

Tri-Star Power Ltd.



HALF YEARLY REPORT
DECEMBER 31, 2021 (Un-audited)

Company Information

Board of Directors:	Ms. Shamima Begum	Non-Executive Chairperson
	Mr. Asad Ahmad	Chief Executive
	Mr. Jawed Ahmed Siddiqui	Non-Executive Director
	Mr. Mohammad Zameer	Non-Executive Director
	Mr. M. Haroon Saeed	Non-Executive Director
	Mr. Tanvir Hasan	Non-Executive Director
	Mr. Syed Imran	Independent Director

Auditors:	M/s. Ghalib & Co. Chartered Accountants
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Audit Committee:	Mr. Syed Imran	Chairman
	Mr. Jawed Ahmed Siddiqui	Member
	Mr. M. Haroon Saeed	Member

Bankers:	Bank Al-Habib Ltd.
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Registered Office:	A/33, Central Commercial Area, Block 7/8, Main Shahrah-e-Faisal, KCHSU, Karachi - 75350.
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Shares Registrar / Transfer Agent:	Hameed Majeed Associates (Pvt) Ltd. 4th Floor, Karachi Chambers, Hasrat Mohani Road, Karachi.
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Plant:	F/538, S.I.T.E., Karachi-75700
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Directors' Report

For the half year ended December 31, 2021

The accounts of Tri-Star Power Ltd., for the half year ended December 31, 2021 are presented herewith.

Your Company has rented out the machinery to its customers and now generating revenue through lease rentals.

On behalf of the Board

Asad Ahmad
Chief Executive

Shamima Begum
Director

Place: Karachi.

Dated: February 28, 2022

REVIEW REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS
INDEPENDENT AUDITORS' REVIEW REPORT
TO THE MEMBERS OF TRI-STAR POWER LIMITED

Introduction

We have reviewed the accompanying Condensed interim Statement of financial Position of Tri-Star Power Limited ("the company") as at December 31, 2021 and the related Condensed interim statement of profit or loss and other comprehensive income, Condensed interim Statement of cash flow, Condensed interim statement of changes in equity and the notes to the Condensed interim financial statement for the six months period then ended (hereinafter referred to as the "interim financial statements"). Management is responsible for the preparation and Presentation of these interim financial statements in accordance with approved 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. The figures of the condensed interim statement of profit or loss and other comprehensive income for the quarters ended 31 December 2021 and 31 December 2020 have not been reviewed, as we are required to review only the cumulative figures for the half year ended 31 December 2021.

Scope of Review

We conducted our review in accordance with the International Standard on review engagements 2410, "Review of interim financial Information 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 of qualified Opinion

- a) We have not been able to verify the investment made in units of National Investment Trust (NIT) amounting to Rs. 34,594,845 (June 30, 2021: 34,594,845) as disclosed note 6.2 to the condensed interim Financial statements. Further, No provision has been made in the accounts for the NIT investments the recovery and realization of which are doubtful. Had the provision for doubtful investment been made in the accounts, the losses of the Company would have been increased by Rs. 34,594,845 (June 30, 2021: 34,594,845) and the Shareholder's Equity would have been decreased by the same amount.
- b) The company has disclosed Investment in Associated Companies First Tri-Star Modaraba and Tri-Star Energy Limited and as Available for sales investment in note 6.1 to the condensed interim financial Statements in our opinion, same are under common directorship and Common Management Control therefore these investments have to be shown / valued at equity method in accordance with International Accounting standard 28" Investment in associates". We are unable to quantify the effect of the same as latest accounts of First Tri Star Modaraba and Tri-Star energy Limited were not made available.
- c) The company has not filled the sales tax returns/ payment of sales tax as required by the Sindh Sales Tax Act 2011 as disclosed in note 8.1 to the condensed interim financial statements.

Qualified Conclusion

Based on our review, except for the matter discussed in the preceding paragraph (a) to (c) and its effects, nothing has come to our attention that causes us to believe that these accompanying interim financial statements as of and for the six months period ended December 31, 2021 are not prepared, in all material respects, in accordance with approved accounting and reporting standards as applicable in Pakistan for interim financial Reporting.

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

sd/-

Ghalib & Co.

