

Annual Report
2023



**Tri-Star
Power Ltd.**

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. Feroze Sharif Tariq & Co.
Chartered Accountants

Audit Committee:	Mr. Syed Imran	Chairman
	Mr. Jawed Ahmed Siddiqui	Member
	Mr. M. Haroon Saeed	Member

Bankers: Bank Al-Habib Ltd.

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

Shares Registrar / Transfer Agent: Hameed Majeed Associates (Pvt) Ltd.
4th Floor, Karachi Chambers,
Hasrat Mohani Road, Karachi.

Plant: F/538, S.I.T.E.,
Karachi-75700

Notice of Meeting

Notice is hereby given that the Thirtieth Annual General Meeting of Tri-Star Power Ltd., will be held on Friday, October 27, 2023 at 10.30 am at A/33, Central Commercial Area, Block 7/8, Main Shahrah-e-Faisal, Karachi to transact the following business:

1. Recitation from the HOLY QURAN.
2. To receive and adopt the audited accounts for the period ended June 30, 2023 together with the Directors' and Auditors' Reports thereon and Chairman's Review Report.
3. To appoint Auditors of the Company and fix their remuneration.
4. To transact any other business with the permission of the Chair.

By Order of the Board

Company Secretary

Karachi: October 6, 2023.

NOTES:

1. The Share Transfer books of the Company will remain closed from 23.10.2023 to 30.10.2023 (both days Inclusive).
2. Participation in the AGM proceeding via the video Conference facility:
The AGM proceeding can also be attended via video conference facility. Shareholders interested to participate in the meeting are requested to email their Name, Folio Number, Cell Number, Computerized National Identity Card (CNIC) Number, and Number of shares held in their name with subject "Registration for Tri-Star Power Limited AGM" along with valid copy of both sides of CNIC at power@tristar.com.pk. Video link and login credentials will be shared with only those members whose emails, containing all the required particulars, are received at least 48 hours before the time of AGM. Shareholders can also provide their comments and questions for the agenda items of the AGM at the email.
3. A member entitled to attend AGM is entitled to appoint a proxy and vote in his place at the meeting. Proxy Forms in order to be effective must be received at the registered office of the Company at A/33, Central Commercial Area, Block 7/8, Main Shahrah-e-Faisal, Karachi duly stamped, signed and witnessed, not later than 48 hours before the meeting.
4. CDC Shareholders or their Proxies are required to bring with them their Original CNIC or Passport along with the Participant's I.D. number and their account number at the time of attending AGM in order to authenticate their identity.
5. Proxy form must be submitted with the Company within the stipulated time, duly witnessed by two persons whose names, addresses and CNIC number must be mentioned on the form, along with attested copies of the CNIC or passport of the beneficial owner and the proxy.
6. In case of corporate entity, the Board of Directors' resolution / power of attorney with the specimen signature of the proxy holder shall be submitted (unless it has been provided earlier) along with proxy form to the Company.
7. Members are requested to notify any change in their addresses immediately to our Shares Registrar M/s. Hameed Majeed Associates (Pvt) Ltd., 4th Floor, Karachi Chamber, Hasrat Mohani Road, Karachi.

نوٹس برائے سالانہ اجلاس عام

نوٹس ہذا کے ذریعے مطلع کیا جاتا ہے کہ ٹرائی اسٹار پاور لمیٹڈ کا تیسواں (30 واں) سالانہ اجلاس عام (AGM) مورخہ 27 اکتوبر 2023ء بروز جمعہ صبح 10:30 بجے بمقام A/33، سینٹرل کمرشل ایریا، بلاک 7/8، مین شاہراہ فیصل، کراچی میں مندرجہ ذیل امور کو زیر غور لانے کے لئے منعقد ہوگا:

1. قرآن پاک کی تلاوت
2. 30 جون 2023ء کو اختتام پذیر سال کے لئے ڈائریکٹرز اور آڈیٹرز رپورٹ اور چیئرمین کی تجزیاتی رپورٹ کے ہمراہ پڑتال شدہ کھاتوں کو وصول کرنا اور اپنانا۔
3. کمپنی کے آڈیٹرز کا تقرر کرنا اور ان کا مشاہیرہ طے کرنا۔
4. چیئرمین کی اجازت سے دیگر امور کو زیر غور لانا۔

منجانب / برائے بورڈ
کمپنی سیکریٹری

کراچی: 6 اکتوبر 2023ء

مندرجات:

1. شیئر ٹرانسفر books مورخہ 23 اکتوبر 2023ء سے 30 اکتوبر 2023ء (بشمول دونوں ایام) تک بند رہیں گی۔
2. سالانہ اجلاس عام کی کارروائی میں ویڈیو کانفرنس سہولت کے ذریعے شرکت
AGM کی کارروائی میں ویڈیو کانفرنس سہولت کے ذریعے بھی شرکت کی جاسکتی ہے۔ اجلاس میں شرکت کرنے کے خواہش مند شیئر ہولڈرز سے گزارش ہے کہ وہ اپنا نام، فونیو نمبر، سیل نمبر اور کمپیوٹرائزڈ شناختی کارڈ نمبر اور اپنے ملکیتی حصص کی تعداد بمعہ شناختی کارڈ کی دونوں اطراف کی کارآمد نقل عنوان کے خانے میں ”ٹرائی اسٹار پاور لمیٹڈ کی AGM میں شرکت کے لئے رجسٹریشن“ تحریر کر کے power@tristar.com.pk پر ای میل کریں۔ ویڈیو لنک اور لاگ ان کی تفصیلات صرف انہی اراکین کے ساتھ شیئر کی جائیں گی جن کے ای میل ایڈریس بمعہ تمام تر درکار معلومات AGM کے انعقاد سے کم از کم 48 گھنٹے قبل موصول ہو جائیں۔ شیئر ہولڈرز AGM کے ایجنڈا آئٹمز

کی بابت اپنی تجاویز اور سوالات بھی ای میل کے ذریعے بھیج سکتے ہیں۔

3. AGM میں شرکت کا اہل رکن اپنی جگہ پر کسی مقرر کر سکتا ہے اور اس کی جگہ اجلاس میں ووٹ کر سکتا ہے۔ مؤثر کرنے کی غرض سے باقاعدہ پُر شدہ، مہر، دستخط اور گواہان سے تصدیق شدہ پراکسی فارم کمپنی کے رجسٹرڈ آفس واقع A/33، سینٹرل کمرشل ایریا، بلاک 7/8، مین شاہراہ فیصل، کراچی کو اجلاس کے انعقاد سے کم از کم 48 گھنٹے قبل پہنچ جانا چاہئے۔

4. CDC شیئر ہولڈرز یا ان کے پراکسی کو اپنی شناخت ثابت کرنے کے لئے AGM کے موقع پر اپنے اصلی شناختی کارڈ اور پاسپورٹ بمعہ شراکت آئی ڈی اور کاؤنٹ نمبر ہمراہ لانا ہوگا۔

5. دو گواہان، جن کے نام، پتے اور شناختی کارڈ فارم پر درج ہوں، سے باقاعدہ تصدیق شدہ پراکسی فارم بمعہ مستفید ہونے والے رکن اور پراکسی کے شناختی کارڈ یا پاسپورٹ کی مصدقہ نقل کمپنی کو مقررہ وقت پر لازمی جمع کرایا جائے۔

6. کاروباری ادارے کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد/مختار نامہ بمعہ پراکسی ہولڈر کے نمونہ کے دستخط پراکسی فارم کے ہمراہ کمپنی کو جمع کرایا جائے (اگر قبل ازیں جمع نہ کرایا گیا ہے)۔

7. اراکین سے گزارش ہے کہ اپنے ڈاک کے پتے میں تبدیلی سے متعلق فوری طور پر شیئر رجسٹرار میسرز حمید مجید ایسوسی ایشن (پرائیویٹ) لمیٹڈ دفتر واقع چوتھی منزل، کراچی چیمبر، حسرت موہانی روڈ، کراچی کو آگاہ کیا جائے۔

Chairman's Review

It gives me immense pleasure to communicate with our valued members and stakeholders and to present the Annual Report of Tri-Star Power Limited for the year ended June 30, 2023 and to appraise them on the overall performance of the Board and the effectiveness of the role played by the Board in achieving the Company's objectives by illustrating the overall performance and achievements of the Company.

I extend my appreciation to the company and its management for following the best practices relating to corporate governance and complies with all the relevant requirements of Companies Act, 2017 and the Code of Corporate Governance as per Listed Companies (Code of Corporate Governance) Regulations, 2019. The board members continued to ensure and extend their guidance to the management to meet all legal and regulatory requirements.

Here, I would also like to place on record my sincere appreciation to our staff members for their valuable services and to the shareholders / other stakeholders for their continued support and trust towards the management and the Company.

