

# Tri-Star Mutual Fund Limited



**UNAUDITED ACCOUNTS FOR  
1<sup>ST</sup> QUARTER ENDED  
SEPTEMBER 30, 2021**

## Company Information

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

Mr. Habib Jamal Independent Director

Mr. Asad Ahmad Chief Executive

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

Auditors: Feroze Sharif Tariq & Co.  
Chartered Accountants

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

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

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

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

## **Directors' Report** **For the 1<sup>st</sup> Quarter ended September 30, 2021**

The Board of Directors of Tri-Star Mutual Fund Ltd., are pleased to present 1<sup>st</sup> Quarterly Accounts for the period ended September 30, 2021.

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

By order and on behalf of the Board

**ASAD AHMAD**  
Chief Executive

Karachi: October 29, 2021

## Condensed Interim Statement of Financial Position

as at September 30, 2021

	September 2021	June 2021
	Rupees	
<b>ASSETS</b>		
<b>NON CURRENT ASSETS</b>		
Long Term Deposits	12,500	12,500
<b>CURRENT ASSETS</b>		
Investments	83,632,827	87,653,832
Advance Income Tax	230,496	227,918
Other Receivables	5,422	5,422
Balances with Bank	51,635	49,029
	<u>83,920,381</u>	<u>87,936,201</u>
<b>TOTAL ASSETS</b>	<b>83,932,881</b>	<b>87,948,701</b>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Payable to Investments Adviser-. an associated co	11,772,929	11,552,929
Accrued expenses	4,818,990	4,928,990
Unclaimed Dividend	426,082	426,082
	<u>17,018,001</u>	<u>16,908,001</u>
<b>NET ASSETS</b>	<b>66,914,880</b>	<b>71,040,700</b>
<b>AUTHORISED SHARE CAPITAL</b>		
20,000,000 Certificates of Rs. 10/- each	<u>200,000,000</u>	<u>200,000,000</u>
<b>CERTIFICATE CAPITAL AND RESERVES</b>		
Certificate Capital	50,000,000	50,000,000
Unrealized Profit/(Loss) due to Change in Fair value of Investment	(7,286,411)	(5,838,171)
Unappropriated Profit	24,201,291	26,878,870
<b>TOTAL CERTIFICATE HOLDERS' FUND</b>	<b>66,914,879</b>	<b>71,040,700</b>
<b>Net Assets value per certificate - Rupees</b>	<b>13.38</b>	<b>14.21</b>
<b>CONTINGENCIES &amp; COMMITMENTS</b>		

Asad Ahmad  
Chief Executive

Marium Ahmad  
Director

Mohammad Zameer  
Chief Financial Officer

## Condensed Interim Statement of Profit or Loss (Unaudited)

For the quarter ended September 30, 2021

	September 2021	September 2020
	Rupees	
<b>INCOME</b>		
<b>Profit/(Loss) from Operation</b>	(2,555,580)	8,029,225
<b>OPERATING EXPENSES</b>		
Administrative Expenses	122,000	12,000
	122,000	12,000
<b>Profit/(Loss) before taxation</b>	(2,677,580)	8,017,225
Taxation	-	-
<b>Profit/(Loss) after taxation</b>	(2,677,580)	8,017,225
<b>Other comprehensive Income/(Loss) for the year:</b>	(1,448,241)	(2,202,435)
<b>Total comprehensive Income/(Loss) for the year</b>	(4,125,820)	5,814,791
<b>Earning/(Loss) per certificate (Rupees)</b>		
With net unrealized diminution on remeasurement of investments	(0.83)	1.16
Without net unrealized diminution on remeasurement of investments	(0.54)	1.60

