

Tri-Star Polyester Ltd.



**UN-AUDITED ACCOUNTS
FOR THE THIRD QUARTER
ENDED 31ST MARCH, 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	
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, 2019

The un-audited accounts of Tri-Star Polyester Ltd., for the quarter ended March 31, 2019 are presented herewith.

The period under review has been a volatile period as macro economic events such as major devaluation of Pak Rupee versus US Dollar and continuous pressure on country's balance of payment position has made markets nerves and uncertain about future economic policies of the government. The interest rates and inflation is on the rise and consumer spending is going down resulting in slow down of the economic activities. We hope that required steps are taken by the government which may help in improving both balance of payment and balance of trade position of the country.

Alhamdulillah the product launch for Spring / Summer Collection '19 was done on 21st March, 2019 has performed phenomenally well and has outperformed the competitors. Your Company has initiated an effective social media campaign in addition to organizing a marketing event at Lahore and participating in country's top fashion show thus uplifting brand positioning as a consequence of exclusive product of high quality viz-a-viz designing, styling and marketing.

On behalf of the Board

ASAD AHMAD
Chief Executive

Place: Karachi.
Dated: April 29, 2019



Condensed Interim Financial Position (Un-audited)
As at March 31, 2019

	Note	March 2019 Rupees	June 2018 Rupees
<u>EQUITY AND LIABILITIES</u>			
CAPITAL & RESERVES			
Authorised 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	450,780,390
Capital Reserve - (a Share Premium account)		39,386,665	39,386,665
Surplus on revaluation Property, Plant and Equipments		393,488,231	393,488,231
Unrealised Gain due to Change in Fair value of investment		119,884,276	146,447,376
Accumulated (Loss)		(74,171,589)	(80,271,826)
Shareholders Equity		1,047,379,593	949,830,836
<u>NON-CURRENT LIABILITIES</u>			
Long term Loan from Associated and related Parties		40,000,000	158,011,625
Diminishing Musharika Finance Facility		115,000,000	138,000,000
Deferred Taxation		62,575,831	62,575,831
Provision for Gratuity		170,680	334,458
		217,746,511	358,921,914
<u>CURRENT LIABILITIES</u>			
Trade and other Payables		92,745,025	69,819,821
Unclaimed Dividend		28,938,507	8,094,295
Current maturity of Diminishing Musharika Finance		23,000,000	-
Directors' Loan		15,200,000	-
Accrued Interest on Loan from Associates		7,128,098	15,714,054
Accrued Interest on Diminishing Musharika		4,184,332	1,549,607
Provision of Income Tax		6,948,462	4,025,547
		178,144,425	99,203,325
		1,443,270,530	1,407,956,075
<u>ASSETS</u>			
<u>NON-CURRENT ASSETS</u>			
<u>Tangible Fixed Assets</u>			
Property, Plant and Equipment		615,019,338	636,456,309
Long Term Deposits		4,215,995	4,215,995
Long Term Investment - at Cost		154,394,950	180,958,050
		773,630,283	821,630,354
<u>CURRENT ASSETS</u>			
Stores, Spares and Loose Tools		3,566,700	4,784,759
Stock-in-Trade		551,851,275	237,309,407
Trade Debtors - unsecured		79,265,588	318,485,912
Trade Deposits, Prepayments Considered good		11,912,070	12,187,638
Income Tax Refunds and Advances		6,166,607	5,363,064
Cash and Bank Balances		16,878,007	8,194,941
		669,640,247	586,325,721
		1,443,270,530	1,407,956,075

The annexed notes form an integral part of these accounts.

Asad Ahmad
Chief Executive

Uzma Ahmad
Director

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

For the Quarter ended March 31, 2019

	Jul-2018 to Mar-2019 Rupees	Jul-2017 to Mar-2018 Rupees	Jan-2019 to Mar-2019 Rupees	Jan-2018 to Mar-2018 Rupees
Sales - Net	233,833,218	224,387,561	85,760,707	74,713,996
Cost of Sales	95,777,837	90,180,144	34,990,466	41,338,272
Gross Profit	138,055,381	134,207,417	50,770,241	33,375,724
Operating Expenses				
Distribution and Selling Cost	(40,243,482)	(13,995,255)	(17,408,534)	(10,769,113)
Administrative and General Expenses	(41,259,001)	(39,060,765)	(15,753,852)	(13,360,855)
	(81,502,483)	(53,056,020)	(33,162,386)	(24,129,968)
Operating Profit	56,552,898	81,151,397	17,607,855	9,245,756
Other Income / (Loss)	8,585,956	(812,500)	-	-
Finance Cost	(11,037,663)	(7,858,521)	(3,903,093)	(5,851)
Profit before Taxation	54,101,191	72,480,376	13,704,762	9,239,905
Taxation	(2,922,915)	(2,243,876)	(1,072,009)	(747,140)
- Current				
Profit after Taxation	51,178,276	70,236,501	12,632,753	8,492,766
Earning per Share	1.02	1.40	0.25	0.17

The annexed notes form an integral part of these accounts.