Shamima Begum
Chairperson

Place: Karachi
Dated: October 5, 2023

چیرمین کا تجزیہ

میں 30 جون 2023ء کو اختتام پذیر سال کے لئے اپنے معزز اراکین اور اسٹیک ہولڈرز کو ٹرائی اسٹار پاور لمیٹڈ کی سالانہ رپورٹ ازراہ مسرت پیش کرتی ہوں اور بورڈ کی مجموعی کارکردگی اور کمپنی کی کارکردگی اور کامیابیوں کی عکاسی کرنے والے کمپنی کے مقاصد حاصل کرنے میں بورڈ کے مؤثر کردار کی قدر کرتی ہوں۔

میں بہترین کاروباری عمل داری اور کمپنیز ایکٹ 2017ء کے متعلقہ اصولوں اور لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ضوابط 2019ء کی تعمیل پر کمپنی اور اس کی انتظامیہ کو خراج تحسین پیش کرتی ہوں۔ بورڈ اراکین نے تمام قانون و ریگولیٹری معیارات کو پورا کرنے میں انتظامیہ کی مسلسل رہنمائی کو یقینی بنایا ہے۔

یہاں میں اپنے عملے کے تمام اراکین کی گراں قدر خدمات اور انتظامیہ اور کمپنی پر شیئر ہولڈرز/ دیگر اسٹیک ہولڈرز کے مسلسل بھروسے اور حمایت پر شکریہ ادا کرتی ہوں۔

شمیمہ بیگم

چیرمین

مقام: کراچی

تاریخ: 5 اکتوبر 2023ء

Directors' Report

The audited accounts of the Company for the year ended June 30, 2023 are presented herewith.

1. FINANCIAL RESULTS

Financial results are as summarized as follows:

	2023	2022
	<i>Rupees</i>	
Rental Income / Sales - Net	6,079,644	11,953,800
Cost of Operating Expenses / Sales	<u>635,267</u>	<u>3,192,025</u>
Gross Profit	<u>5,444,377</u>	<u>8,761,775</u>
<u>Less: Operating Expenses</u>		
Administrative & General Expenses	<u>1,645,774</u>	<u>840,968</u>
 Operating Profit	 <u>3,798,603</u>	 <u>7,920,808</u>
 Finance Cost	 <u>545</u>	 <u>190</u>
	3,798,058	7,920,618
Other Income / (Charges)	<u>1,994,521</u>	<u>2,420,600</u>
Profit before Taxation	<u>5,792,578</u>	<u>10,341,218</u>
<u>Taxation</u>		
➤ Current Year	<u>(1,101,437)</u>	<u>(4,347,335)</u>
➤ Prior Year	<u>1,405,791</u>	<u>(10,515)</u>
➤ Deferred	<u>-</u>	<u>-</u>
Profit after Taxation	<u><u>6,096,932</u></u>	<u><u>5,983,367</u></u>
Earning per share – basic and diluted	<u>0.41</u>	<u>0.40</u>

2. BUSINESS

Your Company has given on rental its plant to an associated concern, however, due to stoppage of gas supply by SSGC, the plant cannot be used and as such rental could not be charged. The plant is very old which requires high maintenance and on top there is no gas supply by SSGC. The Company is looking for an alternative / renewal energy which requires fresh investment.

3. DIVIDEND

The Board has not recommended any dividend this year.

4. BOARD OF DIRECTORS

The Board of Directors assumed their office with effect from 28.12.2020 for 3 years.

5. AUDITORS

The present auditors M/s. Feroze Sharif Tariq & Co., Chartered Accountants, are due for retirement and being eligible offer themselves for reappointment.

6. STATEMENT ON CORPORATE AND FINANCIAL REPORTING FRAME WORK

- a. The financial statements, prepared by the management of the Company, present fairly its state of affairs, the results of its operations, cash flows and change in equity.
- b. Proper books of accounts of the Company have been maintained.
- c. Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- d. International Accounting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and departure therefrom has been adequately disclosed.
- e. The system of internal control is sound and designed and have been effectively implemented and monitored.
- f. There are no significant doubts upon the Company's ability to continue as going concern.
- g. There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations.
- h. No trading of Company Shares were done by Chief Executive, Directors, Company Secretary and their spouses.
- i. Key operating and financial data for the last six years in summarized form is annexed.
- j. During the year (4) meetings of the Board of Directors were held, attendance by each Director is as follows:

Name of Director	No. of Meetings attended
Mr. Asad Ahmad	04
Mrs. Shamima Begum	04
Mr. Jawed Ahmad Siddiqui	04
Mr. M. Zameer	04
Mr. Syed Imran	04
Mr. Tanvir Hasan	04
Mr. M. Haroon Saeed	04

- k. The pattern of share holding is annexed.

7. ACKNOWLEDGMENTS

The Board would like to place on record its appreciation of hard work of the staff responsible for the Company's affairs.

By Order of the Board

Asad Ahmad
Chief Executive

Jawed Ahmed Siddiqui
Director

Karachi: October 05, 2023

ڈائریکٹرز رپورٹ

بورڈ آف ڈائریکٹرز 30 جون 2023ء کو اختتام پذیر سال کے لئے سالانہ رپورٹ کے ہمراہ پڑتال شدہ کھاتے ازراہ مسرت پیش کرتے ہیں۔

مالیاتی نتائج:

مالیاتی نتائج کا خلاصہ حسب ذیل ہے:

2022ء	2023ء	
..... روپے		
11,953,800	6,079,644	رینٹل آمدنی / سیلز - خالص
3,192,025	635,267	آپریٹنگ اخراجات / سیلز کی لاگت
8,761,775	5,444,377	کل منافع
<u>آپریٹنگ اخراجات</u>		
840,968	1,645,774	انتظامی و عمومی اخراجات
7,920,808	3,798,603	آپریٹنگ منافع
190	545	فنانس اخراجات
7,920,618	3,798,058	
2,420,600	1,994,521	دیگر آمدنی
10,341,218	5,792,578	نفع بمعدہ ٹیکسیشن
		ٹیکسیشن
(4,347,335)	(1,101,437)	اس سال
(10,515)	1,405,791	گزشتہ سال
5,983,367	6,096,932	نفع علاوہ ٹیکسیشن
0.40	0.41	فی حصص آمدنی - بنیادی

منافع منقسمہ

بورڈ آف ڈائریکٹرز نے مذکورہ سال کے لئے کوئی منافع منقسمہ تجویز نہیں کیا ہے۔

بورڈ آف ڈائریکٹرز

حالیہ بورڈ آف ڈائریکٹرز نے 28 دسمبر 2020ء سے عرصہ تین برس کے لئے اپنے فرائض کی انجام دہی کا آغاز کیا۔

آڈیٹرز

حالیہ آڈیٹرز میسرز فیروز شریف طارق اینڈ کو، چارٹرڈ اکاؤنٹنٹس ریٹائر ہونے والے ہیں اور اہلیت کی بنا پر اپنی دوبارہ تقرری کی سفارش کرتے ہیں۔

کاروباری و مالیاتی رپورٹنگ فریم ورک پر اعلامیہ

- (a) کمپنی کی انتظامیہ کی تیار کردہ مالیاتی اسٹیٹمنٹس سرمایے میں تبدیلی، کیش فلو، آپریشنز کے نتائج اور کاروباری امور کی بہترین عکاسی کرتی ہیں۔
- (b) کمپنی کے کھاتوں کی صحیح کتابیں تیار کی گئی ہیں۔
- (c) مالیاتی اسٹیٹمنٹس کی تیاری میں موافق اکاؤنٹنگ پالیسیوں کا اطلاق کیا گیا ہے اور اکاؤنٹنگ تخمینہ جات موزوں فیصلوں کی بنیاد پر لگائے گئے ہیں۔
- (d) مالیاتی اسٹیٹمنٹس کی تیاری میں پاکستان میں رائج بین الاقوامی مالیاتی رپورٹنگ اسٹینڈرڈز کی پیروی کی گئی ہے اور اس میں کسی بھی قسم کے سقم کو مناسب انداز میں ظاہر اور واضح کیا گیا ہے۔
- (e) داخلی نظم و نسق کا ایک مربوط سسٹم قائم اور موثر انداز میں نافذ کیا گیا ہے اور اس کی باقاعدہ نگرانی کی جاتی ہے۔
- (f) کمپنی کی کاروبار جاری رکھنے کی صلاحیت میں کوئی ابہام نہیں ہے۔
- (g) لسٹنگ ضوابط میں بیان کردہ کارپوریٹ گورننس کی بہترین عمل داری میں کوئی سقم موجود نہ ہے۔
- (h) کسی بھی ڈائریکٹر، چیف ایگزیکٹو، ایگزیکٹوز اور ان کے/کی شریک حیات اور کم سن بچوں نے مذکورہ بالا کے علاوہ مذکورہ سال کے دوران کمپنی کے حصص میں تجارت نہیں کی ہے۔
- (i) گذشتہ سال ماہ کا اہم آپریٹنگ و مالیاتی ڈیٹا خلاصہ کی شکل میں منسلک ہے۔
- (j) مذکورہ سال کے دوران بورڈ آف ڈائریکٹرز کے چار (04) اجلاس منعقد ہوئے ہر ڈائریکٹر کی حاضری حسب ذیل ہے:

اجلاس میں حاضری کی تعداد

ڈائریکٹرز کا نام

4

جناب اسد احمد

4

محترمہ شمیمہ بیگم

4

جناب جاوید احمد صدیقی

4

جناب محمد ضمیر

4

جناب سید عمران

4

جناب تنویر حسن

4

جناب محمد ہارون سعید

(k) سٹوفکیٹ ہولڈنگ کا پیٹرن لف ہذا ہے۔

اظہار تشکر

بورڈ کمپنی امور کے لئے ذمہ دار عملے کی ان تھک محنت کو خراج تحسین پیش کرتا ہے۔

منجانب بورڈ

جاوید احمد صدیقی

ڈائریکٹر

اسد احمد

چیف ایگزیکٹو

تاریخ: 15 اکتوبر 2023ء مقام کراچی

Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019

Year ended: June 30, 2023

The Company has applied the principles contained in the Code in the following manner.

