Annual Report
2018

Tri-Star Polyester Ltd.

Company Information

Board of Directors:	Mr. Jawed Dost Muhammad	Non Executive Chairman/Independent Director
	Mr. Asad Ahmad	Chief Executive
	Ms. Uzma Ahmad	Executive Director
	Ms. Marium Ahmad	Executive Director
	Mr. Tahir Ahmad	Non Executive Director
	Mr. Mohammad Haroon Saeed	Non Executive Director
	Mr. Jawed Ahmed Siddiqui	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 Dost Muhammad	Chairman
	Mr. Tahir Ahmad	Member
	Mr. Mohammad Haroon Saeed	Member
Human Resource Committee:	Mr. Jawed Dost Muhammad	Chairman
	Mr. Jawed Ahmed Siddiqui	Member
	Ms. Uzma Ahmad	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. 4th 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 Eighth Annual General Meeting of Tri-Star Polyester Ltd., will be held on Friday, October 26, 2018 at 9.00 am at F/538, S.I.T.E., Karachi to transact the following business:

1. Recitation from the HOLY QURAN.
2. To receive and adopt the audited accounts for the period ended June 30, 2018 together with the Directors' and Auditors' report thereon.
3. To consider and approve as recommended by the Board of Directors, payment of cash dividend @ 10% i.e. Rs. 1/- per share.
4. To appoint Auditors of the Company and fix their remuneration.
5. To consider and approve disposal of redundant fixed assets of the Company.
6. To transact any other business with the permission of the Chair.

By Order of the Board

Company Secretary

Karachi: October 5, 2018

NOTES:

1. The Share Transfer books of the Company will remain closed from 22.10.2018 to 26.10.2018 (both days Inclusive).
2. A member entitled to attend Annual General Meeting is entitled to appoint a proxy and vote in his place at the meeting. Proxies in order to be effective must be received at the registered office of the Company at F/538. S.I.T.E. Karachi duly stamped, signed and witnessed, not later than 48 hours before the meeting.
3. CDC Shareholders or their Proxies are required to bring with them their Original Computerized National Identity Card (CNIC) or Passport alongwith the Participant's I.D. number and their account number at the time of attending Annual General Meeting in order to authenticate their identity.
4. Proxy form must be submitted with the Company within the stipulated time, duly witnessed by two persons whose names, addresses and CNIC number must be mentioned on the form, along with attested copies of the CNIC or passport of the beneficial owner and the proxy.
5. In case of corporate entity, the Board of Directors' resolution/power of attorney with the specimen signature of the proxy holder shall be submitted (unless it has been provided earlier) along with proxy form to the Company.
6. Members are requested to notify any change in their addresses immediately.

Directors' Report

The audited accounts of the Company for the year ended June 30, 2018 are presented herewith.

FINANCIAL RESULTS

The Financial Results of the Company are summarized as follows:

	Notes	Rupees 2018	Rupees 2017
Sales - Net	23	322,043,764	200,181,917
Cost of Sales	24	138,918,091	118,059,592
Gross Profit `		183,125,673	82,122,325
Operating Expenses			
Distribution and Selling Cost	25	(26,804,525)	(114,900)
Administrative and General Expenses	26	(54,780,471)	(7,878,642)
		(81,584,996)	(7,993,542)
Operating Profit		101,,540,677	74,128,783
Other Income	27	(812,500)	1,356,040
Finance Cost	28	17,868,556	(51,791)
		82,529,621	75,433,032
Other Charges		4,142,981	1,356,040
Profit before Taxation		78,716,640	75,433,032
Taxation			
- Current	13	(4,025,547)	(2,001,819)
- Prior		200,771	-
- Deferred	10	2,908,145	4,416,072
		(916,631)	2,414,253
Profit after Taxation		77,800,009	77,847,285
Earning per Share - Basic	29	2.34	2.34

2. BUSINESS

As reported during last quarterly report, Alhamdulillah the growth in sales is geometrical and the same trend continued during the last quarter of period under discussion. We expect the trend to continue and hope to open more retail outlets as per Financial Plan approved by the Board of Directors of your Company, which is expected to improve the profitability of the Company and we would be able to achieve better results in future.

DIVIDEND

The Board of Directors have recommended a cash dividend @ 10% for the year ended 30.6.2018.

BOARD OF DIRECTORS

The present Board of Directors assumed their office with effect from 21st December, 2015 for a period of three years.

AUDITORS

The present Auditors M/s. Ghalib & Co., Chartered Accountants, are retiring and being eligible offer themselves for re-appointment. Under the terms of the code of Corporate Governance, they have been recommended by the audit committee for re-appointment as auditors until the conclusion of the next annual general meeting.

PATTERN OF SHARE HOLDING

A statement showing pattern of share holding in the Company as on June 30, 2018 appear on Page No. 45.

STATEMENT ON CORPORATE AND FINANCIAL REPORTING FRAME WORK

a. The financial statements, prepared by the management of the Company, present fairly its state of affairs, the results of its operations' cash flows and change in equity.

b. Proper books of accounts of the Company have been maintained.

c. Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.

d. International Accounting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and departure therefrom has been adequately disclosed.

e. Despite the fact and because of the prevailing conditions that there are no employees at the payroll of the company as disclosed in notes to the financial statements, the normal work of the company is performed by the employees of the group company. The management is of opinion that the company has sound system of internal control.

f. There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations.

g. No trading of Company Certificates was done by Chief Executive, Directors, Company Secretary and their spouses.

h. None of the Director, Executives, and their spouses and minors children have traded in the shares of the company during the year.

i. Key operating and financial data for the last six years in summarized form is annexed.

j. During the year four (04) meetings of the Board of Directors were held, attendance by each Director is as follows:-

Name of Director	No. of Meetings attended
Mr. Asad Ahmad	04
Ms. Uzma Ahmad	04
Ms. Marium Ahmed	04
Mr. Tahir Ahmad	04
Mr. Jawed Dost Mohammad	04
Mr. Jawed Ahmed Siddiqui	02
Mr. Mohammad Haroon Saeed	04

k. The pattern of certificate holdings is annexed.

On behalf of the Board

Asad Ahmad
Chief Executive

Place: Karachi, October 05, 2018.

Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2017

The Company has applied the principles contained in the Code in the following manner.

1. The total number of directors are 7 as per the following:

   a. Male: 5
   b. Female: 2

2. The composition of board is as follows:

Independent Director	Mr. Jawed Dost Muhammad
Executive Director	Mr. Asad Ahmad (CEO) Ms. Uzma Ahmad Ms. Marium Ahmad
Other Non - Executive Director	Mr. Tahir Ahmad Mr. Jawed Ahmed Siddiqui Mr. Mohammad Haroon Saeed

3. The directors have confirmed that none of them is serving as a director on more than five listed companies, including this Company.

4. The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.

5. The board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.

6. All the powers of the board have been duly exercised and decisions on relevant matters have been taken by board / shareholders as empowered by the relevant provisions of the Act and these Regulations.

7. The meetings of the board were presided over by the Chairman and, in his absence, by a director elected by the board for this purpose. The board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of board.

