

# Tri-Star Polyester Ltd.



**HALF YEARLY REPORT**  
**DECEMBER 31, 2020 (Reviewed)**



## Company Information

Board of Directors:	Mr. Jawed Ahmed Siddiqui Mr. Asad Ahmad Ms. Farnaz Ahmad Ms. Uzma Ahmad Ms. Marium Ahmad Mr. M. Zameer Mr. Mohammad Haroon Saeed	Non Executive Chairman/Independent Director Chief Executive Non Executive Director Executive Director 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 Ms. Marium Ahmad 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 <sup>th</sup> Floor, Karachi Chambers, Hasrat Mohani Road, Karachi.	
Plant:	F/538, S.I.T.E., Karachi-75700	



## **Directors' Report For the half year ended December 31, 2020**

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

The Covid-19 pandemic has since swamped our lives and the way we operate the business. There is a saying attributed to Winston Churchill "never waste a good crisis". The way our on-line customers have changed beyond recognition and these behaviors will not fully revert any time soon. We are determined to accelerate the aspects of our transformation necessary to thrive in a new customer landscape.

Online continued to be the fastest growing channel against declining spend offline, with purchases on laptops and mobile the fastest growing. The market broadly reacted to the closure of stores by heavily discounting items where over half of the online clothing brands were selling at a discount. For Image our online operations continued to trade as robust and customers continued to purchase products. As reported in Directors' Report in the last Annual Report regarding increase in sales volume by 100% we are confident to even achieve a growth of 150% in sales from last year In Shaa Allah.

On behalf of the Board

**ASAD AHMAD**  
Chief Executive

Place: Karachi.  
Dated: February 27, 2021



**REVIEW REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS**  
**INDEPENDENT AUDITORS' REVIEW REPORT**  
**TO THE MEMBERS OF TRI-STAR POLYESTER LIMITED**

**Introduction**

We have reviewed the accompanying Condensed interim Statement of financial Position of Tri Star Polyester Limited ("the company") as at December 31, 2020 and the related Condensed interim statement of profit or loss and other comprehensive income, Condensed interim Statement of cash flow , Condensed interim statement of changes in equity and the notes to the Condensed interim financial statement for the six months period then ended (hereinafter referred to as the "interim financial statements"). Management is responsible for the preparation and Presentation of these interim financial statements in accordance with approved accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review.

**Scope of Review**

We conducted our review in accordance with the International Standard on review engagements 2410, "Review of interim financial Information performed by the independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Basis of qualified Opinion**

- a) We have not been able to verify the investment made in units of National Investment Trust (NIT) amounting to Rs. 169,959,650 (June 30, 2020: Rs. 134,951,350)- as disclosed 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 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. 169,959,650 (June 30, 2020: Rs. 134,951,350) and the Shareholder's Equity would have been decreased by the same amount.

**Qualified Conclusion**

Based on our review, except for the matter discussed in the preceding paragraph (a) and its effects, nothing has come to our attention that causes us to believe that these accompanying interim financial statements as of and for the six months period ended December 31, 2020 are not prepared, in all material respects, in accordance with approved accounting and reporting standards as applicable in Pakistan for interim financial Reporting.