Asad Ahmad  
Chief Executive

Marium Ahmad  
Director

Mohammad Zameer  
Chief Financial Officer

## Condensed Interim Statement of Cash Flows (Unaudited)

For the quarter ended September 30, 2021

	September 2021	September 2020
	Rupees	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
(Loss) before Taxation	(2,677,580)	8,017,225
<b>Adjustment for non-cash changes and other items:</b>		
Dividend Income	(17,184)	(316)
Unrealized diminution on re-measurement of investments classified as 'Financial Assets at fair value through profit or loss' - net	2,572,764	(8,028,909)
	<u>2,555,580</u>	<u>(8,029,225)</u>
Operating cash (outflow)/inflow before working capital changes	(122,000)	(12,000)
<b>Decrease/(Increase) in assets</b>		
Other receivables	-	-
<b>(Decrease)/Increase in liabilities</b>		
Due to Investment Advisor	220,000	-
Accrued Expenses and other Liabilities	(110,000)	-
Net cash (outflow) from operating activities	<u>(12,000)</u>	<u>(12,000)</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Dividend Income	17,184	316
Net cash (outflow)/inflow from investing activities	<u>17,184</u>	<u>316</u>
	5,184	(11,684)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Income tax Paid	(2,578)	(47)
Net cash used in financing activities	<u>(2,578)</u>	<u>(47)</u>
Net increase/(decrease) in Cash and Cash Equivalent	2,606	(11,731)
Cash and Cash Equivalent at the beginning of the year	<u>49,028</u>	<u>32,956</u>
Cash and Cash Equivalent at the end of the year	<u><u>51,634</u></u>	<u><u>21,225</u></u>

Asad Ahmad  
Chief Executive

Marium Ahmad  
Director

Mohammad Zameer  
Chief Financial Officer

## Condensed Interim Statement of Changes in Equity

For the quarter ended September 30, 2021

Particulars	Certificate Capital	Unrealized Gain/(Loss) due to Change in the value of Investments	Accumulated (Loss)/ Unappropriated Profit	Total
		.....(Rupees) .....		
Balance as at June 30, 2020	50,000,000	(8,982,355)	5,957,572	46,975,217
Total Comprehensive income for the year	-	(2,202,435)	8,017,225	5,814,791
Balance as at September 30, 2020	<u>50,000,000</u>	<u>(11,184,790)</u>	<u>13,974,798</u>	<u>52,790,007</u>
Balance as at June 30, 2021	50,000,000	(5,838,171)	26,878,870	71,040,699
Total Comprehensive (Loss) for the year		(1,448,241)	(2,677,580)	(4,125,820)
<b>Balance as at September 30, 2021</b>	<b>50,000,000</b>	<b>(7,286,411)</b>	<b>24,201,291</b>	<b>66,914,879</b>

Asad Ahmad  
Chief Executive

Marium Ahmad  
Director

Mohammad Zameer  
Chief Financial Officer

## **NOTES TO THE ACCOUNTS FOR THE QUARTER ENDED SEPTEMBER 30, 2021**

### **1 Legal Status and Nature of Business**

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

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

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

### **2 Summary of significant events during the year**

The coronavirus (COVID-19) outbreak situation emerged last year in March 2020, has caused governments around the world to implement measures to help control its spread, including, smart lock-downs, travel bans, quarantines, social-distancing closures or reduced operations for non-essential businesses, governmental agencies, schools and other institutions and vaccination.

General economic activities in Pakistan was although affected but continued since then. Stock markets and financial institutions remained open throughout the year. Activities of the Fund were operation during the year as staff of the Management Company were working without any disruption either from office or online remotely.

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.

### **3 BASIS OF PREPARATION**

#### **3.1 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 Standards (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017; and
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed have been followed.

#### **3.2 Basis of measurement**

These financial statements have been prepared under the historical cost convention, except for the investments which are stated at fair value.

#### **3.3 Functional and presentation currency**

These financial statements are presented in Pak Rupees, which is the functional and presentation currency of the Fund. All amounts have been rounded off to the nearest of Rupee, unless otherwise indicated.

**Available for sale - Quoted equity securities**  
**Shares/ Certificates of associated companies**

Name of Company	Number of Shares as on June 30, 2021	Cost of Shares as on June 30, 2021	Market value of Shares as on June 30, 2021	Shares Purchased during the year	Bonus Shares Received during the year	Shares sold during the year	Balance as at September 30, 2021			Percentage in relation to Investee Companies	
							Number of Shares	At Cost (Rupees)	At Market Value (Rupees)	Paid-up Capital	No. of Shares
<b>EQUITY INVESTMENTS</b>											
<b>INSTRUMENTS</b>											
First Tri-Star Modaraba	670,067	9,698,250	8,007,301	-	-	-	670,067	9,698,250	6,700,670	4.58	3.17
<b>ELECTRICITY</b>											
Tri-Star Power Ltd.	119,000	4,964,750	817,530	-	-	-	119,000	4,964,750	675,920	3.31	0.79
		14,663,000	8,824,831					14,663,000	7,376,590		
Provision for Diminution in value of Investments		(5,838,169)						(7,286,410)			
		<u>8,824,831</u>						<u>7,376,590</u>			

**Investments - financial assets at fair value through profit or loss - held for trading**

Unless stated otherwise, the holdings are in ordinary shares / certificates of Rs.10/- each.