8. The board of directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.

9. During the year, no directors training program has been held.

10. The board has approved appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.

11. CFO and CEO duly endorsed the financial statements before approval of the board.

12. The board has formed committees comprising of members given below:

a) Audit Committee	Mr. Jawed Dost Muhammad (Chairman) Mr. Tahir Ahmad Mr. Mohammad Haroon Saeed
b) HR and Remuneration Committee	Mr. Jawed Dost Muhammad (Chairman) Mr. Jawed Ahmed Siddiqui Ms. Uzma Ahmad

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.

14. The frequency of meetings of the committee were as per following:

a) Audit Committee	Quarterly
b) HR and Remuneration Committee	Annually

15. The board has set up an effective internal audit function and its members are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company.

16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP and registered with Audit Oversight Board of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.

18. We confirm that all other requirements of the Regulations have been complied with.

Place: Karachi
Dated: October 5, 2018

Asad Ahmad
Chief Executive

INDEPENDENT AUDITORS' REVIEW REPORT TO THE MEMBERS OF TRI-STAR POLYESTER LIMITED.

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2017.

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2017 (the Regulations) prepared by the Board of Directors of Tri-Star Polyester Limited for the year ended June 30, 2018 in accordance with the requirements of Regulation 40 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions and also ensure compliance with the requirements of section 208 of the Companies Act, 2017. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out procedures to assess and determine the Company's process for identification of related parties and that whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2018.

Sd/-
Ghalib & Co.
Chartered Accountants

Place: Karachi
Dated: October 5, 2018

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TRI-STAR POLYESTER LIMITED.

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the annexed financial statements of Tri-Star Polyester Limited (the Company), which comprise the statement of financial position as at June 30, 2018, and the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion section of our report, and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2018 and of the loss and other comprehensive loss, the changes in equity and its cash flows for the year then ended.

Basis for Qualified Opinion

a) We have not been able to verify the investment made in units of National Investment Trust (NIT) amounting to 180,958,050 (2017: 210,909,050)- as disclosed in note 17 and 17.1 to the financial statements. Further, No provision has been made in the accounts for the NIT investments the recovery and realization of which are doubtful, the same has been explained in Note No. 17.1 to the financial statements. Had the provision for doubtful investment been made in the accounts, the losses of the Company would have been increased by Rs. 180,958,050 (2017: 210,909,050) and the Shareholder's Equity would have been decreased by the same amount.

b) The Company has not maintained a separate bank account for unclaimed dividend as required by companies' Act 2017.

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code.. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Information other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information in the annual report including in particulars, the Chairman's Review, Directors Report, Financial and business highlights, but does not include the financial statements and our auditor's reports thereon.
Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matters described in the Basis for Qualified Opinion section we have determined the matters described below to the key audit matters to be communicated in our report

Following are the Key Audit Matters:

S. No.	Key Audit Matters	How the matter was addressed in our audit
1.	As stated in note 2.1 to the annexed financial statements, the fourth schedule to the Companies Act, 2017 became applicable to the Company for the first time for the preparation of these annexed financial statements. The Companies Act, 2017 has also brought certain changes with regard to preparation and presentation of the annual financial statements of the Company. As part of this transition to the requirements, the management performed a gap analysis to identify differences between the previous financial reporting framework and the current financial reporting framework and as a result certain changes were made in the Company's annexed financial statements which are included in notes 1.2, 5.28, 13.1, 15.2, 15.8, 20.1, 26.1, 31, 36, 37(c) to the annexed financial statements. In view of the extensive impacts in the annexed financial statements due to first time application of the fourth schedule to the Companies Act, 2017, we considered it as a key audit matter.	We reviewed and understood the requirements of the fourth schedule to the Companies Act, 2017. Our audit procedures included the following: • Considered the management's process to identify the additional disclosures required in the Company's annexed financial statements. • Obtained relevant underlying supports for the additional disclosures and assessed their appropriateness for the sufficient audit evidence. • Verified on test basis the supporting evidence for the additional disclosures and ensured appropriateness of the disclosures made.
2.	**Valuation of Trade Debts**	
	Refer to note 20 to the financial Statements and accounting Policy in note 5.10 to the financial statements The company has Significant balance of trade debts. Provision against doubt trade debts is based on management judgment to determine the appreciate level of Provision against balances which may not ultimately be recovered. We identified recoverability of trade debts as a key audit matter as it involves significant management judgment in determining the recoverable amount of trade debts.	Our audit Procedure to assess the valuation of trade debts amongst others, include the following: Obtaining an understanding of the managements basis for the determination of the provision required at the year end and the receivables collection process; For a sample trade debts, tasted and adequacy of the provision for the doubtful debts recorded against the trade debts why taking into account the aging of receivable at year end and cash receivable after year end as well as assessing the judgment made by the management in relation to the credit worthiness of the debtors. Testing the accuracy of the data on assemble basis extract from the company accounting systems which is used the calculate the aging of trade receivable: and Assessing the historical accuracy of provisions for doubtful debts recorded by examining the utilization or release of previously recorded provisions.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and Reporting standards as applicable in Pakistan and the Requirements of companies Act, 2017 (XIX of 2017), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.
Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit except for the matter discussed in basis for qualified opinion section, we further report that in our opinion:

(a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

(b) the statement of financial position, the statement of profit or loss and other comprehensive loss, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

(c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and

(d) No Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditors' report is Mohammad Ghalib.

Chartered Accountants
Ghalib & Co.
Engagement Partner: Mohammad Ghalib

Place: Karachi
Dated: October 5, 2018

Balance Sheet as at

	Notes	Rupees 2018	Rupees 2017	Rupees 2016
			Restated	
EQUITY AND LIABILITIES				
CAPITAL & RESERVES				
Authorised Capital				
100,000,000 (2017: 30,000,000) Ordinary Shares of Rs.10/- each		1,000,000,000	300,000,000	300,000,000
Issued, Subscribed and Paid-up Capital	6	450,780,390	214,657,330	214,657,330
Capital Reserve				
Capital Reserve - (a Share Premium account)		39,386,665	39,386,665	39,386,665
Surplus on revaluation Property, plant and Equipments	7	393,488,231	204,365,295	211,797,221
Unrealised Gain due to Change in Fair value of investments	17	146,447,375	176,398,375	124,106,875
Revenue Reserve				
Accumulated (Loss)		(80,271,826)	(143,391,777)	(129,787,885)
Shareholders' Equity		949,830,835	491,415,888	460,160,205
NON-CURRENT LIABILITIES				
Long term Loan from Associated and related parties	8	158,011,625	158,011,625	62,053,522
Diminishing Musharaka Finance Facility	9	138,000,000	-	-
Deferred taxation	10	62,575,831	30,050,832	34,466,904
Provision for Gratuity	11	334,458	-	-
CURRENT LIABILITIES				
Trade and Other Payables	12	69,819,821	32,380,361	8,415,933
Unclaimed Dividend		8,094,295	8,094,295	8,094,295
Accrued Interest on Loan from Associates		15,714,054	43,291	-
Accrued Interest on Musharaka Finance		1,549,607	-	-
Due to Associated Undertaking - unsecured - interest free		-	4,861,558	5,311,558
Provision for taxation	13	4,025,547	2,202,591	200,771
		99,203,325	47,582,096	22,022,557
Contingencies and Commitments	14	-	-	-
		1,407,956,074	727,060,441	578,703,189

Note: The annexed notes form an integral part of these accounts.

