

Annual Report
2022



Tri-Star
Mutual Fund Limited

Vision Statement

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

Mission Statement

Our Mission is to provide superior results through investment in quality growth stocks based on their potential capital appreciation possibilities as well as dividend within the context of our overall objective of contributing to the nation's prosperity.

Company Information

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

Mr. Habib Jamal Independent Director

Mr. Asad Ahmad Chief Executive

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

Auditors: Feroze Sharif Tariq & Co.
Chartered Accountants

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

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

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

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

Notice of Meeting

Notice is hereby given that the Thirtieth Annual General Meeting of Tri-Star Mutual Fund Ltd., will be held on Friday, October 28, 2022 at 10.00 am at F/538, S.I.T.E., 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, 2022 together with the Directors' and Auditors' report thereon.
3. To appoint Auditors of the Company and fix their remuneration.
4. To transact any other business with the permission of the Chair.

By and on behalf of the Board

Fund Secretary

Karachi: October 6, 2022

NOTES:

1. The Share Transfer books of the Company will remain closed from 24.10.2022 to 31.10.2022 (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 Mutual Fund Limited AGM" along with valid copy of both sides of CNIC at mutualfund@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 F/538, S.I.T.E., 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.

ٹرائی اسٹار میوچل فنڈ لمیٹڈ نوٹس برائے سالانہ اجلاس عام

نوٹس ہذا کے ذریعے مطلع کیا جاتا ہے کہ ٹرائی اسٹار میوچل فنڈ کا تیسواں (30 واں) سالانہ اجلاس عام (AGM) مورخہ 28 اکتوبر 2022ء بروز جمعہ صبح 10:00 بجے بمقام S.I.T.E.F/538 کراچی میں مندرجہ ذیل امور کو زیر غور لانے کے لئے منعقد ہوگا:

1. قرآن پاک کی تلاوت
2. 30 جون 2022ء کو اختتام پذیر مدت کے لئے ڈائریکٹرز اور آڈیٹرز 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
فنڈ سیکریٹری

کراچی: 06 اکتوبر 2022ء

مندرجات:

1. شیئر ٹرانسفر books مورخہ 24 اکتوبر 2022ء سے 31 اکتوبر 2022ء (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، فوئیو 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 میوچل فنڈ لمیٹڈ کی AGM میں شرکت کے لئے رجسٹریشن“ تحریر کر کے mutualfund@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 پر کسی فارم کمپنی کے رجسٹرڈ آفس واقع S.I.T.E.F/538 کراچی کو اجلاس کے انعقاد سے کم از کم 48 گھنٹے قبل پہنچ جانا چاہئے۔
4. CDC شیئر ہولڈرز یا ان کے پر کسی کو اپنی شناخت ثابت کرنے کے لئے AGM کے موقع پر اپنے اصلی شناختی کارڈ یا پاسپورٹ بمعہ شراکت آئی ڈی اور اکاؤنٹ نمبر ہمراہ لانا ہوگا۔
5. دو گواہان، جن کے نام، پتے اور شناختی کارڈ فارم پر درج ہوں، سے باقاعدہ تصدیق شدہ پر کسی فارم بمعہ مستفید ہونے والے رکن اور پر کسی 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 پر کسی ہولڈر کے نمونہ کے دستخط پر کسی 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 رجسٹر اریسٹرز جمید مجید ایسوسی ایشن (پرائیویٹ) لمیٹڈ دفتر واقع چوتھی منزل، کراچی چیمبر، حسرت موہانی روڈ، کراچی کو آگاہ کیا جائے۔

Directors' Report

The Board of Directors have pleasure in presenting the Thirtieth Report together with the audited Accounts of the Fund for the year ended June 30, 2022.

Financial Results:

During the period under review year Fund made a loss of Rs. 13,238,285. The financial results are summarized as follows:

	2022	2021
	Rupees	Rupees
Income/(Loss) from Operations	(7,782,172)	23,080,888
Less: Administrative Expense, Financial Cost and Remuneration of investment advisor	(2,398,035)	(2,156,714)
Profit/(Loss) for the Year	(10,180,207)	20,924,174
Taxation	(10,283)	-
Profit/(Loss) after taxation	(10,190,490)	20,924,174
Other Comprehensive Income / (Loss) for the year	(3,047,795)	3,144,185
Total Comprehensive Income / (Loss) for the year	(13,238,285)	24,068,359
(Loss)/Earning per Share	(2.04)	4.18

Payout to Shareholders:

The Board of Directors has not recommended any dividend for the year.

Market Reviews:

Statement on Corporate and Financial Reporting Frame Work:

- a. The financial statements, prepared by the management of Fund, present fairly its state of affairs, the results of its operations, cash flows and change in equity.
- b. Proper books of accounts of the Fund 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 there from has been adequately disclosed.
- e. The system of internal control is sound in design and has been effectively implemented and monitored.
- f. There are no significant doubts upon the Fund'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. During the year 4 meeting of the Board of Directors were held, attendance by each Directors is as follows:

<u>Name of Director</u>	<u>No. of Meetings attended</u>
Mr. Asad Ahmad	4
Mr. Jawed Ahmed Siddiqui	4
Mr. Habib Jamal	4
Ms. Mariam Ahmad	4
Mr. Tanvir Hasan	4
Mr. Mohammad Haroon Saeed	4
Mr. Mohammad Zameer	4

Statement of Compliance with Best Practices of Code of Corporate Governance:

As annexed on page 11 & 12.

Financial Highlights:

As annexed on page 22.

Pattern of Share Holding:

As annexed on page 37.

Auditors:

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

Acknowledgements:

Yours directors would like to record their appreciation of the dedication and hard work of the staff and officers of the Fund and the shareholders for their confidence in the Fund.

On behalf of the Board

Asad Ahmad
Chief Executive

Jawed Ahmad Siddiqui
Director

Place: Karachi.