1. The total number of directors are 7 as per the following:
 - a. Male: 6
 - b. Female: 1
2. The composition of board is as follows:

Independent Director	Mr. Syed Imran
Non - Executive Director	Ms. Shamima Begum Mr. Jawed Ahmed Siddiqui Mr. Mohammad Zameer Mr. Mohammad Haroon Saeed Mr. Tanvir Hasan
Executive Director	Mr. Asad Ahmad (CEO)
Female Director	Ms. Shamima Begum
3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company.
4. The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.
5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the company.
6. All the powers of the board have been duly exercised and decisions on relevant matters have been taken by board / shareholders as empowered by the relevant provisions of the Act and these Regulations.
7. The meetings of the board were presided over by the Chairman and, in his absence, by a director elected by the board for this purpose. The board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of board.
8. The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. The Chief Executive and all Directors have the prescribed education and experience required for exemption under Clause 19(2) of Code of Corporate Governance (CCG) Regulations. Accordingly, they are exempt from attending directors' training program pursuant to the Clause 19(2) of the CCG Regulations.
10. The board has approved appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
11. CFO and CEO duly endorsed the financial statements before approval of the board.
12. The board has formed committees comprising of members given below:
 - a) Audit Committee
Mr. Syed Imran (Chairman)
Mr. Jawed Ahmed Siddiqui
Mr. Mohammad Haroon Saeed

- b) HR and Remuneration Committee Mr. Syed Imran (Chairman)
Mr. Jawed Ahmed Siddiqui
Mr. Mohammad Haroon Saeed
13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.
14. The frequency of meetings of the committee were as per following:
- a) Audit Committee Quarterly
- b) HR and Remuneration Committee Annually
15. The Board has set up an effective internal audit function/or has outsourced the internal audit function to who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company.
16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, head of internal audit, Company Secretary or director of the Company.
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
18. We confirm that all requirements of the Regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.

Asad Ahmad
Chief Executive

Jawed Ahmad Siddiqui
Director

Place: Karachi
Dated: October 5, 2023

INDEPENDENT AUDITOR’S REVIEW REPORT TO THE MEMBERS OF TRI-STAR POWER LIMITED

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Tri-Star Power Limited (the Company) for the year ended June 30, 2023 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company’s compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company’s personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors’ statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company’s corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Following instances of Non-compliances with the requirements of the Code were observed which are not stated in the Statement of Compliance.

- a) The composition of board has includes one independent director the Code requires independent directors shall not be less than two or one third of the total members of the board, whichever is higher, whereas board include one independent director.

Based on our review, except for the instances of non compliance, above, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company’s compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2023.

sd/-
Feroze Sharif Tariq & Co.
Chartered Accountants

Place: Karachi
UDIN: CR202310129FXU85ObRJ
Dated: October 5, 2023

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TRI-STAR POWER LIMITED

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the annexed financial statements of Tri-Star Power Limited (the Company), which comprise the statement of financial position as at June 30, 2023, and the statement of profit or loss, the Statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion section of our report, and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the Statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2023 and of the profit, other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Qualified Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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 (2022: 34,594,845) as disclosed in note 12.2 to the financial statements. Further, No provision has been made in the accounts for the NIT investments the recovery and realization of which are doubtful, the same has been explained in Note No. 12.2.1 to the financial statements. 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 (2022: 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 12.1.1 and 12.1.2 to the Financial Statements. In our opinion, 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 Tri-Star Energy Limited as latest audited accounts are not available as of reporting date.

Had the company valued the investment in First Tri-Star Modaraba on equity method and the impairment would have been recognized, the profit for the year would have been increased by Rs. 11,722,999 and accumulated loss would be reduced and Shareholders' equity and Long term Investment would have been higher by Rs. 10,738,289.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our report other than the matters described in the basis for qualified opinion section.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information in the annual report including in particulars, the Chairman's Review, Directors Report, Financial and business highlights, but does not include the financial statements and our auditor's reports thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and Reporting standards as applicable in Pakistan and the Requirements of companies Act, 2017 (XIX of 2017), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit except for the matter discussed in basis for qualified opinion section, we further report that in our opinion:

- (a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- (b) the statement of financial position, the statement of profit or loss, the statement of comprehensive Income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

(c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and

(d) No Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

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

sd/-
Feroze Sharif Tariq & Co.
Chartered Accountants

Place: Karachi
UDIN: AR202310129kPKILFQzE
Dated: October 5, 2023

Vision Statement

Tri-Star Power Limited is committed to strive for excellence in all areas of its activity.

Mission Statement

We view our business objective of providing distinctive financial products and services that promote commerce and industry with in the context of our overall objective of contributing to the nation's prosperity.

Core Value

1. Striving for continuous improvement and innovation with commitment and responsibility;
2. Treating stakeholders with respect, courtesy and competence;
3. Practicing highest personal and professional integrity;
4. Maintaining teamwork, trust and support, with open and candid communication;
5. Ensuring cost consciousness in all decisions and operations.

Statement of Ethics and Business Practices

The articulation of this statement is based on following points:-

1. Questionable and improper payments or use of the Company's assets.
2. Political contributions.
3. Conflicts on interest.
4. Books and records of the Company.
5. Payment of amounts due to customers, agents or distributors.
6. Reporting violations.
7. Means as important as the end.
8. Integrity and scrupulous dealings.
9. Strict observance of the laws of the country.
10. Giving and receiving gifts.

Balance Sheet as at

June 30, 2023 June 30, 2022
Notes (Rupees)

EQUITY AND LIABILITIES

CAPITAL & RESERVES

Authorized Capital

15,000,000 (2022: 15,000,000) Ordinary Shares of Rs. 10/- each

150,000,000

150,000,000

Issued, Subscribed and Paid-up Capital

6

150,000,000

150,000,000

Capital Reserve

Capital Reserve - (a Share Premium account)

70,000,000

70,000,000

Revenue Reserve

Unrealized gain / (loss) due to change in fair value of investment through other Comprehensive Income

(1,507,150)

(1,402,000)

Accumulated (Loss)

(25,599,269)

(31,696,201)

Shareholders Equity

192,893,581

186,901,799

CURRENT LIABILITIES

Trade and Other Payables

7

4,860,405

4,770,253

Unclaimed Dividend

8

5,025,285

5,025,285

Provision for taxation

9

1,101,437

4,357,850

10,987,127

14,153,388

Contingencies and Commitments

10

203,880,708

201,055,187

June 30, 2023

June 30, 2023 June 30, 2022
(Rupees)

ASSETS

NON-CURRENT ASSETS

Tangible Fixed Assets

Property, Plant and Equipments	11	3,181,835	3,535,438
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Long Term Investments	12	76,797,695	76,902,845
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Long term Loan to Related Party	13	20,000,000	20,000,000
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CURRENT ASSETS

Stores, Spares and Loose Tools	14	145,624	356,349
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Trade Debtors - unsecured	15	44,620,930	40,000,930
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Interest Receivable from Related Party		3,994,521	2,000,000
--	--	-----------	-----------

Advance Deposits and Prepayments - Considered good	16	11,075,000	11,495,600
--	----	------------	------------

Income Tax Refunds and Advances		174,476	2,241,185
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Cash and Bank Balances	17	43,890,627	44,522,840
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		103,901,178	100,616,904
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		203,880,708	201,055,187
--	--	-------------	-------------

The annexed notes form an integral part of these accounts.