Chartered Accountants

Place Karachi.

Dated: February 28, 2022

UDIN no. RR202110161YCal6NzmS

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (Un-audited)

AS AT DECEMBER 31, 2021

		(Un-audited) Dec 31, 2021	(Audited) June 30, 2021
	Notes		
		(Rupees)	
<u>EQUITY AND LIABILITIES</u>			
<u>CAPITAL & RESERVES</u>			
<u>Authorized Capital</u>			
15,000,000 (June 30, 2021: 15,000,000) Ordinary Shares of Rs. 10/- each		150,000,000	150,000,000
Issued, Subscribed and Paid-up Capital		150,000,000	150,000,000
<u>Capital Reserve</u>			
Capital Reserve - (a Share Premium account)		70,000,000	70,000,000
<u>Revenue Reserve</u>			
Unrealized gain / (loss) due to change in fair value of investment through other Comprehensive Income	6.1	911,300	1,366,950
Accumulated (Loss)		-33,228,454	(37,679,567)
Shareholders Equity		187,682,846	183,687,383
<u>CURRENT LIABILITIES</u>			
Trade and Other Payables		2,234,570	2,088,809
Unclaimed Dividend		5,025,285	5,025,285
Provision for taxation		1,665,381	-
		8,925,236	7,114,094
Contingencies and Commitments			
		196,608,082	190,801,477
<u>ASSETS</u>			
<u>NON-CURRENT ASSETS</u>			
Tangible Fixed Assets			
Property, Plant and Equipments		3,731,893	3,928,347
Long Term Investments	6	79,216,145	79,671,795
Long term Loan From Related Party	7	20,000,000	20,000,000
<u>CURRENT ASSETS</u>			
Stores, Spares and Loose Tools		1,630,549	1,995,549
Trade Debtors - unsecured		34,024,030	26,760,930
Interest Receivable from Related Party		1,008,219	13,669,041
Trade Deposits - Considered good		11,075,000	75,000
Income Tax Refunds and Advances		2,241,185	190,829
Cash and Bank Balances		43,681,061	44,509,985
		93,660,045	87,201,334
		196,608,082	190,801,477

The annexed notes form an integral part of these accounts.

Asad Ahmad
Chief ExecutiveShamima Begum
DirectorMohammad Zameer
Chief Financial Officer

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2021

		Cumulative upto December 2021 Rupees	Cumulative upto December 2020 Rupees	Quarter Oct. - Dec. 2021 Rupees	Quarter Oct. - Dec. 2020 Rupees
	Notes				
Lease Rental	19	6,870,000	7,240,000	3,435,000	3,560,000
Cost of Sales	20	(1,401,351)	(5,515,058)	817,355	(2,675,929)
Gross Profit		5,468,649	1,724,942	4,252,355	884,071
<u>Operating Expenses</u>					
Administrative and General Expenses	21	(360,182)	(5,735)	(236,911)	(4,317)
		5,108,466	1,719,207	4,015,444	879,754
Financial Expenses	22	-190	(85)	(190.00)	(85)
		5,108,276	1,719,122	4,015,254	879,669
Other Income	23	1,008,219	1,008,219	504,110	504,110
		6,116,496	2,727,341	4,519,363	1,383,778
Taxation		(1,665,381)	-	(1,665,381)	-
Net Profit for the year		4,451,115	2,727,341	2,853,982	1,383,778
Earning Per Share - Basic	24	0.30	0.18	0.19	0.09

The annexed notes form an integral part of these accounts.

Asad Ahmad
Chief Executive

Shamima Begum
Director

Mohammad Zameer
Chief Financial Officer

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2021

	Half year ended		Quarter ended	
	Dec 31,	Dec 31,	Dec 31,	Dec 31,
	2021	2020	2021	2020
	(Rupees)		(Rupees)	
Profit for the Year	4,451,115	2,727,341	2,853,982	1,383,778
Other comprehensive Income:				
Unrealized gain / (loss) due to change in fair value of investment through other Comprehensive Income	(455,650)	2,796,990	911,300	5,250,490
Total comprehensive Income for the period	3,995,465	5,524,331	3,765,282	6,634,268

The annexed notes form an integral part of this condensed interim financial information.

