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# FINANCIAL PLAN



TRI STAR POLYESTER LIMITED

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# Financial Plan

TRI-STAR POLYESTER LTD.

## About the Organisation

Tri-Star Polyester Ltd. was incorporated in 1990 as a public limited company subsequently listed on the Pakistan Stock Exchange and is situated at S.I.T.E., Karachi. The Company was initially set up for the production of 4,200 tons/annum of Polyester Filament Yarn. The company was registered as a single object company in order to qualify for exemption of Income Tax clause 118 E of part 1 of the Second Schedule of Income Tax Ordinance 1979. Lately, the Company has started manufacturing and marketing value added embroidered fabric as well as printed lawn under the brand name “Image”. The state of the art facility is equipped with the latest plant and machinery with particular emphasis on consistent product quality.

## Change in Operations

The company had been making losses for a number of periods preceding the financial year ending 30<sup>th</sup> of June, 2016. The primary reasons for falling performance were external rather than internal and, therefore, operations for polyester filament yarn production were halted. The company’s sponsors and associated concerns settled the company’s borrowings from financial institutions through their own sources, replacing the enormous cash debt with interest free debt obligation to the sponsors and associated concerns. The downfall of the polyester filament yarn production industry of Pakistan began during the year 2002 when duties on import of filament yarn were reduced from 25% to 7%. This resulted in a substantial increase in import of polyester filament yarn – primarily from China and Far East. The product continues to be dumped in local markets where domestic producers are unable to compete, especially in the absence of reduced import duties on raw materials (e.g. PTA, MEG and Polyester Chips) of polyester filament yarn.

The dire conditions of the industry has already led to closing down of several manufacturers and action needed to be taken in order to avoid the same fate. Decision was, therefore, taken to prevent further loss to shareholders by altering the company’s course and make additions to its line of business. The shift in operations began during the financial year ending 30<sup>th</sup> of June, 2016, when the company began OEM of unstitched value added embroidered fabric as well as stitched garments under the brand name “Image”. The new line of operations resulted in a positive impact on the company’s profitability. As expected, the new operations have significantly improved the company’s performance during the financial year ending 30<sup>th</sup> of June, 2017 and it is expected that further improvement will be seen in the period following.

## Purpose of Financial Plan

After witnessing the potential for unstitched value added embroidered fabric and stitched garments during the financial years ending 30<sup>th</sup> of June, 2016 and 2017, the company intends to make further investment in the new line of operations for growth and expansion. The management proposes that the expansion, which includes investment in plant and machinery as well as retail outlets, be funded through a rights issue of ordinary shares at par value of PKR 10 per share. The purpose of preparation and presentation of this financial plan and the accompanying three year financial forecast is to comply with the amended section 5 (iii) of S.R.O. 34(I)/2016 dated 19<sup>th</sup> January, 2016 of the SECP Company’s (Issue of Capital) Rules.

## Key Decisions

The planned growth requires a total capital outlay of approximately PKR 281.5 million:

- Investment to be made in Plant and Machinery amounting to an approximate value of PKR 101.5 million. This will include the cost of importing two Schifli Embroidery Machines and the procurement of fifty Stitching Machines during the financial year ending 30<sup>th</sup> of June, 2018.
- Establishment of six Retail Outlets is planned for the years ending 30<sup>th</sup> of June, 2018 and 2019. It is estimated that capital expenditure for each outlet will amount to approximately PKR 30 million. The cost includes expenditure on furniture and fixtures, air conditioning, computer equipment and software, electrical equipment, and fire fighting and safety equipment.

Of the total loan of PKR 163 million from sponsors, directors, associated undertakings and related parties, PKR 118 million is to be converted into equity with 11.8 million ordinary shares issued to the creditors at a par value of PKR 10 per share, by the end of calendar year 2017.

In order to fund the capital outlay to support the company's growth plan, a 1:1 rights issue is to be made by the end of calendar year 2017, tentatively, by 15<sup>th</sup> of November, 2017. The issue of shares will be based on pre bonus share issue paid up share capital level. The shares are to be issued at a par value of PKR 10 per share and will generate PKR 214.6 million (based on pre bonus shares issue level) with an expectation of complete exercise of rights. It is expected that the rights issue of shares will be the primary contributor in funding capital expenditure requirement of PKR 221.5 million in the financial year ending 30<sup>th</sup> of June, 2018, with remaining being funded by internal cash generation, whereas, it is estimate that sufficient cash will be generated during this year to fully fund the capital expenditure requirement of PKR 60 million in the following financial year.

## Projection Assumptions

The accompanying financial forecast has been prepared after careful consideration of available options, information gathering and rational estimation.