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

Date: February 27, 2021

sd/-  
Feroz Sharif Tariq & Co.  
Chartered Accountants

**Condensed Interim Financial Position**

As at December 31, 2020

	Notes	(Un-audited) Dec 31, 2020	(Audited) June 30, 2020
(Rupees)			
<b><u>EQUITY AND LIABILITIES</u></b>			
<b><u>CAPITAL &amp; RESERVES</u></b>			
<b><u>Authorized Capital</u></b>			
100,000,000 (2020: 100,000,000) Ordinary Shares of Rs. 10/- each		1,000,000,000	1,000,000,000
Issued, Subscribed and Paid-up Capital	8	568,792,010	568,792,010
<b><u>Capital Reserve</u></b>			
Capital Reserve - (a Share Premium account)		39,386,665	39,386,665
Surplus on revaluation Property, Plant and Equipment		368,297,361	368,297,361
Unrealised Gain/(Loss) due to Change In Fair value of investment through other Comprehensive Income		135,448,975	100,440,675
<b><u>Revenue Reserve</u></b>			
Accumulated (Loss)		10,947,710	(22,134,939)
Shareholders Equity		1,122,872,721	1,054,781,772
<b><u>NON-CURRENT LIABILITIES</u></b>			
Long term Loan from Associated and related Parties		85,741,000	92,841,000
Diminishing Musharka Finance Facility	5	46,000,000	69,000,000
SBP Refinance		27,000,000	-
Deferred taxation		67,290,699	67,290,699
Provision for Gratuity		1,862,058	1,862,058
<b><u>CURRENT LIABILITIES</u></b>			
Trade and Other Payables		226,167,768	205,551,275
Accrued Interest on Loan from Associates		21,895,107	17,080,757
Accrued mark-up on Financial Institutions		3,870,651	6,470,967
Current maturity of non current Liabilities		53,500,000	57,500,000
Unclaimed Dividend		16,970,697	20,743,398
Provision for taxation		14,874,140	9,834,471
		337,278,363	317,180,868
Contingencies and Commitments	6		
		1,688,044,841	1,602,956,398
<b><u>ASSETS</u></b>			
<b><u>NON-CURRENT ASSETS</u></b>			
<b><u>Tangible Fixed Assets</u></b>			
Property, Plant and Equipments	7	583,108,041	590,877,324
Long Term Deposits		5,060,935	4,784,005
Long Term Investments		169,959,650	134,951,350
<b><u>CURRENT ASSETS</u></b>			
Stores, Spares and Loose Tools		2,574,968	2,636,134
Stock-in-Trade		696,516,251	764,076,040
Trade Debtors - unsecured		113,613,712	100,996,770
Trade Deposits and Prepayments - considered good		450,730	878,251
Income Tax Refunds and Advances		2,033,448	1,666,478
Cash and Bank Balances		114,727,107	2,090,047
		929,916,216	872,343,719
		1,688,044,841	1,602,956,397

The annexed notes form an integral part of these accounts.

Asad Ahmad  
Chief ExecutiveUzma Ahmad  
DirectorMohammad Zameer  
Chief Financial Officer

**Condensed Interim Profit or Loss Account (Un-audited)**

For the Half Year ended December 31, 2020

	Jul-2020 to Dec-2020 Rupees	Jul-2019 to Dec-2019 Rupees	Oct-2020 to Dec-2020 Rupees	Oct-2019 to Dec-2019 Rupees
Sales - Net	403,173,516	181,401,755	240,821,905	78,054,163
Cost of Sales	(241,526,255)	(84,740,082)	(138,151,759)	(34,315,313)
Gross Profit	161,647,261	96,661,673	102,670,146	43,738,850
<b>Operating Expenses</b>				
Distribution and Selling Cost	(74,232,592)	(35,983,391)	(53,866,662)	(18,530,310)
Administrative and General Expenses	(33,541,206)	(31,610,231)	(17,568,326)	(14,820,492)
	(107,773,798)	(67,593,622)	(71,434,988)	(33,350,802)
Finance Cost	(15,751,146)	(13,447,823)	(7,042,132)	(7,661,459)
Profit before Taxation	38,122,317	15,620,228	24,193,026	2,726,589
<b>Taxation</b>				
- Current	(5,039,669)	(2,267,522)	(2,604,395)	(975,677)
Profit after Taxation	33,082,648	13,352,706	21,588,631	1,750,912
Earning Per Share - Basic	0.58	0.23	0.38	0.03

*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 (Un-audited)**  
**For the Half Year ended December 31, 2020**

	Half year ended		Quarter ended	
	Dec 31, 2020	Dec 31, 2019	Dec 31, 2020	Dec 31, 2019
	(Rupees)		(Rupees)	
<b>Profit for the Year</b>	<b>33,082,648</b>	13,352,706	<b>21,588,631</b>	1,750,912
<b>Other comprehensive Income:</b>				
Unrealized gain / (loss) due to change in fair value of investment through other Comprehensive Income	<b>35,008,300</b>	29,779,150	<b>42,029,600</b>	36,800,450
<b>Total comprehensive income for the period</b>	<b>68,090,948</b>	<b>43,131,856</b>	<b>63,618,231</b>	<b>38,551,362</b>

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 Cash Flow Statement (Un-audited)**

