

Tri-Star Polyester Ltd.



**HALF YEARLY REPORT**  
DECEMBER 31, 2017 (Un-audited)

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## AUDITORS' REPORT TO THE MEMBERS ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

### Introduction:

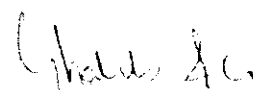
We have reviewed the accompanying condensed interim balance sheet of **M/s Tri-Star Polyester Limited**, as at **December 31, 2017** and the related condensed interim Profit & Loss Account, condensed interim Cash Flow Statement and condensed interim Statement of Changes in Equity together with the notes forming part thereof (hereinafter collectively referred to as the "condensed interim financial statements"), for the six months ended December 31, 2017. The Management is responsible for the preparation and presentation of this condensed interim financial statement in accordance with the approved accounting standards as applicable in Pakistan. Our responsibility is to express a conclusion on this condensed interim financial statement based on our review. The figures for the quarter ended December 31, 2017 and December 31, 2016 in the condensed interim financial statement have not been reviewed and we do not express a conclusion on them.

### Scope of Review:

We conducted our review in accordance with the International Standard on Review engagements 2410, "Review of condensed Interim financial information Performed by the Independent Auditor of the Entity" A review of condensed Interim financial statement consists of making inquires 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 indentified in an audit . Accordingly, we do not express an audit opinion.

### Conclusion:

Based on our review, nothing has come to our attention that cause us to believe that the accompanying condensed interim financial information as at and for the six months period ended December 31, 2017 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.



**Ghalib & Co.**  
Chartered Accountants

Place: Karachi

Dated: February 28, 2017

TRI-STAR POLYESTER LIMITED  
CONDENSED INTERIM BALANCE SHEET AS AT DECEMBER 31, 2017

	Notes	December 31, 2017 (Un-audited)	June 30, 2017 (Audited)
(Rupees)			
<b><u>EQUITY AND LIABILITIES</u></b>			
<b><u>CAPITAL &amp; RESERVES</u></b>			
<b><u>Authorized Capital</u></b>			
100,000,000 (2017: 30,000,000) Ordinary Shares of Rs. 10/- each		1,000,000,000	300,000,000
Issued, Subscribed and Paid-up Capital	4	236,123,060	214,657,330
Capital Reserve - (a Share Premium account)		17,920,935	39,386,665
Unrealised Gain on investment		137,903,975	176,398,375
Accumulated (Loss)		(81,648,041)	(143,391,777)
Shareholders Equity		310,299,929	287,050,593
Share Application Money		214,657,330	-
Surplus on revaluation of Property, Plant and Equipments	5	204,365,295	204,365,295
<b><u>NON-CURRENT LIABILITIES</u></b>			
Long term Loan from Associated and related Parties		158,956,625	158,011,625
Deferred taxation		30,050,832	30,050,832
<b><u>CURRENT LIABILITIES</u></b>			
Trade and Other Payables	6	94,912,814	40,474,656
Accrued Interest on Loan from Associates		7,878,673	43,291
Due to Associated undertakings. - unsecured, interest free		4,236,558	4,861,558
Provision for Taxation		3,699,327	2,202,591
		110,727,371	47,582,096
Contingencies and Commitments	7		
<b>TOTAL ASSETS</b>		<b>1,029,057,382</b>	<b>727,060,441</b>
<b><u>ASSETS</u></b>			
<b><u>NON-CURRENT ASSETS</u></b>			
<b><u>Tangible Fixed Assets</u></b>			
Property, Plant and Equipments		363,203,925	358,667,108
Long Term Deposits		783,995	783,995
Long Term Investments - at Cost		172,414,650	210,909,050
<b><u>CURRENT ASSETS</u></b>			
Stores, Spares and Loose Tools		5,498,502	5,560,502
Trade Debtors - unsecured		221,851,469	109,102,583
Stock-in-Trade		46,681,856	33,262,575
Trade Deposits and Prepayments - Considered good		6,076,450	1,458,371
Income Tax Refunds and Advances		7,126,856	7,072,301
Cash and Bank Balances	8	205,419,678	243,956
		492,654,811	156,700,288
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,029,057,382</b>	<b>727,060,441</b>

The annexed notes form an integral part of these accounts.