- a) Sales: sales, net of sales tax, are expected to grow at a moderate growth assumption of PKR 100 million in financial year ending 2018. During the year 2019 all 6 outlets will be operative therefore the sales are expected to grow at 40% subsequent to 2019 the sales will grow at a consistent rate of 20% per annum.
- b) Cost of Sales: growth in basic cost of sales is in line with growth in sales – kept at 50% of net sales exclusive of depreciation and before adjusting for opening and closing inventories. In addition to this, depreciation, after inclusion of new non-current assets, and rental cost for new retail outlets at PKR 350 per square foot for each 2,000 square foot (approximate) outlet have also been added to Cost of Sales.
- c) Depreciation: depreciation is charged on the newly acquired assets as per company policy – respective rates of depreciation for the asset heads charged on reducing balance method with full year's charge in the year of acquisition. The allocation of depreciation to Cost of Sales and Admin & General Expenses is consistent with historical practice.
- d) Distribution and Selling Costs: growth in distribution and selling costs has been assumed in line with sales growth along with a 10% annual increment. In addition to this increase, this cost head includes outlet costs such as electricity, advertisement, sales promotion and staff costs incurred by each outlet.
- e) Admin and General Expenses: growth in admin and general expenses has been assumed in line with sales growth along with a 10% annual increment plus the allocated depreciation. In addition to this increase, the cost head includes all costs associated with the rights issue of shares e.g.

charges for issue costs, increase in authorised share capital, and consultant fees etc. in the respective financial year.

- f) Finance Cost: financial charges including bank charges etc. have been assumed at 0.25% of net sales. The finance cost also includes the prorated interest charge for loans repaid / converted to equity during the financial year ending 30<sup>th</sup> of June, 2018.
- g) Taxation: the corporate tax rate has been assumed at 30% static throughout the forecast period. Workings for deferred tax relating to revaluation surplus, however, use the old rate assumption of 32%. Adjustments for tax payable/paid have been built into the accompanying financial model along with adjustments for tax losses (see ahead in section “Financial Projections”).
- h) Trade and Other Payables: given the nature of the company’s new operations, the creditors’ period has been assumed at 45 days.
- i) Trade Debtors: average receivable days have been assumed at 60 days as the company will continue to operate and make sales under franchise model along with its own retail outlets.
- j) Inventory: finished goods inventory days have been assumed at 45 days (the average period finished inventory stays in stock before it is sold); raw material inventory days at 60 days (the average period raw materials stay in inventory before consumed in production); and work in process inventory days at 15 days (the average period it takes for raw materials to be converted to finished goods). The average figure for finished goods inventory days takes into consideration the inventory held at the factory as well as the inventory held at retail outlets. Both the inventory reserve types have different inventory days and, therefore, the figure used here is a broad average of the two.
- k) Dividends: payment of dividends to shareholders is planned for the financial years ending 2018, 2019 and 2020 at 10.0%, 12.5% and 15.0% of paid up share capital, respectively, based on availability of free cash flows.

The assumptions upon which the financial model projecting the position and performance is built upon is as follows:

Project Timelines		
Financial Year End 2018	Date	30-Jun-2018
Financial Year End 2019	Date	30-Jun-2019
Financial Year End 2020	Date	30-Jun-2020
Financial Year Period	Months	12
Forecast Period Start	Date	1-Jul-2017
Forecast Period	Months	36
Forecast Period End	Date	30-Jun-2020

General Assumptions		
USD Parity	PKR/USD	106
CHF Parity	PKR/CHF	110
Corporate Tax Rate (Old)	%	32.00%
Corporate Tax Rate (New)	%	30.00%
Turnover Tax Rate	%	1.25%
Alternative Corporate Tax Rate	%	17.00%

**Capex**

Additional Investment in "Image" Clothing Line Business	Depreciation	Rate (PKR)	No.
Schifli Embroidery Machines	10%	48,262,500	2
Retail Outlets	10%	30,000,000	6
Stitching Machines	10%	50,000	100

Cost of Schifli Embroidery Machine			PKR
Cost	CHF	375,000	41,250,000
Custom Duty	% of Cost	5%	2,062,500
Income Tax	% of Cost	6%	2,475,000
Carriage Charges	% of Cost	2%	825,000
Insurance	% of Cost	1%	412,500
Clearing Charges	% of Cost	3%	1,237,500
<b>Total</b>			<b>48,262,500</b>

Investment Timelines	Value (PKR)	Date
Schifli Embroidery Machines 1 Installation	48,262,500	1-Jun-2018
Schifli Embroidery Machines 2 Installation	48,262,500	1-Jun-2018
Stitching Machines	5,000,000	1-Jun-2018
Retail Outlet 1 – Karachi	30,000,000	1-Mar-2018
Retail Outlet 2 – Islamabad	30,000,000	1-Mar-2018
Retail Outlet 3 – Faisalabad	30,000,000	1-Apr-2018
Retail Outlet 4 – Hyderabad	30,000,000	1-Apr-2018
Retail Outlet 5 – Multan	30,000,000	1-Jul-2018
Retail Outlet 6 – Gujranwala	30,000,000	1-Jul-2018
<b>Total Capex</b>	<b>281,525,000</b>	

