

Annual Report  
2020



Tri-Star  
Power Ltd.



## Company Information

Board of Directors:

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

Auditors:

M/s. Ghalib & Co.  
Chartered Accountants

Audit Committee:

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

Bankers:

Bank Al-Habib Ltd.

Registered Office:

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

Shares Registrar / Transfer Agent:

Hameed Majeed Associates (Pvt) Ltd.  
4th Floor, Karachi Chambers,  
Hasrat Mohani Road, Karachi.

Plant:

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



## **Notice of Meeting**

Notice is hereby given that the Twenty Seventh Annual General Meeting of Tri-Star Power Ltd., will be held on Wednesday, October 28, 2020 at 10.30 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, 2020 together with the Directors' and Auditors' reports 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 Order of the Board

Company Secretary

Karachi: October 5, 2020.

### **NOTES:**

1. The Share Transfer books of the Company will remain closed from 21.10.2020 to 28.10.2020 (both days Inclusive).
2. A member entitled to attend Annual General Meeting is entitled to appoint a proxy and vote in his place at the meeting. Proxies in order to be effective must be received at the registered office of the Company at 6<sup>th</sup> Floor, A/33, Central Commercial Area, KCHSU, Karachi duly stamped, signed and witnessed, not later than 48 hours before the meeting.
3. CDC Shareholders or their Proxies are required to bring with them their Original Computerized National Identity Card (CNIC) or Passport alongwith the Participant's I.D. number and their account number at the time of attending Annual General Meeting in order to authenticate their identity. In case of corporate entity, a certified BOD resolution/valid power of attorney with specimen signature of the nominée be produced at the time of meeting.
4. 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.
5. 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.
6. Members are requested to notify any change in their addresses immediately to our Shares Registrar M/s. Hameed Majeed Associates (Pvt) Ltd., Karachi Chamber, Hasrat Mohani Road, Karachi.



## Directors' Report

The audited accounts of the Company for the year ended June 30, 2020 are presented herewith.

### 1. FINANCIAL RESULTS

Financial results are as summarised as follows:

	Rupees 2020	Rupees 2019
Sales – Net	16,034,490	29,574,846
Less: Cost of Sales	<u>12,437,302</u>	<u>23,608,525</u>
Gross Profit	3,597,188	5,966,321
Less: Operating Expenses		
Administrative and General Expenses	<u>769,701</u>	<u>772,509</u>
Operating Profit	<u>2,827,487</u>	<u>5,193,812</u>
Finance Cost	<u>50</u>	<u>50</u>
Profit after Taxation	2,827,437	5,193,762
Other Income / (charges)	<u>2,912,877</u>	<u>(526,778)</u>
	<u>5,740,314</u>	<u>4,666,984</u>
Earning Per Share – Basic	<u>0.38</u>	<u>0.31</u>

### 2. BUSINESS

Your Company supplies electricity to the associated companies.

### 3. DIVIDEND

The Board in its meeting held on October 02, 2020 has not recommended any dividend this year.

### 4. BOARD OF DIRECTORS

The Board of Directors assumed their office with effect from 29.12.2017 for 3 years.

### 5. AUDITORS

The present auditors M/s. Ghalib & Co., Chartered Accountants, are due for retirement and being eligible offer themselves for reappointment. As required by the Code of Corporate Governance, the Board of Audit Committee as recommended the re-appointment of M/s. Ghalib & Co., Chartered Accountants, as auditors of the Company for the ensuing year.



**6. STATEMENT ON CORPORATE AND FINANCIAL REPORTING FRAME WORK**

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

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

- k. The pattern of share holding is annexed.



## 7. ACKNOWLEDGMENTS

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

By Order of the Board

**Asad Ahmad**  
Executive Director

Karachi: October 02, 2020



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

Year ended: June 30, 2020

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

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

Independent Director	Mr. Syed Imran
Non - Executive Director	Ms. Shamima Begum Mr. Jawed Ahmed Siddiqui Mr. Mohammad Zameer Mr. Mohammad Haroon Saeed Mr. Tanvir Hasan
Executive Director	Mr. Asad Ahmad (CEO)
Female Director	Ms. Shamima Begum
3. The directors have confirmed that none of them is serving as a director on more than five listed companies, including this Company.
4. The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.
5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the company.
6. All the powers of the board have been duly exercised and decisions on relevant matters have been taken by board / shareholders as empowered by the relevant provisions of the Act and these Regulations.
7. The meetings of the board were presided over by the Chairman and, in his absence, by a director elected by the board for this purpose. The board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of board.
8. The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. During the year, no directors training program has been held.
10. The board has approved appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.



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

Place: Karachi  
Dated: October 2, 2020

Asad Ahmad  
Chief Executive



## **INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF TRI STAR POWER LIMITED**

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2017

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2017 (the Regulations) prepared by the Board of Directors of Tri-Star Power Limited for the year ended June 30, 2020 in accordance with the requirements of regulation 40 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

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. We have not carried out procedures to assess and determine the Company's process for identification of related parties and that whether the related party transactions were undertaken at arm's length price or not.

- a) The composition of board has includes one independent director Mr. Syed Imran, whereas in our opinion he does not meet the criteria of independence due to his cross director ship in other group companies. Further, 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 chairman of Audit committee shall be an independent director, whereas in our view Mr. Syed Imran does not meet the criteria of independence due to the reason reflect in para (a) above.
- c) The chairman of Human Resource and Remuneration Committee shall be an independent director whereas in our view Mr. Syed Imran does not meet the criteria of independence due to the reason reflect in para (a) above.

Based on our review, except for the instances of non compliance, above, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2020.

Sd/-

Ghalib & Co.

