

Annual Report
2017



Tri-Star
Polyester Ltd.



Company Information

Board of Directors:	Mr. Rashid Ahmad Mr. Asad Ahmad Ms. Uzma Ahmad Ms. Marium Ahmad Ms. Tahir Ahmad Mr. Mohammad Haroon Saeed Mr. Jawed Dost Muhammad	Non Executive Chairman Chief Executive Executive Director 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. Jawed Dost Muhammad Mr. Tahir Ahmad Mr. Mohammad Haroon Saeed	Chairman Member Member
Human Resource Committee	Mr. Jawed Dost Muhammad Mr. Asad Ahmad Ms. Uzma Ahmad	Chairman Member Member
Legal Counsel:	Mr. 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. 4 th Floor, Karachi Chambers, Hasrat Mohani Road, Karachi.	
Plant:	F/538, S.I.T.E., Karachi-75700	



Notice of Meeting

Notice is hereby given that the Twenty Seventh Annual General Meeting of the Company will be held on 31st October, 2017 at 2:00 pm at F/538 S.I.T.E., Karachi to transact the following business:

ORDINARY BUSINESS

1. Recitation from the Holy Quran.
2. To receive, consider and adopt the Audited Accounts of the Company for the year ended 30th June, 2017.
3. To discuss and consider the issue of appointment of the Auditors whose term is expiring on the forth coming Annual General Meeting and to fix their remuneration. However, the retiring auditor M/s Ghalib & Co, have offered themselves for re-appointment.
4. To approve the issue of 10% bonus shares as dividend for the year ending 30th June 2017, in accordance with Section 83 of the Companies Act, 2017 as recommended by the Board of Directors of the Company.
5. To consider the issuance of right shares at the rate of (1:1) at par amongst the existing shareholders of the Company. The entitlement of right shares being declared simultaneously will not be applicable on Bonus shares as declared above subject to approval of serial No. 6 below.

SPECIAL BUSINESS:

To pass the following resolutions as Special Resolutions:

- 6 (a) Resolved that Clause III of the Memorandum of Association of the Company is hereby replaced by the following:
 - (III) (i) The principal line of business of the Company shall be to carry out manufacturing, buying, selling, wholesale, retailing, import and export of textile products, including but not limited to polyester filament yarn, fabric, embroidered fabric both stitched and unstitched.
 - (ii) Except for the businesses mentioned in sub-clause (iii) hereunder, the company may engage in all the lawful businesses and shall be authorized to take all necessary steps and actions in connection therewith and ancillary thereto.
 - (iii) Notwithstanding anything contained in the foregoing sub-clauses of this clause nothing contained herein shall be construed as empowering the Company to undertake or indulge, directly or indirectly in the business of a Banking Company, Non-banking Finance Company (Mutual Fund, Leasing, Investment Company, Investment Advisor, Real Estate Investment Trust management company, Housing Finance Company, Venture Capital Company, Discounting Services, Microfinance or Microcredit business), Insurance Business, Modaraba management company, Stock Brokerage business, forex, real estate business, managing agency, business of providing the services of security guards or any other business restricted under any law for the time being in force or as may be specified by the Commission.



(iv) It is hereby undertaken that the company shall not:

- (a) engage in any of the business mentioned in sub-clause (iii) above or any unlawful operation;
- (b) launch multi-level marketing (MLM), Pyramid and Ponzi Schemes, or other related activities/businesses or any lottery business;
- (c) engage in any of the permissible business unless the requisite approval, permission, consent or license is obtained from competent authority as may be required under any law for the time being in force.

6 (b) Further Resolved that

- (i) Clause V of the Memorandum and Articles of Association after the proposed amendment shall be read as under:

"The Authorised Capital of the Company be increased from Rs. 300,000,000 (Rupees Three Hundred Million Only) divided into 30,000,000 (Thirty Million) ordinary shares of 10 each to RS 1,000,000,000/- (Rupees One Billion Only), divided into 100,000,000 (One Hundred Million) Ordinary Shares of Rs. 10/- each.

The Company shall have the power to increase, reduce or reorganize the Capital of the Company, subdivide the Share Capital of the Company into different classes in accordance with the provisions of the Companies Act 2017."

7. To consider and approve conversion of Directors' / Sponsors' / Associated Parties' loan to Ordinary Share (equity). As per Annual Accounts for the financial year ending June 30, 2017 the Non-Current Liabilities section contains long term loan from associated and related parties of Rs. 158,011,625 (Rupees One Hundred Fifty Eight Million Eleven Thousand Six Hundred and Twenty Five Only). This loan was provided between 2005 and 2009 to reduce the losses accruing to the Company by virtue of commercial borrowing from the financial institutions/commercial banks.

It is proposed by the Board of Directors that out of this amount Rs. 118,011,620 (Rupees One Hundred Eighteen Million Eleven Thousand Six Hundred and Twenty Only) be converted into 11,801,162 (Eleven Million Eight Hundred and One Thousand One Hundred and Sixty Two) Ordinary Shares at par value of Rs. 10/- per share, vide Board Resolution dated October 5, 2017 – subject to approval by SECP under Section 83 (b) of the Companies Act, 2017.

The details of loan and proposed conversion into ordinary shares of Rs 10/- each is as follows:

<u>Particulars</u>	<u>Loan Amount</u>	<u>No of Shares</u>
<u>Associated & Related Parties:</u>		
Prestige Enterprises (Pvt) Ltd.Rs.	31,000,000	3,100,000
Tri-Star Industries (Pvt) Ltd.	558,000	55,800
Farnaz Ahmad	37,325,000	3,732,500
Tri-Star Investments Ltd.	512,800	51,280