Retail Outlet Breakdown	%	PKR
Furniture and Fixtures	70.00%	21,000,000
Air Conditioning	10.00%	3,000,000
Computer Equipment / Software	2.50%	750,000
Electrical Equipment	15.00%	4,500,000
Fire Fighting and Safety Equipment	2.50%	750,000
<b>Total</b>	<b>100%</b>	<b>30,000,000</b>

**Working Capital**

Working Capital Assumptions		
Finished Goods Inventory at Each Retail Outlet	PKR	-
Finished Goods Inventory at Factory	Days	45.00
Raw Material Days	Days	60.00
Work in Process Days	Days	15.00
Average Debtor Days	Days	60.00
Average Creditor Days	Days	45.00

**Cost of Sales**

Raw Material Consumed	% of CoS excl. Dep	41.00%
Fuel and Power	% of CoS excl. Dep	40.00%
Water	% of CoS excl. Dep	1.00%
Salaries, Wages and Other Benefits	% of CoS excl. Dep	15.00%
EOBI Contribution	% of CoS excl. Dep	0.10%
SESSI Contribution	% of CoS excl. Dep	0.10%
Consumed Store	% of CoS excl. Dep	0.08%
Conveyance Expenses	% of CoS excl. Dep	0.01%
Freight Inward	% of CoS excl. Dep	0.06%

Oil And Lubrication	% of CoS excl. Dep	0.50%
Watch & Ward	% of CoS excl. Dep	0.27%
Repairs and Maintenance	% of CoS excl. Dep	1.90%
		100.0%

### Financing

#### Conversion of Loan to Equity

Date of Loan Conversion to Equity	Date	31-Dec-2017
Issue of Equity	Rate (PKR/Share)	10.00
Interest Charge for 2018	%	5%

#### Rights Issue

Date of Issue	Date	31-Dec-2017
Number of Shares to Issue	Number	21,465,733
Share Issue Price	PKR/Share	10.00
Authorised Capital Increase Charges	PKR	3,500,000
Cost of Right Issue	% of Issue	1.50%
Cost of Right Issue	PKR	4,990,034
Printing, Registered Post etc.	PKR	1,000,000
Consultants to the Issue (Financial + Legal)	PKR	4,000,000

#### Bonus Issue

Date of Bonus Issue	Date	30-Jul-2017
Issue Terms	%	10%

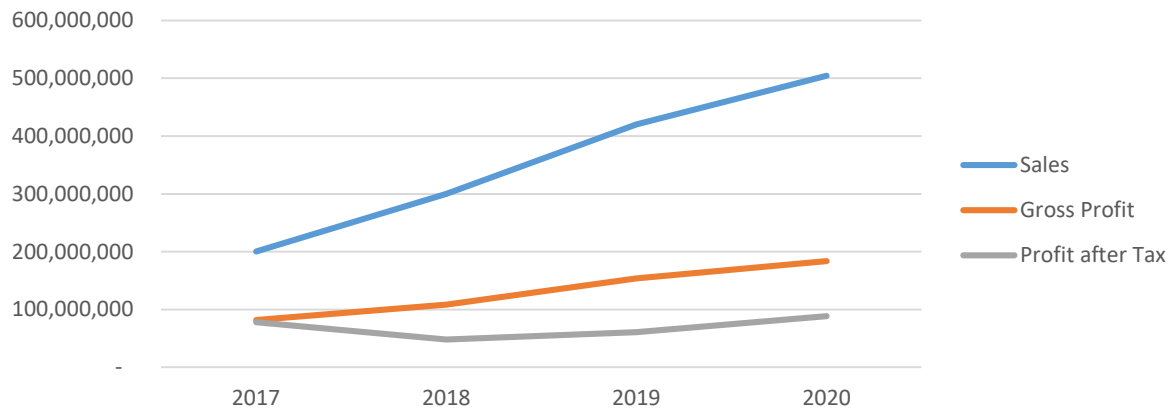
Dividend Pay-out 2018	% of Paid up Cap	10.00%
Dividend Pay-out 2019	% of Paid up Cap	12.50%
Dividend Pay-out 2020	% of Paid up Cap	15.00%

### Operational

Cost of Sales excl. Dep as % of Sales	%	50.00%
Outlet HR Costs (Included in D&S Expenses)	PKR / Outlet	250,000
Outlet HR Costs (Included in D&S Expenses) Growth	%	10%
Finance Cost as % of Sales	%	0.250%
Rental: Outlet	PKR / Sq. ft.	350
Sq ft per New Outlet	Sq. ft.	2,000
Total Sq ft. for 2018	Sq. ft.	8,000
Total Sq ft. for 2019, 2020	Sq. ft.	12,000
Rental Costs: Outlets 2018	PKR	2,800,000
Rental Costs: Outlets 2019, 2020	PKR	4,200,000
Electricity for Outlets	PKR / Sq. ft.	50
Advertisement	PKR / Sq. ft.	65
Sales Promotion	PKR / Sq. ft.	25

## Financial Forecast

The key elements of the three year financial forecast based on the assumption provided in previous section are as follows are provided in this section.



