

Tri-Star Polyester Ltd.



**UN-AUDITED ACCOUNTS
FOR THE FIRST QUARTER
ENDED 30TH SEPTEMBER, 2019**



Company Information

Board of Directors:	Mr. Jawed Ahmed Siddiqui Mr. Asad Ahmad Ms. Uzma Ahmad Mr. M. Zameer Mr. Abdul Quddus Mr. Mohammad Haroon Saeed Mr. Syed Imran	Non Executive Chairman/Independent Director Chief Executive Executive Director Non Executive Director Non Executive Director Non Executive Director Non Executive Director
Auditors:	M/s. Ghalib & Co. Chartered Accountants	
Bankers:	Al Baraka Bank (Pakistan) Ltd. Bank Alfalah Ltd. Bank Al Habib Ltd. Habib Bank Ltd.	
Audit Committee:	Mr. Jawed Ahmed Siddiqui Mr. Abdul Quddus Mr. Mohammad Haroon Saeed	Chairman Member Member
Human Resource Committee:	Mr. Jawed Ahmed Siddiqui Ms. Uzma Ahmad Mr. M. Zameer	Chairman Member Member
Legal Counsel:	Abid S. Zuberi Bar-at-Law	
Liaison Office:	A/33, Central Commercial Area, Block 7/8, Main Shahrah-e-Faisal, Karachi-75350	
Registered Office:	F/538, S.I.T.E., Karachi-75700	
Shares Registrar / Transfer Agent:	Hameed Majeed Associates (Pvt) Ltd. 4 th Floor, Karachi Chambers, Hasrat Mohani Road, Karachi.	
Plant:	F/538, S.I.T.E., Karachi-75700	



Directors' Report

For the quarter ended September 30, 2019

The un-audited accounts of Tri-Star Polyester Ltd., for the quarter ended September 30, 2019 are presented herewith.

The period under review has been marked as major slow down period for the economy. The overall economic environment is dull and consumer spending is very low. The high interest rates have further dampened the business environment and markets are down having fear of the unknown. It seems too much tightening on both fiscal and monetary sides has been done which has resulted in slowing down of the economic activities.

We hope that required steps are taken by the government which may help in improving the economic activity in the country.

On behalf of the Board

ASAD AHMAD
Chief Executive

Place: Karachi.
Dated: October 30, 2019

**Condensed Interim Statement of Financial Position**

as at September 30, 2019

	Sep 30, 2019	June 30, 2019
	(Rupees)	
<u>EQUITY AND LIABILITIES</u>		
<u>CAPITAL & RESERVES</u>		
Authorized Capital		
100,000,000 (2018: 100,000,000) Ordinary Shares of Rs. 10/- each	1,000,000,000	1,000,000,000
Issued, Subscribed and Paid-up Capital	568,792,010	568,792,010
Capital Reserve		
Capital Reserve - (a Share Premium account)	39,386,665	39,386,665
Surplus on revaluation Property, plant and Equipments	381,626,014	381,626,014
Unrealised Gain due to Change in Fair value of investment	97,740,175	97,740,175
Revenue Reserve		
Accumulated (Loss)	(46,266,604)	(57,868,398)
Shareholders Equity	1,041,278,260	1,029,676,466
<u>NON-CURRENT LIABILITIES</u>		
Long term Loan from Associated and related Parties	20,000,000	40,000,000
Diminishing Musharka Finance Facility	80,500,000	92,000,000
Deferred taxation	61,102,130	61,102,130
Provision for Gratuity	854,137	854,137
<u>CURRENT LIABILITIES</u>		
Trade and Other Payables	141,912,825	105,954,969
Unclaimed Dividend	23,687,136	23,690,536
Accrued Interest on Loan from Associates	8,756,165	8,756,165
Accrued mark-up on Financial Institution	7,262,523	2,419,348
Current maturity of non current liabilities	57,500,000	46,000,000
Provision for taxation	6,126,998	4,835,153
	245,245,648	191,656,171
Contingencies and Commitments		
	1,448,980,175	1,415,288,905
<u>ASSETS</u>		
<u>NON-CURRENT ASSETS</u>		
Tangible Fixed Assets		
Property, Plant and Equipments	609,530,917	614,012,274
Long Term Deposits	4,215,995	4,215,995
Long Term Investments	132,250,850	132,250,850
<u>CURRENT ASSETS</u>		
Stores, Spares and Loose Tools	3,363,254	3,626,918
Stock-in-Trade	599,204,612	552,343,275
Trade Debtors - unsecured	86,996,481	77,937,226
Trade Deposits and Prepayments - considered good	185,554	396,754
Income Tax Refunds and Advances	2,777,176	2,567,360
Cash and Bank Balances	10,455,336	27,938,252
	702,982,414	664,809,786
	1,448,980,175	1,415,288,905