Chief Executive

Director

Chief Financial Officer

STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED JUNE 30, 2023

	Notes	2023	2022
		(Rupees)	
RENTAL INCOME-net	18	6,079,644	11,953,800
COST OF OPERATING EXPENSES	19	635,267	3,192,025
GROSS PROFIT		5,444,377	8,761,775
<u>Operating Expenses</u>			
Administrative and General Expenses	20	1,645,773	840,968
		1,645,773	840,968
OPERATING PROFIT		3,798,604	7,920,808
Finance Cost	21	545	190
		3,798,059	7,920,618
Other Income / (Charges)	22	1,994,521	2,420,600
PROFIT BEFORE TAXATION		5,792,580	10,341,218
<u>Taxation</u>			
- Current	9	(1,101,437)	(4,347,335)
Prior		1,405,791	(10,515)
Deferred	5.3	--	--
		304,354	(4,357,850)
PROFIT AFTER TAXATION		6,096,934	5,983,367
Earning Per Share - Basic	23	0.41	0.40

The annexed notes form an integral part of these accounts.

Chief Executive

Director

Chief Financial Officer

STATEMENT OF CASH FLOW FOR THE YEAR ENDED JUNE 30, 2023

	2023	2022
	(Rupees)	
<u>CASH FLOW FROM OPERATING ACTIVITIES</u>		
Profit/(Loss) before Taxation	5,792,580	10,341,218
<u>Adjustment for Non-Cash and Other Items:</u>		
Depreciation	353,603	392,909
Financial Expenses	545	190
	354,148	393,099
	6,146,728	10,734,317
<u>Working Capital Changes</u>		
<i>(Increase) / Decrease in Current Assets</i>		
Stores and Spares	210,725	1,639,200
Trade debtors	(4,620,000)	(13,240,000)
Advances, Deposits and Prepayments	420,600	(11,420,600)
Interest Receivable from Related Party	(1,994,521)	11,669,041
<i>Increase / (Decrease) in Current Liabilities</i>		
Trade and Other Payables	90,152	2,681,444
	(5,893,044)	(8,670,915)
<u>Cash Flow from Investing Activities</u>		
Sales Proceeds from Fixed assets	--	--
	(5,893,044)	(8,670,915)
Taxes Paid	(885,352)	(2,050,357)
Financial charges Paid	(545)	(190)
	(885,897)	(2,050,547)
<i>Net Cash Inflow/ (Outflow) from Operating Activities</i>	(632,213)	12,855
CASH FLOW FROM FINANCING ACTIVITIES		
Loan recovered from Related Party	--	--
	(632,213)	12,855
Net Increase in Cash and Cash Equivalents	(632,213)	12,855
Cash and Cash Equivalents at the Beginning	44,522,840	44,509,985
Cash and Cash Equivalents at the End	26 43,890,627	44,522,840

The annexed notes form an integral part of these accounts.

Chief Executive

Director

Chief Financial Officer

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2023**

	June 30, 2023	June 30, 2022
	(Rupees)	
Profit for the Year	6,096,934	5,983,367
Items that will not be subsequently reclassified to profit or loss:		
Other comprehensive Income:		
Financial Asset at Fair value through other Comprehensive income	(105,150)	2,768,950
Total comprehensive Income for the year	5,991,784	8,752,317

The annexed notes form an integral part of these accounts.

Chief Executive

Director

Chief Financial Officer

STATEMENT OF CHANGE IN EQUITY FOR THE YEAR ENDED JUNE 30, 2023

	Capital Reserve	Revenue Reserve		Total	
	Share Capital	Capital Reserve	Unrealized gain / (loss) due to change in fair value of investment through other Comprehensive Income		Unappropriated Profit/Accumulated (Loss)
Balance as on June 30, 2021	150,000,000	70,000,000	1,366,950	(37,679,568)	183,687,382
Net Profit for the year ended June 2022	--	--		5,983,367	5,983,367
Other Comprehensive income			(2,768,950)		(2,768,950)
Total Comprehensive income	--	--	(2,768,950)	5,983,367	3,214,417
Balance as on June 30, 2022	150,000,000	70,000,000	(1,402,000)	(31,696,201)	186,901,799
Net Profit for the year ended June 2023	--	--		6,096,934	6,096,934
Other Comprehensive income			(105,150)		(105,150)
Total Comprehensive income	--	--	(105,150)	6,096,934	5,991,784
Balance as on June 30, 2023	150,000,000	70,000,000	(1,507,150)	(25,599,269)	192,893,581

The annexed notes form an integral part of these accounts.

Chief Executive

Director

Chief Financial Officer

LAST SIX YEAR RESULTS AT A GLANCE FOR THE YEAR ENDED JUNE 30, 2023

	2023	2022	2021	2020	2019	2018
<u>Financial Position</u>						
Paid-up Capital (Rs.)	150,000,000	150,000,000	150,000,000	150,000,000	150,000,000	150,000,000
Reserves (Rs.)	42,893,582	36,901,799	33,687,383	25,582,430	20,192,616	15,168,123
Fixed Assets-WDV (Rs.)	3,181,835	3,535,438	3,928,347	4,364,934	4,850,057	13,285,994
Investments at Cost (Rs.)	78,304,845	78,304,845	78,304,845	78,304,845	78,304,845	78,304,845
Investments at Market Value (Rs.)	76,797,695	76,902,845	79,671,795	76,902,845	77,253,345	76,895,835
Current Assets (Rs.)	103,901,178	100,616,904	87,201,334	81,178,443	54,413,932	41,216,536
Current Liabilities (Rs.)	10,987,127	14,153,388	7,114,094	6,863,792	6,324,718	6,230,242
<u>Income</u>						
Sales (Rs.)	-	-	14,114,000	16,034,490	29,574,846	51,714,859
Lease Rental (Rs.)	6,079,644	11,953,800	-	-	-	-
Net Profit/(Loss) for the year (Rs.)	6,096,934	5,983,368	5,336,002	5,740,314	4,666,983	10,484,816
Accumulated Profit/(Loss) (Rs.)	(25,599,269)	(31,696,201)	(37,679,567)	(43,015,570)	(48,755,884)	(53,422,867)
<u>Statistics & Ratios</u>						
Gross Profit/(Loss) Ratio (%)	89.55	73.30	27.47	22.43	20.17	12.52
Net Profit/(Loss) Ratio (%)	100.28	50.05	37.81	35.80	15.78	20.27
Current Ratio	9.46	7.11	12.26	11.83	8.60	6.62
Paid-up Value Per Share (Rs.)	10	10	10	10	10	10
Earning/(Loss) Per Share (Rs.)	0.406	0.399	0.356	0.380	0.310	0.699
Net Assets (Rs.)	192,893,581	186,901,799	183,687,383	175,582,430	170,192,616	165,168,123
Net Assets Value Per Share (Rs.)	12.86	12.46	12.25	11.71	11.35	11.01
Cash Dividend (%)	-	-	-	-	-	-
Bonus Dividend (%)	-	-	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

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.

- 1.1** The Company entered into Rental agreement on July 1, 2021 with related party Image Pakistan Limited to provide power plant already installed in the premises of the said Company. During the year, in January 2023 SSGC stopped the Gas supply, therefore, Power Plant can't be used and the rentals could not be charged. As soon as the gas supply is restored the power plant will starts its operation and the Company will start receiving rentals. Further the Company is seeking for alternative measures to operates its power plant and the management feels that the same will be arranged in near future and, therefore, the stoppage of the Plant is temporary and will resumes its operations soon.

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 facility is located at F/538, S.I.T.E., Karachi - 75700, Pakistan, which is not the Property of the company, the same premises has been obtained from related party of the Company to install the Plant as disclosed in note 11.3 to the Financial Statements.

1.2 Summary of significant events and transactions in the current reporting period

All significant transactions and events that have affected the Company's statement of financial position and performance during the year have been adequately disclosed either in the notes to these financial statements or in the Directors' report.

2 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 Standard issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; 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 IFRS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

3 BASIS OF PREPARATION/MEASUREMENT

The financial statements have primarily been prepared under the historical cost convention without any adjustments for the effect of inflation or current values, except quoted investment in related parties valued at Fair Market Value. and for cash flow information.

4 APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved by the Board of Directors and authorized for issue on October 05, 2023.

5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous financial year except application of new amendments and interpretations in the International Accounting Standards as described below in note 5.1.

5.1 Amendments to approved accounting standards

IFRS 3 Reference to the Conceptual Framework (Amendments)

IAS 16 Reference to the Conceptual Framework (Amendments)

IAS 37 Onerous Contracts – Costs of Fulfilling a Contract (Amendments)

The adoption of the above amendments to the accounting standards did not have any material effect on the Company's financial statements.

The IASB has also issued the revised Conceptual Framework for Financial Reporting (the Conceptual Framework) in March 2018 which is effective for annual periods beginning on or after January 01, 2020 for preparers of financial statements who develop accounting policies based on the Conceptual Framework. The revised Conceptual Framework is not a standard, and none of the concepts override those in any standard or any requirements in a standard. The purpose of the Conceptual Framework is to assist IASB in developing standards, to help preparers develop consistent accounting policies if there is no applicable standard in place and to assist all parties to understand and interpret the standards.

