

Tri-Star Polyester Ltd.



**UN-AUDITED ACCOUNTS
FOR THE FIRST QUARTER
ENDED 30TH SEPTEMBER, 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. Feroze 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: | M. Haseeb Jamali LL.M | |
| 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, 2020

The un-audited accounts of Tri-Star Polyester Ltd., for the quarter ended September 30, 2020 are presented herewith.

As informed in the last Annual Report, the sales volume is moving upwards and an increase of 57% has been recorded during the quarter under review as compared to same period last year. However, there has been a pressure on the gross margin due to rise in the cost of inputs. We see a very promising future with 100% increase in sales volume during the current financial year ending on 30th June, 2021 In Shaa Allah.

On behalf of the Board

ASAD AHMAD
Chief Executive

Place: Karachi.
Dated: October 29, 2020

**Condensed Interim Statement of Financial Position**

as at September 30, 2020

| | Sep 30, 2020 | June 30, 2020 |
|---|---------------|---------------|
| | (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 Equipment | 368,297,361 | 368,297,361 |
| Unrealised Gain/(Loss) due to Change in Fair value of investment through other Comprehensive Income | 127,936,675 | 100,440,675 |
| Revenue Reserve | | |
| Accumulated (Loss) | (10,640,922) | (22,134,939) |
| Shareholders Equity | 1,093,771,789 | 1,054,781,772 |
| <u>NON-CURRENT LIABILITIES</u> | | |
| Long term Loan from Associated and related Parties | 106,841,000 | 92,841,000 |
| Diminishing Musharka Finance Facility | 57,500,000 | 69,000,000 |
| SBP Refinance | 24,750,000 | - |
| Deferred taxation | 67,290,699 | 67,290,699 |
| Provision for Gratuity | 1,862,058 | 1,862,058 |
| <u>CURRENT LIABILITIES</u> | | |
| Trade and Other Payables | 209,787,697 | 205,551,275 |
| Accrued Interest on Loan from Associates | 19,591,714 | 17,080,757 |
| Accrued Interest on Financial Institutions | 4,516,659 | 6,470,967 |
| Current maturity of non current Liabilities | 44,250,000 | 57,500,000 |
| Unclaimed Dividend | 17,001,112 | 20,743,398 |
| Provision for taxation | 12,269,745 | 9,834,471 |
| | 307,416,927 | 317,180,868 |
| Contingencies and Commitments | | |
| | 1,659,432,473 | 1,602,956,398 |
| <u>ASSETS</u> | | |
| <u>NON-CURRENT ASSETS</u> | | |
| <u>Tangible Fixed Assets</u> | | |
| Property, Plant and Equipments | 584,901,361 | 590,877,324 |
| Long Term Deposits | 4,784,005 | 4,784,005 |
| Long Term Investments | 162,447,350 | 134,951,350 |
| <u>CURRENT ASSETS</u> | | |
| Stores, Spares and Loose Tools | 2,703,642 | 2,636,134 |
| Stock-in-Trade | 745,464,403 | 764,076,040 |
| Trade Debtors - unsecured | 111,767,908 | 100,996,770 |
| Trade Deposits and Prepayments - considered good | 897,907 | 878,251 |
| Income Tax Refunds and Advances | 1,886,309 | 1,666,478 |
| Cash and Bank Balances | 44,579,588 | 2,090,047 |
| | 907,299,758 | 872,343,719 |
| | 1,659,432,474 | 1,602,956,397 |

Asad Ahmad
Chief ExecutiveUzma Ahmad
DirectorMohammad Zameer
Chief Financial Officer



Condensed Interim Statement of Profit or Loss (Unaudited)

for the quarter ended September 30, 2020

| | September 2020 | September 2019 |
|-------------------------------------|-------------------|-------------------|
| | (Rupees) | |
| SALES | 162,351,611 | 103,347,592 |
| COST OF SALES | 103,374,496 | 50,424,769 |
| GROSS PROFIT | <u>58,977,115</u> | <u>52,922,823</u> |
| <u>Operating Expenses</u> | | |
| Distribution and Selling Cost | 20,365,930 | 17,453,081 |
| Administrative and General Expenses | 15,972,880 | 16,789,739 |
| | <u>36,338,810</u> | <u>34,242,820</u> |
| OPERATING PROFIT | <u>22,638,305</u> | <u>18,680,003</u> |
| Finance Cost | 8,709,014 | 5,786,364 |
| PROFIT BEFORE TAXATION | <u>13,929,291</u> | <u>12,893,639</u> |
| <u>Taxation</u> | (2,435,274) | (1,291,845) |
| PROFIT AFTER TAXATION | <u>11,494,017</u> | <u>11,601,794</u> |
| Earning Per Share - Basic | <u>0.20</u> | <u>0.20</u> |