KARACHI: October 05, 2018

June 30, 2018

	Notes	Rupees 2018	Rupees 2017	Rupees 2016
ASSETS				
NON-CURRENT ASSETS				
Tangible Fixed Assets				
Property, Plant and Equipments	15	636,456,309	358,667,108	379,133,073
Long Term Deposits	16	4,215,995	783,995	783,995
Long Term Investments	17	180,958,050	210,909,050	158,617,550
CURRENT ASSETS				
Stores, Spares and Loose Tools	17	4,784,759	5,560,502	6,931,965
Stock-in-Trade		237,309,407	33,262,575	20,021,166
Trade Debts - Unsecured , considered good	18	318,485,912	109,102,583	6,089,372
Trade Deposits and Prepayments - considered good	19	12,187,638	1,458,371	146,828
Income Tax Refunds and Advances		5,363,063	7,072,301	6,977,673
Cash and Bank Balances	20	8,194,941	243,956	1,567
		586,325,720	156,700,288	40,168,571
		1,407,956,074	727,060,441	578,703,189

Asad Ahmad	Mohammad Zameer	Uzma Ahmad
Chief Executive	**Chief Financial Officer**	**Director**

Profit & Loss Account

For the year ended June 30, 2018

	Notes	Rupees 2018	Rupees 2017
Sales - Net	23	322,043,764	200,181,917
Cost of Sales	24	138,918,091	118,059,592
Gross Profit		183,125,673	82,122,325
Operating Expenses			
Distribution and Selling Cost	25	(26,804,525)	(114,900)
Administrative and General Expenses	26	(54,780,471)	(7,878,642)
		(81,584,996)	(7,993,542)
Operating Profit		101,540,677	74,128,783
Other Income	27	(812,500)	1,356,040
		100,728,177	75,484,823
Finance Cost	28	17,868,556	51,791
		82,859,621	75,433,032
Other Charges		4,142,981	-
Profit/(Loss) Before Taxation		78,716,640	75,433,032
Taxation			
- Current	13	(4,025,547)	(2,001,819)
- Prior		200,771	-
- Deferred	10	2,908,145	4,416,072
		(916,631)	2,414,253
Profit/(Loss) after Taxation		77,800,009	77,847,285
Earning/ (Loss) Per Share - Basic	29	2.34	2.34

Note: The annexed notes form an integral part of these accounts.

Asad Ahmad	Mohammad Zameer	Uzma Ahmad
Chief Executive	**Chief Financial Officer**	**Director**

KARACHI: October 05, 2018

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2018

	June 30, 2018	June 30, 2017
	(Rupees)	
Profit for the Year	77,800,009	77,847,285
Other comprehensive Income:		
Avialable for Sales Financial Asset		
Chage in Fair value of Investment	(29,951,000)	52,291,500
Items that will not reclassify to profit or loss		
Surplus on revaluation of property, plant and equipment	231,341,754	-
Related deferred tax	(36,402,526)	-
	194,939,227	-
Effect of change in tax rates on balance of revaluation on property, plant and equipment	969,380	-
Total comprehensive Income for the period	273,708,616	130,138,785

The annexed notes form an integral part of this condensed interim financial information.

Asad Ahmad	Mohammad Zameer	Uzma Ahmad
Chief Executive	Chief Financial Officer	Director

Cash Flow Statement

For the year ended June 30, 2018

	Note	Rupees 2018	Rupees 2017
CASH FLOW FROM OPERATING ACTIVITIES			
Profit/(Loss) before Taxation		78,716,640	75,433,032
Adjustment for Non-Cash and Other Income:			
- Depreciation		28,957,645	23,186,351
- Loss on Sales of assets		812,500	
- Provision for Gratuity - net of Payments		334,458	-
- Financial Expenses		17,868,556	51,791
		47,973,159	23,238,142
		126,689,799	98,671,174
Working Capital Changes			
(Increase)/Decrease in Current Assets			
Stock-in-Trade		(204,046,832)	(27,173,203)
Stores and Spares		775,743	1,371,463
Trade Debts		(209,383,329)	(89,081,417)
Trade deposits, Prepayments & Statutory balances		(10,729,267)	(1,311,543)
Increase/(Decrease) in Current Liabilities			
Trade and other Payables		37,439,460	23,964,428
Due to Associated Undertaking		(4,861,558)	(450,000)
		(390,805,783)	(92,680,272)
Taxes Paid		(292,583)	(94,626)
Financial Charges Paid		(648,186)	(8,500)
		(940,769)	(103,126)
Net Cash Inflow/(Outflow) from Operating Activities		(265,056,753)	5,887,776
CASH FLOW FROM INVESTING ACTIVITIES			
Acquisition of Fixed Assets		(81,217,592)	(2,720,386)
Sales proceeds from Fixed Assets		5,000,000	
Net Cash Inflow/(Outflow) from Investing Activities		(76,217,592)	(2,720,386)
CASH FLOW FROM FINANCING ACTIVITIES			
Long term Deposits		(3,432,000)	-
Diminishing Musharka Finance Facility		138,000,000	
Issuance of Right shares		214,657,330	
Long term Loan Associated and Related Parties		-	(2,925,000)
Net Cash Inflow/(Outflow) from Financing Activities		349,225,330	(2,925,000)
Net increase in Cash and Cash Equivalents		7,950,985	242,390
Cash and Cash Equivalents at the beginning		243,956	1,567
Cash and Cash Equivalents at the end	30	**8,194,941**	**243,956**

Note: The annexed notes form an integral part of these accounts.
The even dated auditors' report hitherto is annexed.