Improvements to Accounting Standards Issued by the IASB (2018-2020 cycle)

IFRS 9 Financial Instruments – Fees in the '10 percent' test for derecognition of financial liabilities

IAS 41 Agriculture – Taxation in fair value measurements

IFRS 16 Leases – Lease incentives

The adoption of the above amendments to the approved accounting standards did not have any material effect on the Company's financial statements.

Standards and amendments to IFRSs that are not yet effective

The following amendments to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective amendment or improvements:

Amendment or improvement		Effective date (annual periods beginning on or after)
IFRS 17	Insurance Contracts (Amendments)	January 01, 2023
IAS 1 and IFRS Practice	Disclosure of Accounting Policies (Amendments)	January 01, 2023
IAS 8	Definition of Accounting Estimates (Amendments)	January 01, 2023
IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments)	January 01, 2023
IAS 12	International Tax Reform – Pillar Two Model Rules (Amendments)	January 01, 2023
IAS 1	Classification of Liabilities as Current or Non-current	January 01, 2024
IFRS 16	Lease Liability in a Sale and Leaseback (Amendments)	January 01, 2024
IAS 7 / IFRS 7	Disclosures: Supplier Finance Arrangements (Amendments)	January 01, 2024
IFRS 10 / IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments)	Not yet finalised

The above standards and amendments are not expected to have any material impact on the Company's unconsolidated financial statements in the period of initial application.

Further, the following new standards have been issued by IASB which are yet to be notified by the Securities and Exchange Commission of Pakistan for the

Standard or interpretation	IASB Effective dates (annual periods beginning on or after)	
IFRS 1	First-time Adoption of International Financial Reporting Standards	January 01, 2004
IFRS 17	Insurance Contracts	January 01, 2023

5.2 SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historic experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected. In the process of applying the Company's accounting policies, management has made the following estimates and judgments which are significant to the financial statements:

In the process of applying the accounting policies, management has made the following estimates and judgments which are significant to the financial statements:

5.2.1 **Property, plant and equipment**

Estimates with respect to residual values and depreciable lives and pattern of flow of economic benefits are based on the recommendation of technical team of the Company. Further, the Company reviews the value of the assets for possible impairment on an annual basis. Any change in the estimates in future years might affect the carrying amounts of the respective items of tangible fixed assets with a corresponding affect on the depreciation charge and impairment.

5.2.2 **Taxation**

In making the estimates for income taxes payable by the Company, the management considers applicable tax laws and the decisions of appellate authorities on certain cases issued in past. Deferred tax assets are recognized for all unused tax losses and credits to the extent that it is probable that taxable profit will be available against which such losses and credits can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

5.2.3. **Store and spares and Stock-in-trade**

The Company reviews the Net Realizable Value (NRV) of stock-in-trade to assess any diminution in the respective carrying values.

5.2.4 **Provision for doubtful receivables**

A provision for impairment of trade and other receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of receivables. These estimates and underlying assumptions are reviewed on an ongoing basis.

5.2.5 **Contingencies**

The assessment of the contingencies inherently involves the exercise of significant judgment as the out come of the future events cannot be predicted with certainty. The company, based on the availability of the latest information, estimates at the value of contingent assets and liabilities which may differ on the occurrence/non occurrence of the uncertain future events.

5.3 **Taxation**

Current Year

Provision for current taxation is based on taxable income at the current rates of taxation after taking into account tax credits and rebates available, if any, or minimum tax on turnover or Alternate Corporate Tax whichever is higher and tax paid on final tax regime basis. Alternate Corporate Tax is calculated in accordance with the provisions of Section 113C of Income Tax Ordinance.

Deferred

Deferred tax is provided Proportionate to local sales using the liability method on all temporary differences at the balance sheet date, between the tax bases of assets and liabilities and their carrying amount for financial statements reporting purposes. Deferred tax liabilities are generally recognized for all temporary taxable differences.

Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply when the assets is realized or the liability is settled, based on the tax rates that have been enacted or substantially enacted at the balance sheet date.

No deferred tax has been provided during the year due to the company are exempt from levy of Income tax under clause 132 of the second Schedule to the income tax ordinance, 2001.

5.4 **Property, Plant and Equipment**

Initial recognition

All items of property, plant and equipment are initially recorded at cost.

Subsequent measurement

Property, Plant and Equipment are stated at cost less accumulated depreciation and impairment losses, if any; except for capital works in progress (if any) which are stated at cost accumulated up to the balance sheet date.

Buildings and leasehold improvements are measured at cost less accumulated depreciation and impairment loss (if any).

Depreciation

Full Years Depreciation is charged on acquisition or transfer of assets from capital work in progress, while no depreciation is charged on assets disposed off during the year. Depreciation is charged to income using reducing balance method, at the rates specified in the annexed schedule in note no. 11 to the financial statements, whereby the cost/revalued amounts of asset is written off over its estimated useful life, reflecting the approximate value of the consumption of the respective assets economic benefits. The depreciation method and useful lives of the items of property, plant and equipment are reviewed periodically and altered if circumstances or expectations have changed significantly

The property, plant and equipment acquired under finance Right for use of Assets is depreciated over the shorter of the useful life of the asset and the lease term.

Disposal

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amounts of the asset and is recognised as other income in the statement of profit or loss. In case of the sale or retirement of a revalued items, the attributable revaluation surplus remaining in the surplus on revaluation of such item is transferred directly to the unappropriated profit.

Judgment and estimates

The useful lives, residual values and depreciation method are reviewed on a regular basis. The effect of any changes in estimate is accounted for on a prospective basis.

- *Repairs, renewals and maintenance*

Major repairs and renewals are capitalized. Normal repairs and maintenance are charged as expense when incurred. Gains or losses on disposal or retirement of assets are determined as the difference between the sale proceeds and the carrying amounts of these assets, and are included in the income currently.

5.5 Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received as applicable. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, The right-of-use asset is depreciated using the straight line method over the shorter of the lease term and the asset's useful life. The estimated useful lives of assets are determined on the same basis as that for owned assets. In addition, the right-of-use asset is periodically reduced by impairment losses, if any.

5.6 Lease Liability

Lease liabilities The Company assesses at contract inception whether a contract is, or contains, a lease, i.e. if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company applies a single recognition and measurement approach for all leases, except for short-term leases. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating a lease, if the lease term reflects the Company exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the commencement date of the lease if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset."

5.7 Impairment of non-financial assets other than inventories

The assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. If there is an indication of possible impairment, the recoverable amount of the asset is estimated and compared with its carrying amount.

An impairment loss is recognized if the carrying amount of an asset exceeds its estimated recoverable amount. The impairment loss is recognised in the statement of profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

An impairment loss is reversed only to the extent that the asset carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. The Company recognises the reversal immediately in the statement of profit or loss, unless the asset is carried at a revalued amount in accordance with the revaluation model. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

5.8 Investment

Investment at fair value of investment through other comprehensive income are initially recognized at cost being the fair value of the consideration given including acquisition charges associated with. After initial recognition of investment are premeasured at fair value. Unrealized gains and losses on investment are recognized in other comprehensive income as required by IFRS 9 till the investment is sold or otherwise disposed off, or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is included in income. Measurement made as per IFRS 9 and disclosed the fair value as Price Quoted in Pakistan stock exchange

Investments in NIT's are stated at cost due to litigation with the Income tax department as fully described in note 12.2 and 12.2.1 to the financial statements.

5.9 Stores, Spares and Loose Tools

These are stated at the lower of cost and net realizable value (NRV). The cost of inventory is based on the FIFO basis. Items in transit are stated at cost accumulated upto the date of the balance sheet.

Stores, spares and loose tools are regularly reviewed by the management and any obsolete items are brought down to their NRV.

Net Realizable Value signifies the estimated selling price in the ordinary course of business less cost necessary to be incurred in order to make the sale.

5.10 Stock-in-Trade

These are valued as follows:

Raw Material : At lower of weighted average cost or net realizable value. Cost of raw material and components represents invoice value plus other charges paid thereon.

Stock-in-Transit : At cost accumulated upto the balance sheet date.

Stock in trades are regularly reviewed by the management and any obsolete items are brought down to their NRV.

5.11 Trade Debts and other Receivables

Trade debts and other receivables are stated at original invoice amount less provision for doubtful debts, if any. Provision for doubtful debts / other receivables is based on the management's assessment of customers' outstanding balances and creditworthiness. Bad debts are written-off when identified.

5.12 Post Employment Benefits - Defined Benefit Plan

The Company operates an unfunded gratuity scheme for its staff during the year the company has not made the provision for gratuity due to all the employees are contractual.