Asad Ahmad
Chief Executive

Uzma Ahmad
Director

Mohammad Zameer
Chief Financial Officer



Condensed Interim Statement of Other Comprehensive Income (Unaudited)
for the quarter ended September 30, 2020

| | Sep 30, 2020 | Sep 30, 2,019 |
|--|-------------------|------------------|
| | (Rupees) | |
| Profit for the Year | 11,494,017 | 11,601,794 |
| Other comprehensive Income: | | |
| Unrealized Gain/(Loss) Available for Sale Investment | | - |
| Unrealized Gain/(Loss) due to change in fair value of Investment | 27,496,000 | (10,114,600) |
| Total comprehensive Income for the period | <u>38,990,017</u> | <u>1,487,194</u> |

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 (Unaudited)

for the quarter ended September 30, 2020

| | Sept 30, 2020 | Sept 30, 2019 |
|---|--------------------|---------------------|
| | (Rupees) | |
| CASH FLOW FROM OPERATING ACTIVITIES | | |
| Profit/(Loss) before Taxation | 13,929,291 | 12,893,639 |
| Adjustment for Non-Cash and Other Items: | | |
| Depreciation | 8,404,203 | 9,052,657 |
| Liabilities Written Back | -- | -- |
| Provision for Gratuity - net of Payments | -- | -- |
| Financial Expenses | 8,709,014 | 5,786,364 |
| | <u>17,113,217</u> | <u>14,839,021</u> |
| | 31,042,509 | 27,732,661 |
| Working Capital Changes | | |
| <i>(Increase) / Decrease in Current Assets</i> | | |
| Stock in Trade | 18,611,637 | (46,861,337) |
| Stores and Spares | (67,508) | 263,664 |
| Trade debtors | (10,771,139) | (9,059,255) |
| Trade deposits, Prepayments & Statutory balances | (19,656) | 211,200 |
| <i>Increase / (Decrease) in Current Liabilities</i> | | |
| Trade and Other Payables | 4,236,422 | 35,957,856 |
| | <u>11,989,756</u> | <u>(19,487,872)</u> |
| Taxes Paid | (219,831) | (209,816) |
| Financial charges Paid/Write back | (8,152,365) | (943,189) |
| | <u>(8,372,196)</u> | <u>(1,153,005)</u> |
| Net Cash Inflow/ (Outflow) from Operating Activities | <u>34,660,069</u> | <u>7,091,784</u> |
| CASH FLOW FROM INVESTING ACTIVITIES | | |
| Acquisition of Fixed Assets | (2,428,241) | (4,571,299) |
| Net Cash Inflow/ (Outflow) from Investing Activities | <u>(2,428,241)</u> | <u>(4,571,299)</u> |
| CASH FLOW FROM FINANCING ACTIVITIES | | |
| Long Term Deposits | -- | -- |
| Further capital issued against loan | -- | -- |
| Payments of Diminishing Musharka Finance Facility | (24,750,000) | -- |
| SBP Refinance | 24,750,000 | -- |
| Dividend Paid /- net | (3,742,287) | (3,400) |
| Long term Loan from Associated and Related Parties | 14,000,000 | (20,000,000) |
| Net Cash Inflow/ (Outflow) from Financing Activities | <u>10,257,714</u> | <u>(20,003,400)</u> |
| Net Increase in Cash and Cash Equivalents | 42,489,541 | (17,482,915) |
| Cash and Cash Equivalents at the Beginning | 2,090,047 | 27,938,253 |
| Cash and Cash Equivalents at the End | <u>44,579,589</u> | <u>10,455,338</u> |

Asad Ahmad
Chief Executive

Uzma Ahmad
Director

Mohammad Zameer
Chief Financial Officer

**Condensed Interim Statement of Changes in Equity**

for the quarter ended September 30, 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 year ended September 2019 | -- | -- | -- | -- | 11,601,794 | 11,601,794 |
| Other Comprehensive income | -- | -- | -- | (10,114,600) | -- | (10,114,600) |
| Total Comprehensive income | -- | -- | -- | (10,114,600) | 11,601,794 | 1,487,194 |
| Balance as on September 30, 2019 | 568,792,010 | 39,386,665 | 381,626,014 | 87,625,575 | (46,266,604) | 1,031,163,660 |
| 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 September 2020 | -- | -- | -- | -- | 11,494,017 | 11,494,017 |
| Other Comprehensive income | -- | -- | -- | 27,496,000 | -- | 27,496,000 |
| Total Comprehensive income | -- | -- | -- | 27,496,000 | 11,494,017 | 38,990,017 |
| Balance as on September 30, 2020 | 568,792,010 | 39,386,665 | 368,297,361 | 127,936,675 | (10,640,922) | 1,093,771,789 |

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 September 30, 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, embroidered fabric and ready-to-wear garments.

The operations of the Polyester filament yarn remain discontinued during the year and since Long.

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, 2020 (June 30, 2020: Nil).

5. Date of Authorization

These interim condensed financial statements were authorized for issue on 29th October, 2020 by the Board of Directors of the management company.

6. General

Figures have been rounded off to the nearest rupee.