	30-Jun-2017	30-Jun-2018	30-Jun-2019	30-Jun-2020
Sales - Net	200,181,917	300,181,917	420,254,684	504,305,621
Cost of Sales	(118,059,592)	(191,948,651)	(266,346,149)	(320,281,748)
Gross Profit / Loss	82,122,325	108,233,267	153,908,535	184,023,873
Gross Profit Margin	41.02%	36.06%	36.62%	36.49%

Given the increase of PKR 100 million and the Cost of Sales assumptions, the average gross profit margin for the three year forecast period is 36.39%.

Operating Expenses	30-Jun-2017	30-Jun-2018	30-Jun-2019	30-Jun-2020
Distribution & Selling Cost	(114,900)	(7,579,807)	(40,182,266)	(42,249,136)
Administrative & General Expenses	(7,878,642)	(45,022,098)	(43,880,563)	(54,168,220)
Total	(7,993,542)	(52,601,905)	(84,062,829)	(96,417,356)
Operating Profit/ Loss	74,128,783	55,631,361	69,845,706	87,606,517

It is expected that the losses carried forward from previous years will be fully utilized to minimize taxation outflows by the financial year ending 2020. The previous year's losses are expected to be adjusted as follows:

Operating Expenses	30-Jun-2017	30-Jun-2018	30-Jun-2019	30-Jun-2020
Profit before Tax	75,433,032	48,980,325	68,795,069	86,345,753
ADD: Accounting Depreciation	23,186,351	43,019,211	44,717,290	40,245,561
Less: Tax Depreciation	(33,808,349)	(90,949,609)	(60,978,897)	(47,890,652)
Total Income	64,811,034	1,049,927	52,533,461	78,700,662
Loss Adjusted	(64,811,034)	(1,049,927)	(52,533,461)	(57,442,896)
Taxable Income	-	-	-	21,257,766

**Utilization of Losses Carried Forward:**

<b>Financial Year End</b>	<b>Balance C/F</b>	<b>Utilized During Year</b>
Jul-18	109,976,357	1,049,927
Jul-19	57,442,896	52,533,461
Jul-20	-	57,442,896

	<b>30-Jun-2017</b>	<b>30-Jun-2018</b>	<b>30-Jun-2019</b>	<b>30-Jun-2020</b>
Profit before taxation	75,433,032	48,980,325	68,795,069	86,345,753
Taxation	2,414,253	(891,072)	(7,790,587)	2,434,117
Profit after taxation	77,847,285	48,089,253	61,004,482	88,779,870

	<b>30-Jun-2017</b>	<b>30-Jun-2018</b>	<b>30-Jun-2019</b>	<b>30-Jun-2020</b>
Earnings per share - Basic	<b>3.63</b>	<b>0.85</b>	<b>1.07</b>	<b>1.56</b>

A significant drop in basic earnings per share is expected in the financial year ending 2018. The primary reason for this is a substantial increase in the number of shares issued due to rights issue of shares and conversion of loans to equity:

	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
Opening Number of Shares	21,465,733	21,465,733	56,879,202	56,879,202
Conversion of Loan to Equity	-	11,801,163	-	-
Bonus Issue of Shares	-	2,146,573	-	-
Rights Issue of Shares	-	21,465,733	-	-
Closing Number of Shares	21,465,733	56,879,202	56,879,202	56,879,202

<b>Equity</b>	<b>30-Jun-2017</b>	<b>30-Jun-2018</b>	<b>30-Jun-2019</b>	<b>30-Jun-2020</b>
Issued, Subscribed & paid up capital	214,657,330	568,792,018	568,792,018	568,792,018
Capital Reserve (Share premium Account)	39,386,665	17,920,932	17,920,932	17,920,932
Unrealised gain due to change in fair value of investment	176,398,375	176,398,375	176,398,375	176,398,375
Accumulated Profit	(143,391,777)	(137,005,975)	(131,258,754)	(122,625,186)
Shareholders' Equity	287,050,593	626,105,350	631,852,571	640,486,139

The forecasted effect of the rights issue and conversion of loan to equity can be seen from the table

above with issued, subscribed and paid up capital in the financial year ending 2018 is rising to PKR 568.8 million from PKR 214.7 million in the previous year.

