

Tri-Star Power Ltd.



HALF YEARLY REPORT
DECEMBER 31, 2023 (Un-audited)

Company Information

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

Auditors: M/s. 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

Directors' Report

For the half year ended December 31, 2023

The accounts of Tri-Star Power Ltd., for the half year ended December 31, 2023 are presented herewith.

The suspension of gas supply during the quarter October – December 2023 has badly affected the performance of the Company and the situation has not improved till our writing this report.

On behalf of the Board

Asad Ahmad
Chief Executive

Jawed Ahmed Siddiqui
Director

Place: Karachi.

Dated: February 27, 2024

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

Introduction

We have reviewed the accompanying Condensed interim Statement of financial Position of Tri-Star Power Limited ("the company") as at December 31, 2023 and the related Condensed interim statement of profit or loss and other comprehensive income, Condensed interim Statement of cash flow, Condensed interim statement of changes in equity and the notes to the Condensed interim financial statement for the six months period then ended (hereinafter referred to as the "interim financial statements"). Management is responsible for the preparation and Presentation of these interim financial statements in accordance with approved accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review. The figures of the condensed interim statement of profit or loss and other comprehensive income for the quarters ended 31 December 2022 and 31 December 2023 have not been reviewed, as we are required to review only the cumulative figures for the half year ended 31 December 2023.

Scope of Review

We conducted our review in accordance with the International Standard on review engagements 2410, "Review of interim financial Information performed by the independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis of qualified Opinion

- a) We have not been able to verify the investment made in units of National Investment Trust (NIT) amounting to Rs. 34,594,845 (June 30, 2023: Rs. 34,594,845) as disclosed in note 6.2 to the condensed interim financial statements. Further, No provision has been made in the accounts for the NIT investments the recovery and realization of which are doubtful, the same has been explained in Note No. 6.2.1 to the condensed interim 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 (June 30, 2023: Rs. 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 Limited and Tri-Star Energy Limited and as Available for sales investment in note 6.1 to the condensed interim financial Statements. Due to Common control and Common directorship, 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 same the as latest audited accounts are not available as of reporting date.

Qualified Conclusion

Based on our review, except for the matter discussed in the preceding paragraph (a) to (c) and its effects, nothing has come to our attention that causes us to believe that these accompanying interim financial statements as of and for the six months period ended December 31, 2023 are not prepared, in all material respects, in accordance with approved accounting and reporting standards as applicable in Pakistan for interim financial Reporting.

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

sd/-

Feroze Sharif Tariq & Co.
Chartered Accountants
Place Karachi.

Dated: February 29, 2024

UDIN No. RR202310129ir8XYCvFE

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED) AS AT DECEMBER 31, 2023

	(Un-audited) Dec 31, 2023	(Audited) June 30, 2023
	Notes	
	(Rupees)	
<u>EQUITY AND LIABILITIES</u>		
<u>CAPITAL & RESERVES</u>		
<u>Authorized Capital</u>		
15,000,000 (2023: 15,000,000) Ordinary Shares of Rs. 10/- each	150,000,000	150,000,000
Issued, Subscribed and Paid-up Capital	150,000,000	150,000,000
General Reserve	70,000,000	70,000,000
<u>Revenue Reserve</u>		
Unrealized gain / (loss) due to change in fair value of investment through other Comprehensive Income	1,612,300	(1,507,150)
Accumulated (Loss)	(33,190,351)	(25,599,268)
Shareholders Equity	188,421,949	192,893,582
<u>CURRENT LIABILITIES</u>		
Trade and Other Payables	18,172,938	4,860,405
Unclaimed Dividend	5,025,285	5,025,285
Provision for taxation	1,176,437	1,101,437
	24,374,660	10,987,127
Contingencies and Commitments		
	212,796,609	203,880,709
<u>ASSETS</u>		
<u>NON-CURRENT ASSETS</u>		
Tangible Fixed Assets		
Property, Plant and Equipments	3,022,719	3,181,835
Long Term Investments	6 79,917,145	76,797,695
Long term Loan to Related Party	7 20,000,000	20,000,000
<u>CURRENT ASSETS</u>		
Stores, Spares and Loose Tools	145,624	145,624
Trade Debtors - unsecured	49,970,930	44,620,930
Interest Receivable from Related Party	5,002,740	3,994,521
Advance Deposits and Prepayments - Considered good	11,075,000	11,075,000
Income Tax Refunds and Advances	174,477	174,477
Cash and Bank Balances	43,487,974	43,890,627
	109,856,745	103,901,179
	212,796,609	203,880,709

The annexed notes form an integral part of these accounts.