Chartered Accountants

Audit Engagement Partner: Mohammad Ghalib

Karachi

Dated: October 2, 2020



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

Report on the Audit of the Financial Statements

### **Qualified Opinion**

We have audited the annexed financial statements of Tri-Star Power Limited (the Company), which comprise the statement of financial position as at June 30, 2020, and the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion section of our report, and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2020 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

### **Basis for Qualified Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code.. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

- a) We have not been able to verify the investment made in units of National Investment Trust (NIT) amounting to Rs. 34,594,845 (2019: 34,594,845) as disclosed in note 11.2 to the financial statements. Further, No provision has been made in the accounts for the NIT investments the recovery and realization of which are doubtful, the same has been explained in Note No. 11.2.1 to the financial statements. Had the provision for doubtful investment been made in the accounts, the losses of the Company would have been increased by Rs. 34,594,845 (2019: 34,594,845) and the Shareholder's Equity would have been decreased by the same amount.
- b) The company has disclosed Investment in Associated companies First Tri star Modaraba Limited and Tri-Star Energy Limited and as Available for sales investment in note 11.1.1 and 11.1.2 to the financial Statements. In our opinion, these investments has to be shown / valued at equity method in accordance with International Accounting standard 28" Investment in associates". We are unable to quantify the effect of the same as latest audited accounts of First Tri-Star Modaraba and Tri-Star Energy Limited were not made available.
- c) The Company has not maintained a separate bank account for unclaimed dividend.

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

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



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

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

**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 year. 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. In addition to the matters described in the Basis for Qualified Opinion section we have determined the matters described below to the key audit matters to be communicated in our report

Following are the Key Audit Matters:

S. No.	<u>Key Audit Matters</u>	<u>How the matter was addressed in our audit</u>
1	<b><u>Revenue Recognition</u></b>	
	<p>The Company generates revenue from local sale of Cloth stitched and Unstitched. Revenue from sale of goods against local sale is recognized on dispatch of goods as risk and rewards are transferred on dispatch. Revenue recognition criteria have been explained in note 5.14 to the financial statements.</p> <p>We identified revenue recognition as key audit matter as it is one of the key performance indicators of the Company and because of the potential risk that revenue transactions may not have been recognized based on transfer of risk and rewards to the customers in line with the accounting policy adopted and may not have been recognized in the appropriate period.</p>	<p>Our audit procedures to assess the recognition of revenue, amongst others, included the following:</p> <ul style="list-style-type: none"> <li>• obtaining an understanding of and assessing the design and operating effectiveness of controls designed to ensure that revenue is recognized in the appropriate accounting period and based on stated accounting policy;</li> <li>• assessing the appropriateness of the Company's accounting policies for revenue recognition and compliance of those policies with applicable accounting standards</li> <li>• comparing, on a sample basis, specific transactions recorded before and after the reporting date with underlying documentation to assess whether revenue has been recognized in the appropriate accounting period;</li> <li>• checked on a sample basis the recorded sales transactions with underlying supporting documents; and</li> <li>• assessed the adequacy of related disclosures in the financial statements.</li> </ul>



### **Responsibilities of Management and Board of Directors for the Financial Statements**

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

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

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

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



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

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

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

#### **Report on Other Legal and Regulatory Requirements**

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

- (a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- (b) the statement of financial position, the statement of profit or loss and other comprehensive loss, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- (c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- (d) No Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

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

Sd/-  
Ghalib & Co.  
Chartered Accountants  
Audit Engagement Partner: Mohammad Ghalib

Karachi  
Dated: October 2, 2020



## **Vision Statement**

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

## **Mission Statement**

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

## **Core Value**

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

## **Statement of Ethics and Business Practices**

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

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



## Balance Sheet as at

	Note	June 30, 2020	June 30, 2019
	s	(Rupees)	
<b><u>EQUITY AND LIABILITIES</u></b>			
<b><u>CAPITAL &amp; RESERVES</u></b>			
<b><u>Authorized Capital</u></b>			
15,000,000 (2019: 15,000,000) Ordinary Shares of Rs. 10/- each		150,000,000	150,000,000
Issued, Subscribed and Paid-up Capital	6	150,000,000	150,000,000
<b>Capital Reserve</b>			
Capital Reserve - (a Share Premium account)		70,000,000	70,000,000
<b>Revenue Reserve</b>			
Unrealized gain / (loss) due to change in fair value of investment through other Comprehensive Income		(1,402,000)	(1,051,500.00)
Accumulated (Loss)		(43,015,570)	(48,755,884)
Shareholders Equity		175,582,430	170,192,616
<b><u>CURRENT LIABILITIES</u></b>			
Trade and Other Payables	7	1,838,507	1,299,433
Unclaimed Dividend		5,025,285	5,025,285
Provision for taxation	8	-	-
		6,863,792	6,324,718
Contingencies and Commitments	9		
		182,446,222	176,517,334



# June 30, 2020

ASSETS

NON-CURRENT ASSETS

Tangible Fixed Assets			
Property, Plant and Equipments	10	4,364,934	4,850,057
Long Term Investments	11	76,902,845	77,253,345
Long term Loan From Related Party	12	20,000,000	40,000,000

CURRENT ASSETS

Stores, Spares and Loose Tools	13	2,704,549	3,381,976
Trade Debtors - unsecured	14	12,846,930	-
Interest Receivable from Related Party		11,658,082	8,745,205
Trade Deposits - Considered good	15	75,000	75,000
Income Tax Refunds and Advances		178,837	177,757
Cash and Bank Balances	16	53,715,045	42,033,994
		81,178,443	54,413,932

182,446,222	176,517,334
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The annexed notes form an integral part of these accounts.