Asad Ahmad
Chief Executive

Uzma Ahmad
Director



Condensed Interim Cash Flow Statement (Un-audited)
For the Quarter ended March 31, 2019

	July 2018 to Mar 2019 Rupees	July 2017 to Mar 2018 Rupees
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before Taxation	54,101,191	72,480,376
Adjustment for Non-Cash and Other Items:		
- Depreciation	29,143,116	20,656,779
- Loss on Sale of Fixed Assets	-	812,500
- Provision for Gratuity - net of Payments	170,680	-
- Financial Expenses	11,037,663	23,139
	<u>40,351,459</u>	<u>21,492,418</u>
	94,452,650	93,972,794
WORKING CAPITAL CHANGES		
<i>(Increase)/Decrease in Current Assets</i>		
-Stock in Trade	(314,541,868)	(73,140,441)
-Stores and Spares	1,218,059	1,766,155
-Trade debtors	239,220,324	(177,626,505)
-Trade deposits, Prepayments & Statutory balances	275,568	(5,160,579)
<i>Increase/(Decrease) in Current Liabilities</i>		
-Trade and other Payables	22,925,204	16,012,009
-Directors' Loan	15,200,000	-
-Accrued Interest on Loan from Associates	(8,585,956)	7,835,382
-Accrued Interest on Financial Institution	2,634,725	-
-Due to Associated Undertaking	-	(4,861,558)
	<u>(41,653,943)</u>	<u>(235,175,537)</u>
Taxes Paid	(803,543)	(241,931)
Financial charges Paid	<u>(11,372,122)</u>	<u>(23,139)</u>
<i>Net Cash Inflow/(Outflow) from Operating Activities</i>	40,623,041	(141,467,813)
CASH FLOW FROM FINANCING ACTIVITIES		
Sales Proceeds from Fixed Assets	-	5,000,000
Acquisition of Fixed Assets	<u>(7,706,145)</u>	<u>(71,526,978)</u>
<i>Net Cash Inflow/(Outflow) from Investing Activities</i>	(7,706,145)	(66,526,978)
CASH FLOW FROM FINANCING ACTIVITIES		
Share Application Money	118,011,620	214,657,330
Long Term Deposit	-	(3,432,000)
Dividend Issued	(45,078,039)	-
Unclaimed Dividend	20,844,212	-
Long term Loan from Associated and Related Parties	<u>(118,011,625)</u>	<u>-</u>
<i>Net Cash Inflow/(Outflow) from Financing Activities</i>	<u>(24,233,832)</u>	<u>211,225,330</u>
Net Increase in Cash and Cash Equivalent	8,683,063	3,230,539
Cash and Cash Equivalents at the Beginning	8,194,942	243,956
Cash and Cash Equivalents at the End	<u>16,878,007</u>	<u>3,474,495</u>

The annexed notes form an integral part of these accounts.

Asad Ahmad
Chief Executive

Uzma Ahmad
Director



Condensed Interim Statement of Changes in Equity (Un-audited)
For the Quarter ended March 31, 2019

	Share Capital Rupees	Capital Reserve			Revenue Reserve	Total Rupees
		Capital Reserve Rupees	Surplus on Revaluation of Property, Plant and Equipment Rupees	Unrealized gain / (loss) due to change in fair value of Investments Rupees	Accumulated Profit/ (Loss) Rupees	
Balance as on June 30, 2017	214,657,330	39,386,665	204,365,295	176,398,376	(143,391,777)	491,415,889
Issuance of Right shares 100%	214,657,330					214,657,330
Issuance of Bonus Shares 10%	21,465,730				(21,465,730)	0
Net Profit for the year ended June 2018	-	-	-	-	77,800,009	77,800,009
Other Comprehensive income	-	-	194,939,227	(29,951,000)	-	164,988,227
Total Comprehensive income	-	-	194,939,227	(29,951,000)	77,800,009	242,788,236
Transfer to Profit and Loss account of incremental depreciation (net of tax)			(6,785,672)		6,785,672	
Effect of Change in tax Rate			969,380			969,380
Balance as on June 30, 2018	450,780,390	39,386,665	393,488,230	146,447,376	(80,271,826)	949,830,835
Balance as on June 30, 2018	450,780,390	39,386,665	393,488,230	146,447,376	(80,271,826)	949,830,835
Loan converted into share capital	118,011,620					118,011,620
Net Profit for the half year ended March 2019	-	-	-	-	51,178,276	51,178,276
Other Comprehensive income	-	-	-	(26,563,100)	-	(26,563,100)
Total Comprehensive 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	393,488,230	119,884,276	(74,171,589)	1,047,379,592

The annexed notes form an integral part of these accounts.

Asad Ahmad
Chief Executive

Uzma Ahmad
Director



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

For the quarter ended March 31, 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 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, 2019 (June 30, 2018: 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.

BOOK POST
PRINTED MATTER

If undelivered please return to

Tri-Star Polyester Ltd.

F/538, S.I.T.E., P.O. Box 3683, Karachi-75700.