Dated: October 5, 2022

ڈائریکٹرز رپورٹ

بورڈ آف ڈائریکٹرز 30 جون 2022ء کو اختتام پذیر سال کے لئے تیسویں (30 ویں) سالانہ رپورٹ کے ہمراہ پڑتال شدہ کھاتے ازراہ مسرت پیش کرتے ہیں۔

مالیاتی نتائج:

زیر جائزہ سال کے دوران فنڈ کو 13,238,285 روپے کا نقصان ہوا۔ مالیاتی نتائج کا خلاصہ حسب ذیل ہے:

2021ء	2022ء	
23,080,888	(7,782,172)	آپریشنز سے آمدنی / (خسارہ)
		منفی: انتظامی اخراجات، مالیاتی لاگت اور
(2,156,714)	(2,398,035)	سرمایہ داری کے مشیر کا معاوضہ
20,924,174	(10,180,207)	مذکورہ سال کے لئے نفع / (نقصان)
-	(10,283)	ٹیکسیشن
20,924,174	(10,190,490)	نفع / نقصان علاوہ ٹیکسیشن
3,144,185	(3,047,795)	مذکورہ سال کے لئے دیگر جامع آمدنی / (خسارہ)
24,068,359	(13,238,285)	مذکورہ سال کے لئے کل جامع آمدنی / (خسارہ)
4.18	(2.04)	فی حصص آمدنی / (خسارہ)

شیر ہولڈرز کو ادائیگی

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

مارکیٹ کا جائزہ

کاروباری و مالیاتی رپورٹنگ فریم ورک پر اعلامیہ

- (a) فنڈ کی انتظامیہ کی تیار کردہ مالیاتی اسٹیٹمنٹس سرمایے میں تبدیلی، کیش فلو، آپریشنز کے نتائج اور کاروباری امور کی بہترین عکاسی کرتی ہیں۔
- (b) فنڈ 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) فنڈ 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) مذکورہ سال کے دوران بورڈ آف ڈائریکٹرز کے چار (04) اجلاس منعقد ہوئے ہر ڈائریکٹر کی حاضری حسب ذیل

ہے:

ڈائریکٹرز کا نام	اجلاس میں حاضری کی تعداد
جناب اسد احمد	4
جناب جاوید احمد صدیقی	4
جناب حبیب جمال	4
محترمہ مریم احمد	4
جناب تنویر حسن	4
جناب محمد ہارون سعید	4
جناب محمد ضمیر	4

کوڈ آف کارپوریٹ گورننس کی بہترین عمل داری پر تعمیل کا اعلامیہ

صفحہ 6 اور 7 پر موجود ہے۔

مالیاتی خلاصہ

صفحہ 17 پر موجود ہے۔

شیئر ہولڈنگ کی وضع

صفحہ 31 پر موجود ہے۔

آڈیٹرز

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

اظہار تشکر

آپ کے ڈائریکٹر فنڈ کے افسران اور عملے کی جذبے اور ان تھک محنت اور شیئر ہولڈرز کی جانب سے فنڈ پر اعتماد کا اظہار کرنے پر اپنی حوصلہ افزائی کو ریکارڈ پر رکھنا چاہتے ہیں۔

منجانب بورڈ

جاوید احمد صدیقی

ڈائریکٹر

اسد احمد

چیف ایگزیکٹو

مقام: کراچی

تاریخ: 05 اکتوبر 2022ء

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

Year ended: June 30, 2022

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. Habib Jamal
Non - Executive Directors	Mr. Jawed Ahmed Siddiqui Ms. Marium Ahmad Mr. Mohammad Haroon Saeed Mr. Mohammad Zameer Mr. Tanvir Hasan
Executive Director	Mr. Asad Ahmad (CEO)
Female Director	Ms. Marium Ahmad
3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Fund.
4. The Fund 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 five 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. Habib Jamal (Chairman)
Mr. Jawed Ahmed Siddiqui
Mr. Mohammad Haroon Saeed
 - b) The Fund has not formed an HR and Remuneration Committee as Fund has no employee.
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

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.

Place: Karachi
Dated: October 5, 2022

Asad Ahmad
Chief Executive

INDEPENDENT AUDITOR’S REVIEW REPORT TO THE MEMBERS OF TRI-STAR MUTUAL FUND 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 Mutual Fund Limited (the Company) for the year ended June 30, 2022 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 instance 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.
- b) The Company has not formed human Resource Committee and Internal audit function as required by the code as disclosed in note para 12(b) and 15 of the Statement of compliance.

Based on our review, except for the above instances of non-compliance, 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, 2022.

sd/-
Feroze Sharif Tariq & Co.
Chartered Accountants

Place: Karachi
UDIN: CR202210129F1jV2v3HK
Dated: October 05, 2022

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

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the annexed financial statements of Tri-Star Mutual Fund Limited (the Company), which comprise the statement of financial position as at June 30, 2022, and the income statement, Statement of Movement of Certificate holders' equity and 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 para (a) to (c) of our report, and to the best of our information and according to the explanations given to us, the statement of financial position, the income statement, Statement of Movement of Certificate holders' equity and 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, 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, 2022 and of the Loss, the movement of certificate holder 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) No provision has been made in the accounts for the Foreign Exchange Bearer Certificates investments the recovery and realization of which are doubtful, the same has been explained in note no. 7.1.1. to the financial statements and also the said investment have not been available for Physical verification. Had the provision for doubtful investment been made in the accounts, the losses of the Company would have been increased by Rs 3,933,000 and the Investments-Held for trading would have been decreased by the same amount.
- b) The company has disclosed Investment in Associated Companies First Tri-Star Modaraba and Tri-Star Power Limited and as Financial Assets at fair value through other comprehensive income – quoted equity securities in note 7.3 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 Power Limited as latest audited accounts are not available as of reporting date.

Had the company valued the investment in Tri-Star Modaraba on equity method and the impairment would have been recognized, the profit for the year would have been increased by Rs. 12,957 and accumulated profit/Shareholders equity and Long Term Investment would have been reduced by Rs. 1,050,142.

- c) Further, as disclosed in note 12.2 the financial statements. The fund has failed to comply with the minimum equity requirement as prescribed under regulation 3 of the Non Banking Finance Companies (Establishment and Regulation) Rules 2003 and Non Banking Finance Companies and Notified Entities Regulations, 2008 as at June 30, 2022.

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 included in the annual report, 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 for such internal control as management determines is necessary to enable the preparation of the 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 Fund or to cease operations, or has no realistic alternative but to do so.

Board of directors of the Management Company is responsible for overseeing the Fund'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 Fund'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 of the Management Company regarding, among other matters, the planned scope and timing of the audit and significant audit finding. Including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors of the Management Company 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 of the Management Company, we determine those matters that were of most significance in the audit of the financial statements of the current year 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,

- (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 Income statement/Statement of comprehensive income, Statement of Movement of Certificate holders' equity and 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) zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the company and deposited in the Central Zakat fund established under section 7 of the Ordinance.