Chief Executive

Director

Chief Financial Officer



**STATEMENT OF PROFIT OR LOSS  
FOR THE YEAR ENDED JUNE 30, 2020**

	Notes	2020	2019
		(Rupees)	
SALES - Net	17	16,034,490	29,574,846
COST OF SALES	18	<u>12,437,302</u>	<u>23,608,525</u>
GROSS PROFIT		3,597,188	5,966,321
<u>Operating Expenses</u>			
Administrative and General Expenses	19	<u>769,701</u>	<u>772,509</u>
OPERATING PROFIT		2,827,487	5,193,812
Finance Cost	20	50	50
		<u>2,827,437</u>	<u>5,193,762</u>
Other Income / (Charges)	21	2,912,877	(526,778)
PROFIT BEFORE TAXATION		<u>5,740,314</u>	<u>4,666,984</u>
<u>Taxation</u>			
- Current	8	<u>--</u>	<u>--</u>
- Prior		--	--
- Deferred	5.3	<u>--</u>	<u>--</u>
		--	--
PROFIT AFTER TAXATION		<u><u>5,740,314</u></u>	<u><u>4,666,984</u></u>
Earning Per Share - Basic	22	<u><u>0.38</u></u>	<u><u>0.31</u></u>

*The annexed notes form an integral part of these accounts.*

Chief Executive

Director

Chief Financial Officer



**STATEMENT OF CASH FLOW STATEMENT  
FOR THE YEAR ENDED JUNE 30, 2020**

	2020	2019
	(Rupees)	
<b><u>CASH FLOW FROM OPERATING ACTIVITIES</u></b>		
Profit/(Loss) before Taxation	5,740,314	4,666,983
<b><u>Adjustment for Non-Cash and Other Items:</u></b>		
Depreciation	485,123	539,059
Gain on Sale of Fixed assets	--	5,396,878
Financial Expenses	50	50
	485,173	5,935,987
	6,225,487	10,602,970
<b><u>Working Capital Changes</u></b>		
<i>(Increase) / Decrease in Current Assets</i>		
Stores and Spares	677,427	1,561,811
Trade debtors	(12,846,930)	18,343,301
Short term Loan to Associated company	--	--
Interest Receivable from Related Party	(2,912,877)	(4,800,000)
<i>Increase / (Decrease) in Current Liabilities</i>		
Trade and Other Payables	539,074	94,476
Due to Directors	--	--
Due to Associated Undertaking	-	--
	(14,543,306)	15,199,588
<b><u>Cash Flow from Investing Activities</u></b>		
Sales Proceeds from Fixed assets	--	2,500,000
	(14,543,306)	17,699,588
Taxes Paid	(1,080)	(13,795)
Financial charges Paid	(50)	(50)
	(1,130)	(13,845)
<i>Net Cash Inflow/ (Outflow) from Operating Activities</i>	(14,544,436)	17,685,743
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Loan recovered from Related Party	20,000,000	--
Net Increase in Cash and Cash Equivalents	11,681,051	28,288,713
Cash and Cash Equivalents at the Beginning	42,033,994	13,745,281
Cash and Cash Equivalents at the End	25 53,715,045	42,033,994

*The annexed notes form an integral part of these accounts.*

Chief Executive

Director

Chief Financial Officer



**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED JUNE 30, 2020**

	June 30, 2020	June 30, 2019
	(Rupees)	
<b>Profit for the Year</b>	5,740,314	4,666,984
<b>Other comprehensive Income:</b>		
Financial Asset at Fair value through other comprehensive income	(350,500)	357,510
<b>Total comprehensive Income for the year</b>	<u>5,389,814</u>	<u>5,024,494</u>

*The annexed notes form an integral part of these accounts.*

Chief Executive

Director

Chief Financial Officer



**STATEMENT OF CHANGE IN EQUITY  
FOR THE YEAR ENDED JUNE 30, 2020**

	Capital Reserve		Reveue Reserve		Total
	Share Capital	Capital Reserve	Unrealized gain / (loss) due to change in fair value of investment through other Comprehensive Income	Unappropriated Profit/Accumulated (Loss)	
Balance as on June 30, 2018	150,000,000	70,000,000	(1,409,010)	(53,422,867)	165,168,123
Net Profit for the year ended June 2019	--	--	--	4,666,984	4,666,984
Other Comprehanssive income	--	--	357,510	--	357,510
Total Comprehanssive income	--	--	357,510	4,666,984	5,024,494
Balance as on June 30, 2019	150,000,000	70,000,000	(1,051,500)	(48,755,884)	170,192,617
Net Profit for the year ended June 2020	--	--	--	5,740,314	5,740,314
Other Comprehanssive income	--	--	(350,500)	--	(350,500)
Total Comprehanssive income	--	--	(350,500)	5,740,314	5,389,814
Balance as on June 30, 2020	<u>150,000,000</u>	<u>70,000,000</u>	<u>(1,402,000)</u>	<u>(43,015,570)</u>	<u>175,582,430</u>

*The annexed notes form an integral part of these accounts.*

Chief Executive

Director

Chief Financial Officer

**Last Six Years Results At A Glance**

	2020	2019	2018	2017	2016	2015
<b><u>Financial Position</u></b>						
Paid-up Capital (Rs.)	150,000,000	150,000,000	150,000,000	150,000,000	150,000,000	150,000,000
Reserves (Rs.)	25,582,430	20,192,616	15,168,123	6,786,307	(4,266,776)	(8,908,133)
Fixed Assets-WDV (Rs.)	4,364,934	4,850,057	13,285,994	14,762,421	16,402,947	18,225,820
Investments at Cost (Rs.)	78,304,845	78,304,845	78,304,845	78,304,845	78,304,845	73,047,345
Investments at Market Value (Rs.)	76,902,845	77,253,345	76,895,835	78,998,835	75,500,845	73,047,345
Current Assets (Rs.)	81,178,443	54,413,932	41,216,536	32,589,774	22,902,005	58,810,866
Current Liabilities (Rs.)	6,863,792	6,324,718	6,230,242	9,564,723	9,072,573	8,992,163
<b><u>Income</u></b>						
Sales (Rs.)	16,034,490	29,574,846	51,714,859	60,387,464	13,108,505	-
Net Profit/(Loss) for the year (Rs.)	5,740,314	4,666,983	10,484,816	7,555,093	2,187,857	(2,278,273)
Accumulated Profit/(Loss) (Rs.)	(43,015,570)	(48,755,884)	(53,422,867)	(63,907,683)	(71,462,776)	(73,650,633)
<b><u>Statistics &amp; Ratios</u></b>						
Gross Profit/(Loss) Ratio (%)	22.43	20.17	12.52	13.67	19.80	-
Net Profit/(Loss) Ratio (%)	35.80	15.78	20.27	12.51	16.69	-
Current Ratio	11.83	8.60	6.62	3.41	2.52	6.54
Paid-up Value Per Share (Rs.)	10	10	10	10	10	10
Earning/(Loss) Per Share (Rs.)	0.380	0.310	0.699	0.500	0.146	(0.151)
Net Assets (Rs.)	175,582,430	170,192,616	165,168,123	156,786,307	145,733,224	141,091,868
Net Assets Value Per Share (Rs.)	11.71	11.35	11.01	10.45	9.72	9.41
Cash Dividend (%)	-	-	-	-	-	-
Bonus Dividend (%)	-	-	-	-	-	-