Asad Ahmad	Mohammad Zameer	Uzma Ahmad
Chief Executive	Chief Financial Officer	Director

KARACHI: October 05, 2018

Statement of Changes in Equity

For the year ended June 30, 2018

Particulars	Share Capital	Capital Reserve	Surplus on Revaluation of Property, Plant and Equipment	Unrealized gain / (loss) due to change in fair value of investment	Unappropriated Profit/Accumulated (Loss)	Total
	Rupees					
						Restated
Balance as on June 30, 2016 - As Reported	214,657,330	39,386,665		124106875	(129,787,885)	248,362,985
Impact of Change in accounting Policy note 5.28.2			211797221			211,797,221
	214,657,330	39,386,665	211,797,221	124,106,875	(129,787,885)	460,160,206
Other comprehanssive income				52291500	77,847,285	130,138,785
Transfer to Profit and Loss account of incremental depreciation (net of tax)			(7,431,926)		7,431,926	-
	214,657,330	39,386,665	204,365,295	176,398,375	(44,508,674)	590,298,991
Reversal of Loans to Cost from Amortised Value					(98,883,103)	(98,883,103)
Balance as at June 30, 2017	214,657,330	39,386,665	204365295	176,398,375	(143,391,777)	491,415,888
Balance as on June 30, 2017	214,657,330	39,386,665	204,365,295	176398375	(143,391,777)	491,415,888
Issuance of Right shares 100%	214,657,330					214,657,330
Issuance of Bonus Shares 10%	21,465,730				(21,465,730)	
Net Profit for the year ended June 2018	-	-		-	77,800,009	77,800,009
Other Comprehanssive income			194,939,227	(29,951,000)		164,988,227
Total Comprehanssive income	-	-	194,939,227	(29,951,000)	77,800,009	242,788,237
Transfer to Profit and Loss account of incremental depreciation (net of tax)			(6,785,672)		6,785,672	-
Effect of Change in tax Rate			969380			969,380
Balance as on June 30, 2017	450,780,390	39,386,665	393,488,231	146,447,375	(80,271,826)	949,830,835

Note: The annexed notes form an integral part of these accounts.
The even dated auditors report hitherto is annexed.

Asad Ahmad	Mohammad Zameer	Uzma Ahmad
Chief Executive	Chief Financial Officer	Director

KARACHI: October 05, 2018

Last Six Years Results At A Glance

Particulars	2018	2017	2016	2015	2014	2013
Financial Position						
Paid -up Capital (Rs.)	450,780,390	214,657,330	214,657,330	214,657,330	214,657,330	214,657,330
Reserves (Rs.)	185,834,040	215,785,040	163,493,540	159,221,840	(90,497,619)	(82,058,741)
Fixed Assets - WDV (Rs.)	636,456,309	358,667,108	379,133,073	395,465,850	41,342,796	433,065,471
Investment at Cost (Rs.)	180,958,050	210,909,050	158,617,550	154,345,850	34,510,675	34,510,675
Current Assets (Rs.)	586,325,720	156,700,288	40,168,571	14,725,609	14,623,206	14,557,226
Current Liabilities (Rs.)	99,203,325	47,582,096	22,022,557	15,561,469	15,357,918	15,327,605
Income						
Sales	322,043,764	200,181,917	20,077,138	-	-	-
Net Profit/(Loss) for the year	77,800,009	77,847,285	(204,575)	(19,429,930)	(18,190,317)	(113,056,396)
Accumulated Profit/(Loss)	(80,271,826)	(143,391,777)	(129,787,885)	(140,404,945)	(129,884,284)	(121,445,406)
Statistics & Ratios						
Operating Profit/(Loss) Ratio(%)	31.53	37.03	5.54	-	-	-
Net Profit/(Loss) Ratio (%)	24.16	38.89	(1.02)	-	-	-
Current Ratio	5.91:1	3.29 :1	1.82:1	0.95 : 1	0.95 : 1	0.95 : 1
Paid-up Value Per Share (Rs.)	10	10	10	10	10	10
Earning/(Loss) Per Share (Rs.)	2.34	2.34	(0.01)	(0.91)	(0.85)	(5.27)
Break value Per Share (Rs.)	21.07	22.89	11.57	10.93	5.78	6.18
Net Assets (Rs. in Million)	949.83	491.41	248.36	234.67	124.16	132.60
Cash Dividend (%)	10%	-	-	-	-	-
Bonus Dividend (%)	-	10%	-	-	-	-

Vision Statement

Tri-Star Polyester Limited is committed to strive for excellence in all areas of its activity.

Mission Statement

We view our business objective of providing quality product that promote commerce and industry within the context of our overall objective of contributing to the nation's prosperity.

Core Value

1. Striving for continuous improvement and innovation with commitment and responsibility;
2. Treating stakeholders with respect, courtesy and competence;
3. Practicing highest personal and professional integrity;
4. Maintaining teamwork, trust and support, with open and candid communication;
5. Ensuring cost consciousness in all decisions and operations.

Statement of Ethics and Business Practices

The articulation of this statement is based on following points:

1. Questionable and improper payments or use of the Company's assets.
2. Political contributions.
3. Conflict of interest.
4. Books and records of the Company.
5. Payment of amounts due to customers, agents or distributors.
6. Reporting violations.
7. Means as important as the end.
8. Integrity and scrupulous dealings.
9. Strict observance of the laws of the country.
10. Giving and receiving gifts.

Notes to the Accounts
For the year ended June 30, 2018

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 embroided fabric.

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.

1.1 <u>**Summary of significant events and transactions in the current reporting period**</u>

The Company's financial position and performance was particularly affected by the following events and transactions during the reporting period:

The Company' main unit to produce polyester filment yarn remain not in operation and the company manufactured during the year value added embroidered fabric as disclosed in note 1.

The company has issued Right and Bonus Shares during the year (Refer Note 6)

Arranged a Long term term Musharika Finance from Albaraka Bank (Pakistan) Limited with the sanctioned limit of Rs. 138 million *(Refer to Note 9)*

The accounting policies for surplus on revaluation of property, plant and equipment costs were changed during the year. Consequently, some of the amounts reported in the prior years have been restated. (*For detailed information about these adjustments please refer to Note 5.28.1)*

Further, for a detailed discussion about the Company's performance, refer to the Directors' Report.

2 **STATEMENT OF COMPLIANCE**

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

International Financial Reporting Standard issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.1 The Act has also brought certain changes with regard to the preparation and presentation of these financial statements. These changes, amongst others, include changes in nomenclature of the primary statements. Further, the disclosure requirements under the Act have been revised, resulting in elimination of duplicate disclosures with IFRS disclosure requirements and incorporation of additional/ amended disclosures as mentioned in notes 1.2, 5.28, 13.1, 15.2, 15.8, 20.1, 26.1 31, 36 and 37(c).

3 **BASIS OF PREPARATION/MEASUREMENT**

The financial statements have primarily been prepared under the historical cost convention without any adjustments for the effect of inflation or current values, except for the certain fixed assets which are stated on revalued amounts, financial assets and liabilities are carried at their fair values, Further, accrual basis of accounting is followed except for cash flow information.

4 **APPROVAL OF FINANCIAL STATEMENTS**

These financial statements were approved by the Board of Directors and authorized for issue on October 5, 2018.

5 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous financial year except application of new amendments and interpretations in the International Accounting Standards as described below:

5.1 **Changes in accounting standards and interpretations**

New accounting standards / amendments and IFRS interpretations that are effective for the year ended June 30, 2018

Following standards and amendments are either not relevant to the Company's operations and are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

- Amendments to IAS 7 'Statement of Cash Flows' - Amendments as a result of the disclosure initiative.

- Amendments to IAS 12 'Income Taxes' - Recognition of deferred tax assets for unrealized losses.

New accounting standards and amendments that are not yet effective

The following standards and amendments are only effective for accounting periods, beginning on or after the date mentioned against each of them. The applicable changes may have impact on the Company's annual financial statements. The management is in the process of determining the impact of such changes.

