

Tri-Star Mutual Fund Limited



**UN-AUDITED ACCOUNTS FOR
1ST QUARTER ENDED
SEPTEMBER 30, 2024**

Company Information

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

Mr. Habib Jamal Independent Director

Mr. Asad Ahmad Chief Executive

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

Auditors: Feroze Sharif Tariq & Co.
Chartered Accountants

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

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

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

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

Directors' Report

For the 1st Quarter ended September 30, 2024

The Board of Directors of Tri-Star Mutual Fund Ltd., are pleased to present 1st Quarterly Accounts for the period ended September 30, 2024.

The period under review has been full of volatility on both socio-economic and political front, however, PSX has shown resilience and KSE-100 index crossed 90,000 points. This was also supported by stabilisation of PKR against USD and perception of bank rate going down in the near future.

On behalf of the Board

Asad Ahmad
Chief Executive

Jawed Ahmed Siddiqui
Director

Karachi: October 29, 2024

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2024

	Note	September 2024	June 2024
		Rupees	
ASSETS			
NON CURRENT ASSETS			
Long Term Deposits		12,500	12,500
CURRENT ASSETS			
Investments	6	88,024,046	92,375,186
Advance Income Tax		644,987	641,564
Other Receivables		5,422	5,422
Balances with Bank		61,713	50,243
		<u>88,736,168</u>	<u>93,072,415</u>
TOTAL ASSETS		88,748,668	93,084,915
LIABILITIES			
CURRENT LIABILITIES			
Payable to Investments Adviser- an associated co	7	16,642,691	15,166,426
Accrued expenses		5,123,172	5,217,290
Unclaimed Dividend		426,082	426,082
Provision For taxation		417,936	414,513
		<u>22,609,881</u>	<u>21,224,311</u>
NET ASSETS		66,138,787	71,860,604
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		50,000,000	50,000,000
Unrealized (Loss) due to Change in Fair value of Investment		(3,870,626)	(2,080,067)
Unappropriated Profit / (Loss)		20,009,414	23,940,671
TOTAL CERTIFICATE HOLDERS' FUND		66,138,787	71,860,604
Net Assets value per certificate - Rupees		13.23	14.37

CONTINGENCIES & COMMITMENTS

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

Asad Ahmad
Chief Executive

Jawed Ahmed Siddiqui
Director

Mohammad Zameer
Chief Financial Officer

**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2024**

	September 2024	September 2023
	Rupees	
INCOME		
Profit/ (Loss) from Operation	(2,537,769)	8,362,845
OPERATING EXPENSES		
Fee for Tri-Star Investments Ltd.-Investment Advisor	1,376,265	1,007,700
Fee and Subscription	13,800	4,000
Bank Charges	-	50
	1,390,065	1,011,750
Loss after taxation	(3,927,834)	7,351,094
Liability Written Back	-	-
	(3,927,834)	7,351,094
Taxation	(3,423)	-
	(3,423)	-
Profit / (Loss) after taxation	(3,931,257)	7,351,094
Other comprehensive income for the year:	(1,790,559)	(264,273)
Total comprehensive Income/(Loss) for the year	(5,721,817)	7,086,820
Earning/(Loss) per certificate (Rupees)		
With net unrealized diminution on remeasurement of investments	(1.14)	1.42
Without net unrealized diminution on remeasurement of investments	(0.79)	1.47

Asad Ahmad
Chief Executive

Jawed Ahmed Siddiqui
Director

Mohammad Zameer
Chief Financial Officer

CONDENSED INTERIM STATEMENT OF CASH FLOW (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2024

	September 2024	September 2023
	Rupees	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) before taxation	(3,927,834)	7,351,094
Adjustment for non-cash changes and other items:		
Dividend Income	(22,811)	(10,589)
Unrealized diminution on re-measurement of investments classified as 'Financial Assets at fair value through profit or loss' - net	2,560,580	(8,352,256)
	<u>2,537,769</u>	<u>(8,362,845)</u>
Operating cash (outflow)/inflow before working capital changes	(1,390,065)	(1,011,751)
Decrease/(Increase) in Assets		
Other receivables	-	5,788
(Decrease)/Increase in liabilities		
Due to Investment Advisor	1,476,265	1,007,700
Accrued Expenses and other Liabilities	(94,118)	4,050
	<u>1,382,147</u>	<u>1,017,538</u>
Net cash (outflow) from operating activities	(7,918)	5,787
CASH FLOW FROM INVESTING ACTIVITIES		
Dividend Income	22,811	10,589
Net cash (outflow)/inflow from investing activities	<u>22,811</u>	<u>10,589</u>
	14,893	16,376
CASH FLOW FROM FINANCING ACTIVITIES		
Income tax Paid	(3,423)	(2,453)
Net cash used in financing activities	<u>(3,423)</u>	<u>(2,453)</u>
Net increase/(decrease) in Cash and Cash Equivalent	11,470	13,923
Cash and Cash Equivalent at the beginning of the year	<u>50,242</u>	<u>188,840</u>
Cash and Cash Equivalent at the end of the year	<u><u>61,712</u></u>	<u><u>202,763</u></u>