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

### 1 CORPORATE INFORMATION

Tri-Star Power Limited (the Company) was incorporated in Pakistan, as a public limited company on September 27, 1993 under the Companies Ordinance, 1984 (Repealed with the enactment of the Companies Act, 2017 on May 30, 2017) and its shares are listed in the Pakistan Stock Exchange in Pakistan. The Principal activity of the Company is to generate, distribution and Supply of Electricity.

The geographical Location and address of the company's business units, including mill/plant are as under:

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

The Generation/manufacturing facility is located at F/538, S.I.T.E., Karachi - 75700, Pakistan, which is not the Property of the company the same premises has been obtained from related party of the Company to install the Plant.

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

A novel strain of corona virus (COVID-19) that first surfaced in China was classified as a pandemic by the World Health Organization on 11 March 2020, impacting countries globally including Pakistan. Government of Pakistan has taken certain measures to reduce the spread of the COVID-19 including lockdown of businesses, suspension of flight operations, intercity movements, cancellation of major events etc. These measures have resulted in an overall economic slowdown, disruptions to various business and significant volatility in the Pakistan Stock Exchange (PSX). However, currently, the potential impacts from COVID-19 remain uncertain, including, among other things, on economic conditions, businesses and consumers. The extents of these impacts on the Company are unclear. The Company is conducting business with some modifications to employee working and cancellation of certain events, among other modifications while following all necessary Standard Operating Procedures (SOPs). The Company will continue to actively monitor the situation and may take further actions that alter its business operations as may be required by federal, provincial or local authorities or that are in the best interests of our employees, customers, partners, suppliers and stockholders. However, the management based on its assessment considered that there would be no significant impact that will adversely affect its businesses, results of operations and financial condition in future period.

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

### 2 STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

International Financial Reporting Standard issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

### 3 BASIS OF PREPARATION/MEASUREMENT

The financial statements have primarily been prepared under the historical cost convention without any adjustments for the effect of inflation or current values, Further, accrual basis of accounting is followed except for cash flow information.

### 4 APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved by the Board of Directors and authorized for issue on October 02, 2020.

### 5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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



5.1 **STANDARDS, AMENDMENTS, INTERPRETATION AND IMPROVEMENTS APPLICABLE TO THE FINANCIAL STATEMENTS**

**New standards, amendments, interpretation and improvements effective during the current year**

The Company has adopted the following standards, amendments, interpretation and improvements to International Financial Reporting Standards (IFRSs) which became effective for the current year:

**Standards, Amendments or Interpretation**

IFRS 9 - Prepayment Features with Negative Compensation (Amendments)

IFRS 14 - Regulatory Deferral Accounts

IFRS 16 - Leases

IFRS 16 - COVID 19 Related Rent Concessions (Amendments)

IAS 19 - Plan Amendment, Curtailment or Settlement (Amendments)

IAS 28 - Long-term interests in Associates and Joint Ventures (Amendments)

IFRIC 23 - Uncertainty over income tax treatments

5.1.1 **Improvements to Accounting Standards Issued by the IASB (2015-2017 cycle)**

IFRS 3 - Business Combinations - Previously held Interests in a joint operation

IFRS 11 - Joint Arrangements - Previously held Interests in a joint operation

IAS 12 - Income Taxes - Income tax consequences of payments on financial instruments classified as equity

IAS 23 - Borrowing Costs - Borrowing costs eligible for capitalisation

The adoption of the above standards, amendments, interpretations and improvements to the accounting standards did not have any effect on the Company's financial statements except for IFRS 16. The impact of adoption of IFRS 16 and its amendments are described below:

**IFRS 16 Leases**

IFRS 16 supersedes IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single note on statement of financial position model.

The Company adopted IFRS 16 using the modified retrospective approach with the date of initial application of July 01, 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application. Accordingly the information presented for prior years has not been restated. The Company elected to use the transition practical expedient allowing the standard to be applied only to lease contracts that were previously identified as leases applying IAS 17 and IFRIC 4 at the date of initial application. The Company also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option ('short-term leases').

The new accounting policy in respect of leases is disclosed in note 5.5 & 5.6 to these financial statements which do not effects the financial Statement of the Company

**Standards, amendments and improvements to the approved accounting standards that are not yet effective**

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

5.1.2. Amendments	Effective date (annual periods beginning on or after)
IFRS 3 -- Definition of a Business (Amendments)	01 January 2020
IFRS 3 -- Reference to the Conceptual Framework (Amendments)	01 January 2022
IFRS 9 / IAS 39 / IFRS 7 -- Interest Rate Benchmark Reform (Amendments)	01 January 2020
Associate or Joint Venture (Amendment)	Not yet finalised
IAS 1 / IAS 8 -- Definition of Material (Amendments)	01 January 2020
IAS 1 -- Classification of Liabilities as Current or Non-current (Amendments)	01 January 2022*
IAS 16 -- Proceeds before Intended Use (Amendments)	01 January 2022
IAS 37 -- Onerous Contracts – Costs of Fulfilling a Contract (Amendments)	01 January 2022



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

IFRS 9 -- Financial Instruments – Fees in the ‘10 percent’ test for derecognition of financial liabilities	01 January 2022
IAS 41 -- Agriculture – Taxation in fair value measurements	01 January 2022

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

Standard or Interpretation	Effective date (annual periods beginning on or after)
IFRS 1 -- First time adoption of IFRSs	01 January 2004
IFRS 17 -- Insurance Contracts	01 January 2023

**5.2 SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES**

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

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

**5.2.1 Property, plant and equipment**

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

**5.2.2 Taxation**

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

**5.2.3. Stock-in-trade**

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

**5.2.4 Provision for doubtful receivables**

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



#### 5.2.5 Contingencies

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

#### 5.3 Taxation

##### *Current Year*

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

##### *Deferred*

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

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

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

No deferred tax has been provided during the year due to the company are exempt from levy of Income tax under clause 132 of the second Schedule to the income tax ordinance, 2001 and also the company is not in operation since year 2000.