<b>Non-Current Liabilities</b>	<b>30-Jun-2017</b>	<b>30-Jun-2018</b>	<b>30-Jun-2019</b>	<b>30-Jun-2020</b>
Long term Loan from associated & related parties	158,011,625	40,000,000	40,000,000	40,000,000
Deferred taxation	30,050,832	27,045,749	24,341,174	21,907,056

After conversion of loans to equity worth PKR 118 million, and paying off the amount of PKR 4.9 million due to associated undertaking, the remaining PKR 40 million can be seen within non-current liabilities. The conversion of loan will not have an effect on the company's cash flows, however, the outflow of PKR 4.9 million loan payoff will have an impact. Both these transactions will have a reducing overall impact on the current liabilities section of the balance sheet of PKR 122.9 million. It is important to note that the long term loan would be repaid after 2020.

<b>Non-Current Assets</b>	<b>30-Jun-2017</b>	<b>30-Jun-2018</b>	<b>30-Jun-2019</b>	<b>30-Jun-2020</b>
Property, Plant & Equipment	358,667,108	537,172,896	552,455,607	512,210,046
Long Term Deposits	783,995	783,995	783,995	783,995
Long Term Investments	210,909,050	210,909,050	210,909,050	210,909,050

The capital expenditure for expansion and growth of the company's new operations will lead to a sharp rise in the overall non-current assets. The rise will continue into the financial year ending 2019 as further investment into new retail outlets is made during the start of this year. Although, the impact of capital outlay in the financial year ending 2018 will be offset by the inflow of funds from the rights issue, the cash flows will be significantly affected by the capital outlay in the financial year ending 2019 as the capital expenditure in this year is funded solely by cash generated from operations.

<b>Current Assets</b>	<b>30-Jun-2017</b>	<b>30-Jun-2018</b>	<b>30-Jun-2019</b>	<b>30-Jun-2020</b>
Stores, Spares & Loose Tools	5,560,502	5,560,502	5,560,502	5,560,502
Trade Debts - Unsecured, Considered Good	109,102,583	49,344,973	69,082,962	82,899,554
Stock in trade	33,262,575	40,980,212	59,274,078	70,569,527
Trade Deposits and Prepayments - considered good	1,458,371	1,458,371	1,458,371	1,458,371
Income Tax Refunds & Advances	7,072,301	7,072,301	7,072,301	7,072,301
Cash & Bank Balances	243,956	50,192,927	2,897,255	11,089,959
<b>Total</b>	<b>156,700,288</b>	<b>154,609,286</b>	<b>145,345,468</b>	<b>178,650,215</b>

As the company moves focus to retail operations, the current assets are expected to fall with a fall in trade debts. A higher percentage of the company's sales are expected to be on cash basis.

<b>Cash Flow from Operating Activities</b>	<b>30-Jun-2017</b>	<b>30-Jun-2018</b>	<b>30-Jun-2019</b>	<b>30-Jun-2020</b>
Adjusted Cash Flow from Operating Activities	98,671,174	98,650,572	114,562,995	127,852,078
Working Capital Changes	(92,680,272)	(102,902,678)	(35,907,394)	(22,584,645)
Taxes Paid	(94,626)	(2,202,590)	(3,896,155)	(10,495,162)
Financial Charges Paid	(8,500)	(6,651,036)	(1,050,637)	(1,260,764)
<b>Net Cash Inflow/(outflow) from operating activities</b>	<b>5,887,776</b>	<b>(13,105,732)</b>	<b>73,708,810</b>	<b>93,511,507</b>

The cash flow from operations for the financial year ending 2018 shows great variation in comparison to figure for year ending 2017 as the figure for working capital changes includes the amount of PKR 118 million loan converted to equity. This amount is offset by the conversion of loan to equity within the cash flow from financing activities section (see ahead) of the cash flow statement.

<b>Cash Flow from Investing Activities</b>	<b>30-Jun-2017</b>	<b>30-Jun-2018</b>	<b>30-Jun-2019</b>	<b>30-Jun-2020</b>
Acquisition of Fixed assets	(2,720,386)	(221,525,000)	(60,000,000)	-
<b>Net Cash Flow from Investing Activities</b>	<b>(2,720,386)</b>	<b>(221,525,000)</b>	<b>(60,000,000)</b>	<b>-</b>

As discussed before, the total capital outlay of PKR 281.5 million is spread over the financial years ending 2018 and 2019 – with the majority of the expenditure (PKR 221.5 million) in 2018. The rights issue of shares will fund the expenditure planned for the financial year ending 2018, however, the expenditure of PKR 60 million planned for the financial year ending 2019 is expected to be met through cash generated from operations.