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: AR202210129ksqFA9X06
Dated: October 5, 2022

STATEMENT OF FINANCIAL POSITION
As at June 30, 2022

	Note	2022	2021 Rupees
ASSETS			
NON CURRENT ASSETS			
Long Term Deposits		12,500	12,500
CURRENT ASSETS			
Investments	7	76,760,092	87,656,709
Advance Income Tax		238,201	227,918
Other Receivables	8	5,422	5,422
Balances with Bank	9	93,380	49,029
		<u>77,097,095</u>	<u>87,939,078</u>
TOTAL ASSETS		77,109,595	87,951,578
LIABILITIES			
CURRENT LIABILITIES			
Payable to Investments Adviser- an associated co	10	13,172,993	11,552,929
Accrued expenses	11	5,694,945	4,928,990
Unclaimed Dividend		426,082	426,082
Provision For taxation		10,283	-
		<u>19,304,303</u>	<u>16,908,001</u>
NET ASSETS		57,805,291	71,043,576
AUTHORISED SHARE CAPITAL			
20,000,000 Certificates of Rs. 10/- each		<u>200,000,000</u>	<u>200,000,000</u>
CERTIFICATE CAPITAL AND RESERVES			
Certificate Capital	12	50,000,000	50,000,000
Unrealized Profit/(Loss) due to Change in Fair value of Investment		(8,885,966)	(5,838,171)
Unappropriated Profit		16,691,257	26,881,747
TOTAL CERTIFICATE HOLDERS' FUND		57,805,291	71,043,576
Net Assets value per certificate - Rupees	13	<u>11.56</u>	<u>14.21</u>
CONTINGENCIES & COMMITMENTS	14		

Note: The annexed notes 1 - 25 form an integral part of these accounts.

Chief Executive

Director

Chief Financial Officer

Income Statement

For the year ended June 30, 2022

	Note	2022	2021
		Rupees	
INCOME			
Income/(Loss) from Operation	15	(7,782,172)	23,080,888
OPERATING EXPENSES			
Fee for Tri-Star Investments Ltd.-Investment Advisor		1,396,640	1,277,479
Annual Fee - CDC of Pakistan Ltd and Custodian fee		143,000	30,000
Annual Fee - SECP		52,374	47,905
Auditors' Remuneration		225,000	225,000
Registrar Fee		256,393	217,977
Annual Listing Fee		110,000	110,000
Fee and Subscription		15,320	20,200
Stationery & Printing		-	4,000
Postage		-	300
Advertisement Expenses		17,625	57,575
Bank Charges		120	206
Rates and Taxes - Sales tax		181,563	166,072
		2,398,035	2,156,714
Profit after taxation		(10,180,207)	20,924,174
Liability Written Back		0	-
		(10,180,207)	20,924,174
Taxation	3.16	(10,283)	-
Profit/(Loss) after taxation		(10,190,490)	20,924,174
Other comprehensive income/(Loss) for the year:	4.2	(3,047,795)	3,144,185
Total comprehensive Income/(Loss) for the year		(13,238,285)	24,068,359
Earning/(Loss) per certificate (Rupees)	17		
With net unrealized diminution on remeasurement of investments		(2.65)	4.81
Without net unrealized diminution on remeasurement of investments		(2.04)	4.18

Note: The annexed notes 1 - 25 form an integral part of these accounts.

Chief Executive

Director

Chief Financial Officer

STATEMENT OF CASH FLOW

For the year ended June 30, 2022

	2022	2021
	Rupees	
CASH FLOW FROM OPERATING ACTIVITIES		
(Loss) before Taxation	(10,180,207)	20,924,174
Adjustment for non-cash changes and other items:		
Profit on sale of Investments	-	-
Dividend Income	(68,550)	(112,700)
Unrealized loss on 'Available for sale' Investments	-	-
Unrealized diminution on re-measurement of investments classified as 'Financial Assets at fair value through profit or loss' - net	7,850,722	(22,968,188)
	7,782,172	(23,080,888)
Operating cash (outflow)/inflow before working capital changes	(2,398,035)	(2,156,714)
Decrease/(Increase) in assets		
Other receivables	-	-
(Decrease)/Increase in liabilities		
Due to Investment Advisor	1,620,063	2,105,603
Accrued Expenses and other Liabilities	765,955	(11,548)
Net cash (outflow) from operating activities	(12,017)	(62,659)
CASH FLOW FROM INVESTING ACTIVITIES		
Dividend Income	68,550	112,700
Purchase of Investments	(1,900)	(17,064)
Sale proceed of Investments	-	-
Net cash (outflow)/inflow from investing activities	66,650	95,636
	54,633	32,977
CASH FLOW FROM FINANCING ACTIVITIES		
Dividend Paid	-	-
Income tax Paid	(10,282)	(16,904)
Net cash used in financing activities	(10,282)	(16,904)
Net increase/(decrease) in Cash and Cash Equivalent	44,351	16,073
Cash and Cash Equivalent at the beginning of the year	49,029	32,956
Cash and Cash Equivalent at the end of the year	93,380	49,029

9

Chief Executive

Director

Chief Financial Officer

Statement of Changes in Equity

For the year ended June 30, 2022

Particulars	Certificate Capital	Unrealized Gain/(Loss) due to Change in the value of Investments	Accumulated (Loss)/ Unappropriated Profit	Total
Balance as at June 30, 2020	50,000,000	(8,982,356)	5,957,573	46,975,217
Total Comprehensive income for the year	-	3,144,185	20,924,174	24,068,359
Balance as at June 30, 2021	50,000,000	(5,838,171)	26,881,747	71,043,576
Total Comprehensive (Loss) for the year		(3,047,795)	(10,190,490)	(13,238,285)
Balance as at June 30, 2022	50,000,000	(8,885,966)	16,691,257	57,805,291

Chief Executive

Director

Chief Financial Officer

Statement of Movement in Equity & Reserve - Per Certificate

For the year ended June 30, 2022

	2022	2021
	Rupees	
Net assets value per share at the beginning of the year	14.21	9.40
Movement in net assets value per certificate from operating activities		
Unrealized appreciation/(diminution) on re-measurement of investments classified as 'Financial Assets at fair value through profit or loss	(1.57)	4.59
Net realized gain on sale of investments	-	-
Profit/(Loss) for the year excluding unrealized gain	(0.47)	(0.41)
	(2.04)	4.18
Unrealized appreciation/(diminution) in value of investments classified as "Available for Sale"	(0.61)	0.63
Net Assets Value per Share at the end of the year	<u>11.56</u>	<u>14.21</u>