For the Half Year ended December 31, 2020

	December 31, 2020	December 31, 2019
	(Rupees)	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit/(Loss) before Taxation	38,122,317	15,620,228
Adjustment for Non-Cash and Other Items:		
Depreciation	17,156,348	18,164,163
Financial Expenses	15,751,146	13,447,823
	<u>32,907,494</u>	<u>31,611,986</u>
	71,029,811	47,232,214
Working Capital Changes		
<i>(Increase) / Decrease in Current Assets</i>		
Stock in Trade	67,559,789	(98,816,421)
Stores and Spares	61,166	105,080
Trade debtors	(12,616,942)	(18,106,512)
Trade deposits, Prepayments & Statutory balances	427,521	198,537
<i>Increase / (Decrease) in Current Liabilities</i>		
Trade and Other Payables	20,616,493	57,933,890
Un Claimed Dividends	--	(2,878,557)
Accrued Interest on Loan from Associates	--	5,058,350
Current maturity of non current liabilities	--	11,500,000
	<u>76,048,027</u>	<u>(45,005,634)</u>
Taxes Paid	(366,970)	(276,784)
Financial charges Paid/Write back	(13,537,111)	(11,731,659)
	<u>(13,904,082)</u>	<u>(12,008,443)</u>
<b>Net Cash Inflow/ (Outflow) from Operating Activities</b>	<b>133,173,757</b>	<b>(9,781,862)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Acquisition of Fixed Assets	(9,387,065)	(5,748,265)
<b>Net Cash Inflow/ (Outflow) from Investing Activities</b>	<b>(9,387,065)</b>	<b>(5,748,265)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Long Term Deposits	(276,930)	--
Payments of Diminishing Musharka Finance Facility	(27,000,000)	(23,000,000)
SBP Refinance	27,000,000	--
Dividend Paid /- net	(3,772,701)	--
Long term Loan from Associated and Related Parties	(7,100,000)	11,101,000
<b>Net Cash Inflow/ (Outflow) from Financing Activities</b>	<b>(11,149,631)</b>	<b>(11,899,000)</b>
Net Increase in Cash and Cash Equivalents	112,637,060	(27,429,128)
Cash and Cash Equivalents at the Beginning	2,090,047	27,938,253
Cash and Cash Equivalents at the End	<u>114,727,108</u>	<u>509,125</u>

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



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

For the Half Year ended December 31, 2020

	Capital Reserve			Revenue Reserve		Total
	Share Capital	Capital Reserve	Surplus on Revaluation of Property, Plant and Equipment	Unrealized gain / (loss) due to change in fair value of investment through other comprehensive income	Unappropriated Profit/Accumulated (Loss)	
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 half year ended December 2019	--	--	--	--	13,352,706	13,352,706
Other Comprehensive Income	--	--	--	29,779,150	--	29,779,150
Total Comprehensive Income	--	--	--	29,779,150	13,352,706	43,131,856
Balance as on December 31, 2019	<u>568,792,010</u>	<u>39,386,665</u>	<u>381,626,014</u>	<u>127,519,325</u>	<u>(44,515,692)</u>	<u>1,072,808,322</u>
Balance as on June 30, 2020	568,792,010	39,386,665	368,297,361	100,440,675	(22,134,939)	1,054,781,772
Net Profit for the year ended December 2020	--	--	--	--	33,082,648	33,082,648
Other Comprehensive income	--	--	--	35,008,300	--	35,008,300
Total Comprehensive income	--	--	--	35,008,300	33,082,648	68,090,948
Balance as on December 31, 2020	<u>568,792,010</u>	<u>39,386,665</u>	<u>368,297,361</u>	<u>135,448,975</u>	<u>10,947,710</u>	<u>1,122,872,721</u>

*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 STATEMENT (UN-AUDITED)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2020**

**1 THE COMPANY AND ITS OPERATIONS**

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 in the Pakistan Stock Exchange in Pakistan. The principal activity of the Company is manufacturing and sale of polyester filament yarn, embroidered fabric and ready to wear garments.

The operations of the 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 BASIS OF PREPARATION**

2.1 These condensed interim financial statements of the Company for the six months ended 31 December 2020 have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards applicable in Pakistan for interim financial reporting comprise of International Accounting Standard (IAS) 34, "Interim Financial Reporting", issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 and provisions of and directives issued under the Companies Act, 2017. Where provisions of and directives issued under the Companies Act, 2017 differ from the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 These condensed interim financial statements do not include all the information and disclosures required in the annual audited financial statements, and should be read in conjunction with the Company's annual audited financial statements for the year ended 30 June 2020.

**3 SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES**

The accounting policies and methods of computation adopted and applied in the preparation of these condensed interim financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 30 June 2020.

**4 SIGNIFICANT ACCOUNTING POLICIES**

These condensed interim un-consolidated financial statements have been prepared, following the same accounting policies as were applied in the preparation of the same of the audited financial statements as at and for the year ended June 30, 2020.