	Effective from accounting period beginning on or after:
Amendments to IFRS 2 'Share-based Payment' - Clarification on the classification and measurement of share-based payment transactions.	January 1, 2018
IFRS 9 'Financial Instruments' - This standard will supersede IAS 39 Financial Instruments: Recognition and Measurement upon its effective date.	July 1, 2018
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding prepayment features with negative compensation and modifications of financial liabilities.	January 1, 2018
IFRS 15 'Revenue' - This standard will supersede IAS 18, IAS 11, IFRIC 13, 15 and 18 and SIC 31 upon its effective date	July 1, 2018
Amendments to IFRS 10 'Consolidated Financial Statements' Effective from accounting period beginning and IAS 28 'Investments in Associates and Joint Ventures' - Sale on or are a date to be determined. or contribution of assets between an investor and its associate Earlier application is permitted. or joint venture.	Effective from accounting period beginning on or after a date to be determined earlier application is permitted
Amendments to IAS 28 'Investments in Associates and Joint Ventures' - Amendments regarding long-term interests in associates and joint ventures.	January 1, 2019
Amendments to IAS 40 'Investment Property': Clarification . Earlier on transfers of property to or from investment property.	January 1, 2018 earlier application is permitted
IFRS 16 'Leases': This standard will supersede IAS 17 'Leases' upon its effective date.	January 1, 2019

IFRS 4 'Insurance Contracts': Amendments regarding An entity choosing to apply the overlay the interaction of IFRS 4 and IFRS 9.	An entity choosing to apply the overlay approach retrospectively to qualifying financial assets does so when it first applies IFRS 9. An entity choosing to apply the deferral approach does so for annual period beginning on or after January 1, 2018
Amendments to IAS 19 'Employee Benefits' - Amendments regarding plan amendments, curtailments or settlements.	January 1, 2019
IFRIC 22 'Foreign Currency Transactions and Advance Consideration': Provides guidance on transactions where consideration against non-monetary prepaid asset / deferred income is denominated in foreign currency.	January 1, 2018 earlier application is permitted
IFRIC 23 'Uncertainty over Income Tax Treatments': Clarifies January 01, 2019 the accounting treatment in relation to determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12 'Income Taxes'.	January 1, 2019

Other than the aforesaid standards, interpretations and amendments, the International Accounting Standards Board (IASB) has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

- IFRS 1 'First Time Adoption of International Financial Reporting Standards
- IFRS 14 'Regulatory Deferral Accounts
- IFRS 17 'Insurance Contracts'

New disclosure requirement due to adoption of Companies Act, 2017

Due to adoption of the Companies Act, 2017 certain new and enhanced disclosures have become applicable, which are in addition to those required by the International Accounting Standards. The relevant notes have been updated accordingly

5.2 SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historic experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected. In the process of applying the Company's accounting policies, management has made the following estimates and judgments which are significant to the financial statements:

In the process of applying the accounting policies, management has made the following estimates and judgments which are significant to the financial statements:

5.2.1 Property, plant and equipment

Estimates with respect to residual values and depreciable lives and pattern of flow of economic benefits are based on the recommendation of technical team of the Company. Further, the Company reviews the value of the assets for possible impairment on an annual basis. Any change in the estimates in future years might affect the carrying amounts of the respective items of tangible fixed assets with a corresponding affect on the depreciation charge and impairment.

5.2.2 Taxation

In making the estimates for income taxes payable by the Company, the management considers applicable tax laws and the decisions of appellate authorities on certain cases issued in past. Deferred tax assets are recognized for all unused tax losses and credits to the extent that it is probable that taxable profit will be available against which such losses and credits can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

5.2.3. **Stock-in-trade**

The Company reviews the Net Realizable Value (NRV) of stock-in-trade to assess any diminution in the respective carrying values.

5.2.4 **Provision for doubtful receivables**

A provision for impairment of trade and other receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of receivables. These estimates and underlying assumptions are reviewed on an ongoing basis.

5.2.5 **Contingencies**

The assessment of the contingencies inherently involves the exercise of significant judgment as the out come of the future events cannot be predicted with certainty. The company, based on the availability of the latest information, estimates at the value of contingent assets and liabilities which may differ on the occurrence/non occurrence of the uncertain future events.

5.3 **Taxation**

Current Year

Provision for current taxation is based on taxable income at the current rates of taxation after taking into account tax credits and rebates available, if any, or minimum tax on turnover or Alternate Corporate Tax whichever is higher and tax paid on final tax regime basis. Alternate Corporate Tax is calculated in accordance with the provisions of Section 113C of Income Tax Ordinance.

Deferred

Deferred tax is provided Proportionate to local sales using the liability method on all temporary differences at the balance sheet date, between the tax bases of assets and liabilities and their carrying amount for financial statements reporting purposes. Deferred tax liabilities are generally recognized for all temporary taxable differences.

Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply when the assets is realized or the liability is settled, based on the tax rates that have been enacted or substantially enacted at the balance sheet date.

5.4 **Property, Plant and Equipment**

Initial recognition

All items of property, plant and equipment are initially recorded at cost.

Subsequent measurement

Property, Plant and Equipment are stated at cost or revalued/adjusted amounts less accumulated depreciation and impairment losses, if any; except for lease hold land and capital works in progress which are stated at cost/revalued amounts accumulated up to the balance sheet date.

Land, buildings and leasehold improvements are measured at the revalued amount less accumulated depreciation and impairment loss (if any).

Capital work in progress is stated at cost less impairment loss (if any).

Revaluation

Any revaluation increase arising on the revaluation of land, buildings and leasehold improvements is recognised in other comprehensive income and presented as a separate component of equity as "Revaluation surplus on property, plant and equipment", except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged. Any decrease in carrying amount arising on the revaluation of land, buildings and leasehold improvements is charged to profit or loss to the extent that it exceeds the balance, if any, held in the revaluation surplus on property, plant and equipment relating to a previous revaluation of that asset. The revaluation reserve is not available for distribution to the Company's shareholders. The surplus on revaluation buildings and leasehold improvements to the extent of incremental depreciation charged (net of deferred tax) is transferred to unappropriated profit.

During the year the Company changed its accounting policy in respect of the accounting and presentation of revaluation surplus on property, plant and equipment. Previously, the Company's accounting policy was in accordance with the provisions of repealed Companies Ordinance, 1984. Those provisions and resultant previous policy of the company was not in alignment with the accounting treatment and presentation of revaluation surplus as prescribed in the IFRS. However, the Companies Act, 2017 has not specified any accounting treatment for revaluation surplus, accordingly the Company has changed the accounting policy and is now following the IFRS prescribed accounting treatment and presentation of revaluation surplus. The detailed information and impact of this change in policy is provided in note 5.28.1 below.

Depreciation

Full Years Depreciation is charged on acquisition or transfer of assets from capital work in progress, while no depreciation is charged on assets disposed off during the year. Depreciation is charged to income using reducing balance method, at the rates specified in the annexed schedule in note no. 8 to the financial statements , whereby the cost/revalued amounts of asset is written off over its estimated useful life , reflecting the approximate value of the consumption of the respective assets economic benefits. The depreciation method and useful lives of the items of property, plant and equipment are reviewed periodically and altered if circumstances or expectations have changed significantly

The property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease term.