<b>Cash Flow from Financing Activities</b>	<b>30-Jun-2017</b>	<b>30-Jun-2018</b>	<b>30-Jun-2019</b>	<b>30-Jun-2020</b>
Loan - Associated & Related Parties	(2,925,000)	-	-	-
Loan Converted to Equity	-	118,011,625	-	-
Right Shares Subscription	-	214,657,330	-	-
<b>Net Cash Flow from Financing Activities</b>	<b>(2,925,000)</b>	<b>332,668,955</b>	<b>-</b>	<b>-</b>

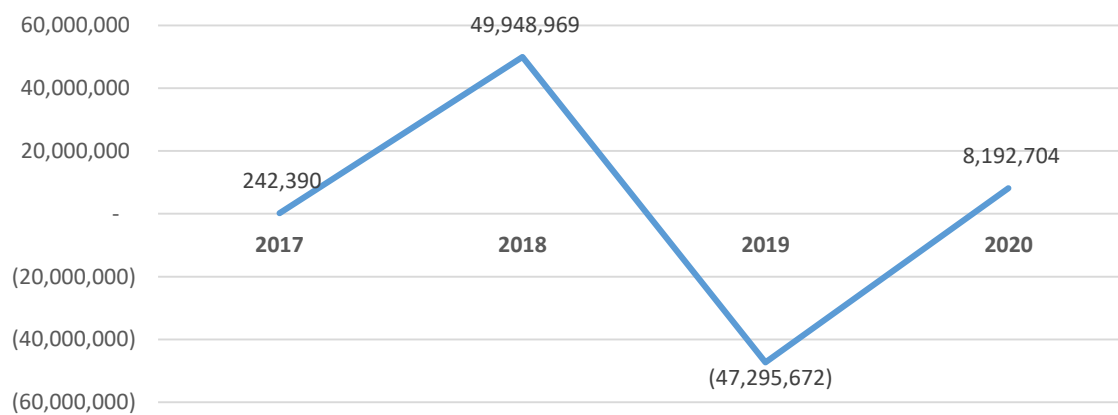
The inflow from rights issue of shares can be seen in this section of the cash flow statement, along with the offsetting entry for loan converted to equity i.e. nil effect on cash flows.

	<b>30-Jun-2017</b>	<b>30-Jun-2018</b>	<b>30-Jun-2019</b>	<b>30-Jun-2020</b>
Dividends Paid	-	(48,089,253)	(61,004,482)	(85,318,803)

Dividends for the financial year ending 2017 paid in the form of bonus shares 1:10 (10%). Payment of cash dividends is planned for the financial year ends 2018, 2019 and 2020 as can be seen above. The below table is the availability of cash after payment of dividends and settlement of loan.

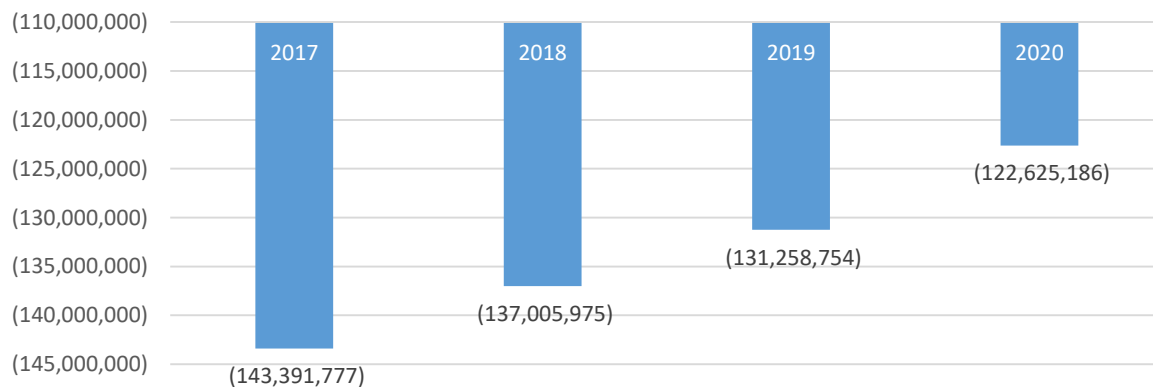
Cash Flow	30-Jun-2017	30-Jun-2018	30-Jun-2019	30-Jun-2020
Net increase in cash & equivalents	242,390	49,948,969	(47,295,672)	8,192,704
Cash & equivalents at the beginning	1,567	243,958	50,192,927	2,897,255
Cash & equivalents at the end	243,958	50,192,927	2,897,255	11,089,959

### Cash Generated



The overall cash position of the company is expected to deteriorate during financial year ending 2019 as capital expenditure is funded through cash generated from operations, however, recovery is expected in the following year as operations reach full scale.

### Accumulated Retained Earnings / (Losses)



Accumulated retained losses are expected to decrease over the three year course as profits from the company's new operations rise.