Asad Ahmad
Chief Executive

Jawed Ahmed Siddiqui
Director

Mohammad Zameer
Chief Financial Officer

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2023

	Cumulative upto December 2023 Rupees	Cumulative upto December 2022 Rupees	Quarter Oct. - Dec. 2023 Rupees	Quarter Oct. - Dec. 2022 Rupees
Revenue	5,000,000	6,079,644	5,000,000	3,039,822
Cost of Sales	(157,069)	(980,571)	(78,534)	(467,941)
Gross Profit	4,842,931	5,099,073	4,921,466	2,571,881
<u>Operating Expenses</u>				
Administrative and General Expenses	(13,367,128)	(206,411)	56,207	(120,130)
	(8,524,196)	4,892,662	4,977,492	2,451,751
Financial Expenses	(105)	(355)	(105)	(155)
	(8,524,301)	4,892,307	4,977,387	2,451,596
Other Income	1,008,219	1,002,740	504,110	498,630
	(7,516,082)	5,895,047	5,481,497	2,950,226
Taxation	(75,000)	(1,418,769)	(75,000)	(710,963)
Net Profit for the year	(7,591,082)	4,476,278	5,406,497	2,239,263
Earning per share - basic & diluted	(0.51)	0.30	0.36	0.15

The annexed notes form an integral part of these accounts.

Asad Ahmad
Chief Executive

Jawed Ahmed Siddiqui
Director

Mohammad Zameer
Chief Financial Officer

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2023**

	Half year ended		Quarter ended	
	Dec 31, 2023	Dec 31, 2022	Dec 31, 2023	Dec 31, 2022
	(Rupees)		(Rupees)	
(Loss) / Profit for the Year	(7,591,082)	4,476,278	5,406,497	2,239,263
Other comprehensive Income:				
Unrealized gain / (loss) due to change in fair value of investment through other Comprehensive Income	3,119,450	1,682,400	(2,593,700)	3,357,790
Total comprehensive Income for the period	(4,471,632)	6,158,678	2,812,797	5,597,053

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

Asad Ahmad
Chief Executive

Jawed Ahmed Siddiqui
Director

Mohammad Zameer
Chief Financial Officer

**CONDENSED INTERIM STATEMENT OF CASH FLOW (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2023**

	December 31, 2023	December 31, 2022
	(Rupees)	
<u>CASH FLOW FROM OPERATING ACTIVITIES</u>		
(Loss)/Profit before Taxation	(7,516,082)	5,895,047
<u>Adjustment for Non-Cash and Other Items:</u>		
Depreciation	159,115	176,802
Financial Expenses	105	355
	159,220	177,157
	(7,356,862)	6,072,204
<u>Working Capital Changes</u>		
<i>(Increase) / Decrease in Current Assets</i>		
Stores and Spares	--	285,700
Trade debtors	(5,350,000)	(6,470,000)
Advances, Deposits and Prepayments	--	420,600
Interest Receivable from Related Party	(1,008,219)	(1,002,740)
<i>Increase / (Decrease) in Current Liabilities</i>		
Trade and Other Payables	13,312,533	44,940
	6,954,314	(6,721,500)
Taxes Paid	--	(63,090)
Financial charges Paid	(105)	(355)
	(105)	(63,445)
Net Increase in Cash and Cash Equivalents	(402,653)	(712,741)
Cash and Cash Equivalents at the Beginning	43,890,627	44,522,841
Cash and Cash Equivalents at the End	43,487,974	43,810,100

The annexed notes form an integral part of these accounts.

Asad Ahmad
Chief Executive

Jawed Ahmed Siddiqui
Director

Mohammad Zameer
Chief Financial Officer

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 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, 2022	150,000,000	70,000,000	(1,402,000)	(31,696,201)	186,901,799
Net Profit for the year ended December 2022	--	--		4,476,278	4,476,278
Other Comprehensive income			1,682,400		1,682,400
Total Comprehensive income	--	--	1,682,400	4,476,278	6,158,678
Balance as on December 31, 2022	<u>150,000,000</u>	<u>70,000,000</u>	<u>280,400</u>	<u>(27,219,923)</u>	<u>193,060,477</u>
Balance as on June 30, 2023	150,000,000	70,000,000	(1,507,150)	(25,599,269)	192,893,581
Net (Loss) for the year ended December 2023	--	--		(7,591,082)	(7,591,082)
Other Comprehensive income			3,119,450		3,119,450
Total Comprehensive income	--	--	3,119,450	(7,591,082)	(4,471,632)
Balance as on December 31, 2023	<u>150,000,000</u>	<u>70,000,000</u>	<u>1,612,300</u>	<u>(33,190,351)</u>	<u>188,421,949</u>

The annexed notes form an integral part of these accounts.

