

Tri-Star Mutual Fund Limited



**UN-AUDITED ACCOUNTS FOR
THE NINE MONTHS ENDED
MARCH 31, 2023**

Company Information

Board of Directors: Ms. Marium Ahmad Non Executive Chairman
Mr. Jawed Ahmed Siddiqui Non Executive Director
Mr. Tanvir Hasan Non Executive Director
Mr. M. Haroon Saeed Non Executive Director
Mr. Muhammad Zameer Non Executive Director

Mr. Habib Jamal Independent Director

Mr. Asad Ahmad Chief Executive

Investment Adviser: Tri-Star Investments Ltd.
A/33, Central Commercial Area,
Block 7/8, Main Shahrah-e-Faisal,
KCHSU, Karachi.-75350.

Auditors: Feroze Sharif Tariq & Co.
Chartered Accountants

Audit Committee: Mr. Habib Jamal Chairman
Mr. Muhammad Zameer Member
Mr. M. Haroon Saeed Member

Bankers: Bank AL Habib Ltd.
Habib Metropolitan Bank Ltd.

Registrar & Certificate
Transfer Office: Hameed Majeed Associates (Pvt) Ltd.
4th Floor, Karachi Chambers,
Hasrat Mohani Road, Karachi.

Registered Office: A/33, Central Commercial Area,
Block 7/8, Main Shahrah-e-Faisal,
KCHSU, Karachi.-75350.

Directors' Report **For the nine months ended March 31, 2023**

The Board of Directors of Tri-Star Mutual Fund Ltd., are pleased to present nine months ended un-audited accounts March 31, 2023.

The period under review has been full of volatility on both socio-economic and political front, causing distress amongst investors and trading at PSX was also impacted. Further devaluation of PKR versus USD and indication of further rise in the Bank Rate has caused investors to remain cautious.

On behalf of the Board

Asad Ahmad
Chief Executive

Marium Ahmad
Director

Place: Karachi.

Dated: April 28, 2023

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2023

	Note	March 2023	June 2022
		Rupees	
ASSETS			
<u>NON CURRENT ASSETS</u>			
Long Term Deposits		12,500	12,500
CURRENT ASSETS			
Investments	6	67,025,943	76,760,092
Advance Income Tax		303,162	238,201
Other Receivables		5,422	5,422
Balances with Bank		138,019	93,380
		67,472,547	77,097,095
TOTAL ASSETS		67,485,047	77,109,595
<u>LIABILITIES</u>			
CURRENT LIABILITIES			
Payable to Investments Adviser an associated co	7	14,586,901	13,172,993
Accrued expenses		5,159,532	5,694,945
Unclaimed Dividend		426,082	426,082
Provision For taxation		10,283	10,283
		20,182,798	19,304,303
NET ASSETS		47,302,249	57,805,292
AUTHORISED SHARE CAPITAL			
20,000,000 Certificates of Rs. 10/- each		200,000,000	200,000,000
CERTIFICATE CAPITAL AND RESERVES			
Certificate Capital		50,000,000	50,000,000
Unrealized Profit/(Loss) due to Change in Fair value of Investment		(6,166,345)	(8,885,965)
Unappropriated Profit		3,468,595	16,691,257
TOTAL CERTIFICATE HOLDERS' FUND		47,302,249	57,805,292
Net Assets value per certificate - Rupees		9.46	11.56
CONTINGENCIES & COMMITMENTS			

Asad Ahmad
Chief Executive

Marium Ahmad
Director

Mohammad Zameer
Chief Financial Officer

**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2023**

	Nine months ended		Quarter ended	
	July-Mar 2023	July-Mar 2022	Jan-Mar 2023	Jan-Mar 2022
	-----Rupees-----			
INCOME				
(Loss) from Operation	(12,020,699)	(2,752,972)	(4,947,735)	(1,395,685)
OPERATING EXPENSES				
Administrative	1,200,753	1,408,934	(23,987)	407,289
Financial Charges	1,212	120	-	-
	<u>1,201,965</u>	<u>1,409,054</u>	<u>(23,987)</u>	<u>407,289</u>
(Loss) before taxation	(13,222,664)	(4,162,026)	(4,923,748)	(1,802,974)
Taxation	(64,961)	(7,835)	(41)	(2,846)
(Loss) after taxation	<u>(13,287,625)</u>	<u>(4,169,861)</u>	<u>(4,923,789)</u>	<u>(1,805,820)</u>
Other comprehensive income/(Loss) for the year:	<u>2,719,621</u>	<u>(2,156,661)</u>	<u>724,710</u>	<u>(1,427,187)</u>
Total comprehensive Income/(Loss) for the year	<u>(10,568,004)</u>	<u>(6,326,522)</u>	<u>(4,199,079)</u>	<u>(3,233,008)</u>
(Loss) per certificate (Rupees)	<u>(2.11)</u>	<u>(1.27)</u>	<u>(0.84)</u>	<u>(0.65)</u>

