

# Tri-Star Polyester Ltd.



## **HALF YEARLY REPORT** **DECEMBER 31, 2016 (Un-audited)**



## Company Information

Board of Directors:	Mr. Rashid Ahmad Mr. Asad Ahmad Ms. Uzma Ahmad Mr. Tahir Ahmad Ms. Marium Ahmad Mr. M. Haroon Saeed Mr. Tanvir Hasan	Non Executive Chairman Chief Executive Executive Director Non Executive Director Non Executive Director Non Executive Director Independent Director
Auditors:	M/s. Ghalib & Co. Chartered Accountants	
Bankers:	Al Baraka Bank (Pakistan) Ltd. Bank Al-Habib Ltd. Habib Bank Ltd.	
Audit Committee:	Mr. Tanvir Hasan Mr. Tahir Ahmad Mr. M. Haroon Saeed	Chairman Member Member
Legal Counsel:	Abid S. Zuberi Bar-at-Law	
Registered Office:	F/498, S.I.T.E., Karachi-75700	
Shares Registrar / Transfer Agent:	Hameed Majeed Associates (Pvt) Ltd. 4th Floor, Karachi Chambers, Hasrat Mohani Road, Karachi.	
Plant:	F/538, S.I.T.E., Karachi-75700	



## **Directors' Report**

For the six months ended December 31, 2016

The Reviewed accounts of Tri-Star Polyester Ltd., for the Half Year Ended December 31, 2016 are presented herewith.

Your Company is progressing well and results are encouraging and it is expected to achieve even better results in the near future. The season for buying fabric for Spring/Summer 2017 is about to start from next month and your Company is fully geared up to launch top quality Chikankari & Lawn Collection by mid March, 2017.

On behalf of the Board

**ASAD AHMAD**  
Chief Executive

Place: Karachi.

Dated: February 28, 2017



**AUDITOR'S REPORTS TO THE MEMBERS**  
**ON REVIEW OF CONDENSED INTERIM FINANCIAL**  
**STATEMENTS**

**INTRODUCTION:**

We have reviewed the accompanying condensed interim balance sheet of TRI-STAR POLYESTER LIMITED ("the Company") as of December 31, 2016, and related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity together with the notes forming part thereof (here-in-after referred to as the "condensed interim financial statements") for the half year then ended. Management is responsible for the preparation of presentation of this condensed interim financial statement in accordance with the approval accounting standards as applicable in Pakistan. Our responsibility is to express a conclusion on this condensed interim financial statements based on our review. The figures for the quarter ended December 31, 2016 and December 31, 2015 in the interim financial statement have not been reviewed, as we are required to review only the cumulative figures for the six months' period ended December 31, 2016.

**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 condensed interim financial statement consist of making inquiries primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review of 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.

**CONCLUSION:**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as at end and for the half year ended December 31, 2016 is not prepared, in all material respects, in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting.

**GHALIB & CO.**  
**CHARTERED ACCOUNTANTS**

Audit Engagement Partner: Mohammad Ghalib

Karachi: February 28, 2017

## Balance Sheet

As at December 31, 2016

	Note	December 2016 Rupees	June 2016 Rupees
<b><u>EQUITY &amp; LIABILITIES</u></b>			
<b>Authorised</b>			
15,000,000 (2014: 15,000,000) Ordinary Shares of Rs. 10/- each		150,000,000	150,000,000
Issued, Subscribed and Paid-up Capital		214,657,330	214,657,330
Capital Reserve - (a Share Premium Account)		39,386,665	39,386,665
Accumulated (Loss)		(75,301,039)	(129,787,885)
Shareholders Equity		178,742,956	124,256,110
Surplus on Revaluation Property, Plant & Equipments		211,797,221	211,797,221
<b><u>NON-CURRENT LIABILITIES</u></b>			
Long term Loan from Associated and related Parties		59,053,522	62,053,522
Deferred Taxation		34,466,904	34,466,904
<b><u>CURRENT LIABILITIES</u></b>			
Trade and other payables		48,087,930	16,510,228
Due to Associated under takings - Unsecured, Interest free		4,861,558	5,311,558
Provision for Income Tax		1,203,318	200,771
		54,152,806	22,022,557
Contingencies and Commitments		-	-
		538,213,409	454,596,314
<b><u>ASSETS</u></b>			
<b><u>NON-CURRENT ASSETS</u></b>			
<b><i>Tangible Fixed Assets</i></b>			
Property, Plant and Equipment		372,915,520	379,133,073
Long Term Deposits		783,995	783,995
Long Term Investment - at Cost		34,510,675	34,510,675
<b><u>CURRENT ASSETS</u></b>			
Stores, Spares and Loose Tools		6,931,965	6,931,965
Trade Debts - Unsecured , Considered goods		104,794,867	20,021,166
Stock-in-Trade		9,874,146	6,089,372
Trade Deposits, Prepayments and Statutory		1,088,601	146,828
Income Tax Refunds and Advances		7,041,192	6,977,673
Cash and Bank Balances		272,448	1,567
		130,003,219	40,168,571
		538,213,409	454,596,314

