

Tri-Star Polyester Ltd.



**UN-AUDITED ACCOUNTS
FOR THE THIRD QUARTER
ENDED 31ST MARCH, 2020**



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. Feroz Sharif Tariq & 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 March 31, 2020**

The un-audited accounts of Tri-Star Polyester Ltd., for the quarter ended March 31, 2020 are presented herewith.

The period under review has been marked with an unprecedented event in the shape of COVID-19. It has completely changed the business dynamics and the impact of lockdown has been devastating on all segments of the society without exception.

Your Company was fully geared to launch the Spring/Summer Collection 2020 when the lockdown was announced by the government. The inventory is at its all time peak in view of the season beginning in March and followed by Ramadan/Eid. However, COVID-19 has derailed all the planning as lockdown was imposed on the markets. Nonetheless, as your Company has been investing in developing e-commerce and has been able to develop and manage a strong website and social media marketing, the lifeline could continue in view of on-line sales. Your Company has been receiving a very large number of on-line orders as the product is outstanding and appreciated by its customers. As the flow of on-line orders has increased manifold in view of lockdown, the fulfilment of orders have become a challenge for the Company.

We hope and pray that with Almighty Allah's blessings we will be able to survive this extremely difficult time the world has seen during the last 100 years.

On behalf of the Board

ASAD AHMAD
Chief Executive

Place: Karachi.
Dated: April 30, 2020

**Condensed Interim Statement of Financial Position**

as at March 31, 2020

	Mar 31, 2020	June 30, 2019
	(Rupees)	
<u>EQUITY AND LIABILITIES</u>		
<u>CAPITAL & RESERVES</u>		
<u>Authorized Capital</u>		
100,000,000 (2019: 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/(Loss) due to Change in Fair value of investment Investment through other Comprehensive Income	85,784,325	97,740,175
Revenue Reserve		
Accumulated (Loss)	(40,060,720)	(57,868,398)
Shareholders Equity	1,035,528,294	1,029,676,466
<u>NON-CURRENT LIABILITIES</u>		
Long term Loan from Associated and related Parties	104,091,000	40,000,000
Diminishing Musharka Finance Facility	92,000,000	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	169,463,878	105,954,969
Unclaimed Dividend	20,743,398	23,690,536
Accrued Interest on Loan from Associates	13,586,504	8,756,165
Accrued mark-up on Financial Institution	12,177,698	2,419,348
Current maturity of non current liabilities	34,500,000	46,000,000
Provision for Taxation	3,356,915	4,835,153
	253,828,393	191,656,172
Contingencies and Commitments		
	1,547,403,955	1,415,288,905
<u>ASSETS</u>		
<u>NON-CURRENT ASSETS</u>		
Tangible Fixed Assets		
Property, Plant and Equipments	593,063,931	614,012,274
Long Term Deposits	4,215,995	4,215,995
Long Term Investments	120,295,000	132,250,850
<u>CURRENT ASSETS</u>		
Stores, Spares and Loose Tools	3,446,542	3,626,918
Stock-in-Trade	716,440,784	552,343,275
Trade Debtors - unsecured	101,290,348	77,937,226
Trade Deposits and Prepayments - considered good	239,351	396,754
Income Tax Refunds and Advances	1,545,110	2,567,360
Cash and Bank Balances	6,866,893	27,938,252
	829,829,028	664,809,786
	1,547,403,954	1,415,288,905

The annexed notes form an integral part of these accounts.

Asad Ahmad
Chief ExecutiveUzma Ahmad
DirectorMohammad Zameer
Chief Financial Officer

**Condensed Interim Statement of Profit or Loss (Un-audited)**

for the quarter ended March 31, 2020

	Jul-2019 to Mar-2020	Jul-2018 to Mar-2019	Jan-2020 to Mar-2020	Jan-2019 to Mar-2019
	Rupees	Rupees	Rupees	Rupees
Sales - Net	278,277,161	233,833,218	96,875,406	85,760,707
Cost of Sales	129,049,448	95,777,837	44,309,366	34,990,466
Gross Profit	149,227,713	138,055,381	52,566,040	50,770,241
Operating Expenses				
Distribution and Selling Cost	(57,546,352)	(40,243,482)	(21,562,961)	(17,408,534)
Administrative and General Expenses	(49,046,228)	(41,259,001)	(17,435,997)	(15,753,852)
	(106,592,579)	(81,502,483)	(38,998,958)	(33,162,386)
Other Income	--	8,585,956	--	--
Finance Cost	(21,348,992)	(11,037,663)	(7,901,169)	(3,903,093)
Profit before Taxation	21,286,142	54,101,191	5,665,914	13,704,762
Taxation				
- Current	(3,478,465)	(2,922,915)	(1,210,943)	(1,072,009)
Profit after Taxation	17,807,678	51,178,276	4,454,972	12,632,753
Earning Per Share - Basic	0.31	0.90	0.08	0.22

*The annexed notes form an integral part of these accounts.*Asad Ahmad
Chief ExecutiveUzma Ahmad
DirectorMohammad Zameer
Chief Financial Officer

Condensed Interim Statement of Comprehensive Income

for the quarter ended March 31, 2020

	Nine month ended		Quarter ended	
	Mar 31, 2020	Mar 31, 2019	Mar 31, 2020	Mar 31, 2019
	(Rupees)	(Rupees)	(Rupees)	
Profit for the Year	17,807,678	51,178,276	4,454,972	12,632,753
Other comprehensive Income:				
Unrealized Gain/(Loss) Available for Sale Investment		(24,378,150)		(14,263,550)
Unrealized gain / (loss) due to change in fair value of investment through other Comprehensive Income	(11,955,850)	-	(1,841,250.00)	-
Total comprehensive Income for the period	5,851,828	26,800,126	2,613,722	(1,630,797)

The annexed notes form an integral part of this condensed interim financial information.