Chief Executive

Director

Chief Financial Officer

Financial Highlight

Summary of Key Operating Data for the Last Six Years at a Glance

Particulars	2022	2021	2020	2019	2018	2017
				Years		
<u>Financial Position:</u>						
Paid-up Capital	50,000,000	50,000,000	50,000,000	50,000,000	50,000,000	50,000,000
Reserves	7,805,291	21,043,576	(3,024,784)	359,961	16,730,511	29,284,460
Inv. in Marketable Securities*	76,760,092	87,656,709	61,527,272	63,053,655	76,943,445	88,166,363
Other Current Assets	337,003	282,369	249,390	304,710	252,920	235,959
Current Liabilities	19,304,303	16,908,001	14,813,946	13,010,904	10,478,355	9,130,362
Profit after taxation	(13,238,285)	24,068,359	(3,384,745)	(16,370,550)	(12,553,949)	27,810,463
Accumulated Profit/(Loss)	16,691,257	26,881,747	5,957,571	9,017,993	25,292,357	35,224,446
<u>Financial Indicators:</u>						
Current Ratio	3.99:1	5.20:1	4.17:1	4.87:1	7.37:1	9.68:1
Paid-up value per Share	10	10	10	10	10	10
Earning per Share	(2.65)	4.81	(0.68)	(3.27)	(2.51)	5.56
Dividend %	-	-	-	-	-	-
Break-up Value per Share	11.56	14.21	9.40	10.08	13.35	15.86

* Investment in Marketable Securities is stated at Market Value

Distribution Statement

For the year ended June 30, 2022

	2021
	Rupees
Accumulated Profit brought forward	26,881,747
Profit / (Loss) after taxation for the year	(10,190,490)
Unappropriated profit carried forward	<u><u>16,691,257</u></u>

Chief Executive

Director

Chief Financial Officer

Karachi: October 5, 2022

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED JUNE 30, 2022

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 Sharah-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.

As per Regulation 65 of the NBFC Regulations, all closed end funds were required to be converted into open end schemes upon expiry of five years from November 21, 2007 i.e. by November 21, 2012. However closed end funds whose portfolios were frozen as a result of Consent Agreements with Government of Pakistan were allowed to be converted into open end schemes within three months from the date of the removal of the freezing of the portfolios. Since the Fund has Frozen Portfolio comprising shares of Pakistan State Oil Company Limited and Sui Northern Gas Pipelines Limited, its conversion into an open end scheme was deferred. However, the management of the Company is the Process to convert the Fund from Closed end to Open End.

2 Summary of significant events during the year

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 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 Standards) 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 along with part VIII A of the repealed Companies Ordinance, 1984; 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, part VIII A of the repealed Companies Ordinance, 1984, 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, part VIII A of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed have been followed.

3.1 Basis of measurement

These financial statements have been prepared under the historical cost convention except Investment has valued at Fair Market Value as on Statement of Financial Position date.

3.2 STANDARDS, AMENDMENTS, INTERPRETATION AND IMPROVEMENTS APPLICABLE TO THE FINANCIAL STATEMENTS

3.3 Amendments to approved accounting standards and the framework for financial reporting that became effective during the current year

The following standards, amendments and interpretations are effective for the year ended June 30, 2022. These standards, amendments and interpretations are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

	Effective from accounting period beginning on or after:
Amendment to IFRS 16 'Leases' - Covid-19 related rent concessions	June 01, 2020
Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)	January 01, 2021
Amendment to IFRS 16 'Leases' - Covid-19 related rent concessions extended beyond June 30, 2021	April 01, 2021
Certain annual improvements have also been made to a number of IFRSs.	

New accounting standards / amendments and IFRS interpretations that are not yet effective:

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, interpretations and the amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures

	Effective from accounting period beginning on or after:
Amendments to IFRS 3 'Business Combinations' - Reference to the conceptual framework	January 01, 2023
Amendments to IAS 16 'Property, Plant and Equipment' - Proceeds before intended use	January 01, 2023
Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts — cost of fulfilling a contract	January 01, 2023
Annual Improvements to IFRS Standards 2018-2020 Cycle (related to IFRS 9, IFRS 16 and IAS 41)	January 01, 2023
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2023
Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure of accounting policies	January 01, 2023
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2023
Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of accounting estimates	January 01, 2023
Amendments to 'IAS 12 Income Taxes' - deferred tax related to assets and liabilities arising from a single transaction.	January 01, 2023
Amendments to IFRS 10 and 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred indefinitely

Other than the aforesaid standards, interpretations and amendments, the International Accounting Standards Board (IASB) has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

IFRS 1 – First Time Adoption of International Financial Reporting

IFRS 17 – Insurance Contracts 3.

4 **Critical accounting estimates and judgments**

The preparation of financial statements in conformity with the approved accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, income and expenses. It also requires management to exercise judgment in application of its accounting policies. The estimates and associated assumptions are based on management experience and various other factors which are believed to be reasonable under the circumstances. These estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimate is revised if the revision affects only that year or in the year of revision and future years if the revision affects both current and future years.

The significant accounting area where various assumptions and estimates are significant to the Fund's financial statements or areas where judgment and estimates are significant to the financial statements are as follows:

- (a) Classification and valuation of financial instruments (note 4).
- (b) Impairment of Financial Instruments
- (c) Taxation

Estimates and judgments are continually evaluated and are based on historical experiences and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

5 **Functional and presentation currency**

These financial statements are presented in Pak Rupees, which is the Fund's functional and presentation currency.

6 **Summary of Significant Accounting Policy**

The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous financial year:

6.1 **Accounting Convention**

These financial statements have been prepared under the historical cost convention except for certain investments which are carried at fair value in accordance with the criteria laid down in the international Accounting Standard (IAS 39) "Financial Instruments: Recognition and Measurements".

6.2 **Cash and cash equivalents**

Cash and cash equivalents comprise balances with banks and short-term highly liquid investments with original Maturities of three months or less. Cash and cash equivalents are carried in the statement of assets and liabilities at cost.

6.3 **Financial instruments**

6.3.1 **Initial measurement of financial asset**

IFRS 9 has Provided a Criteria for debt securities whereby these debt securities are either classified as:

- Fair value through other comprehensive income (FVOCI);
- Fair value through profit or loss (FVTPL); and
- Measured at amortized cost.

The instruments which are held for Collection are categories at amortized cost where as the instruments which are held for Collection and sales are Categorizes as FVOCI. All residual instruments are categorized under FVTPL.

6.3.2 Equity Investments at FVOCI

All equity investment are required to be measured in the " statement of assets and Liabilities" at fair value, with gains and Losses recognized in the "Income statements" , except where an irrevocable election has been made at the time of initial recognition to measure the investment at FVOCI.

On adoption of IFRS 9 the Fund has made an irrevocable option in respect of equity securities not catgoriesed under the trading portfolio to be carried " at FVOCI" .

The dividend income from Equity securities classified under FVOCI and FVTPL are to be recognized in the income statement's However, any surplus /(deficit) arising as a result of subsequent movement in fair value of equity securities classified as FVOCI is to be recognized in other Comprehensive income and is not recycled to the income statement on derecognition. The gain on disposal of equity instruments classified as FVOCI is transferred to "Undistributed income".

6.3.3 Financial assets measured at amortized cost

These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest / mark-up income, foreign exchange gains and losses and impairment are recognized in the statement of profit or loss account.