Asad Ahmad
Chief Executive

Marium Ahmad
Director

Mohammad Zameer
Chief Financial Officer

CONDENSED INTERIM STATEMENT OF CASH FLOW (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2023

	March 2023	March 2022
Rupees		
CASH FLOW FROM OPERATING ACTIVITIES		
(Loss) before Taxation	(13,222,664)	(4,162,026)
Adjustment for non-cash changes and other items:		
Dividend Income	(433,070)	(52,231)
Unrealized diminution on re-measurement of investments classified as 'Financial Assets at fair value through profit or loss' - net	12,453,769	2,805,203
	12,020,699	2,752,972
Operating cash (outflow)/inflow before working capital changes	(1,201,965)	(1,409,054)
(Decrease)/Increase in liabilities		
Due to Investment Advisor	1,413,908	1,303,607
Accrued Expenses and other Liabilities	(535,413)	93,431
	878,495	1,397,038
Net cash (outflow) from operating activities	(323,470)	(12,016)
CASH FLOW FROM INVESTING ACTIVITIES		
Dividend Income	433,070	52,231
Purchase of Investments	-	(1,900)
Net cash (outflow)/inflow from investing activities	433,070	50,331
	109,601	38,315
CASH FLOW FROM FINANCING ACTIVITIES		
Income tax Paid	(64,961)	(7,835)
Net cash used in financing activities	(64,961)	(7,835)
Net increase/(decrease) in Cash and Cash Equivalent	44,640	30,480
Cash and Cash Equivalent at the beginning of the year	93,380	49,030
Cash and Cash Equivalent at the end of the year	138,020	79,509

Asad Ahmad
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**CONDENSED INTERIM STATEMENT OF MOVEMENT IN CERTIFICATE HOLDERS EQUITY (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2023**

Particulars	Certificate Capital	Unrealized Gain/(Loss) due to Change in the value of Investments	Accumulated (Loss)/ Unappropriated Profit	Total
Balance as at June 30, 2021	50,000,000	(5,838,171)	26,878,870	71,040,700
Total Comprehensive income for the year	-	(2,156,661)	(4,169,861)	(6,326,522)
Balance as at March 31, 2022	50,000,000	(7,994,832)	22,709,009	64,714,178
Balance as at June 30, 2022	50,000,000	(8,885,966)	16,691,258	57,805,292
Total Comprehensive (Loss) for the year		2,719,621	(13,222,664)	(13,238,285)
Balance as at March 31, 2023	50,000,000	(6,166,345)	3,468,595	44,567,007

Asad Ahmad
Chief Executive

Marium Ahmad
Director

Mohammad Zameer
Chief Financial Officer

**TRI-STAR MUTUAL FUND LIMITED
Condensed Interim Statement of Movement in Equity & Reserve - Per Certificate-(Unaudited)
FOR THE NINE MONTHS ENDED MARCH 31, 2023**

	March 2023	June 2022
	Rupees	
Net assets value per share at the beginning of the year	11.56	14.21
Movement in net assets value per certificate from operating activities		
Unrealized appreciation/(diminution) on re-measurement of investments classified as 'Financial Assets at fair value through profit or loss	(2.49)	(1.57)
Net realized gain on sale of investments	-	-
Profit/(Loss) for the year excluding unrealized gain	(0.15)	(0.47)
	(2.64)	(2.04)
Unrealized appreciation/(diminution) in value of investments classified as "Available for Sale"	0.54	(0.61)
Net Assets Value per Share at the end of the year	<u>9.46</u>	<u>11.56</u>