Asad Ahmad
Chief Executive

Shamima Begum
Director

Mohammad Zameer
Chief Financial Officer

CONDENSED INTERIM STATEMENT OF CASH FLOW (UN-AUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2021

	December 2021	December 2020
	(Rupees)	
<u>CASH FLOW FROM OPERATING ACTIVITIES</u>		
Profit/(Loss) before Taxation	6,116,496	2,727,341
<u>Adjustment for Non-Cash and Other Items:</u>		
Depreciation	196,455	218,293
Financial Expenses	190	85
	196,645	218,378
	6,313,140	2,945,719
<u>Working Capital Changes</u>		
<i>(Increase) / Decrease in Current Assets</i>		
Stores and Spares	365,000	379,000
Trade debtors	(7,263,100)	(7,140,000)
Interest Receivable from Related Party	12,660,822	(1,008,219)
Trade Deposits	(11,000,000)	--
<i>Increase / (Decrease) in Current Liabilities</i>		
Trade and Other Payables	145,761	(253,863)
	(5,091,517)	(8,023,082)
Taxes Paid	(2,050,356)	(640)
Financial charges Paid	(190)	(85)
	(2,050,546)	(725)
<i>Net Cash Inflow/ (Outflow) from Operating Activities</i>	(7,142,063)	(8,023,807)
CASH FLOW FROM FINANCING ACTIVITIES		
Loan recovered from Related Party	--	--
Net Increase in Cash and Cash Equivalents	(828,923)	(5,078,088)
Cash and Cash Equivalents at the Beginning	44,509,984	53,715,045
Cash and Cash Equivalents at the End	43,681,061	48,636,957

The annexed notes form an integral part of these accounts.

Asad Ahmad
Chief Executive

Shamima Begum
Director

Mohammad Zameer
Chief Financial Officer

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2021

	Share Capital	Capital Reserve	Reveue Reserve		Total
			Unrealized gain / (loss) due to change in fair value of investment through other Comprehanssive Income	Unappropriated Profit/Accumulated (Loss)	
Balance as on June 30, 2020	150,000,000	70,000,000	(1,402,000)	(43,015,570)	175,582,430
Net Profit for the year ended December 2020	--	--	--	2,727,341	2,727,341
Other Comprehanssive income	--	--	2,796,990	-	2,796,990
Total Comprehanssive income	--	--	2,796,990	2,727,341	5,524,331
Balance as on December 31, 2020	150,000,000	70,000,000	1,394,990	(40,288,229)	181,106,761
Balance as on June 30, 2021	150,000,000	70,000,000	1,366,950	(37,679,568)	183,687,383
Net Profit for the year ended December 2021	--	--	--	4,451,115	4,451,115
Other Comprehanssive income	--	--	(455,650)	-	(455,650)
Total Comprehanssive income	--	--	(455,650)	4,451,115	3,995,465
Balance as on December 31, 2021	150,000,000	70,000,000	911,300	(33,228,454)	187,682,847

The annexed notes form an integral part of these accounts.

Asad Ahmad
Chief Executive

Shamima Begum
Director

Mohammad Zameer
Chief Financial Officer

CONDENSED INTERIM NOTES TO THE ACCOUNTS (UN-AUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2021

1 CORPORATE INFORMATION

Tri-Star Power Limited (the Company) was incorporated in Pakistan, as a public limited company on September 27, 1993 under the Companies Ordinance, 1984 (Repealed with the enactment of the Companies Act, 2017 on May 30, 2017) and its shares are listed in the Pakistan Stock Exchange in Pakistan. The Principal activity of the Company is to generate, distribution and Supply of Electricity and lease of power generating plant to customers.

The geographical Location and address of the company's business units, including mill/plant are as under:

The registered office of the company is located at A/33, Central Commercial Area, Block 7/8, KCHSU, Main Shahrah-e-Faisal, Karachi, Pakistan.

The Generation/manufacturing facility is located at F/538, S.I.T.E., Karachi - 75700, Pakistan, which is not the property of the company the same premises obtained from related party of the Company to install the Plant.