Name of Company	Number of Shares as on June 30, 2021	Cost of Shares as on June 30, 2021	Market value of Shares as on June 30, 2021	Shares received during the period	Bonus Shares Received during the period	Shares sold during the period	Balance as at September 30, 2021			Percentage in relation to Investee Companies	
							Number of Shares	At Cost (Rupees)	At Market Value (Rupees)	Paid-up Capital	Number of Shares
<b>COMMERCIAL BANKS, FINANCIAL SERVICES ETC.</b>											
Askari Bank Ltd.	4,565	57,382	103,762	-	-	-	4,565	57,382	103,580	0.0009	0.0101
Bank Al-Habib Ltd.	104,619	50,255	7,335,884	-	-	-	104,619	50,255	7,234,404	0.0007	0.0143
JS Bank Ltd.	47,334	959,549	270,277	-	-	-	47,334	959,549	241,877	0.0157	0.0077
Foreign Exchange Bearer Certificates 6.1.1	36,000	3,933,000	3,636,000	-	-	-	36,000	3,933,000	3,636,000		
MCB Bank Ltd.	61,564	821,488	9,839,774	-	-	-	61,564	821,488	9,277,079	0.0108	0.0098
Sonari Bank Ltd.	8,655	27,994	84,819	-	-	-	8,655	27,994	80,405	0.0005	0.0021
Orix Leasing Pakistan Ltd Formerly Standard Chartered Leasing Ltd.	6,545	98,975	168,534	-	-	-	6,545	98,975	155,967	0.0101	0.0167
<b>NONLIFE INSURANCE</b>											
Adamjee Insurance Co.Ltd.	17,117	1,891,417	709,842	-	-	-	17,117	1,891,417	603,545	0.1529	0.0138
<b>PERSONAL GOODS (TEXTILES)</b>											
Faisal Spinning Mills Ltd.	74,000	2,206,265	31,080,000	-	-	-	74,000	2,206,265	31,828,140	2.2063	0.7400
Crescent Textile Mills Ltd.	383	14,119	10,452	-	-	-	383	14,119	8,978	0.0029	0.0008
Mian Textile Industries Ltd	90,000	701,170	2,226,600	-	-	-	90,000	701,170	3,330,000	0.3172	0.4071
<b>CONSTRUCTION AND MATERIALS</b>											
Lucky Cement Ltd.	15,000	2,083,824	12,951,600	-	-	-	15,000	2,083,824	10,843,500	0.0644	0.0046
<b>OIL &amp; GAS</b>											
Oil & Gas Development Co. Ltd.	15,000	2,012,403	1,425,450	-	-	-	15,000	2,012,403	1,257,000	0.0047	0.0003
Pakistan State Oil Ltd.	5,702	1,525,057	1,278,674	-	-	-	5,702	1,525,057	1,146,045	0.0889	0.0033
Shell Pakistan Ltd.	316	28,953	55,363	-	-	-	316	28,953	42,774	0.0042	0.0006
<b>TELECOMMUNICATION</b>											
Pakistan Telecommunication Co.Ltd.	50,000	2,280,683	592,000	-	-	-	50,000	2,280,683	468,000	0.0060	0.0013
<b>MULTI UTILITIES</b>											
Sui Northern Gas Co. Ltd.	36,748	566,649	1,785,218	-	-	-	36,748	566,649	1,671,299	0.0103	0.0067
Sui Southern Gas Ltd.	1,312	26,150	17,450	-	-	-	1,312	26,150	14,340	0.0004	0.0002
<b>CHEMICAL</b>											
Dewan Salman Fibre Ltd. 6.1.2.	33,639	1,750,708	29,602	-	-	-	33,639	1,750,708	29,602	0.0478	0.0092
Engro Corporation Ltd.	2,887	153,917	850,539	-	-	-	2,887	153,917	807,638	0.0047	0.0015
Engro Fertilizer	288	0	17,361	-	-	-	288	-	20,241	-	0.0001
Fauji Fert Bin Qasim Ltd.	50,000	1,980,593	1,320,500	-	-	-	50,000	1,980,593	1,125,000	0.0212	0.0054
<b>PHARMA AND BIOTECH</b>											
Sanofi-Avantis Ltd.	3,300	469,937	3,039,300	-	-	-	3,300	469,937	2,330,823	0.4872	0.0342
		23,640,488	78,829,001					23,640,488	76,256,237		
Reversal of provision for Diminution in value of Investments		<u>55,188,513</u>						<u>52,615,749</u>			
		<u>78,829,001</u>						<u>76,256,237</u>			