6.4 Impairment

6.4.1 Financial assets

The Fund recognizes loss allowances for Expected Credit Losses (ECLs) in respect of financial assets measured at amortized cost.

The Fund measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

Debt securities that are determined to have low credit risk at the reporting date; and

Other debt securities and bank balance for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Fund considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Fund assumes that the credit risk on a financial asset has increased significantly if it is more than past due for a reasonable period of time. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Loss allowances for financial assets measured at amortized cost are deducted from the Gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Fund has no reasonable expectations of recovering of a financial asset in its entirety or a portion thereof. The Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due. The adoption of the expected loss approach has not resulted in any material change in impairment provision for any financial asset.

6.4.2 Regular way contracts

All Regular purchases and sales of financial assets are recognized on the trade date - the date on which the Fund commits to purchase or sell the asset. Regular way purchase/sales of assets required delivery of securities with in two days from the transaction date as per the Stock Exchange regulation.

6.4.3 Initial recognition and measurement

Financial assets are initially recognized at the time of fund becomes a party to the Contractual provisions of the Instruments. These are initially recognized at the fair value of the consideration given including the transaction cost except in case of "financial assets at fair value through profit or Loss. Financial Assets carried at fair value through Profit or loss are initially recognized at Fair value and transaction Cost are recognized in the income Statement.

6.4.4 Impairment of financial assets

The carrying value of the Fund's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If such an indication exists, the recoverable amount of such asset is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognized in the income statement.

Impairment loss on investment other than 'available for sale' is recognized in the Income Statement whenever the carrying amount of investment exceeds its recoverable amount. If in a subsequent period, the amount of an impairment loss recognized decreases the impairment is reversed through the Income Statement.

In case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available for- sale financial assets, the cumulative loss measured as the difference between the acquisition cost and the current fair value is reclassified from other comprehensive income to income statement. Impairment losses recognized on equity securities in the income statement are not reversed subsequently through income statement.

6.4.5 Derecognition

Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership. Any gain or loss on derecognition of financial assets is taken to the Income Statement except for the investment in equity securities classified as FVOCI.

6.5 Financial liabilities

All financial liabilities are recognized at the time when the Fund becomes a party to the contractual provisions of the instrument. These are initially recognized at fair value and subsequently stated at amortized cost.

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired.

6.6 Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the Statement of Assets and Liabilities when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

6.7 Provisions

Provisions are recognized when the Fund has a present, legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

6.8 Taxation

The income of the Fund is exempt from income tax as per clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than ninety percent of its accounting income for the year, as reduced by capital gains, whether realized or unrealized, is distributed among the unit holders. Provided that for the purpose of determining distribution of at least ninety percent of its accounting income for the year, the income distributed through bonus units shall not be taken into account.

The Fund is also exempt from the provisions of section 113 (minimum tax) and section 113C (Alternative Corporate Tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. More over super tax introduced in Finance act 2015 is also not applicable on funds (Section 4B of the Income tax Ordinance 2001)

The Fund does not account for deferred tax in these financial statements as the Fund intends to continue availing

the tax exemption in future years by distributing in cash at least ninety percent of its accounting income for the year as reduced by capital gains, whether realized or unrealized, to its unit holders

6.9 Net assets value per unit

The net asset value (NAV) per unit as disclosed in the statement of assets and liabilities is calculated by dividing the net asset of the Fund by the number of units in issue at the year end.

6.10 Expenses

All expenses including NAV based expenses (namely management fee, trustee fee and annual fee payable to the SECP) are recognized in the 'income statement' on accrual Basis.

6.11 Preliminary expenses and floatation costs

Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of operations of the Fund. These costs are being amortized over a period of one year.

6.12 Revenue recognition

Dividend income is recognized when the right to receive dividend is established i.e. on the date of book closure of the investee company / institution declaring the dividend.

Gains/ (Losses) arising on Sales of Investments are included in income currently and are recognized on the date when the transaction takes place.

Sale and purchase of investment and resultant gain and loss is recognized on the date of contract.

Profit on bank deposits, mark-up income on government securities and mark-up income on debt securities is recognized using effective yield method.

Unrealized gain/ (losses) arising on revaluation of securities classified as "financial assets at fair value through profit or loss" are included in the income statement in the period in which they arise.

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.

6.13 Earnings per unit (EPU)

Earning/(Loss) per unit is calculated by dividing the net income /(loss) of the year after taxation of the Fund by the weighted average number of units outstanding during the year.

Earnings per unit (EPU) has not been disclosed as in the opinion of the management, determination of weighted average units for calculating EPU is not practicable.

6.14 Distribution

Distributions declared subsequent to the year end reporting date are considered as non-adjusting events and are recognized in the financial statements of the period in which such distributions are declared. Based on MUFAP's guidelines (duly consented upon by SECP) distributions for the year is deemed to comprise of the portion of amount of income already paid on units redeemed and the amount of cash distribution for the year.

The distribution per unit is announced based on units that were held for the entire period. The rate of distribution is adjusted with effect of refund of capital if any based on the period of investment made during the year. Resultantly, the rate of distribution per unit may vary depending on the period of investment.

	Note	2022 Rupees	2021
7 INVESTMENTS			
"Financial assets at fair value through profit and loss" - held for trading			
- Quoted equity securities - regular market trade	7.1	70,983,056	78,831,878
Available for sale			
- Quoted equity securities - associated companies	7.2	5,777,036	8,824,831
		<u>76,760,092</u>	<u>87,656,709</u>