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

## Profit & Loss Account

For the Half Year ended December 31, 2016

	Cumulative upto December 2016	Cumulative upto December 2015	Quarter Oct. - Dec. 2016	Quarter Oct. - Dec. 2015
	Rupees	Rupees	Rupees	Rupees
Sales - Net	100,254,701	-	66,867,030	-
Cost of Sales	(43,695,289)	(9,048,696)	(21,468,129)	(4,933,275)
Gross Profit/(Loss)	56,559,412	(9,048,696)	45,398,901	(4,933,275)
<b>Operating Expenses</b>				
Administrative and general expenses	(1,067,775)	(138,654)	(747,591)	(91,339)
Operating Profit/(Loss)	55,491,637	(9,187,350)	44,651,310	(5,024,614)
Finance Cost	(2,245)	(700)	(2,135)	(700)
<b>Taxation</b>				
- Current	1,002,547	-	668,670	-
Profit/(Loss) for the year	54,486,846	(9,188,049)	43,980,506	(5,025,313)
Earning/(Loss) per Share	2.54	(0.43)	2.05	(0.23)

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



## Cash Flow Statement

### For the Half Year Ended 31.12.2016

	2016 Rupees	2015 Rupees
<b>Cash Flow from Operating Activities</b>		
Profit / (Loss) before Taxation	55,489,393	(9,188,049)
(Less:) Items not involving in movement of cash		
Depreciation	7,611,669	8,223,972
Financial Expenses	2,245	700
	7,613,914	8,224,672
	63,103,307	(963,377)
<b>Working Capital Changes</b>		
(Increase)/Decrease in Current Assets		
Trade Debts	(84,773,701)	-
Stock-in-Trade	(3,784,774)	-
Trade deposits, prepayments & statutory balances	(941,773)	(43,450)
Increase/(Decrease) in Current Liabilities		
Trade and other payables	31,577,702	-
Due to Associated Undertaking	(450,000)	(151,892)
	(58,372,545)	(195,342)
Taxes Paid	(63,519)	(11,353)
Net Cash Inflow/(Outflow) from Operating Activities	4,667,241	(1,170,072)
<b>Cash Flow from Investing Activities</b>		
Fixed Capital Expenditure	(1,394,116)	-
<b>Cash Flow from Financing Activities</b>		
Long term Loan from Associated and related parties	(3,000,000)	1,175,465
Financial Expenses Paid	(2,245)	(700)
Net Cash Inflow/(Outflow) from Financing Activities	(3,002,245)	1,174,765
Net Increase/(Decrease) in cash & cash equivalents	270,881	4,693
Cash & cash equivalent at the beginning	1,567	21,655
Cash & cash equivalent at the end	272,448	26,347
The annexed notes form an integral part of these accounts.		

**Asad Ahmad**  
Chief Executive

**Uzma Ahmad**  
Director

## Statement of Changes in Equity

For the Half Year ended 31.12.2016

	Share Capital Rupees	Capital Reserve Rupees	Accumulated Profit/ (Loss) Rupees	Total Rupees
Balance as at June 30, 2015	214,657,330	39,386,665	-140,404,945	113,639,050
Profit for the six months ended December 31, 2015	-	-	-9,188,050	-9,188,050
Balance as at December 31, 2015	<u>214,657,330</u>	<u>39,386,665</u>	<u>-149,592,995</u>	<u>104,451,000</u>
Balance as at June 30, 2016	214,657,330	39,386,665	(129,787,885)	124,256,110
Profit for the six months ended December 31, 2016	-	-	54,486,846	54,486,846
Balance as at December 31, 2016	<u>214,657,330</u>	<u>39,386,665</u>	<u>-75,301,039</u>	<u>178,742,956</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





## **Notes to the Accounts**

For the Half Year ended December 31, 2016

### **1. The Company and Its Operations**

Tri-Star Polyester Limited (the Company) was incorporated in Pakistan in 1990 and is quoted on the Pakistan Stock Exchange. The registered office of the company is located at F/498, S.I.T.E., Karachi - 75700, Pakistan. The Principal activity of the Company is manufacturing and sale of polyester filament yarn.

### **2. Basis of Preparation**

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.

### **3. Significant Accounting Policies**

These 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.

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