**5 DIMINISHING MUSHARKA FINANCE FACILITY**

	<b>Dec. 31, 2020</b>	Jun 30, 2020
Opening Balance	126,500,000	138,000,000
Paid during the period	(54,000,000)	(11,500,000)
Current maturity	(26,500,000)	(57,500,000)
	<b><u>46,000,000</u></b>	<b><u>69,000,000</u></b>

**6 CONTINGENCIES AND COMMITMENTS**

There is no material change in the contingencies and commitments since the last audited financial statements for the year ended December 31, 2020.

		<b>Dec. 31,</b>	Jun 30,
		<b>2020</b>	2020
		<b>Rupees</b>	
<b>7</b>	<b>PROPERTY, PLANT AND EQUIPMENT</b>		
	Operating fixed assets	<b>583,108,041</b>	590,877,324
		<b>583,108,041</b>	<b>590,877,324</b>
	<b>7.1 OPERATING FIXED ASSETS</b>		
	Opening written down value	<b>590,877,324</b>	614,012,274
	Additions during the period / year	<b>9,387,065</b>	14,026,776
	Depreciation during the period / year	<b>(17,156,348)</b>	(37,161,727)
	Closing written down value	<b>583,108,041</b>	<b>590,877,324</b>
	<b>7.2 ADDITIONS DURING THE PERIOD / YEAR</b>		
	Plant & Machinery	<b>1,850,001</b>	3,132,285
	Computer	-	1,170,267
	Office Equipment	<b>65,200</b>	247,645
	Air Conditioner and Refrig.	<b>633,000</b>	559,000
	Studio Equipments	-	1,500
	Vehicles	-	55,500
	Generators	-	5,555,555
	Fire Fighting Equipments	<b>548,064</b>	-
	Electrical Installations	<b>165,000</b>	22,160
	Furniture Fixtures	<b>6,125,800</b>	3,282,864
		<b>9,387,065</b>	<b>14,026,776</b>

**8 SHARE CAPITAL**

		<i>(Number of Shares)</i>		<i>(Rupees)</i>	
		<i>December</i>	<i>June</i>	<i>December</i>	<i>June</i>
		<b>2020</b>	<b>2020</b>	<b>2020</b>	<b>2020</b>
		<b>(Un-audited)</b>	<b>(Audited)</b>	<b>(Un-audited)</b>	<b>(Audited)</b>
<b>8.1</b>	<b>Authorised Capital</b>				
	<b>100,000,000</b>	100,000,000	Ordinary Shares of Rs. 10/- each	<b>1,000,000,000</b>	<b>1,000,000,000</b>
<b>8.2</b>	<b>Issued, subscribed and paid up capital</b>				
	<b>19,693,333</b>	19,693,333	Fully Paid in cash	<b>196,933,330</b>	196,933,330
	<b>3,918,973</b>	3,918,973	Issued as fully paid bonus shares	<b>39,189,730</b>	39,189,730
	<b>21,465,733</b>	21,465,733	Right Shares issued	<b>214,657,330</b>	214,657,330
	<b>11,801,162</b>	11,801,162	Loan converted into shares	<b>118,011,620</b>	118,011,620
	<b>56,879,201</b>	56,879,201		<b>568,792,010</b>	<b>568,792,010</b>

	<b>Dec 31, 2020</b>	Dec. 31, 2019
	<b>Rupees</b>	
<b>9 BASIC EARNINGS PER SHARE</b>		
Profit after taxation	<b>33,082,648</b>	13,352,706
Weighted average number of ordinary shares	<b>56,879,201</b>	56,879,201
Basic Profit per share	<b>0.58</b>	0.23

No figure for diluted earning per share has been presented as the company has not yet issued any instruments which would have an impact on basic earning per share when exercised.

	<b>Dec. 31, 2020</b>	Dec. 31, 2019
	<b>Rupees</b>	
<b>10 RELATED PARTY TRANSACTIONS</b>		
Loan from Sponsors'	-	10,000,000
Loan From Directors'	-	21,101,000
Loan From Associated company	<b>13,900,000</b>	-
Loan repaid to Associated company	-	20,000,000
Loan repaid to Sponsors	<b>18,000,000</b>	-
Loan repaid to Directors	<b>3,000,000</b>	-
Interest charge on loan from Associated companies	<b>4,814,351</b>	1,716,164

#### **11 CORRESPONDING FIGURES**

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

#### **12 DATE OF AUTHORISATION FOR ISSUE**

This condensed interim financial information has been authorized for issue on February 27, 2021 by the Board of Directors of the company.

Asad Ahmad  
Chief Executive

Uzma Ahmad  
Director

Mohammad Zameer  
Chief Financial Officer