7.1 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 June 30, 2022			Percentage in relation to	
							Number of Shares	At Cost (Rupees)	At Market Value (Rupees)	Investee Companies	
										Paid-up Capital	Number of Shares
COMMERCIAL BANKS, FINANCIAL SERVICES ETC.											
Askari Bank Ltd.	4,565	57,382	103,762	-	-	-	4,565	57,382	79,568	0.0009	0.0101
Bank Al-Habib Ltd.	104,619	50,255	7,335,884	-	-	-	104,619	50,255	6,074,179	0.0007	0.0143
JS Bank Ltd.	47,334	959,549	270,277	-	-	-	47,334	959,549	189,336	0.0157	0.0077
Foreign Exchange Bearer Certificates 7.1.1	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	7,571,141	0.0108	0.0098
Soneri Bank Ltd.	8,655	27,994	84,819	-	-	-	8,655	27,994	81,790	0.0005	0.0021
OIP Financial Services Pak. Ltd. Formerly Orix Leasing Pakistan Ltd.	6,545	98,975	168,534	-	-	-	6,545	98,975	137,445	0.0101	0.0167
NONLIFE INSURANCE											
Adamjee Insurance Co.Ltd.	17,117	1,891,417	709,842	-	-	-	17,117	1,891,417	540,213	0.1529	0.0138
PERSONAL GOODS (TEXTILES)											
Faisal Spinning Mills Ltd.	74,000	2,206,265	31,080,000	-	-	-	74,000	2,206,265	33,300,000	2.2063	0.7400
Crescent Textile Mills Ltd.	383	14,119	10,452	95	-	-	478	16,019	8,599	0.0033	0.0010
Mian Textile Industries Ltd	90,000	701,170	2,226,600	-	-	-	90,000	701,170	3,330,000	0.3172	0.4071
CONSTRUCTION AND MATERIALS											
Lucky Cement Ltd.	15,000	2,083,824	12,951,600	-	-	-	15,000	2,083,824	6,885,600	0.0644	0.0046
OIL & GAS											
Oil & Gas Development Co. Ltd.	15,000	2,012,403	1,425,450	-	-	-	15,000	2,012,403	1,180,050	0.0047	0.0003
Pakistan State Oil Ltd.	5,702	1,525,057	1,278,674	-	-	-	5,702	1,525,057	979,832	0.0889	0.0033
Shell Pakistan Ltd.	316	28,953	55,363	-	-	-	316	28,953	37,329	0.0042	0.0006
TELECOMMUNICATION											
Pakistan Telecommunication Co.Ltd.	50,000	2,280,683	592,000	-	-	-	50,000	2,280,683	348,000	0.0060	0.0013
MULTI UTILITIES											
Sui Northern Gas Co. Ltd.	36,748	566,649	1,785,218	-	-	-	36,748	566,649	1,257,149	0.0103	0.0067
Sui Southern Gas Ltd.	1,312	26,150	17,450	-	-	-	1,312	26,150	11,887	0.0004	0.0002
CHEMICAL											
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	742,219	0.0047	0.0015
Engro Fertilizer	288	0	20,238	-	-	-	288	-	25,528	-	0.0001
Fauji Fert Bin Qasim Ltd.	50,000	1,980,593	1,320,500	-	-	-	50,000	1,980,593	1,012,000	0.0212	0.0054
PHARMA AND BIOTECH											
Sanofi-Avantis Ltd.	3,300	469,937	3,039,300	-	-	-	3,300	469,937	3,525,588	0.4872	0.0342
		23,640,488	78,831,878					23,642,388	70,983,056		
Reversal of provision for Diminution in value of Investments		55,191,390						47,340,668			
		<u>78,831,878</u>						<u>70,983,056</u>			

7.1.1 In September 1996, the Income Tax Authorities raided the Company's premises and took away by force, all the records, documents, and valuable securities, including FEBC's/Bearer NIT units of all the Group companies, which included the FEBC's of the Fund; without lawful authority and without making any inventory. This raid caused a serious disruption in the company's business. The company filed a suit against the Income Tax Authorities in the Honorable High Court of Sind, challenging the said act as being illegal. The Honorable High Court of Sind, vide its Order dated July 31, 1998, held that the presence of irregularities and malafides in the act of the Income Tax Department cannot be ruled out. Further, the remaining two ingredients namely balance of convenience and causing irreparable loss and injury, also exists in favour of the company. Further, the Income Tax Department was directed to submit their report keeping in view the provisions of Section 146(C) of The Income Tax Ordinance, 1979, declaring how much more time they would need to return the impounded documents and records. In spite of the orders of the Hon'ble High Court of Sind, the Income Tax Department has neither returned the records nor any of the FEBC's/valuables. The Fund has filed a contempt application against the Department and the matter is now in evidence stage.

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

7.2. 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 June 30, 2022			Percentage in relation to Investee Companies	
							Number of Shares	At Cost (Rupees)	At Market Value (Rupees)	Paid-up Capital	No. of Shares

EQUITY INVESTMENTS

INSTRUMENTS

First Tri-Star Modaraba	670,067	9,698,250	8,007,301	-	-	-	670,067	9,698,250	5,360,536	4.58	3.17
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ELECTRICITY

Tri-Star Power Ltd.	119,000	4,964,750	817,530	-	-	-	119,000	4,964,750	416,500	3.31	0.79
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		14,663,000	8,824,831				14,663,000	5,777,036		
Provision for Diminution in value of Investments		(5,838,169)					(8,885,964)			
		<u>8,824,831</u>					<u>5,777,036</u>			

	Note	2022 Rupees	2021 Rupees
8 OTHER RECEIVABLE			
<u>Advance for Expenses</u>		5,422	5,422
		<u>5,422</u>	<u>5,422</u>
9 CASH AND CASH EQUIVALENTS			
Balances with Banks		93,380	49,029
10 PAYABLE TO INVESTMENT ADVISOR - unsecured An Associated Company - Tri-Star Investments Ltd.			
Opening balance		11,552,929	9,447,325
Add: Reimbursable Expenses		223,424	828,125
Add: Remuneration for the year	10.1	<u>1,396,640</u>	<u>1,277,479</u>
		13,172,993	11,552,929
Less: Paid during the year		-	-
		<u>13,172,993</u>	<u>11,552,929</u>

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

Under the revised Non-Banking Finance Companies & Notified Entities Regulations 2008, notified on 25 November 2015, the Management Company of the Fund is entitled to a remuneration of an amount not exceeding 2 percent of average annual net assets.

The Sindh Provincial Government levied Sindh Sales Tax on the remuneration of the Management Company and sales load through Sindh Sales Tax on Services Act, 2011, effective from 01 July 2011. During the year, Sindh Sales Tax at the rate of 13% (30 June 2019: 13%) was charged on management remuneration and sales load.

Average Annual Net Assets	<u>69,831,992</u>	<u>63,873,966</u>
Remuneration at 2% of average annual net assets	<u>1,396,640</u>	<u>1,277,479</u>

	Note	2022 Rupees	2021
11 ACCRUED EXPENSES			
Custodian and CDC Fee		1,158,092	1,015,092
Listing Fee		45,000	155,000
Auditors' remuneration		675,000	450,000
Professional Tax		695,516	439,123
With holding tax deducted		146,801	146,801
Bilal Associates		106,743	89,118
SECP Annual Fee		640,906	588,532
Sales tax and FED on remuneration of Investment Advisor	11.1	<u>2,226,887</u>	<u>2,045,324</u>
		<u>5,694,945</u>	<u>4,928,990</u>

10.1. The Sindh Provincial Government has levied Sindh Sales Tax (SST) at the rate of 13 percent (2020: 13 percent) on the remuneration of the Management Company through Sindh Sales Tax on Services Act, 2011.

The company had not filled the Sales tax returns due to the company not obtained the Sales tax registration as required by the Sindh Sales tax Ordinance 2012 passed by the Provincial Assembly of Sindh and Form Sindh Revenue Board (SRB).