Disposal

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amounts of the asset and is recognised as other income in the statement of profit or loss. In case of the sale or retirement of a revalued items, the attributable revaluation surplus remaining in the surplus on revaluation of such item is transferred directly to the unappropriated profit.

Judgment and estimates

The useful lives, residual values and depreciation method are reviewed on a regular basis. The effect of any changes in estimate is accounted for on a prospective basis.

- ***Repairs, renewals and maintenance***

Major repairs and renewals are capitalized . Normal repairs and maintenance are charged as expense when incurred. Gains or losses on disposal or retirement of assets are determined as the difference between the sale proceeds and the carrying amounts of these assets, and are included in the income currently.

5.5 **Impairment of non-financial assets other than inventories**

The assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. If there is an indication of possible impairment, the recoverable amount of the asset is estimated and compared with its carrying amount.

An impairment loss is recognized if the carrying amount of an asset exceeds its estimated recoverable amount. The impairment loss is recognised in the statement of profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

An impairment loss is reversed only to the extent that the asset carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. The Company recognises the reversal immediately in the statement of profit or loss, unless the asset is carried at a revalued amount in accordance with the revaluation model. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

5.6 **Finance Leases**

Finance leases, which transfer to the company, substantially all the risks and benefits incidental to ownership, are capitalized at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of lease liability so as to achieve a constant rate of interest on the remaining balance of the liability.

5.7 **Investment**

Available for sale investments are initially recognized at cost being the fair value of the consideration given including acquisition charges associated with. After initial recognition, investment which are classified as available for sale are premeasured at fair value. Unrealized gains and losses on available for sale investments are recognized in equity till the investment is sold or otherwise disposed off, or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is included in income. Measurment made as per IAS 39 and disclosed the fair value as Price Quoted in Pakistan stock exchange

5.8 **Stores, Spares and Loose Tools**

These are stated at the lower of cost and net realizable value (NRV). The cost of inventory is based on the FIFO basis. Items in transit are stated at cost accumulated upto the date of the balance sheet.

Stores, spares and loose tools are regularly reviewed by the management and any obsolete items are brought down to their NRV.

5.9 **Stock-in-Trade**

These are valued as follows:

Raw Material	:	At lower of weighted average cost or net realizable value. Cost of raw material and components represents invoice value plus other charges paid thereon.
Finished Goods	:	At lower of weighted average cost or net realizable value. Cost of finished goods comprises of prime cost and an appropriate portion of production overheads.
Work-in-Process	:	At weighted average cost. This comprises the direct cost of raw materials, wages, and appropriate manufacturing overheads.
Stock-in-Transit	:	At cost accumulated upto the balance sheet date.
Packing Material	:	At lower of weighted average cost or net realizable value.

Net Realizable Value signifies the estimated selling price in the ordinary course of business less cost necessary to be incurred in order to make the sale.

Stock in trades are regularly reviewed by the management and any obsolete items are brought down to their NRV.

5.10 **Trade Debts and other Receivables**

Trade debts and other receivables are stated at original invoice amount less provision for doubtful debts, if any. Provision for doubtful debts / other receivables is based on the management's assessment of customers' outstanding balances and creditworthiness. Bad debts are written-off when identified.

5.11 **Foreign Currency Translation**

Transactions in foreign currencies are initially recorded using the rates of exchange ruling at the date of transaction. Monetary assets and liabilities in foreign currencies are translated into Rupees at the exchange rates prevailing on the balance sheet date. In order to hedge its exposure to foreign exchange risks, the company enters into forward exchange contracts. Such transactions are translated at contracted rates. All exchange differences are included in the Profit and Loss Account.

5.12 **Revenue Recognition**

- Revenue from sales is recognized on dispatch of goods to customers.
- Dividend income is recognized on the basis of declaration by the investee company.
- Other Income/Scrap Sales is recognized on accrual basis.
- Gain on Sale of Fixed Assets is recorded when the title is transferred in favor of transferor.

5.13 **Provisions**

Provision is recognized in the balance sheet when the company has a legal or constructive obligation, and, as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and that a reliable estimate can be made for the amount of this obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

5.14 **Financial Instruments**

Recognition

All financial assets and liabilities are recognized at the time when the company becomes a party to the contractual provisions of the instrument. Any gain or loss on de-recognition of the financial assets and financial liabilities are taken to profit and loss account to which it arises.

Off Setting

Financial asset and financial liability is set off and the net amount is reported in the balance sheet if the company has a legal right to set off the transaction and also intends either to settle on a net basis or to realize the asset and settle the liability simultaneously. Corresponding income on assets and charge on liability is also offset.

Derivatives

Derivatives that do not qualify for hedge accounting are recognized in the balance sheet at estimated fair value with corresponding effect to profit and loss. Derivative financial instruments are carried as assets when fair value is positives and liabilities when fair value is negative.

5.15 **Related Party Transaction**

All transactions with related parties are carried out by the company at mark to market basis with the exception of loan taken from related parties which are interest/mark up free. Prices for these transactions are determined on the basis of admissible valuation methods.

5.16 **Loan, Advances and other Receivables**

Loans, advances and other receivables are recognized initially at cost, and subsequently at their amortized/ residual cost.

5.17 **Short Term and Long Term Loans**

Loans, advances and other receivables are recognized initially at cost, and subsequently at their amortized/residual cost.

5.18 **Dividends and Appropriation to Reserve**

Dividend and appropriation to reserve and recognized in the financial statements in the period in which these are approved.

5.19 **Contingent Liability**

A contingent liability is disclosed in the financial statements unless the possibility of an out flow of resources embodying economic benefits is remote.

5.20 **Contingent Assets**

A contingent asset is disclosed where in inflow of economic benefits is probable.

5.21 **Post Employment Benefits – Defined Benefit Plan**

The Company operates an unfunded gratuity scheme for its staff.

5.22 **Trade and Other Payables**

Trade and other payables are stated at their cost.

5.23 **Borrowing Cost**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

5.24 **Cash and cash equivalents**

For the purpose of cash flow statement, cash and cash equivalents comprise of cash in hand, bank balances

5.25 **Contingent Assets.**

A contingent asset is disclosed where in inflow of economic benefits is probable.

5.26 **Dividend and Appropriation to reserves**

Dividend and appropriation to reserve are recognised in the financial statements in the period in which these are approved.

5.27 **Business Segments**

Business segments are distinguishable components of the company that are engaged in providing an individual product or a group of related products and that is subject to risk and returns that are different from those of other business segments. The business segments of the company are located in the same geographical location.

The assets of a segment include all operating assets used by a segment and consists principally of receivables, inventories and property, plant and equipment, net of allowances and provisions, if any. Segment liabilities include all operating liabilities consisting principally of deferred liabilities, other payables and accrued liabilities. The carrying amount of identifiable assets and liabilities are directly attributed to respective segments. The carrying amount of jointly used assets and liabilities of sugar and allied segments are classified as unallocated assets and liabilities. Inter-segment transfers are effected at cost to the transferring department. All identifiable expenses are directly attributed to the respective segments.