Asad Ahmad
Chief Executive

Jawed Ahmed Siddiqui
Director

Mohammad Zameer
Chief Financial Officer

**CONDENSED INTERIM STATEMENT OF MOVEMENT IN CERTIFICATE HOLDERS EQUITY (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2024**

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, 2023	50,000,000	(8,245,106)	(232,798)	41,522,096
Total Comprehensive income for the year	-	(264,273)	7,351,094	7,086,821
Balance as at September 30, 2023	50,000,000	(8,509,379)	7,118,296	48,608,917
Balance as at June 30, 2024	50,000,000	(2,080,067)	23,940,671	71,860,604
Total Comprehensive (Loss) for the year		(1,790,559)	(3,931,257)	(5,721,817)
Balance as at September 30, 2024	50,000,000	(3,870,626)	20,009,414	66,138,787

Asad Ahmad
Chief Executive

Jawed Ahmed Siddiqui
Director

Mohammad Zameer
Chief Financial Officer

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED SEPTEMBER 30, 2024 (UN-AUDITED)

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 in corporation or registration or license of a company registered under any rules or notifications now repealed and Companies Ordinance 1984 (Now the Companies Act, 2017) and its shares are listed in Pakistan Stock Exchange Limited. The Fund has entered into an agreement with an associated company Tri-Star Investments Limited to act as its "Investment Adviser".

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

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

2 BASIS OF PREPARATION

These condensed interim financial statements of the Company for the half year ended 31 December 2023 have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards applicable in Pakistan for interim financial reporting comprise of International Accounting Standard (IAS) 34, "Interim Financial Reporting", issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017, Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed and provisions of and directives issued under the Companies Act, 2017. Where provisions of and directives issued under the Companies Act, 2017 differ from the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

These condensed interim financial statements do not include all the information and disclosures required in the annual audited financial statements, and should be read in conjunction with the Company's annual audited financial statements for the year ended 30 June 2024.

3 SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES

The accounting policies and methods of computation adopted and applied in the preparation of these condensed interim financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 30 June 2024.

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

There are certain new standards, amendments to existing standards and new interpretations on approved accounting standards that became effective during the period and are mandatory for accounting periods of the Company beginning on or after July 01, 2021 but are considered not to be relevant or not to have any material effect on the Company's operations and are, therefore, not disclosed in these condensed interim financial statements.

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

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

5 ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

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

Judgements and estimates made by management in the preparation of these condensed interim financial informations are the same as those that were applied to the financial statements as at and for the year ended June 30, 2024.

The Company's financial risk management objectives and policies are consistent with those objectives and policies which were disclosed in the financial statements of the Company for the year ended June 30, 2024.

6 INVESTMENTS

		September 2024	June 2024
"Financial assets at fair value through profit and loss" - held for trading			
- Quoted equity securities - regular market trade	6.1	77,231,671	79,792,251
Available for sale			
- Quoted equity securities - associated companies	6.2	10,792,375	12,582,934
		<u>88,024,046</u>	<u>92,375,186</u>

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

Cost	23,642,388	23,642,388
Purchase during the period	-	-
Unrealized Gain/(Loss) due to Change in the value of Investments	53,589,283	56,149,863
	<u>77,231,671</u>	<u>79,792,251</u>

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

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

6.2 Available for sale

Cost	14,663,000	14,663,000
Purchase during the period	-	-
Unrealized Gain/(Loss) due to Change in the value of Investments	(3,870,625)	(2,080,066)
	<u>10,792,375</u>	<u>12,582,934</u>

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

Opening balance	15,166,426	14,543,610
Add: Reimbursable Expenses	-	807,270
Add: Remuneration for the year	7.1 1,376,265	1,215,546
	<u>16,542,691</u>	<u>16,566,426</u>
Less: Paid during the year	-	1,400,000
	<u>16,542,691</u>	<u>15,166,426</u>

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

Average Annual Net Assets	68,813,252	49,767,106
Remuneration at 2% of average annual net assets	<u>1,376,265</u>	<u>995,342</u>

8 CORRESPONDING FIGURES

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

9 Date of Authorization for issue

These financial statements were authorized for issue on October 29, 2024 by the Board of Directors of the Investment Adviser.

10 General

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

Asad Ahmad
Chief Executive

Jawed Ahmed Siddiqui
Director

Mohammad Zameer
Chief Financial Officer