Asad Ahmed
Chief ExecutiveUzma Ahmad
DirectorMohammad Zameer
Chief Financial Officer

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

for the quarter ended September 30, 2019

	September 2019	September 2018
	(Rupees)	
SALES - Net	103,347,592	87,944,411
COST OF SALES	50,424,769	42,236,299
GROSS PROFIT	52,922,823	45,708,112
<u>Operating Expenses</u>		
Distribution and Selling Cost	17,453,081	8,801,775
Administrative and General Expenses	16,789,739	8,634,899
	34,242,820	17,436,674
OPERATING PROFIT	18,680,003	28,271,438
Finance Cost	5,786,364	3,510,872
PROFIT BEFORE TAXATION	12,893,639	24,760,566
<u>Taxation</u>		
- Current	(1,291,845)	(1,099,305)
	(1,291,845)	(1,099,305)
PROFIT AFTER TAXATION	11,601,794	23,661,261
Earning Per Share - Basic	0.22	0.46

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**Condensed Interim Statement of Other Comprehensive Income (Unaudited)**

For the quarter ended September 30, 2019

	June 30, 2019	June 30, 2019
	(Rupees)	
Profit for the Year	11,601,794	52,671,854
Other comprehensive Income:		
Available for Sales Financial Asset		
Change in Fair value of Investment	-	(48,707,200)
Items that will not reclassify to profit or loss		
Surplus on revaluation of property, plant and equipment	-	-
Related deferred tax	-	-
Effect of change in tax rates on balance of revaluation on property, plant and equipment		2,947,396
Total comprehensive Income for the period	<u>11,601,794</u>	<u>6,912,050</u>

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**Condensed Interim Statement of Cash Flows (Unaudited)**

for the quarter ended September 30, 2019

	SEPTEMBER 2019	SEPTEMBER 2018
	(Rupees)	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) before Taxation	12,893,639	24,760,566
Adjustment for Non-Cash and Other Items:		
Depreciation	9,052,657	9,581,135
Provision for Gratuity - net of Payments	--	205,124
Financial Expenses	5,786,364	3,510,872
	14,839,021	13,297,131
	27,732,661	38,057,697
Working Capital Changes		
<i>(Increase) / Decrease in Current Assets</i>		
Stock in Trade	(46,861,337)	(241,894,366)
Stores and Spares	263,664	--
Trade debtors	(9,059,255)	236,797,167
Trade deposits, Prepayments & Statutory balances	211,200	373,068
<i>Increase / (Decrease) in Current Liabilities</i>		
Trade and Other Payables	35,957,856	535,376
Un Claimed Dividends	(3,400)	--
	(19,491,272)	(4,188,755)
Taxes Paid	(209,816)	(220,550)
Financial charges Paid	(943,189)	(746,117)
	(1,153,005)	(966,667)
<i>Net Cash Inflow/ (Outflow) from Operating Activities</i>	7,088,383	32,902,276
CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of Fixed Assets	(4,571,299)	(2,376,667)
Sales Proceeds from Fixed Assets	--	--
<i>Net Cash Inflow/ (Outflow) from Investing Activities</i>	(4,571,299)	(2,376,667)
CASH FLOW FROM FINANCING ACTIVITIES		
Long term Loan from Associated and Related Parties	(20,000,000)	--
<i>Net Cash Inflow/ (Outflow) from Financing Activities</i>	(20,000,000)	--
Net Increase in Cash and Cash Equivalents	(17,482,916)	30,525,608
Cash and Cash Equivalents at the Beginning	27,938,253	8,194,942
Cash and Cash Equivalents at the End	10,455,337	38,720,551