Asad Ahmad  
Chief Executive

Uzma Ahmad  
Director

**TRI-STAR POLYESTER LIMITED**  
**CONDENSED INTERIM PROFIT AND LOSS ACCOUNTS (UN-AUDITED)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2017**

	<b>Six Months</b>	
	Jul-2017 to Dec-2017	Jul-2016 to Dec-2016
	<b>Rupees</b>	<b>Rupees</b>
Sales - Net	149,673,565	100,254,701
Cost of Sales	48,841,872	43,695,289
Gross Profit	100,831,694	56,559,412
<u>Operating Expenses</u>		
Distribution and Selling Cost	(3,226,142)	--
Administrative and General Expenses	(25,699,910)	(1,067,775)
	(28,926,052)	(1,067,775)
	71,905,642	55,491,637
Other Income / (Loss)	(812,500)	--
Operating Profit	71,093,142	55,491,637
Finance Cost	(7,852,670)	(2,245)
Profit before taxation	63,240,472	55,489,393
<u>Taxation</u>		
- Current	(1,496,736)	(1,002,547)
Profit after taxation	61,743,736	54,486,846
Earning Per Share - Basic	2.61	2.54

*The annexed notes form an integral part of these accounts.*

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Asad Ahmad  
Chief Executive

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Uzma Ahmad  
Director

TRI-STAR POLYESTER LIMITED  
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2017

	Jul-2017 to Dec-2017	Jul-2016 to Dec-2016
	(Rupees)	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before Taxation	63,240,472	55,489,393
Adjustment for Non-Cash and Other Items:		
Depreciation	11,221,682	7,611,669
Loss on Sale of Fixed Assets	812,500	--
Financial Expenses	17,288	2,245
	<u>12,051,471</u>	<u>7,613,913</u>
	75,291,943	63,103,306
Working Capital Changes		
<i>(Increase) / Decrease in Current Assets</i>		
Stores and Spares	62,000	--
Trade debtors	(112,748,886)	(84,773,701)
Stock in Trade	(13,419,281)	(3,784,774)
Trade deposits, Prepayments & Statutory balances	(4,618,079)	(941,773)
<i>Increase / (Decrease) in Current Liabilities</i>		
Trade and Other Payables	54,438,157	31,577,702
Accrued Interest on Loan from Associates	7,835,382	--
Due to Associated Undertaking	(625,000)	(450,000)
	<u>(69,075,707)</u>	<u>(58,372,545)</u>
	6,144,392	4,664,997
	<u>6,144,392</u>	<u>4,664,997</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Sales Proceeds from Fixed Assets	5,000,000	--
Acquisition of Fixed Assets	(21,571,000)	(1,394,116)
<i>Net Cash Inflow/ (Outflow) from Investing Activities</i>	<u>(16,571,000)</u>	<u>(1,394,116)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Share Application Money	214,657,330	--
Long term Loan from Associated and Related Parties	945,000	(3,000,000)
<i>Net Cash Inflow/ (Outflow) from Financing Activities</i>	<u>215,602,330</u>	<u>(3,000,000)</u>
	205,175,722	270,881
Net Increase in Cash and Cash Equivalents	205,175,722	270,881
Cash and Cash Equivalents at the Beginning	243,956	1,567
Cash and Cash Equivalents at the End	<u>205,419,679</u>	<u>272,448</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

**TRI-STAR POLYESTER LIMITED**  
**CONDENSED INTERIM STATEMENT OF CHANGE IN EQUITY (UN-AUDITED)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2017**

	Share Capital	Capital Reserve	Unrealized gain / (loss) due to change in fair value of investment  (Rupees)	Unappropriated Profit/Accumulated (Loss)	Total
Balance as on June 30, 2016 - Restated	214,657,330	39,386,665	124,106,875	(129,787,886)	<b>Restated</b> 248,362,985
Net Profit for the year ended June 2017	--	--	--	77,847,285	77,847,285
Due to Change in Accounting Policy of Investment as disclosed in note 16.1 to the financial Statements Unrealized gain / (loss) due to change in fair value of investment			52,291,500		52,291,500
Amortization of Associated and Related Party Loan				(98,883,103)	(98,883,103)
Incremental Depreciation transfer from Surplus on revaluation of Property, Plant and Equipment Related Deferred tax				10,770,907 (3,338,981) 7,431,926	10,770,907 (3,338,981) 7,431,926
Balance as on June 30, 2017	214,657,330	39,386,665	176,398,375	(143,391,778)	287,050,593
Net Profit for the year ended December 31, 2017	--	--	--	61,743,736	61,743,736
Issuance of Bonus shares @ 10%	21,465,730	(21,465,730)			
Unrealized gain / (loss) due to change in fair value of investment			(38,494,400)		(38,494,400)
Balance as on December 31, 2017	<u>236,123,060</u>	<u>17,920,935</u>	<u>137,903,975</u>	<u>(81,648,041)</u>	<u>310,299,929</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

**TRI-STAR POLYESTER LIMITED**  
**SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2017**

**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 and its shares are listed on the Karachi and Lahore Stock Exchanges in Pakistan. The registered office of the company and manufacturing facilities is located at F/498, S.I.T.E., Karachi - 75700, Pakistan. The Principal activity of the Company is manufacturing and sale of textile products.