5.13 Foreign Currency Translation

Transactions in foreign currencies are initially recorded using the rates of exchange ruling at the date of transaction. Monetary assets and liabilities in foreign currencies are translated into Rupees at the exchange rates prevailing on the balance sheet date. In order to hedge its exposure to foreign exchange risks, the company enters into forward exchange contracts. Such transactions are translated at contracted rates. All exchange differences are included in the Profit and Loss Account.

5.14 Revenue Recognition

Rentals are recognised as income on an accrual basis, as and when rentals become due.

Revenue from supply of electricity is recognised on issue of bills on monthly basis to its customers. Performance obligation satisfied when supplied the Electricity.

Unrealized gains/(losses) arising on revaluation of securities classified as “financial assets at fair value through other comprehensive income in the income statement in the period in which they arise.

Dividend income is recognized on the basis of declaration by the investee company.

Other Income/Scrap Sales is recognized on accrual Basis.

Gain on Sale of Fixed Assets is recorded when the title is transferred in favor of transferor.

5.15 Provisions

Provision is recognized in the balance sheet when the company has a legal or constructive obligation, and, as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and that a reliable estimate can be made for the amount of this obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

5.16 Financial instruments

5.16.1 Financial asset

The financial assets of the Company mainly include trade debts, loans, deposits, long-term investments, other receivables and cash and bank balances.

On initial recognition, a financial asset is classified as measured at: amortised cost; Fair Value through Other Comprehensive Income (FVOCI) – debt investment; FVOCI – equity investment; or Fair Value through Profit or Loss (FVTPL). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. Based on the business model of the Company, the financial assets of the Company are measured and classified under IFRS 9 as follows;

Trade debts and other financial assets are measured at amortised cost using the effective interest rate method less an allowance for expected credit losses, if any.

5.16.2. Financial liabilities

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs. For the purpose of subsequent measurement financial liabilities are either classified at amortized cost or fair value through profit or loss. The Company does not have any financial liability at fair value through profit or loss.

5.16.3. Impairment of financial assets - allowance for expected credit losses

Impairment of financial assets - allowance for expected credit losses ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive. The shortfall is then discounted at an approximation to the asset’s original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company.

At each date of statement of financial position, the Company assesses whether financial assets are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the respective asset.

The Company uses the standard's simplified approach and calculates ECL based on life time ECL on its financial assets. The Company has established a provision matrix that is based on the Company's historical credit loss experience, adjusted for forward-looking factors specific to the financial assets and the economic environment.

5.16.4. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

5.16.5 Impairment of non-financial assets

The carrying amounts of non-financial assets other than inventories and deferred tax assets are assessed at date of statement of financial position to ascertain whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount is estimated to determine the extent of impairment loss, if any. An impairment loss is recognised, as an expense in the statement of profit or loss. The recoverable amount is the higher of an asset's fair value less cost of disposal and value in use. Value in use is ascertained through discounting of the estimated future cash flows using a discount rate that reflects current market assessments of the time value of money and the risk specific to the assets.

5.17 Related Party Transaction

All transactions with related parties are carried out by the company at mark to market basis with the exception of loan taken from related parties which are interest/mark up free. Prices for these transactions are determined on the basis of admissible valuation methods.

5.18 Loan, Advances and other Receivables

Loans, advances and other receivables are recognized initially at cost, and subsequently at their amortized/ residual cost.

5.19 Dividends and Appropriation to Reserve

Dividend and appropriation to reserve and recognized in the financial statements in the period in which these are approved.

5.20 Contingent Liability

A contingent liability is disclosed in the financial statements unless the possibility of an out flow of resources embodying economic benefits is remote.

5.21 Contingent Assets

A contingent asset is disclosed where in inflow of economic benefits is probable.

5.22 Trade and Other Payables

Trade and other payables are stated at their cost.

5.23 Borrowing Cost

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

5.24 Cash and cash equivalents

For the purpose of cash flow statement, cash and cash equivalents comprise of cash in hand, bank balances

5.25 Dividend and Appropriation to reserves

Dividend and appropriation to reserve are recognised in the financial statements in the period in which these are approved.

5.26 Earnings per share

The Company presents basic and diluted earnings per share (EPS). Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for the effects of all dilutive potential ordinary shares.

6 Issued, Subscribed and Paid-up Capital

No. of Ordinary Shares of Rs. 10/- each

2023	2022		2023	2022
			Rupees	
15,000,000	15,000,000	Fully Paid in cash	150,000,000	150,000,000
<u>15,000,000</u>	<u>15,000,000</u>		<u>150,000,000</u>	<u>150,000,000</u>

7 Trade and Other Payables

		2023	2022
		Rupees	
Accrued Expenses		1,504,679	2,204,883
Gratuity Payable	7.1	78,428	78,428
Zakat Payable		381,808	381,808
With holding tax Payable		30,000	30,000
Other Liability		288,934	288,934
Sales tax Payable	18.3	2,576,556	1,786,200
		<u>4,860,405</u>	<u>4,770,253</u>

7.1 In the year 2000 the company has closed operations therefore the same Gratuity amount has been Freeze and not paid yet to the employees management feels the same will be paid when the Employee claim the same amount.

8 Unclaimed dividend

As per the provision of Section -242 of the Companies Act, 2017 and directives of the Securities and Exchange Commission of Pakistan vide circular no. 18 dated 01 August, 2017, cash dividend will only paid through electronic mode directly in the bank accounts of shareholders, accordingly this unpaid dividend pertains to those shareholders who did not provided their valid bank accounts details.

9 Provision for Taxation

	2023	2022
	Rupees	
Balance at the beginning of the year	4,357,850	-
Provision made during the year	1,101,437	4,357,850
	5,459,287	4,357,850
Payment/ Adjusted during the year	(4,357,850)	-
	<u>1,101,437</u>	<u>4,357,850</u>

The income tax returns of the company has been filed up to tax year 2021 to income tax department and the assessments of the company have been finalized up to and including the tax year 2020. However, the commissioner of income tax may at any time during a period of five years from the date of filling of return may select the deemed assessment for audit.

Further the management feels that the Provision for tax on Other income will be Provided in the financial statement and the Income tax Return when the Investee company will pay the same after deduction of Income tax on the same interest amount therefore this year no Provision is made in these accounts for the year ended June 30, 2022 on the same amount.

upto the last year as eper the operations of the company is exempt from levy of Income tax under clause 132 of the second Schedule to the income tax ordinance, 2001, therefore, the company has note made provision for taxation in the financial Statement.

10 Contingencies and Commitments

10.1 Guarantees issued by banks	nil	nil
10.2 Letters of Credit in respect of committed capital expenditures	nil	nil
10.3 Letters of Credit for other than capital expenditures	nil	nil

10.4 The company did not charge sales tax on Sales made during the years June 30, 2016 to 2021 on Sales amounting to Rs. 148.998 (2020: Rs. 132.964)million.

10.5 The Company has filed suit for declaration and permanent injunction bearing # 494/2023 before the Hon'ble Sindh High Court against illegalities committed by the Acquirer who had preferred an intention to take over more than 51% shares and control of the Company. The Hon'ble High Court was pleased to pass a status quo order in respect of the management of the Company.

11 Tangible Fixed Assets

Property, Plant and Equipment	3,181,835	3,535,438
	<u>3,181,835</u>	<u>3,535,438</u>

Property, Plant and Equipment - At cost less accumulated depreciation

Particulars	2023					2022				Written Down Value As At June 30, 2023
	Cost/Revaluation			As at June 30, 2023	Rate %	Depreciation			As at June 30, 2022	
	As at July 01, 2022	Additions / Transfers/ (Deletion)	Revaluation			As at July 01, 2022	Transfer/ (Deletion)	For the year		
	<i>Rupees</i>					<i>Rupees</i>				
Owned										
Lease hold land 10.1	--	--	--	--	--	-	--	--	--	--
Factory Building	8,498,610	--	--	8,498,610	10	8,079,989	--	41,862	8,121,851	376,759.25
Plant and Machinery 10.3	57,026,560	--	--	57,026,560	10	53,980,362	--	304,620	54,284,982	2,741,578.23
Electrical Installations	496,144	--	--	496,144	10	470,542	--	2,560	473,102	23,042.22
Furniture and Fixture	896,000	--	--	896,000	10	851,865	--	4,413	856,279	39,721.49
Office Equipments	187,700	--	--	187,700	20	187,380	--	64	187,444	255.85
Air Conditioner and Refrig.	5,900	--	--	5,900	10	5,609	--	29	5,639	261.47
Vehicles	156,000	--	--	156,000	20	155,734	--	53	155,787	212.86
Computers	23,500	--	--	23,500	30	23,495	--	1	23,497	3.29
Jun-23	67,290,414	--	--	67,290,414		63,754,976	--	353,603	64,108,579	3,181,835
Jun-22	67,290,414	--	--	67,290,414		63,362,067	--	392,909	63,754,976	3,535,438

Allocation of Depreciation

Depreciation for the period has been allocated as follows:

Cost of Sales	349,042	387,825
Administrative and General Expense	4,561	5,085
	<u>353,603</u>	<u>392,909</u>

- 11.1 The Building and Plant & Machinery are situated/installed on the associated company's premises
- 11.2 Register of fixed assets 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 not to be updated and could also not be made available to the auditors. However, subsequently the Company is maintaining the same on computer.
- 11.3 During the year the Company has provided the generators on rental basis. The generators have been installed at related party's premises.