## Projected Financial Statements

Forecast financial Statements of the three years projection are as follows:

Balance Sheet	30-Jun-2017	30-Jun-2018	30-Jun-2019	30-Jun-2020
<b>Equity &amp; Liabilities</b>				
<b>Authorised Capital</b>				
30,000,000 Ordinary shares at PKR 10 each	300,000,000	1,000,000,000	1,000,000,000	1,000,000,000
Issued, Subscribed & paid up capital	214,657,330	568,792,018	568,792,018	568,792,018
Capital Reserve (Share premium AC)	39,386,665	17,920,932	17,920,932	17,920,932
Unrealised gain due to change in fair value of investment	176,398,375	176,398,375	176,398,375	176,398,375
Accumulated Profit	(143,391,777 )	(137,005,975)	(131,258,754)	(122,625,186)
Shareholders' Equity	287,050,593	626,105,350	631,852,571	640,486,139
Surplus on revaluation	204,365,295	197,979,493	192,232,272	187,059,772
<b>Non-Current Liabilities</b>				
Long term Loan from associated & related parties	158,011,625	40,000,000	40,000,000	40,000,000
Deferred taxation	30,050,832	27,045,749	24,341,174	21,907,056
<b>Current Liabilities</b>				
Trade & other Payables	40,474,656	8,405,188	10,529,649	13,057,047
		-	-	-
		-	-	-
Due to Associated Undertaking - Unsecured - interest free	4,861,558	-	-	-
Accrued Interest	43,291	43,291	43,291	43,291
Provision for Income Tax	2,202,590	3,896,155	10,495,162	-
	47,582,096	12,344,635	21,068,102	13,100,337
Contingencies & Commitments	-	-	-	-
	727,060,440	903,475,226	909,494,119	902,553,305

<b>Assets</b>				
<b>Non-Current assets</b>				
Property, Plant & Equipment	358,667,108	537,172,896	552,455,607	512,210,046
Long Term Deposits	783,995	783,995	783,995	783,995
Long Term Investments	210,909,050	210,909,050	210,909,050	210,909,050
<b>Current Assets</b>				
Stores, Spares & Loose Tools	5,560,502	5,560,502	5,560,502	5,560,502
Trade Debts - Unsecured, Considered Good	109,102,583	49,344,973	69,082,962	82,899,554
Stock in trade	33,262,575	40,980,212	59,274,078	70,569,527
Trade Deposits and Prepayments - considered good	1,458,371	1,458,371	1,458,371	1,458,371
Income Tax Refunds & Advances	7,072,301	7,072,301	7,072,301	7,072,301
Cash & Bank Balances	243,956	50,192,927	2,897,255	11,089,959
	156,700,288	154,609,286	145,345,468	178,650,215
	727,060,440	903,475,227	909,494,120	902,553,305

Profit & Loss Account	30-Jun-2017	30-Jun-2018	30-Jun-2019	30-Jun-2020
Sales - Net	200,181,917	300,181,917	420,254,684	504,305,621
Cost of Sales	(118,059,592)	(191,948,651)	(266,346,149)	(320,281,748)
Gross Profit / Loss	82,122,325 41.02%	108,233,267 36.06%	153,908,535 36.62%	184,023,873 36.49%
<b>Operating Expenses</b>				
Distribution & Selling Cost	(114,900)	(7,579,807)	(40,182,266)	(42,249,136)
Administrative & General Expenses	(7,878,642)	(45,022,098)	(43,880,563)	(54,168,220)
	(7,993,542)	(52,601,905)	(84,062,829)	(96,417,356)
Operating Profit/ Loss	74,128,783	55,631,361	69,845,706	87,606,517
Finance Cost	(51,791)	(6,651,036)	(1,050,637)	(1,260,764)
Other Income	1,356,040			
Profit before taxation	75,433,032	48,980,325	68,795,069	86,345,753
<b>Taxation</b>				
Current	(2,001,819)	(3,896,155)	(10,495,162)	-
Deferred	4,416,072	3,005,083	2,704,575	2,434,117
	2,414,253	(891,072)	(7,790,587)	2,434,117
Profit after taxation	77,847,285	48,089,253	61,004,482	88,779,870
Earnings per share - Basic	3.63 38.89%	0.85 16.02%	1.07 14.52%	1.56 17.60%