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**Condensed Interim Statement of Changes in Equity**

for the quarter ended September 30, 2019

	Capital Reserve			Revenue Reserve			Total
	Share Capital	Capital Reserve	Surplus on Revaluation of Property, Plant and Equipment	Unrealized Gain / (Loss) Available for Sale Investment	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	450,780,390	39,386,665	393,488,230	146,447,376		(80,271,826)	949,830,835
Effect of Change in Accounting Policy ofn adoption of IFRS 9 - note 2.1.				(146,447,375)	146,447,375	-	-
	450,780,390	39,386,665	393,488,231	--	146,447,375	(80,271,826)	949,830,835
Net Profit for the year ended September 2018	--	--	--	--	--	23,661,261	23,661,261
Other Comprehensive income	--	--	--	--	(7,021,300)	(7,021,300)	(7,021,300)
Total Comprehensive income	--	--	--	--	(7,021,300)	23,661,261	16,639,961
Balance as on September 30, 2018	450,780,390	39,386,665	393,488,231	-	139,426,075	(56,610,565)	966,470,796
Balance as on June 30, 2019	568,792,010	39,386,665	381,626,014	-	97,740,175	(57,868,398)	1,029,676,466
Net Profit for the year ended September 2019	--	--	--	--	--	11,601,794	11,601,794
Other Comprehensive income	--	--	--	--	--	--	--
Total Comprehensive income	--	--	--	--	--	11,601,794	11,601,794
Balance as on September 30, 2019	568,792,010	39,386,665	381,626,014	-	97,740,175	(46,266,604)	1,041,278,260

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Notes to the Condensed Interim Financial Information (Un-audited)

For the quarter ended September 30, 2019

1. Corporate Information

Tri-Star Polyester Limited (the Company) was incorporated in Pakistan, as a public limited company on November 14, 1990, under the Companies Ordinance, 1984 (Repealed with the enactment of the Companies Act, 2017 on May 30, 2017) and its shares are listed at the Pakistan Stock Exchange Ltd., in Pakistan. The principal activity of the Company is manufacturing and sale of polyester filament yarn and embroidered fabric.

The operations of Polyester Filament yarn remain discontinued during the year.

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

The registered office of the company and manufacturing facilities is located at F/538, S.I.T.E., Karachi - 75700, Pakistan.

2. Statement of Compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan and the requirements of the Companies Act, 2017. Approved accounting standards comprise of such International Accounting Standards as notified under the provisions of the Companies Act 2017. Wherever, the requirements of the Companies Act 2017, or directives issued by the Securities and Exchange Commission of Pakistan differ with the requirements of these standards, the requirements of the Companies Act 2017, or the requirements of such directives take precedence.

3. Basis of Preparation

These financial statements are presented in Pakistani Rupees, rounded off to the nearest Rupee. The financial statements have primarily been prepared on the historical cost basis, unless an accounting policy herein states otherwise. The financial statements, except for the cash flow statement, have been prepared under the accrual basis of accounting.

4. Contingencies and Commitments

No contingencies and commitments existed as at September 30, 2019 (June 30, 2019: Nil).

5. Date of Authorization

These interim condensed financial statements were authorized for issue on 30th October, 2019 by the Board of Directors of the management company.

6. General

Figures have been rounded off to the nearest rupee.