#### 5.4 Property, Plant and Equipment

##### Initial recognition

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

##### Subsequent measurement

Property, Plant and Equipment are stated at cost or revalued/adjusted amounts less accumulated depreciation and impairment losses, if any; except for lease hold land and capital works in progress which are stated at cost accumulated up to the balance sheet date.

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

##### Revaluation

Any revaluation increase arising on the revaluation of land, buildings and leasehold improvements is recognised in other comprehensive income and presented as a separate component of equity as "Revaluation surplus on property, plant and equipment", except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged. Any decrease in carrying amount arising on the revaluation of land, buildings and leasehold improvements is charged to profit or loss to the extent that it exceeds the balance, if any, held in the revaluation surplus on property, plant and equipment relating to a previous revaluation of that asset. The revaluation reserve is not available for distribution to the Company's shareholders. The surplus on revaluation buildings and leasehold improvements to the extent of incremental depreciation charged (net of deferred tax) is transferred to unappropriated profit.



#### **Depreciation**

Full Years Depreciation is charged on acquisition or transfer of assets from capital work in progress, while no depreciation is charged on assets disposed off during the year. Depreciation is charged to income using reducing balance method, at the rates specified in the annexed schedule in note no. 10 to the financial statements, whereby the cost/revalued amounts of asset is written off over its estimated useful life, reflecting the approximate value of the consumption of the respective assets economic benefits. The depreciation method and useful lives of the items of property, plant and equipment are reviewed periodically and altered if circumstances or expectations have changed significantly

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

#### **Disposal**

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

#### **Judgment and estimates**

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

#### **Repairs, renewals and maintenance**

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

### **5.5 Right-of-use assets**

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

### **5.6 Lease Liability**

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

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

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

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



**5.7 Impairment of non-financial assets other than inventories**

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

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

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

**5.8 Investment**

Investment at fair value through other comprehensive income are initially recognized at cost being the fair value of the consideration given including acquisition charges associated with. After initial recognition of investment are premeasured at fair value. Unrealized gains and losses on investment are recognized in other comprehensive income as required by IFRS 9 as the change in accounting policy fully disclosed in note 5.1.1 to the financial statements till the investment is sold or otherwise disposed off, or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is included in income. Measurement made as per IFRS 9 and disclosed the fair value as Price Quoted in Pakistan stock exchange

Investments in NIT's are stated at cost due to litigation with the Income tax department as fully described in note 11.2 and 11.2.1 to the financial statements.

**5.9 Stores, Spares and Loose Tools**

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

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

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

**5.10 Stock-in-Trade**

These are valued as follows:

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

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

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

**5.11 Trade Debts and other Receivables**

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



**5.12 Post Employment Benefits - Defined Benefit Plan**

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

**5.13 Foreign Currency Translation**

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

**5.14 Revenue Recognition**

Revenue from supply of electricity is recognised on issue of bills on monthly basis to its customers.

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

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

Other Income/Scrap Sales is recognized on accrual Basis.

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

**5.15 Provisions**

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

**5.16 Financial Instruments**

**5.16.1 Financial asset**

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

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

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

**5.16.2. Financial liabilities**

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

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

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

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



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

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

#### 5.16.4. Offsetting of financial instruments

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

#### 5.16.5 Impairment of non-financial assets

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

#### 5.17 Related Party Transaction

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

#### 5.18 Loan, Advances and other Receivables

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

#### 5.19 Dividends and Appropriation to Reserve

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

#### 5.20 Contingent Liability

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

#### 5.21 Contingent Assets

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

#### 5.22 Trade and Other Payables

Trade and other payables are stated at their cost.

#### 5.23 Borrowing Cost

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



**5.24 Cash and cash equivalents**

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

**5.25 Dividend and Appropriation to reserves**

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

**6 Issued, Subscribed and Paid-up Capital**

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

2020	2019	2020	2019
		Rupees	
15,000,000	15,000,000	150,000,000	150,000,000
Fully Paid in cash			
<u>15,000,000</u>	<u>15,000,000</u>	<u>150,000,000</u>	<u>150,000,000</u>

21,300 (2019:21,300) ordinary shares held by Associated Company's.

	2020	2019
	Rupees	
<b>7 Trade and Other Payables</b>		
Accrued Expenses	1,059,337	520,263
Gratuity Payable 7.1	78,428	78,428
Zakat Payable	381,808	381,808
With holding tax Payable	30,000	30,000
Other Liability	288,934	288,934
	<u>1,838,507</u>	<u>1,299,433</u>

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

**8 Provision for Taxation**

The income tax returns of the company has been filed up to tax year 2019 to income tax department and the assessments of the company have been finalized up to and including the tax year 2018. However, the commissioner of income tax may at any time during a period of five years from the date of filling of return may select the deemed assessment for audit.

The numerical reconciliation between the average tax rate and applicable tax rate has not been presented in these financial statements, The company is exempt from levy of Income tax under clause 132 of the second Schedule to the income tax ordinance, 2001, therefore, the company has made no provision for taxation in the financial Statements.

Management had a practice of recording tax expense based on the generally accepted interpretation of tax laws and accordingly sufficient provision in respect of taxation for last three years has been provided in these financial statements.