Particulars	2022									
	Cost/Revaluation				Rate %	Depreciation				Written Down Value As At June 30, 2022
	As at July 01, 2021	Additions / Transfers/ (Deletion)	Revaluation	As at June 30, 2022		As at July 01, 2021	Transfer/ (Deletion)	For the year	As at June 30, 2022	
	Rupees					Rupees				
Owned										
Lease hold land	--	--	--	--	--	--	--	--	--	--
Factory Building	8,498,610	--	--	8,498,610	10	8,033,475	--	46,513	8,079,989	418,621
Plant and Machinery	57,026,560	--	--	57,026,560	10	53,641,896	--	338,466	53,980,362	3,046,198
Electrical Installations	496,144	--	--	496,144	10	467,697	--	2,845	470,542	25,602
Furniture and Fixture	896,000	--	--	896,000	10	846,961	--	4,904	851,865	44,135
Office Equipments	187,700	--	--	187,700	20	187,300	--	80	187,380	320
Air Conditioner and Refrig.	5,900	--	--	5,900	10	5,577	--	32	5,609	291
Vehicles	156,000	--	--	156,000	20	155,667	--	67	155,734	266
Computers	23,500	--	--	23,500	30	23,493	--	2	23,495	5
Jun-21	67,290,414	--	--	67,290,414		63,362,067	--	392,909	63,754,976	3,535,438
Jun-21	67,290,414	--	--	67,290,414		62,925,480	--	436,587	63,362,067	3,928,347

Allocation of Depreciation

Depreciation for the period has been allocated as follows:

	June 2022	June 2021
Cost of Sales	387,825	430,916
Administrative and General Expense	5,085	5,671
	<u>392,909</u>	<u>436,587</u>

2023 2022
Rupees

12 Long Term Investment

Related Parties - at fair value through other Comprehensive income	12.1	42,202,850	42,308,000
Others marketable securities - At Cost	12.2	34,594,845	34,594,845
		<u>76,797,695</u>	<u>76,902,845</u>

12.1 Related Parties - at fair value through other Comprehensive income

Related Parties:				Rupees		Rupees	
June 2023	June 2022			June 2023	June 2022	June 2023	June 2022
No. of Shares/ Units	No. of Shares/ Units	Name of Company		Cost	Fair Value	Cost	Fair Value
		Quoted					
13.1.1	701,000	701,000 First Tri Star Modaraba		7,010,000	5,502,850	7,010,000	5,608,000
		Un-quoted					
13.1.2.	3,670,000	3,670,000 Tri-Star Energy Ltd.		36,700,000	36,700,000	36,700,000	36,700,000
				<u>43,710,000</u>	<u>42,202,850</u>	<u>43,710,000</u>	<u>42,308,000</u>
		Less: Provision for diminution in value of investment		<u>1,507,150</u>		<u>1,402,000</u>	
				<u>42,202,850</u>		<u>42,308,000</u>	

- The Break-up value of Tri-Star Energy Ltd., is determined on the basis of audited accounts for the year ended June 30, 2022. The accounts for the year ended 30.06.2023 has not been issued by the Company yet.
- Equity held by Tri-Star Power Ltd., in Tri-Star Energy Ltd., is 11.85% (2022: 11.85%).

12.2 Others marketable securities - At Cost

No. of Shares/ Units	No. of Shares/ Units	Name of Company	2023		2022	
			Cost	Fair Value	Cost	Fair Value
2,373,080	2,373,080	N.I.T. units	34,594,845	-	34,594,845	-
			<u>34,594,845</u>	<u>-</u>	<u>34,594,845</u>	<u>-</u>
		Less: Provision for diminution in value of investments				
			<u>34,594,845</u>		<u>34,594,845</u>	

Average Cost Price Rs. 14.578/Unit

Market value as at June 30, are as under

June 30 (2021: June 30) @ Rs. 64.76 . (2021: Rs.75.18) per unit

- 12.2.1** 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 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 Hon'ble High Court of Sindh, challenging the said act as being illegal. The Hon'ble High Court of Sindh, 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.
- 12.2.2.** 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.

	2023	2022
	Rupees	
13 Long term Loan to Related Party	<u>20,000,000</u>	<u>20,000,000</u>
	<u>20,000,000</u>	<u>20,000,000</u>
13.1 As per the Agreement the above loan are unsecured and interest bearing @ 10% (2022:10%) per approx annum. The above loans give the related parties to meet the working capital requirements of the related party and the same is not repayable till next twelve months till June 30, 2023 and extendable if mutually agreed.		
14 Stores, Spares & Loose Tools		
Stores and Spares	<u>145,624</u>	<u>356,349</u>
	<u>145,624</u>	<u>356,349</u>
15 Trade Debts - Considered Good		
Local Receivables - Considered Good (An Associated Party)	44,620,930	40,000,930
Considered Doubtful	--	--
	<u>44,620,930</u>	<u>40,000,930</u>
Provision for Doubtful debts	--	--
	<u>44,620,930</u>	<u>40,000,930</u>
15.1 The aging of debtors (Related Party) at the reporting date was:		
Up to one month	--	1,145,000
1 to 6 months	--	5,725,000
More than 6 months	6,870,000	6,870,000
More than one year	37,750,930	26,260,930
	<u>44,620,930</u>	<u>40,000,930</u>
15.2 Maximum amount due at any month during the year with Related Party amounting to 40.001 million (2021: Rs. 26.761million)		
16 Advance Deposits and Prepayments - Considered good		
Deposits	75,000	75,000
Dividend Receivable	--	420,600
Advance for Purchase	11,000,000	11,000,000
	<u>11,075,000</u>	<u>11,495,600</u>
17 Cash and Bank Balances		
Cash in Hand	43,885,616	44,425,161
Cash at Banks - Current Accounts	17.1 <u>5,011</u>	<u>97,679</u>
	<u>43,890,627</u>	<u>44,522,840</u>
17.1 The Company has conventional banking relationships with all the banks.		

18 SALES - Net

Gross Sales		--	--
Sales Tax	18.1	--	--
		--	--
Rental Income on Generator	18.2	6,870,000	13,740,000
Less: Sales Tax	18.3.	(790,356)	(1,786,200)
		<u>6,079,644</u>	<u>11,953,800</u>
		<u>6,079,644</u>	<u>11,953,800</u>

18.1 The Company has not filed Sales tax Return during the year and since 2016.

18.2 The Company entered into an agreement with related party Image Pakistan Limited provide Power Plant already installed in the premises of the said Company. The tenure of the Agreement is for twelve months from the date of the Agreement and extendable for the future period upon the agreement between the both the parties.

18.3. The Company has not filed Sindh Sales tax Returns as the company is in the process of registration with Sindh Revenue Board.

		2023	2022
		Rupees	
19 Cost of Operating Expenses /Sales			
Store consumed		210,725	1,639,200
Repairs and Maintenance		75,500	1,165,000
Depreciation		<u>349,042</u>	<u>387,825</u>
		<u>635,267</u>	<u>3,192,025</u>
20 Administrative and General Expenses			
Fee and Subscription		305,640	357,310
Auditors Remuneration	20.1	200,000	200,000
Advertisement Expenses		32,501	19,500
Postage		2,859	990
Registrar Services		65,212	258,083
Legal Expenses		1,000,000	-
Website Maintenance		35,000	-
Depreciation		4,561	5,085
		<u>1,645,773</u>	<u>840,968</u>
20.1 Auditors Remuneration			
Audit Fee		<u>200,000</u>	<u>200,000</u>
		<u>200,000</u>	<u>200,000</u>
21 Finance Cost			
Bank Charges and Commission		<u>545</u>	<u>190</u>
		<u>545</u>	<u>190</u>
22 Other Charges / Income			
Dividend Income		--	420,600
Interest Charge on loan to Related Party		<u>1,994,521</u>	<u>2,000,000</u>
		<u>1,994,521</u>	<u>2,420,600</u>
23 Earnings Per Share - Basic			
Profit after Taxation		<u>6,096,934</u>	<u>5,983,367</u>
Weighted Average Number of Ordinary Shares		<u>15,000,000</u>	<u>15,000,000</u>
Earnings Per Share - Basic	Rupees	<u>0.41</u>	<u>0.40</u>

24 Remuneration of Chief Executive, Director and Executives

No remuneration or meeting fee has been paid during the year to the Chief Executive, Director and Executives of the Company.