Asad Ahmad
Chief Executive

Marium Ahmad
Director

Mohammad Zameer
Chief Financial Officer

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2023

1 Legal Status and Nature of Business

Tri-Star Mutual Fund Limited (Fund) was incorporated as public limited company on March 12, 1992 under Investment Companies and Investment Advisers Rules, 1971. The Investment Companies & Investments Advisor's Rules, 1971 have been repealed by the Non Banking Finance Companies (Establishment and Regulations) Rules, 2003 (NBFC Rules) and Companies Ordinance 1984 (Now the Companies Act, 2017) and its shares are listed in Pakistan Stock Exchange Limited. However, the said repeal does not affect the existing incorporation or registration or license of a company registered under any rules or notifications now repealed and Companies Ordinance 1984 (Now the Companies Act, 2017) and its shares are listed in Pakistan Stock Exchange Limited. The Fund has entered into an agreement with an associated company Tri-Star Investments Limited to act as its "Investment Adviser".

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

The Fund is a closed end mutual fund and its certificates are listed on the Pakistan Stock Exchange. The principal activity of the Fund is to make investments in equity market.

2 BASIS OF PREPARATION

These condensed interim financial statements of the Company for the nine months ended 31 March 2022 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, Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) 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 30 June 2022.

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 30 June 2022.

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

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 but are considered not to be relevant or not to have any material effect on the Company's operations and are, therefore, not disclosed in these condensed interim financial statements.

Standards, amendments to standards and interpretations becoming effective in future periods

There are certain new standards, amendments to standards and interpretations that will become effective in future accounting periods but are considered not to be relevant or not to have any material effect on the Company's operations and are, therefore, not disclosed in these condensed interim financial statements.

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 and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events, revision to accounting estimates are recognized prospectively commencing from the period of revision.

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, 2022.

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, 2022.

6 INVESTMENTS	March 2023	June 2022
"Financial assets at fair value through profit and loss" - held for trading		
- Quoted equity securities - regular market trade	6.1	58,529,286
		70,983,056
Available for sale		
- Quoted equity securities - associated companies	6.2	8,496,657
		5,777,036
	<u>67,025,943</u>	<u>76,760,092</u>

6.1 "Financial assets at fair value through profit or loss" - held for trading

Cost	23,642,388	23,642,388
Purchase during the period	-	-
Unrealized Gain/(Loss) due to Change in the value of Investments	34,886,898	47,340,668
	<u>58,529,286</u>	<u>70,983,056</u>

6.1.1 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 FEBC's of the Fund; without lawful authority and without making any inventory. This raid caused a serious disruption in the company's business. The company 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 favour 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. In spite of the orders of the Hon'able High Court of Sindh, the Income Tax Department has neither returned the records nor any of the FEBC's/valuables. The Fund has filed a contempt application against the Department and the matter is now in evidence stage.

6.1.2. Dewan Salman Fibre Limited's aggregate market value of investment based on last available quoted price as of February, 19 2018 after the same date the transactions of the DSFL has been suspended till reporting date.

6.2 Available for sale

Cost	14,663,000	14,663,000
Purchase during the period	-	-
Unrealized Gain/(Loss) due to Change in the value of Investments	(6,166,343)	(8,885,964)
	<u>8,496,657</u>	<u>5,777,036</u>

**7 PAYABLE TO INVESTMENT ADVISOR - unsecured
An Associated Company - Tri-Star Investments Ltd.**

Opening balance	13,172,993	11,552,929
Add: Reimbursable Expenses	344,865	223,424
Add: Remuneration for the year	7.1 1,069,043	1,396,640
	14,586,901	13,172,993
Less: Paid during the year	-	-
	<u>14,586,901</u>	<u>13,172,993</u>

Under the Provision of NBFC Regulations, the management company is entitled to a remuneration of an amount not exceeding three percent of the average annual net assets of the fund during the first five year of the fund's existence, and thereafter, of an amount equal to two percent of such assets of the fund. The remuneration of the management company has been charged at the rate of two percent per annum of the average annual net assets of the fund. The remuneration of the Investment Advisor has been determined as follows:

Average Annual Net Assets	53,452,160	69,831,992
Remuneration at 2% of average annual net assets	<u>1,069,043.00</u>	<u>1,396,640</u>

8 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 and comprehensive income, statement of cash flows and statement of movement in Certificate Holders equity have been compared with the balances of comparable period of immediately preceding financial year.

9 Date of Authorization for issue

These financial statements were authorized for issue on April 28, 2023 by the Board of Directors of the Investment Adviser.

10 General

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

Asad Ahmad
Chief Executive

Marium Ahmad
Director

Mohammad Zameer
Chief Financial Officer