Since the company is exempt from levy of Income tax under clause 132 of the second Schedule to the income tax ordinance, 2001, therefore, the company has made no provision for taxation in the financial Statements further the Company not Provided nor Filed the Income tax Returns during last three years therefore the company has not presenting the Figure for the Provision of tax and a per the assessment for tax also not available.

**9 Contingencies and Commitments**

9.1 Guarantees issued by banks	nil	nil
9.2 Letters of Credit in respect of committed capital expenditures	nil	nil
9.3 Letters of Credit for other than capital expenditures	nil	nil
9.4 Contingent assets as disclosed in note 11.2.1.		



**10 Tangible Fixed Assets**  
Property, Plant and Equipment

4,364,934	4,850,057
4,364,934	4,850,057

Property, Plant and Equipment - At cost less accumulated depreciation

Particulars	2019				Rate %	2019				Written Down Value As At June 30, 2020
	Cost/Revaluation			As at June 30, 2020		Depreciation			As at June 30, 2020	
	As at July 01, 2019	Additions / Transfers/ (Deletion)	Revaluation			As at July 01, 2019	Transfer/ (Deletion)	For the year		
	Rupees					Rupees				
Owned										
Lease hold land 10.1	--	--	--	--	--	--	--	--	--	--
Factory Building	8,498,610	--	--	8,498,610	10	7,924,369	--	57,424	7,981,793	516,817
Plant and Machinery	57,026,560	--	--	57,026,560	10	52,847,962	--	417,860	53,265,822	3,760,738
Electrical Installations	496,144	--	--	496,144	10	461,024	--	3,512	464,536	31,608
Furniture and Fixture	896,000	--	--	896,000	10	835,458	--	6,054	841,512	54,488
Office Equipments	187,700	--	--	187,700	20	187,075	--	125	187,200	500
Air Conditioner and Refrig.	5,900	--	--	5,900	10	5,501	--	40	5,541	359
Vehicles	156,000	--	--	156,000	20	155,480	--	104	155,584	416
Computers	23,500	--	--	23,500	30	23,486	--	4	23,490	10
2020	67,290,414	--	--	67,290,414		62,440,357	--	485,123	62,925,480	4,364,934
2019	177,290,414	(110,000,000)	--	67,290,414		164,004,420	--	539,059	62,440,357	4,850,057

Allocation of Depreciation

Depreciation for the period has been allocated as follows:

Cost of Sales

Administrative and General Expense

	2020	2019
	Rupees	
Cost of Sales	478,796	531,995
Administrative and General Expense	6,327	7,063
	485,123	539,058

10.1 The Building and Plant & Machinery are installed on the associated Companies Premises Where the Company Supplying the Electricity during the year.

10.2 Register of fixed assets of the company was illegally removed by the officials of the income tax department at the time of conducting raid at the company's premises which has not yet been returned. Consequently the same remain not to be updated and could also not made available to the auditors.

Particulars	2019				Rate %	2019				Written Down Value As At June 30, 2019
	Cost/Revaluation			As at June 30, 2019		Depreciation			As at June 30, 2019	
	As at July 01, 2018	Additions / Transfers/ (Deletion)	Revaluation			As at July 01, 2018	Transfer/ (Deletion)	For the year		
	Rupees					Rupees				
Owned										
Lease hold land 10.1	--	--	--	--	--	--	--	--	--	--
Factory Building	8,498,610	--	--	8,498,610	10	7,850,565	--	63,805	7,914,370	574,241
Plant and Machinery	167,026,560	(110,000,000)	--	57,026,560	10	154,486,795	(102,103,122)	464,289	52,847,962	4,178,598
Electrical Installations	496,144	--	--	496,144	10	457,122	--	3,902	461,024	35,120
Furniture and Fixture	896,000	--	--	896,000	10	828,731	--	6,727	835,458	60,542
Office Equipments	187,700	--	--	187,700	20	186,919	--	156	187,075	625
Air Conditioner and Refrig.	5,900	--	--	5,900	10	5,457	--	44	5,501	399
Vehicles	156,000	--	--	156,000	20	155,350	--	130	155,480	520
Computers	23,500	--	--	23,500	30	23,480	--	6	23,486	14
2019	177,290,414	(110,000,000)	--	67,290,414		164,004,420	--	539,059	62,440,357	4,850,057
2018	177,290,414	--	--	177,290,414		162,527,994	--	1,476,426	164,004,420	13,285,994

Allocation of Depreciation

Depreciation for the period has been allocated as follows:

Cost of Sales

Administrative and General Expense

	2019	2018
	Rupees	
Cost of Sales	531,995	1,468,537
Administrative and General Expense	7,063	7,890
	539,059	1,476,426



		2020	2019
		Rupees	
<b>11 Long Term Investment</b>			
Related Parties - at fair value through other Comprehensive income	11.1 & 5.1.1	42,308,000	42,658,500
Others marketable securities - At Cost	11.2	34,594,845	34,594,845
		<u>76,902,845</u>	<u>77,253,345</u>

**11.1 Related Parties - at fair value through other Comprehensive income**

**Related Parties:**

	2020 No. of Shares/ Units	2019 No. of Shares/ Units	Name of Company	Rupees 2020		Rupees 2019	
				Cost	Fair Value	Cost	Fair Value
<b>Quoted</b>							
11.1.1	701,000	701,000	First Tri Star Modaraba	7,010,000	5,608,000	7,010,000	5,958,500
<b>Un-quoted</b>							
11.1.2.	3,670,000	3,670,000	Tri-Star Energy Ltd.	36,700,000	36,700,000	36,700,000	36,700,000
				<u>43,710,000</u>	<u>42,308,000</u>	<u>43,710,000</u>	<u>42,658,500</u>
			Less: Provision for diminution in value of investments	1,402,000		1,051,500	
				<u>42,308,000</u>		<u>42,658,500</u>	

- i. The Break-up value of Tri-Star Energy Ltd., is determined on the basis of audited accounts for the year ended June 30, 2020 are not available due to Company's not issued the same accounts till to date.
- ii. Equity held by Tri-Star Power Ltd., in Tri-Star Energy Ltd., is 11.85% (2019: 11.85%).