5.28 **Change in accounting policies**

The Companies Act, 2017 has introduced changes to the accounting and reporting standards applicable to the medium-sized companies, which have been applied for the first time in these financial statements. The changes in the accounting and reporting standards have impacted the Company's accounting policies relating to the borrowings costs and revaluation surplus on property, plant and equipment. Accordingly, the accounting policy of revaluation surplus on property, plant and equipment have been changed and applied retrospectively in these financial statements to comply with the accounting and reporting standards applicable to the Company. The changes in accounting policies had a net impact of Rs. 204.365 million on total equity respectively, as at July 01, 2017. The resulted impact of change in accounting policy is further explained below:

5.28.1 **Change in accounting policy of revaluation surplus on property, plant and equipment**

On July 01, 2017 the Company changed its accounting policy for the revaluation surplus on property, plant and equipment, in accordance with requirements of the accounting and reporting standards as applicable in Pakistan under the Companies Act, 2017. Previously, the Company's accounting policy for surplus on revaluation of property, plant and equipment was in accordance with the provisions of section 235 of the repealed Companies Ordinance, 1984. Further, the revaluation surplus on property, plant and equipment was shown as a separate item below equity, in accordance with the presentation requirement of the repealed Companies Ordinance, 1984.

The Companies Act, 2017 has not retained the above mentioned specific accounting and presentation requirements of revaluation surplus on property, plant and equipment. Consequently, this impacted the Company's accounting policy for revaluation surplus on property, plant and equipment, and now the related accounting and presentation requirements in IFRS are being followed by the Company. The new accounting policy is explained under note 7.3, above. Further, the revaluation surplus on property, plant and equipment is now presented in the statement of financial position and statement of changes in equity as a capital reserve i.e. part of equity.

In these financial statements the above explained change in accounting policy has been accounted for retrospectively, with the restatement of the comparative information.

The effect of the change is recognition and presentation of Rs.204.365 million for revaluation surplus on property, plant and equipment as a capital reserve i.e. separate component of equity and derecognition of surplus on revaluation of property, plant and equipment of Rs. 204.365 million, previously presented below equity in the statement of financial position.

Statement of financial position

Retrospective Impact of change in accounting policy

	As at July 1, 2016			As at June 30, 2017		
	As previously reported on June 30, 2016	Adjustments Increase /(Decrease)	As restated on July 1, 2016	As previously reported on June 30, 2017	Adjustments Increase /(Decrease)	As restated on June 30, 2017
	.... Rupees			.... Rupees		
Surplus on revaluation of property plant and equipment(within the equity)	-	211,797,221	211,797,221	-	204,365,295	204,365,295
Un-appropriated profit	(129,787,885)	-	(129,787,885)	(143,391,777)	-	(143,391,777)
Net impact on equity	(129,787,885)	211,797,221	82,009,336	(143,391,777)	204,365,295	60,973,518
Surplus on revaluation of property plant and equipment (below equity)	211,797,221	(211,797,221)	-	204,365,295	(204,365,295)	-
	211,797,221	(211,797,221)	-	204,365,295	(204,365,295)	-

Impact of change in accounting policy - June 30, 2018

	Rupees
Surplus on revaluation of property plant and equipment (within equity)	393,488,231
Un-appropriated profit	(80,271,826)
Surplus on revaluation of property plant and equipment (below equity)	-
	313,216,405

Statement of comprehensive income

For the year ended 2017

	Impact of change in accounting policy		
	As previously reported	Adjustments Increase/	2017 (Restated)
	.... Rupees		
Other comprehensive income (net of tax)	-	130,138,785	130,138,785
Total comprehensive income for the year (net of tax)	-	130,138,785	130,138,785

5.28.2 **Change in policy in relation to preparation of income statement and statement of comprehensive income**

International Accounting Standard (IAS) 1 Presentation of Financial Statements allows an entity to prepare either two performance statements i.e. income statement and statement of comprehensive income, or one performance statement only i.e. income statement and statement of comprehensive income (showing both items of income or loss for the period and items of other comprehensive income). The Company, with effect from July 01, 2017, has changed its policy with regard to preparation of income statement and other comprehensive income and opted to prepare two separate performance statements i.e. "Statemnet of Profit Or Loss" and "statement of comprehensive income" showing separately both income or loss for the year and items of other comprehensive income in separate statements.

This change has no impact on the items of profit or loss or other comprehensive income recognized in prior year except that items of other comprehensive income previously presented in seperate notes to the accouns as the Companies Act 2017 Requirement as Comprehanssive income are now presented within 'statement of Profit or Loss ' and "statement of comprehensive income' separately.

6 Issued, Subscribed and Paid-up Capital

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

2018	2017		2018	2017
			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
21,465,733	-	Right shares issued	**214,657,330**	--
45,078,039	21,465,733		**450,780,390**	214,657,330

2,258,494 (2017: 23,311) ordinary shares held by associated companies.

6.1 Reconciliation of number of shares outstanding

	Numbers	Numbers
Ordinary shares		
Number of shares outstanding at the beginning of the year	21,465,733	21,465,733
Right Shares Issued for cash	21,465,733	-
Bonus Share issued during the year	2,146,573	-
Number of shares outstanding at the end of the year	45,078,039	21,465,733

7 Surplus on Revaluation of Property, Plant and Equipment

The revaluation surplus on property, plant and equipment is restated and now presented as a separate capital reserve in the financial statements (note 5.28.1).

Opening Balance	204,365,295	211,797,221
Surplus arising due to Revaluation - net of tax	194,939,228	--
Transfer to Profit and Loss account of incremental depreciation (net of tax)		
Related Deferred tax Liability	(6,785,672)	(7,431,926)
- Rate difference adjustments and Other	969,380	
	393,488,231	204,365,295

7.1 The following fixed assets of the Company were revalued on June 29, 2018. The revaluation was carried out by independent valuer M/s. Sadruddin Associates (Private) Limited (Fire, Marine, Motor & Machinery Errection & Breakdown, Surveyor, Loss Adjustors, Plant and Machinery Valuers, Industrial Property & Real Estate Appraisers). Basis of revaluation are as follows:

Land

Valuation of land is determined by obtaining key market data from property brokers, dealers and estate agents to ascertain the Present market value considering its location and market potential.

Building

Revalued amount of building has been determined is simple. After taking into account the re-statement nalue have been computed after applying present market rate of construction.

Plant and Machinery

Revalued amount of plant and machinery has been determined by Physically inspected the Plant and Machinery. The age, make, origin condition etc. has been taken into account, to arrive at the present market value. At the time of our survey/ inspection, we observed that plant/machinery were in operational Condition. the Present value has been computed after application of suitable appreciation/depreciation factors, Rate of inflation and devaluation has been considered for optimum and closest approximate result of the valuation of entire machinery for obtaining the nearest value have taken 5% to 10% installation charges and add other levies to start and Complete the machinery.