Asad Ahmad
Chief Executive

Jawed Ahmed Siddiqui
Director

Mohammad Zameer
Chief Financial Officer

CONDENSED INTERIM NOTES TO THE ACCOUNTS FOR THE HALF YEAR ENDED DECEMBER 31, 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 Power Generation Plant on Rent basis to the Customers. The company has temporary Closed its operations in year 2000 and restarted in 2016.

- 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 can't 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 resumes its operation 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 obtained from Related Party of the Company to install the Plant as disclosed in note 11.3 to the financial Statements.

2 BASIS OF PREPARATION

These condensed interim financial statements of the Company for the half year ended 31 December 2023 have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards applicable in Pakistan for interim financial reporting comprise of International Accounting Standard (IAS) 34, "Interim Financial Reporting", issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017, and provisions of and directives issued under the Companies Act, 2017. Where provisions of and directives issued under the Companies Act, 2017 differ from the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

These condensed interim financial statements do not include all the information and disclosures required in the annual audited financial statements, and should be read in conjunction with the Company's annual audited financial statements for the year ended 30 June 2023.

3 SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES

The accounting policies and methods of computation adopted and applied in the preparation of these condensed interim financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 30 June 2023.

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

There are certain new standards, amendments to existing standards and new interpretations on approved accounting standards that became effective during the period and are mandatory for accounting periods of the Company beginning on or after July 01, 2023 but are considered not to be relevant or not to have any material effect on the Company's operations and are, therefore, not disclosed in these condensed interim financial statements.

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

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

5 ACCOUNTING EXTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

The preparation of these condensed interim financial information in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events, revision to accounting estimates are recognized prospectively commencing from the period of revision.

Judgements and estimates made by management in the preparation of these condensed interim financial informations are the same as those that were applied to the financial statements as at and for the year ended June 30, 2023.

The Company's financial risk management objectives and policies are consistent with those objectives and pollicies which were disclosed in the financial statements of the Company for the year ended June 30, 2023

Dec 31, 2023 June 30, 2023
(RUPEES)

6 INVESTMENTS**Related Parties - at fair value through other Comprehensive income**

- Quoted equity securities - regular market trade	6.1	45,322,300	42,202,850
Others marketable securities - At Cost	6.2	34,594,845	34,594,845
		79,917,145	76,797,695

6.1 Related Parties - at fair value through other Comprehensive income

Cost		43,710,000	43,710,000
Unrealized Gain/(Loss) due to Change in the value of Investments		1,612,300	(1,507,150)
		45,322,300	42,202,850

6.2 Others marketable securities - At Cost

N.I.T. units		34,594,845	34,594,845
		34,594,845	34,594,845

6.2.1 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 Honorable High Court of Sind, challenging the said act as being illegal. The Honorable High Court of Sind, vide its Order dated July 31, 1998, held that the presence of irregularities and malafides in the act of the Income Tax Department cannot be ruled out. Further, the remaining two ingredients namely balance of convenience and causing irreparable loss and injury, also exists in favor of the company. Further, the Income Tax Department was directed to submit their report keeping in view the provisions of Section 146(c) of The Income Tax Ordinance, 1979, declaring how much more time they would need to return the impounded documents and records. The matter is now in evidence stage.

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

7 Loan to Related Party

20,000,000 20,000,000

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.

Dec 31, 2023 Dec 31, 2022
(RUPEES)

8 Revenue / Rental Income on Generator		5,675,000	6,870,000
Less: Sales Tax		(675,000)	(790,356)
	8.1	5,000,000	6,079,644

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

9 CORRESPONDING FIGURES

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

10 Date of Authorization for issue

These financial statements were authorized for issue on February 27, 2024 by the Board of Directors of the Company.

11 General

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

Asad Ahmad
Chief Executive

Jawed Ahmed Siddiqui
Director

Mohammad Zameer
Chief Financial Officer