**11.2 Others marketable securities - At Cost**

**Others:**

2020 No. of Shares/ Units	2019 No. of Shares/ Units	Name of Company	Rupees 2020		Rupees 2019	
			Cost	Fair Value	Cost	Fair Value
2,373,080	2,373,080	N.I.T. units	34,594,845	-	34,594,845	-
			<u>34,594,845</u>	<u>-</u>	<u>34,594,845</u>	<u>-</u>
		Less: Provision for diminution in value of investments				
			<u>34,594,845</u>		<u>34,594,845</u>	

Average Cost Price Rs. 14.578/Unit

Market value as at June 30, are as under

June 30 (2019: June 30) @ Rs. 54.97 . (2019: Rs.53.87) per unit

**11.2.1** In, September 1998, the income tax authorities raided the company's premises and took away, by force, all the records, documents, and valuable securities, including FEBC's/Bearer NIT units of all the Group companies, which included the bearer NIT units of the company; without lawful authority and without making any inventory. This raid caused a serious disruption in the company's business. The company has filed a suit against the Income Tax Authorities in the Honorable High Court of Sind, challenging the said act as being illegal. The Honorable High Court of Sind, vide its Order dated July 31, 1998, held that the presence of irregularities and malafides in the act of the Income Tax Department cannot be ruled out. Further, the remaining two ingredients namely balance of convenience and causing irreparable loss and injury, also exists in favor of the company. Further, the Income Tax Department was directed to submit their report keeping in view the provisions of Section 146(c) of The Income Tax Ordinance, 1979, declaring how much more time they would need to return the impounded documents and records. The matter is now in evidence stage.



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

	2020	2019
	Rupees	
<b>12 Long term Loan to Related Party</b>	20,000,000	40,000,000
	<u>20,000,000</u>	<u>40,000,000</u>
<b>12.1</b>		
As per the Agreement the above loan are unsecured and interest bearing @ 14% (2019:12%) per approx annum. The above loans give the Related Parties to meet the working Capital requirements of the Related Party.		
<b>13 Stores, Spares &amp; Loose Tools</b>		
Stores and Spares	2,704,549	3,381,976
	<u>2,704,549</u>	<u>3,381,976</u>
<b>14 Trade Debts - Considered Good</b>		
Local Receivables - Considered Good (An Associated Party)	12,846,930	--
Considered Doubtful	--	--
	<u>12,846,930</u>	<u>--</u>
Provision for Doubtful debts	--	--
	<u>12,846,930</u>	<u>--</u>
<b>14.1</b> The aging of debtors (Related Party) at the reporting date was:		
Up to one month	1,534,693	--
1 to 6 months	7,708,158	--
More than 6 months	3,604,079	--
More than one year	--	--
	<u>12,846,930</u>	<u>--</u>
14.2 Maximum amount due at any month during the year with related party amounting to 12.847 million (2019: Rs. nil)		
<b>15 Trade Deposits - Considered good</b>		
Deposits	75,000	75,000
	<u>75,000</u>	<u>75,000</u>
	2020	2019
	Rupees	
<b>16 Cash and Bank Balances</b>		
Cash in Hand	53,705,555	42,032,385
Cash at Banks - Current Accounts	16.1 9,490	1,610
	<u>53,715,045</u>	<u>42,033,994</u>
16.1 The Company has conventional banking relationships with all the banks.		
<b>17 SALES - Net</b>		
Gross Sales	16,034,490	29,574,846
Sales Tax	17.1 --	--
	<u>16,034,490</u>	<u>29,574,846</u>
17.1 The Company has not filed Sales tax Return during the year		



<b>18</b>	<b>Cost of Sales</b>			
	Fuel and Power, Oil and Lubricant		8,218,881	15,981,579
	Salaries, Wages and Other Benefits	18.1	1,917,435	3,591,466
	Store consumed		864,408	1,561,811
	Repairs and Maintenance		957,782	1,941,674
	Depreciation		478,796	531,995
			<u>12,437,302</u>	<u>23,608,525</u>

18.1 Salaries, wages and other benefits include Rs.nil million relating to staff retirement benefits.

			2020	2019
			Rupees	
<b>19</b>	<b>Administrative and General Expenses</b>			
	Fee and Subscription		338,100	352,083
	Auditors Remuneration	19.1	200,000	200,000
	Advertisement Expenses		19,500	18,200
	Postage		300	230
	Stationery & Printing		--	2,500
	Registrar Services		205,474	192,433
	Depreciation		6,327	7,063
			<u>769,701</u>	<u>772,509</u>

<b>19.1</b>	<b>Auditors Remuneration</b>			
	Audit Fee		200,000	200,000
			<u>200,000</u>	<u>200,000</u>

<b>20</b>	<b>Finance Cost</b>			
	Bank Charges and Commission		50	50
			<u>50</u>	<u>50</u>

<b>21</b>	<b>Other Charges / Income</b>			
	Dividend Income		--	70,100
	Loss on Sales of Property Plant and Equipments		--	(5,396,878)
	Interest Charge from Related Party		2,912,877	4,800,000
			<u>2,912,877</u>	<u>(526,778)</u>

<b>22</b>	<b>Earnings Per Share - Basic</b>			
	Profit after Taxation		<u>5,740,314</u>	<u>4,666,984</u>
	Weighted Average Number of Ordinary Shares		<u>15,000,000</u>	<u>15,000,000</u>
	Earning Per Share - Basic	Rupees	<u>0.38</u>	<u>0.31</u>

**23 Remuneration of Chief Executive, Director and Executives**

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

**24 Related Party Transactions**

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

Name of the related party	Relationship and percentage shareholding	Transactions during the year and year end balances	2020 (Rupees)	2019 (Rupees)
Tri-Star Polyester Ltd	Associated company by virtue of common directorship	Markup for the year	2,912,877	4,800,000
		Loan Received	20,000,000	
		Electricity Sold	16,034,490	29,574,846
		Loan receivable	20,000,000	40,000,000
		Maximum Balance due at end	44,505,012	48,745,205
Habib Jamal & Company	Partnership common Control	Purchase of Raw Material	8,218,881	15,981,579

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

All transactions were carried out on commercial terms and conditions and were valued at arm's length price. Reimbursement of expenses were on actual basis. Remuneration and benefits to key management personnel under the terms of their employment are given in Note 23 above.