Cash Flow Statement	30-Jun-2017	30-Jun-2018	30-Jun-2019	30-Jun-2020
<b>Cash flow from operating activities</b>				
Profit / (Loss) before taxation	75,433,032	48,980,325	68,795,069	86,345,753
<b>Adjustment or non-cash &amp; other income</b>				
Depreciation	23,186,351	43,019,211	44,717,290	40,245,561
Financial Expenses	51,791	6,651,036	1,050,637	1,260,764
	23,238,142	49,670,247	45,767,926	41,506,325
Adjusted Cash Flow from Operating Activities	98,671,174	98,650,572	114,562,995	127,852,078
<b>Working Capital Changes</b>				
<b>(Increase)/Decrease in Current Assets</b>				
Stores, Spares and Loose Tools	1,371,463	-	-	-
Trade deposits, prepayments & statutory balances	(1,311,543)	-	-	-
Stock in trade	(27,173,203)	(7,717,637)	(18,293,865)	(11,295,450)
Trade Debts	(89,081,417)	59,757,610	(19,737,989)	(13,816,592)
<b>Increase/(Decrease) in Current Liabilities</b>				
Trade & other payables	23,964,428	(32,069,468)	2,124,461	2,527,397
Loan from Associated and related Parties.	-	(69,395,800)	-	-
Directors' Loan	-	(24,003,106)	-	-
Sponsors' Loan	-	(24,612,719)	-	-
Due to Associated Undertaking	(450,000)	(4,861,558)	-	-
	(92,680,272)	(102,902,678)	(35,907,394)	(22,584,645)
Taxes Paid	(94,626)	(2,202,590)	(3,896,155)	(10,495,162)
Financial Charges Paid	(8,500)	(6,651,036)	(1,050,637)	(1,260,764)
	(103,126)	(8,853,626)	(4,946,792)	(11,755,926)
<b>Net Cash Inflow/(outflow) from operating activities</b>	<b>5,887,776</b>	<b>(13,105,732)</b>	<b>73,708,810</b>	<b>93,511,507</b>

<b>Cash Flow from Investing activities</b>				
Acquisition of Fixed assets	(2,720,386)	(221,525,000)	(60,000,000)	-
<b>Net Cash Inflow/(Outflow) from investing activities</b>	<b>(2,720,386)</b>	<b>(221,525,000)</b>	<b>(60,000,000)</b>	<b>-</b>
<b>Cash Flow from Financing activities</b>				
Long term loan associated and related parties	(2,925,000)	-	-	-
Loan Converted to Equity	-	118,011,625	-	-
Right Shares Subscription	-	214,657,330	-	-
<b>Net cash inflow from financing activities</b>	<b>(2,925,000)</b>	<b>332,668,955</b>	<b>-</b>	<b>-</b>
Dividends Paid	-	(48,089,253)	(61,004,482)	(85,318,803)
Net increase in cash & equivalents	242,390	49,948,969	(47,295,672)	8,192,704
Cash & equivalents at the beginning	1,567	243,958	50,192,927	2,897,255
Cash & equivalents at the end	243,958	50,192,927	2,897,255	11,089,959

<b>Statement of Changes in Equity</b>	<b>30-Jun-2017</b>	<b>30-Jun-2018</b>	<b>30-Jun-2019</b>	<b>30-Jun-2020</b>
<b>Opening Balance:</b>				
Share Capital	214,657,330	214,657,330	568,792,018	568,792,018
Capital Reserve	39,386,665	39,386,665	17,920,932	17,920,932
Unrealized Gain	124,106,875	176,398,375	124,106,875	124,106,875
Accumulated Profit / (Loss)	(129,787,885)	(143,391,777)	(137,005,975)	(131,258,754)
<b>Total</b>	<b>248,362,985</b>	<b>287,050,593</b>	<b>573,813,850</b>	<b>579,561,071</b>
Net Profit for the Year	77,847,285	48,089,253	61,004,482	88,779,870
Incremental Depreciation Transfer				
Revaluation Surplus	10,770,907	9,390,885	8,451,796	7,606,617
Deferred Tax Related to Revaluation Transfer	(3,338,981)	(3,005,083)	(2,704,575)	(2,434,117)
Rights Issue of Shares	-	214,657,330	-	-
Conversion of Loan to Equity	-	118,011,625	-	-
Bonus Issue of Shares	-	21,465,733	-	-
Dividends Declared and Paid	-	(48,089,253)	(61,004,482)	(85,318,803)
Unrealised Gain / (Loss)	52,291,500			
Reversals of Loan to Cost	(98,883,103)			

<b>Closing Balance:</b>				
Share Capital	214,657,330	568,792,018	568,792,018	568,792,018
Capital Reserve	39,386,665	17,920,932	17,920,932	17,920,932
Unrealized Gain	176,398,375	176,398,375	124,106,875	124,106,875
Accumulated Profit / (Loss)	(143,391,777)	(137,005,975)	(131,258,754)	(122,625,186)
<b>Total</b>	<b>287,050,593</b>	<b>626,105,350</b>	<b>579,561,071</b>	<b>588,194,639</b>

Opening Number of Shares	21,465,733	21,465,733	56,879,202	56,879,202
Conversion of Loan to Equity	-	11,801,163	-	-
Bonus Issue of Shares	-	2,146,573	-	-
Rights Issue of Shares	-	21,465,733	-	-
<b>Closing Number of Shares</b>	<b>21,465,733</b>	<b>56,879,202</b>	<b>56,879,202</b>	<b>56,879,202</b>