As per the requirement of the Finance Act, 2013, Federal Excise Duty (FED) at the rate of 16 percent on the remuneration of the Investment advisor Company has been applied effective from June 13, 2013. The investment advisor Company is of the view that since the remuneration is already subject to the provincial sales tax, further levy of FED results in double taxation, which does not appear to be the spirit of the law, hence, a petition was collectively filed by the Mutual Fund Association of Pakistan along-with Central Depository Company of Pakistan Limited with the Sindh High Court (SHC) on September 04, 2013.

The matter has been collectively taken up by the Management Company jointly with other Asset Management Companies together with their respective Collective Investment Schemes through their trustees, through a Constitutional Petition filed in the Honorable Sindh High Court (SHC) on September 4, 2013 challenging the levy of FED. The Sindh High Court in its decision dated 16 July 2016 maintained the previous order passed against other constitutional petition whereby levy of FED has been declared to be 'Ultra Vires' the Constitution. The Deputy Commissioner Inland Revenue has filed an appeal against the said order in the Honorable Supreme Court of Pakistan considering which the previous balance of FED has not been reversed. However, since the appeal is pending in the court, as a matter of abundant caution, provision for FED of the aforesaid amount upto 30 June 2016 is being held.

Through Finance Act, 2016, FED on services rendered by non-banking financial institutions including asset management companies, which are already subject to provincial sales tax, has been withdrawn. Therefore, no provision for FED has been recorded by the Company since 2016.

12 CERTIFICATE CAPITAL

Issued, subscribed and paid-up certificate capital

2022	Fully paid ordinary certificates of Rs. 10/- each		
5,000,000	Issued for cash	50,000,000	50,000,000
		<u>50,000,000</u>	<u>50,000,000</u>

12.1 Tri-Star Investments Ltd., hold 500,000 and Tri-Star Industries (Pvt) Ltd., hold 99,900 (June 30, 2020 500,000 and 99,900 shares respectively) of Rs. 10/- each as at June 30, 2021

12.2 Under the provision of NBFC Regulations, 2007, minimum equity requirement to undertake the business of Asset Management Company was Rs. 30 million and to be raised to Rs. 100 million by June 30, 2008. As per SRO # 764 of 2009, the date to extend the equity requirement to Rs. 100 million has been extended up to June, 2011.

	Note	2022 Rupees	2021 Rupees
13 NET ASSET VALUE PER CERTIFICATE			
Total net assets		57,805,291	71,043,576
Total certificate in issue		5,000,000	5,000,000
Net asset value per certificate - Rupees		11.56	14.20

14 CONTINGENCIES & COMMITMENTS

As fully disclosed in note 5.1.1 to the Financial Statements.

		2022 Rupees	2021 Rupees
15 INCOME FROM OPERATION			
Securities classified as 'financial assets at fair value through profit or loss' - net	5.1.	(7,850,722)	22,968,188
Sale of marketable securities		-	-
Capital Gain		(7,850,722)	22,968,188
Dividend Income		68,550	112,700
Income from operations		<u>(7,782,172)</u>	<u>23,080,888</u>

16 TAXATION

The Fund's income is exempt from Income Tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains (whether realised or unrealised) is distributed to the unit holders in cash. The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Accordingly, no provision for taxation has been recognised in these financial statements.

17 (LOSS)/EARNING PER CERTIFICATE

Net loss after taxation (with net unrealised appreciation/diminution on investments classified as held for trading)		<u>(13,238,285)</u>	<u>24,068,359</u>
Net income after taxation (without net unrealised appreciation/diminution on investments classified as held for trading)		<u>(10,190,490)</u>	<u>20,924,174</u>
Weighted average number of certificates		<u>5,000,000</u>	<u>5,000,000</u>
Basic earning/(loss) per certificate (with net unrealised appreciation/diminution on investments classified as held for trading)		<u>(2.65)</u>	<u>4.81</u>
Basic earning/(loss) per certificate (without net unrealised appreciation/diminution on investments classified as held for trading)		<u>(2.04)</u>	<u>4.18</u>

17.1 There were no convertible dilutive potential ordinary certificates in issue as at June 30, 2022 and 2021.

	Note	2022	2021
		Rupees	
18 TRANSACTIONS WITH RELATED PARTIES			
18.1 Transactions during the year			
Tri-Star Investments Ltd.			
Management Fee/Advisory Fee		1,396,640	1,277,479
Payments made during the year		-	-
Reimbursable Expenses booked for investment advisor		223,424	828,125

19 Remuneration of Chief Executive, Directors and Executives
 No. remuneration or Benefit paid to Chief Executive, Director and Executives of the company due Investment Advisor maintaining the operations of the Company .

20 FINANCIAL INSTRUMENTS BY CATEGORY

As at June 30, 2022				
Held to maturity	Loans & receivables	Assets at fair value through profit or loss	Available for sale	Total
Rupees				
Assets				
Current assets				
Balances with banks	-	49,029	-	49,029
Investments	-	70,983,056	5,777,036	76,760,092
Other receivables	-	5,422	-	5,422
Non-current assets				
Long-term Deposits	12,500	-	-	12,500
Total assets	12,500	70,983,056	5,777,036	76,827,043

As at June 30, 2022		
Liabilities at fair value through profit or loss	Other financial liabilities	Total
Rupees		
Liabilities		
Current Liabilities		
Payable to Investment advisor-an associated co.	-	11,552,929
Accrued Expenses	-	4,928,990
Unclaimed Dividend	-	-
	-	16,481,919

As at June 30, 2021				
Held to maturity	Loans & receivables	Assets at fair value through profit or loss	Available for sale	Total
Rupees				
Assets				
Current assets				
Balances with banks	-	49,029	-	49,029
Investments	-	78,831,878	8,824,831	87,656,709
Other receivables	-	5,422	-	5,422
Non-current assets				
Long-term Deposits	12,500	-	-	12,500
Total assets	12,500	78,831,878	8,824,831	87,723,660

As at June 30, 2021		
Liabilities at fair value through profit or loss	Other financial liabilities	Total
Rupees		
Liabilities		
Current Liabilities		
Payable to Investment advisor-an associated co.	-	11,552,929
Accrued Expenses	-	4,928,990
Unclaimed Dividend	-	426,082
	-	16,908,001

21 **FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES**

The Fund's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk.

The Risk Management Policy of the Fund aims to maximize the return attributable to the unit holders and seek to minimize potential adverse effects on the fund's financial position. Risks of the Fund are being managed by the Fund manager in accordance with the approved policies of the Investment committee which provides board guidelines for management of risk. Further, overall exposure of the fund complies with NBFC Regulations, and the directives issued by Securities and exchange Commission of Pakistan (SECP. Risk managed and measured by the Fund are explained below.