2 BASIS OF PREPARATION

These condensed interim financial statements of the Company for the half year ended 31 December 2021 have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards applicable in Pakistan for interim financial reporting 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 and requirements of the Trust Deed and provisions of and directives issued under the Companies Act, 2017. Where provisions of and directives issued under the Companies Act, 2017 differ from the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

These condensed interim financial statements do not include all the information and disclosures required in the annual audited financial statements, and should be read in conjunction with the Company's annual audited financial statements for the year ended

3 SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES

The accounting policies and methods of computation adopted and applied in the preparation of these condensed interim financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended

4 Application of new and revised International Financial Reporting Standards Standards, amendments to standards and interpretations becoming effective

There are certain new standards, amendments to existing standards and new interpretations on approved accounting standards that became effective during the period and are mandatory for accounting periods of the Company beginning on or after July 01, 2021

5 ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

The preparation of these condensed interim financial information in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets a Judgements and estimates made by management in the preparation of these condensed interim financial informations are the same as those that were applied to the financial statements as at and for the year ended June 30, 2021.

The Company's financial risk management objectives and policies are consistent with those objectives and policies which were disclosed in the financial statements of the Company for the year ended June 30, 2021

		Dec 31, 2021	June 30, 2021 (RUPEES)
6	INVESTMENTS		
	Related Parties - at fair value through other Comprehensive income		
	- Quoted equity securities - regular market trade	6.1	44,621,300
			45,076,950
	Others marketable securities - At Cost	6.2	34,594,845
			34,594,845
		<u>79,216,145</u>	<u>79,671,795</u>

6.1	Related Parties - at fair value through other Comprehensive income		
	Cost	43,710,000	43,710,000
	Unrealized Gain/(Loss) due to Change in the value	911,300	1,366,950
		<u>44,621,300</u>	<u>45,076,950</u>
6.2	Others marketable securities - At Cost		
	N.I.T. units	34,594,845	34,594,845
		<u>34,594,845</u>	<u>34,594,845</u>

In, September 1996, the Income Tax Authorities raided the Company's premises and took away, by force, all the records, documents, and valuable securities, including FEBC's/Bearer NIT units of all the Group companies, which included the bearer NIT units of the company; without lawful authority and without making any inventory. This raid caused a serious disruption in the company's business. The company has filed a suit against the Income Tax Authorities in the Honorable High Court of Sind, challenging the said act as being illegal. The Honorable High Court of Sind, vide its Order dated July 31, 1998, held that the presence of irregularities and malafides in the act of the Income Tax Department cannot be ruled out. Further, the remaining two ingredients namely balance of convenience and causing irreparable loss and injury, also exists in favor of the company. Further, the Income Tax Department was directed to submit their report keeping in view the provisions of Section 146(c) of The Income Tax Ordinance, 1979, declaring how much more time they would need to return the impounded documents and records. The matter is now in evidence stage.

The above investment of the company was illegally removed by the officials of the Income tax department at the time of conducting raid at the company's premises which has not yet been returned. Consequently the same remain to be updated and could also not be made available to the auditors for physical verification.

7	Loan to Related Pary	<u>20,000,000</u>	<u>20,000,000</u>
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As per the Agreement the above loan are unsecured and interest bearing @ 10% (2021:12%) per approx annum. The above loans give the Related Parties to meet the working Capital requirements of the Related Party.

8	Rental Income	8.1	<u>6,870,000</u>	<u>7,240,000</u>
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8.1 The Company has not filed Sindh Sales tax Retuns as the company is in the process of registration with Sindh Revenue Board.

9 **CORRESPONDING FIGURES**

In order to comply with the requirements of International Accounting Standard 34 "Interim Financial Reporting", statement of financial position has been compared with the balances of annual financial statements, whereas statement of profit or loss, statement of comprehensive income, statement of cash flows and statement of changes in equity have been compared with the balances of comparable period of immediately preceding financial year.

10 **Date of Authorization for issue**

These financial statements were authorized for issue on February 28, 2022 by the Board of Directors of the Company.

11 **General**

Figures have been rounded off to the nearest Rupee unless otherwise specified.

Asad Ahmad
Chief Executive

Shamima Begum
Director

Mohammad Zameer
Chief Financial Officer