232,600**	**-**	**232,600**

18 Transaction With Related Parties

The related parties comprise related group companies, directors and close family members, executives, major certificate holders and staff retirement funds of the Modaraba. These are the associated companies as they are either under the same management and / or with common directors. The Modaraba has a policy whereby all transactions with related parties are entered into arm's length prices using the comparable uncontrollable method. The significant transactions with these associated companies are as follows:

Transactions	Relationship	Dec-19	Dec-18
		-----------Rupees-----------	
Disposal of unlisted shares of Tri star Energy Ltd to Mariam Ahmed.	Key management personnel's relative	1,200,000	2,680,000
Rental income - Tri-Star Polyester Ltd.	Associated undertaking	9,000,000	9,000,000
Payment received against rentals from Tri-Star Polyester Limited	Associated undertaking	9,000,000	-
Rental income - Tri-Star Industries (Pvt). Ltd.	Associated undertaking	9,000,000	9,000,000

Balance as at the year end		Dec-19	Jun-19
		-----------Rupees-----------	
Payable to Modaraba Management Company		384,672	384,672
Investment in Tri - Star Energy Limited	Associated undertaking	39,386,000	64,585,000
Investment in Tri - Star Polyester Limited	Associated undertaking	4,236	7,906
Investment in Tri-Star Power Limited	Associated undertaking	1,116	2,512
Receivable from Tri-Star Polyster Limited	Associated undertaking	12,800,000	9,000,000
Receivable from Tri-Star Industries (Pvt). Limited	Associated undertaking	13,500,000	9,000,000

19 Date of Authorization for Issue

These financial statements were authorized for issue on ________________________________ by the Board of Directors of the Modaraba Management Company.

20 General

20.1 Figures of pervious year have been rearranged wherever necessary for the purpose of comparison.

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

CHIEF EXECUTIVE DIRECTOR DIRECTOR CHIEF FINANCIAL OFFICER