	2020	2019
	Rupees	
<b>25 Cash and Cash Equivalents</b>		
Cash and Bank Balances	53,715,045	42,033,994
Short term Running Finances utilized under mark-up arrangements	--	--
	<u>53,715,045</u>	<u>42,033,994</u>

<b>26 Plant Capacity and Production</b>		
Actual Capacity/Day	10 Mega Watt	10 Mega Watt
Actual Electricity produced	1,603,449 KWH	2,957,485 KWH

**27 OPERATING SEGMENT**

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

Revenue from sales of Electricity 100% (2019: 100%) of total revenue.

All non current assets of the Company as at June 30, 2020 are located in Pakistan.

100% (2019: 100%) of sales of Electricity is local sales.

Revenue from single major customer of the Company represent 100% (2019: 100%) of total revenue of the Company

**28 Financial Instruments**

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

Credit Risk

Liquidity Risk

Market Risk

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

**28.1 Credit Risk**

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

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

	2020	2019
	Rupees	
Long Term Investment	76,902,845	77,253,345
Debtors	12,846,930	--
Trade Deposits and Prepayments	75,000	75,000
Cash with Banks in Current Accounts	53,715,045	42,033,994
	<u>143,539,820</u>	<u>119,362,339</u>

**28.2 Liquidity Risk**

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

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

2020					
Particulars	Carrying Amount	Contractual Cash Flows	Six months or Less	Six to twelve months	One to two year
Rupees					

**Financial Liabilities**

Trade and other payables	1,838,507	1,838,507	849,113	989,394	-
	<u>1,838,507</u>	<u>1,838,507</u>	<u>849,113</u>	<u>989,394</u>	<u>-</u>

2019					
Particulars	Carrying Amount	Contractual Cash Flows	Six months or Less	Six to twelve months	One to two year
Rupees					

**Financial Liabilities**

Trade and other payables	1,299,433	1,299,433	712,940	586,493	-
	<u>1,299,433</u>	<u>1,299,433</u>	<u>712,940</u>	<u>586,493</u>	<u>-</u>

**33.3 Market Risk**

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

**28.3 Currency Risk**

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

**28.4 Interest Rate Risk**

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

**28.5 Risk Management Policies**

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

**28.6 Capital Risk Management**

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

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



	2020	2019
	Rupees	
Total Borrowings	--	--
Less: Cash and Bank Balances	53,715,045	42,033,994
Net Debt	<u>(53,715,045)</u>	<u>(42,033,994)</u>
Total Equity	175,582,430	170,192,616
Total Capital	<u>121,867,385</u>	<u>128,158,622</u>
Gearing Ratio	<u>(0.44)</u>	<u>(0.33)</u>

### 28.7 Fair Value of Financial Instruments

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

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

### 29 Number of Employees

Number of persons employed contractual and Permanent as at year end were 7 (2019: 15) and the average number of persons employed during the year were 9 (2019: 13).

Number of persons employed at factory contractual and Permanent as at year end were 7(2019: 15) and the average number of persons employed during the year were 9 (2019: 13).

### 30 General

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

#### **b. Functional and Presentation Currency**

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

#### **c. Corresponding figures**

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

Chief Executive

Director

Chief Financial Officer



**Pattern of Shareholding  
As At June 30, 2020**

Number of Share Holders	Share Holdings		Total Shares Held
	From	To	
832	1	100	76,088
2,600	101	500	1,103,585
899	501	1,000	859,831
844	1,001	5,000	2,192,223
167	5,001	10,000	1,319,720
45	10,001	15,000	580,200
46	15,001	20,000	841,684
29	20,001	25,000	672,300
15	25,001	30,000	428,900
13	30,001	35,000	434,800
14	35,001	40,000	538,600
11	40,001	45,000	471,669
7	45,001	50,000	347,000
5	50,001	55,000	265,500
4	60,001	65,000	246,500
2	65,001	70,000	137,500
3	70,001	75,000	221,000
3	85,001	90,000	266,000
4	95,001	100,000	391,000
1	100,001	105,000	102,500
1	105,001	110,000	111,100
2	115,001	120,000	234,500
1	120,001	125,000	123,500
1	125,001	130,000	130,000
1	130,001	135,000	130,800
2	140,001	145,000	285,500
1	145,001	150,000	148,000
1	150,001	155,000	151,000
2	170,001	175,000	345,000
1	185,001	190,000	186,500
2	195,001	200,000	400,000
1	280,001	285,000	283,500
1	340,001	345,000	344,000
1	625,001	630,000	630,000
<b>5,562</b>			<b>15,000,000</b>

# Proxy Form

I, \_\_\_\_\_ of \_\_\_\_\_ being a member of Tri-Star Power Ltd., Karachi and holder of \_\_\_\_\_ Shares as per R.F. No. \_\_\_\_\_ and/or CDC Participant I.D. No. \_\_\_\_\_ and Sub Account No. \_\_\_\_\_ hereby appoint \_\_\_\_\_ of \_\_\_\_\_ or failing him \_\_\_\_\_ of \_\_\_\_\_ as my proxy to attend and vote for me and on my behalf at the Annual General Meeting of the Company to be held on October 28, 2020 at F/538, S.I.T.E., Karachi and at any adjournment thereof.

As witness my hand this \_\_\_\_\_ day of \_\_\_\_\_, 2020.

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.