21.1 **Market Risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

The management of the Company manages the market risk through diversification of the investment portfolio by exposures and by the following the internal guidelines established by the investment Committee and regulations laid down by the SECP.

21.2 **Currency Risk**

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Fund, at present, is not exposed to currency risk as its operations are geographically restricted to Pakistan and all transactions are carried out in Pak Rupees.

21.3 **Interest Rate Risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. At present, is not exposed to Interest rate risk in its operations.

21.4 **Price Risk**

The Fund is exposed to equity securities price risk because of investments held by the Fund and classified on the balance sheet as financial assets at fair value through 'profit or loss' and 'available for sale'. To manage its price risk arising from investments in equity securities, the Fund diversifies its portfolio within the eligible stocks.

21.5 **Credit Risk**

21.5.1 **Credit Risk Management**

Credit risk represents the risk of a loss if the counterparties fail to perform as contracted. The Fund's credit risk is primarily attributable to its Bank Balances with banks. The company is not exposed to Credit risk as the company not made investments in the interest based investments. Investment guidelines (approved by Investment Committee) have been established in which the fund can invest its resources.

21.5.2 **Concentration of Credit Risk**

Concentration of credit risk exists when changes in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Fund's portfolio of financial instruments is broadly diversified and transactions are entered into with diverse credit-worthy counterparties thereby mitigating any significant concentration of credit risk.

21.6 **Liquidity Risk**

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligation in full as they fall due or can only do so on terms that are materially disadvantageous. The Fund is not materially exposed to liquidity risk as all obligations/commitments of the Fund are short term in nature and are restricted to the extent of available liquidity and all assets of the Fund are readily disposable in the market.

21.7 **Concentration of Credit Risk**

Concentration of credit risk exists when changes in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Fund's portfolio of financial instruments is broadly diversified and transactions are entered into with diverse credit-worthy counterparties thereby mitigating any significant concentration of credit risk.

The maturity profile of the Fund's liabilities based on contractual maturities is given below:

As at June 30, 2022				
Total	Upto three months	More than three months and upto one year	More than one year	
Rupees				
Current Liabilities				
Payable to Investment advisor - an associated company	13,172,993	1,396,640	11,776,353	-
Accrued Expenses	5,694,945	765,955	4,928,990	-
Unclaimed Dividend	426,112	-	426,112	-
	19,294,050	2,162,595	17,131,455	-

As at June 30, 2021				
Total	Upto three months	More than three months and upto one year	More than one year	
Rupees				
Current Liabilities				
Payable to Investment advisor - an associated company	11,552,929	681,083	10,871,846	-
Accrued Expenses	4,928,990	139,823	4,789,167	-
Unclaimed Dividend	426,112	-	426,112	-
	16,908,031	820,906	16,087,125	-

21.8 Unit holders Risk Management

The Fund's objectives when managing capital are to safeguard its ability to continue as a going concern so that it can continue to provide returns for certificate holders and to maintain a strong capital base to meet unexpected losses or opportunities.

The Fund has a limited number of certificates sold at the Fund's inception. However, in order to maintain or adjust the capital structure the Fund may issue new certificates. The Fund's certificates are not redeemable directly with the Fund. Instead the certificates are traded on the stock exchanges at a price that is either at a premium or discount to the certificate's net asset value.

21.9 Fair Value of Financial Instruments

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

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the balance sheet date. The estimated fair value of all other financial assets and liabilities is considered not significantly different from book values as the items are either short term in nature or periodically re-priced.

According to Amendments to International Financial Reporting Standard 7, Financial Instruments: Disclosure -Improving disclosures about financial instruments, an entity shall classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)

inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (level 2); and

inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

The level in the fair value hierarchy within which the fair value measurement is categorized in its entirety shall be determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

Investments of the Fund carried at fair value are categorized in the level 1 category.

22 **Remuneration of Chief Executive, Directors and Executives**

No. remuneration or Benefit paid to Chief Executive, Director and Executives of the company due Investment Advisor maintaining the operations of the Company .

23 **Date of Authorization for issue**

These financial statements were authorized for issue on October 05, 2022 by the Board of Directors of the Investment Adviser.

24 **NUMBER OF EMPLOYEES**

Number of persons employed as at year end were nil (2021: nil).

25 **General**

Corresponding figures have been rearranged and reclassified, whenever necessary, for the purposes of comparison. During the year there were no major reclassifications to report.

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

The bifurcation of undistributed income into realized and unrealized income at the beginning and end of the year as required by the NBFC Regulations has not been disclosed as such bifurcation is not practicable.

Chief Executive

Director

Chief Financial Officer

**Pattern of Shareholding
As At June 30, 2022**

Number of Shareholders	Shareholding		Total Shares Held	Percentage
	From	To		
281	1 -	100	25,804	0.52
1,586	101 -	500	723,689	14.47
351	501 -	1,000	346,094	6.92
283	1,001 -	5,000	702,074	14.04
33	5,001 -	10,000	254,541	5.09
7	10,001 -	15,000	90,000	1.80
5	15,001 -	20,000	88,300	1.77
4	25,001 -	30,000	110,000	2.20
1	30,001 -	35,000	32,500	0.65
2	45,001 -	50,000	92,500	1.85
1	50,001 -	55,000	53,000	1.06
1	65,001 -	70,000	67,700	1.35
1	75,001 -	80,000	78,000	1.56
1	85,001 -	90,000	81,500	1.63
4	95,001 -	100,000	394,800	7.90
1	115,001 -	120,000	117,998	2.36
1	235,001 -	240,000	239,000	4.78
1	240,001 -	245,000	243,000	4.86
1	495,001 -	500,000	500,000	10.00
1	755,001 -	760,000	759,500	15.19
2,566			5,000,000	100.00

**CATEGORIES OF SHAREHOLDERS
AS AT JUNE 30, 2022**

Categories of Shareholders	No. of Shares Held	Percentage
Directors, Chief Executive Officer and their spouses and Minor Children	5,398	0.11
Associated Companies, Undertakings and Related Parties	500,000	10.00
NIT & ICP	98,300	1.97
Banks, Development Finance Institutions & Non-Banking Financial Institutions	21,200	0.42
Mutual Fund & Investment Company	7,003	0.14
Joint Stock Companies	20,200	0.40
Other Companies	3,301	0.07
General Public (Local)	4,344,598	86.89
	5,000,000	100.00

Proxy Form

I, _____ of _____ being a member of Tri-Star Mutual Fund 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 28, 2022 at F/538, S.I.T.E., Karachi and at any adjournment thereof.

As witness my hand this _____ day of _____, 2022.

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 F/538, S.I.T.E., 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.