**2 BASIS OF PREPARATION/MEASUREMENT**

These condensed interim financial information of the Company for the half year ended December 31, 2016 has been prepared in accordance with the requirements of the International Accounting Standard 34 on "Interim Financial Reporting" and provision of and directives issued under the Companies Ordinance, 1984 (the Ordinance). In case where requirements differ, the provisions of or directives issued under the Ordinance have been followed.

This condensed interim financial statements are unaudited and do not include all the information and disclosures of the annual financial statements and should be read in conjunction with the financial statements of the company for the year ended 30 June 2017.

**3 SIGNIFANT ACCOUNTING POLICIES**

Theses condensed interim financial statements have been prepared, following the same accounting policies as were applied in the preparation of the immediately preceding audited annual financial statements.

**4 Issued, Subscribed and Paid-up Capital**

*No. of Ordinary Shares of Rs. 10/- each*

Dec-17	Jun-17		Dec-17 (Un-audited)	Jun-17 (Audited)
			Rupees	
19,693,333	19,693,333	Fully Paid in cash	196,933,330	196,933,330
3,918,973	1,772,400	Issued as fully paid bonus shares	39,189,730	17,724,000
<u>23,612,306</u>	<u>21,465,733</u>		<u>236,123,060</u>	<u>214,657,330</u>

**5 Surplus on Revaluation of Property, Plant and Equipment**

Opening Balance	239,497,217	250,268,125
Surplus arising on revaluation during the year	--	--
Transferred to unappropriated profit:		
- Surplus relating to incremental depreciation charged during the year - net of deferred tax		(7,431,926)
- Related Deferred Tax Liability		(3,338,981)
	--	(10,770,907)
	<u>239,497,217</u>	<u>239,497,217</u>
Less: related deferred tax liability on:		
- Opening Balance	35,131,922	38,470,904
- Surplus arising on revaluation during the year	--	--
- Incremental depreciation charged during the year		(3,338,981)
	<u>35,131,922</u>	<u>35,131,922</u>
	<u>204,365,295</u>	<u>204,365,295</u>

	Dec-17 (Un-audited)	Jun-17 (Audited)
	Rupees	
<b>6 Trade and Other Payables</b>		
Trade Creditors	35,578,425	21,350,411
Accrued Expenses	58,739,913	10,761,771
Unclaimed Dividend	8,094,295	8,094,295
Zakat Payable	172,955	172,955
EOBI Payable	14,672	--
Deposit	1,397,860	--
Withholding Tax on bonus shares	460,043	--
Others	454,650	95,224
	<u>104,912,814</u>	<u>40,474,656</u>
<b>7 Contingencies and Commitments</b>		
Guarantees issued by banks	nil million	nil million
Letters of Credit in respect of committed capital expenditures	nil million	nil million
Letters of Credit for other than capital expenditures	nil million	nil million
<b>8 Cash and Bank Balances</b>		
Cash in Hand	1,056,943	238,691
Cash at Banks - Current Accounts	204,362,736	5,265
	<u>205,419,678</u>	<u>243,956</u>
<b>9 SALES - Net</b>	<u>149,673,565</u>	<u>100,254,701</u>
	Dec-17 (Un-audited)	Dec-16 (Un-audited)
	Rupees	
<b>10 Earnings/(Loss) Per Share - Basic</b>		
Profit after Taxation	<u>61,743,736</u>	<u>54,486,846</u>
Weighted Average Number of Ordinary Shares	<u>23,612,306</u>	<u>21,465,733</u>
Earning Per Share - Basic	Rupees <u>2.61</u>	<u>2.54</u>
<b>11 Related Party Transactions</b>		
Loan from Associated Companies	nil	nil
Loan from Sponsors	nil	nil
Loan Paid to Sponsors of the company	nil	3,000,000
Loan from Directors	945,000	--
Interest Charge on Loan from Related Party	7,835,382	--
Rent	9,000,000	--
Purchase	5,463,144	13,162,818
Electricity Purchased from Associated Company	36,009,472	30,968,194
Sales	149,673,565	100,254,701

All transactions were carried out on commercial terms and conditions and were valued at arm's length price. Reimbursement of expenses were on actual basis. Remuneration and benefits to key management personnel under the terms of their employment.

**Asad Ahmad**  
Chief Executive

**Uzma Ahmad**  
Director