25 Related Party Transactions

Related parties comprise subsidiary, associated companies, companies where directors also hold directorship, key management personnel disclosed in note 23 above. Significant transactions with related parties during the year are as under:

Name of the related party	Relationship and percentage shareholding	Transactions during the year and year end balances	2023 (Rupees)	2022 (Rupees)
Image Pakistan Ltd	Associated company by virtue of common directorship	Markup for the year	1,994,521	2,000,000
		Lease Rental	6,079,644	11,953,800
		Loan receivable	20,000,000	20,000,000
		Maximum Balance due at end	44,620,930	40,000,930

The outstanding balance with related parties as at the year-end have been disclosed in the respective notes to the financial statements.

All transactions were carried out on commercial terms and conditions and were valued at arm's length price. Remuneration and benefits to key management personnel under the terms of their employment are given in Note 24 above.

	2023	2022
	Rupees	
26 Cash and Cash Equivalents		
Cash and Bank Balances	43,890,627	44,522,840
	<u>43,890,627</u>	<u>44,522,840</u>
27 Plant Capacity and Production	Mega Watts	Mega Watts
Actual Capacity/Day	10 Mega Watt	10 Mega Watt
Actual Electricity produced	27.1	--

27.1 As the reason disclosed in note 1.1 to the Financial statements, therefore, the Actual Production attained has not been determinable due to Production of Electricity depend upon the customer demand after Renting out the Plant.

28 OPERATING SEGMENT

These financial statements have been prepared on the basis of single segment basis.

in the year 2023 the Company Charged Rental on the Plant (2022: Revenue from sales of Electricity 100% of total revenue.)

All non current assets of the Company as at June 30, 2023 are located in Pakistan.

Revenue from single major customer of the Company represent 100% (2022: 100%) of total revenue of the Company

29 Financial Instruments

The Company has exposures to the following risks from its use of financial instruments:

Credit Risk

Liquidity Risk

Market Risk

The Board of Directors has overall responsibility for the establishment and oversight of Company's risk management framework. The Board is also responsible for developing and monitoring the Company's risk management policies.

29.1 Credit Risk

Credit risk is the risk that one party to the financial instruments will fail to discharge an obligation and cause the other party to incur a financial loss. The Company believes that it is not exposed to major concentration of credit risk. However, to reduce exposure to credit risk, if any, the management monitors the credit exposure towards the customers and makes provisions against those balances considered doubtful of recovery.

The maximum exposure to credit risk at the reporting date is:

	2023	2022
	Rupees	
Long term Loan to Related Party	20,000,000	20,000,000
Long Term Investment	76,902,845	76,902,845
Debtors	44,620,930	40,000,930
Cash with Banks in Current Accounts	43,890,627	44,522,840
	185,309,252	181,426,615

29.2 Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure as far as possible to always have sufficient liquidity to meet its liability when due.

The company is exposed to liquidity risk in respect of non current interest bearing liabilities, short term borrowings, trade and other payable and mark up accrued.

Particulars	2023				
	Carrying Amount	Contractual Cash Flows	Six months or Less	Six to twelve months	One to two year
Rupees					
Financial Liabilities					
Trade and other payables	4,860,405	4,860,405	4,595,193	265,212	-
Unclaimed Dividend	5,025,285	5,025,285	5,025,285		
	9,885,690	9,885,690	9,620,478	265,212	-

Particulars	2022				
	Carrying Amount	Contractual Cash Flows	Six months or Less	Six to twelve months	One to two year
Rupees					
Financial Liabilities					
Trade and other payables	4,770,253	4,770,253	4,292,670	477,583	-
Unclaimed Dividend	5,025,285	5,025,285	5,025,285		
	4,770,253	4,770,253	4,292,670	477,583	-

29.3 Market Risk

Market risk is the risk that the value of a financial instrument will fluctuate resulting in as a result of changes in market prices or the market price due to change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market.

29.4 Currency Risk

Foreign currency risk arises mainly due to conversion of foreign currency assets and liabilities into local currency. The Company is not exposed to foreign currency risk on foreign currency assets and liabilities.

29.5 Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates, At the balance sheet date there no interest rate profile of the Company.

29.6 Risk Management Policies

Risk management is carried out by the management under policies approved by board of directors. The board provides principles for overall risk management, as well as policies covering specific areas like foreign exchange risk, interest rate risk and investing excessive liquidity.

29.7 Capital Risk Management

The Company's objective when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure the Company may adjust the amount of dividends paid to shareholders, issue new shares and take other measures commensuration to the circumstances.

Consistent with others in the industry, the Company manages its capital risk by monitoring its debt levels and liquid assets and keeping in view future investment requirements and expectation of the shareholder. Debt is calculated as total borrowings ('long term loan' and 'short term borrowings' as shown in the balance sheet) (The Company has no Long term and short term Loans) . Total capital comprises share holders' equity as shown in the balance sheet under 'share capital and reserves'.

	2023	2022
	Rupees	
Total Borrowings	--	--
Less: Cash and Bank Balances	43,890,627	44,522,840
Net Debt	<u>(43,890,627)</u>	<u>(44,522,840)</u>
Total Equity	192,893,581	186,901,800
Total Capital	<u>149,002,954</u>	<u>142,378,960</u>
Gearing Ratio	<u>(0.29)</u>	<u>(0.31)</u>

29.8 Fair Value of Financial Instruments

Fair value is an amount for which an assets could be exchanged, or a liability settled, between knowledgeable willing parties in arm's length transaction. Consequently, differences may arise between the carrying value and the fair value estimates.

As at the reporting date the fair value of all financial assets and liabilities are estimated to approximate their carrying values and Disclosed in relevant notes to the financial Statements.

30 Number of Employees

Number of persons employed contractual and Permanent as at year end were nil (2022: nil) and the average number of persons employed during the year were nil (2022: nil).

31 General

a. Figures have been rounded off to the nearest rupee.

b. Functional and Presentation Currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the company operates. The financial Statements are presented in Pakistani rupees, which is the Company's functional and Presentational currency.

c. Corresponding figures

The corresponding figures have been rearranged and reclassified, wherever considered necessary for Comparison.

Chief Executive

Director

Chief Financial Officer

**Pattern of Shareholding
As At June 30, 2023**

Number of Shareholders	Shareholding		Total Shares Held
	From	To	
838	1 -	100	74,673
2,513	101 -	500	1,064,523
815	501 -	1,000	775,601
665	1,001 -	5,000	1,657,403
109	5,001 -	10,000	859,900
22	10,001 -	15,000	283,200
40	15,001 -	20,000	749,300
19	20,001 -	25,000	439,000
5	25,001 -	30,000	144,400
6	30,001 -	35,000	198,300
7	35,001 -	40,000	279,000
6	40,001 -	45,000	263,900
12	45,001 -	50,000	593,500
1	50,001 -	55,000	55,000
6	55,001 -	60,000	352,500
2	65,001 -	70,000	137,000
2	70,001 -	75,000	150,000
1	75,001 -	80,000	75,400
2	80,001 -	85,000	170,000
3	85,001 -	90,000	270,000
3	95,001 -	100,000	298,500
2	100,001 -	105,000	208,500
2	115,001 -	120,000	237,000
1	125,001 -	130,000	129,400
3	150,001 -	155,000	457,000
2	155,001 -	160,000	318,500
1	175,001 -	180,000	176,500
2	195,001 -	200,000	400,000
1	200,001 -	205,000	205,000
1	205,001	210,000	208,500
1	305,001	310,000	231,000
5	245,001	250,000	1,245,000
1	415,001	420,000	420,000
1	595,001	600,000	600,000
1	625,001	630,000	630,000
1	640,001	645,000	642,500
5,102			15,000,000

Proxy Form

I, _____ of _____ being a member of Tri-Star Power Ltd., Karachi and holder of _____ Shares as per R.F. No. _____ and/or CDC Participant I.D. No. _____ and Sub Account No. _____ hereby appoint _____ of _____ or failing him _____ of _____ as my proxy to attend and vote for me and on my behalf at the Annual General Meeting of the Company to be held on October 27, 2023 at A/33, Central Commercial Area, Block 7/8, Main Shahrah-e-Faisal, Karachi and at any adjournment thereof.

As witness my hand this _____ day of _____, 2023.

Signed by the said _____

Please affix Rs. 5/- Revenue Stamp

To be signed over Revenue Stamp

- IMPORTANT:**
- a) This form of proxy duly completed must be received at the office of the Company at A/33, Central Commercial Area, Block 7/8, Main Shahrah-e-Faisal, Karachi, not later than 48 hours before the time of holding the meeting.
 - b) CDC Shareholders and their Proxies must each attach an attested photocopy of their National Identity Card or Passport with their proxy form.
 - c) A proxy should also be a share holder of the Company.