Asad Ahmad
Chief Executive

Uzma Ahmad
Director

Mohammad Zameer
Chief Financial Officer

**Condensed Interim Statement of Cash Flows (Un-audited)**

for the quarter ended March 31, 2020

	March 2020	March 2019
	(Rupees)	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) before Taxation	21,286,142	54,101,191
Adjustment for Non-Cash and Other Items:		
Depreciation	27,290,809	29,143,116
Loss on Sale of Fixed Assets	--	--
Provision for Gratuity - net of Payments	--	170,680
Financial Expenses	21,348,992	11,037,663
	<u>48,639,801</u>	<u>40,351,459</u>
	69,925,943	94,452,650
Working Capital Changes <i>(Increase) / Decrease in Current Assets</i>		
Stock in Trade	(164,097,509)	(314,541,868)
Stores and Spares	180,376	1,218,059
Trade debtors	(23,353,122)	239,220,324
Trade deposits, Prepayments & Statutory balances	157,403	275,568
<i>Increase / (Decrease) in Current Liabilities</i>		
Trade and Other Payables	63,508,910	22,925,204
Un Claimed Dividends	(2,947,138)	--
Directors' Loan	--	15,200,000
Accrued Interest on Loan from Associates	9,758,350	(8,585,956)
Accrued Interest on Financial Institution	--	2,634,725
Current maturity of non current liabilities	11,500,000	--
Due to Associated Undertaking	--	--
	<u>(105,292,731)</u>	<u>(41,653,943)</u>
	(1,545,111)	(803,543)
Taxes Paid	(1,545,111)	(803,543)
Financial charges Paid	(16,518,653)	(11,372,122)
	<u>(18,063,764)</u>	<u>(12,175,665)</u>
Net Cash Inflow/ (Outflow) from Operating Activities	<u>(53,430,552)</u>	<u>40,623,042</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of Fixed Assets	(6,342,465)	(6,647,209)
Sales Proceeds from Fixed Assets	--	--
Net Cash Inflow/ (Outflow) from Investing Activities	<u>(6,342,465)</u>	<u>(6,647,209)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Share Application Money	--	118,011,620
Dividend Issued	--	(45,078,039)
Unclaimed Dividend	--	20,844,212
Diminishing Musharka Finance Facility	(23,000,000)	--
Long term Loan from Associated and Related Parties	64,091,000	(118,011,625)
Net Cash Inflow/ (Outflow) from Financing Activities	<u>41,091,000</u>	<u>(24,233,832)</u>
Net Increase in Cash and Cash Equivalents	(18,682,017)	9,742,000
Cash and Cash Equivalents at the Beginning	27,938,253	8,194,942
Cash and Cash Equivalents at the End	<u>9,256,235</u>	<u>17,936,943</u>

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The annexed notes form an integral part of these accounts.
The even dated auditors report hitherto is annexed.

Asad Ahmad
Chief Executive

Uzma Ahamd
Director

Mohammad Zameer
Chief Financial Officer

Condensed Interim Statement of Changes in Equity (Un-audited)

for the quarter ended March 31, 2020

	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	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 adpoption 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
Loan converted into share capital	118,011,620						118,011,620
Net Profit for the quarter ended March 2019	-	-	-	-	-	51,178,276	51,178,276
Other Comprehanssive income					(26,563,100)		(26,563,100)
Total Comprehanssive income	-	-	-	-	(26,563,100)	51,178,276	24,615,176
Final dividend for the year ended June 30, 2018						(45,078,039)	(45,078,039)
Balance as on March 31, 2019	568,792,010	39,386,665	393,488,231	-	119,884,275	(74,171,589)	1,047,379,592
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 quarter ended March 2020	-	-	-	-	-	17,807,678	17,807,678
Other Comprehanssive income					(11,955,850)		(11,955,850)
Total Comprehanssive income	-	-	-	-	(11,955,850)	17,807,678	5,851,828
Balance as on March 31, 2020	568,792,010	39,386,665	381,626,014	-	85,784,325	(40,060,720)	1,035,528,294

The annexed notes form an integral part of these accounts.
The even dated auditors report hitherto is annexed.

Asad Ahmad
Chief Executive

Uzma Ahmad
Director

Mohammad Zameer
Chief Financial Officer



Notes to the Condensed Interim Financial Information (Un-audited) For the quarter ended March 31, 2020

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 both ready to wear and un-stitched.

The operations of Polyester Filment 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 March 31, 2020 (June 30, 2019: Nil).

5. Date of Authorization

These interim condensed financial statements were authorized for issue on 29th April, 2019 by the Board of Directors of the Company.

6. General

Figures have been rounded off to the nearest rupee.