The revaluation has resulted in increase in surplus and corresponding carrying amounts of Land, Building and Plant & Machinery of Rs. 231.342 million.

	WDV as June 30, 2018	Revalued Amounts as per revaluation Report	Revaluation Surplus
	Rupees	Rupees	
Lease hold land	150,000,000	260,000,000	110,000,000
Factory building on lease hold land	88,736,050	193,485,434	104,749,384
Plant & machinery	90,206,730	106,799,100	16,592,370
Surplus on Revaluation	328,942,780	560,284,534	231,341,754

year	Revaluers name	Surplius Aries (Net)
2013	M/s. Sadruddin Associates (Pvt) Ltd.,	190,020,694
2018	M/s. Sadruddin Associates (Pvt) Ltd.,	231,341,754

The revaluation surplus on property, plant and equipment is a capital reserve, and is not available for distribution to the shareholders in accordance with section 241 of the Companies Act, 2017.

		Note	2018	2017
			Rupees	
8	**Long term Loan from Associated and related Parties.**			
	Loan from Associated Undertaking - unsecured - interest free	8.1	**109,395,800**	109,395,800
	Directors' Loan - unsecured , interest free	8.1	**24,003,106**	24,003,106
	Loan from Sponsors - unsecured , interest free	8.1	**24,612,719**	24,612,719
			158,011,625	158,011,625

8.1 As per the Agreement dated June 30, 2017 the above loans are unsecured and interest bearing @ 10% per annum. The above loans has been acquired from related parties to meet the working capital requirements of the Company.

		Note	2018	2017
9	**Diminishing Musharaka Finance Facility**	9.1	138,000,000	--

9.1 Diminishing Musharaka Finance Facility has been obtained from Al Baraka Bank (Pakistan) Limited. After one year and three months grace period Musharaka is payable in four years starting from August 16, 2019 and the last installment will be due on May 16, 2022 inclusive of one year grace period, payable in twelve equal quarterly installments of principal amount Rs 11.500 million each exclusive of profit share. It carries profit ranging from Rs. 3,099,215 to Rs. 249,846 quarterly i.e. (Profit @ 3 month KIBOR+250bps) and secured against 1st equitable charge over all present and future assets of the company (Including Land, Building, Plant and Machinery) of the Company.

10 Deferred taxation

	2018	2017
Liability / (asset) balances arising in respect of:		
Accelerated tax depreciation	34,792,314	30,050,832
Finance lease transactions	--	--
Provisions and others	(103,682)	--
Accumulated tax losses and available tax credits	(34,919,427)	(52,774,285)
Deferred tax (asset)	(230,795)	(22,723,453)
Deferred tax asset not recognized	230,795	22,723,453
Deferred tax liability in respect of:		
- Revaluation net of related depreciation	62,575,831	30,050,832
	62,575,831	30,050,832

10.1 A change in the corporation income tax rate from 33 % to 30% per cent was enacted in June 2013, effective from the same date. Deferred tax assets and liabilities on temporary differences are measured at 30%.

11 Provision for Gratuity

Balance at the beginning of the year		-	-
Provision made during the year	11.1	349,958	-
		349,958	-
Payment/ Adjusted during the year		15,500	-
		334,458	-

11.1 The Company has started and provided Gratuity during the Current year therefore the actuarial valuation of the same not done by the company it will be done in next financial year.

12 Trade and Other Payables

Trade Creditors	34,031,503	21,350,411
Accrued Expenses	30,481,914	10,761,771
Zakat Payable	172,955	172,955
Others	5,133,449	95,224
	69,819,821	32,380,361

13 Provision for Taxation

	Rupees	
Balance at the beginning	2,202,591	200,771
Less: Adjustments	(2,202,591)	--
	-	200,771
Add: Provisions for Taxation		
Current year	4,025,547	2,001,819
	4,025,547	2,202,591

The income tax returns of the company has been filed up to tax year 2017 to income tax department and the assessments of the company have been finalized up to and including the tax year 2016. However, the commissioner of income tax may at any time during a period of five years from the date of filling of return may select the deemed assessment for audit.

The numerical reconciliation between the average tax rate and applicable tax rate has not been presented in these financial statements as the total income of the Company attracts minimum tax under section 113 of the Income Tax Ordinance, 2001 and its export sales fall under final tax regime.

Management had a practice of recording tax expense based on the generally accepted interpretation of tax laws and accordingly sufficient provision in respect of taxation for last three years has been provided in these financial statements.

13.1 Subsequent to the amendment of section 5(A) of the Income tax Ordinance, 2001, tax at the applicable rate shall be imposed on every public company which derives profit for the year. However, this tax shall not apply in case of a company which distributes at least specified percentage of after tax profits within six months of the end of the tax year in the form of cash dividend. Liability in respect of such tax, if any, is recognized when the prescribed time period for distribution of dividend expires.

Adequate provision for tax has been provided in these financial statements for the current year in accordance with requirements laid under Income Tax Ordinance, 2001 (ITO 2001). The provision made by the Company for tax years 2015, 2016 and 2017 amount to Rs. nil million, Rs. 200,771 and Rs. 2.002 million, respectively. The provision for current year tax represents on taxable income on tirn over basis at the rate of 1.25% (2017: 1%). The Company fled returns of income on due dates as prescribed in accordance with the requirements laid under Income Tax Ordinance, 2001. Accordingly, tax expense as per the assessment for tax years 2015, 2016 and 2017 amount to Rs. nil million, Rs.nil and Rs. 2.008 million, respectively.

14 Contingencies and Commitments

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

14.1 Contingent assets as disclosed in Note 17.1.

	2018	2017
	Rupees	
15 Tangible Fixed Assets		
Property, Plant and Equipment	636,456,309	358,667,108
	636,456,309	358,667,108

Property, Plant and Equipment - At cost less accumulated depreciation

Particulars	Cost/Revaluation				Rate %	Depreciation				Written Down Value As At June 30, 2018
	As at July 01, 2017	Additions / Transfers/ (Deletion)	Revaluation	As at June 30, 2018		As at July 01, 2017	Transfer/ (Deletion)	For the year	As at June 30, 2018	
	Rupees					Rupees				
Owned										
Assets Polyester Filment Yarn										
Lease hold land	150,000,000	--	110,000,000	260,000,000	--	-	--	--	--	260,000,000
Factory Building on lease hold land	177,434,832	--	104,749,384	282,184,216	10	78,839,220	--	9,859,561	88,698,782	193,485,434
Plant and Machinery										
Polyester Filament Yarn Unit	465,512,007	44,058,500	16,592,370	499,302,895	10	359,469,807	(21,047,482)	14,428,820	352,851,145	146,451,750
		(26,859,982)		--	10	-		--	--	--
Electrical Installations	7,276,200	--	--	7,276,200	10	5,964,000	--	131,220	6,095,220	1,180,980
Furniture and Fixture	1,237,067	3,046,841	--	4,283,908	10	1,139,791	--	314,412	1,454,203	2,829,705
Office Equipments	661,737	315,000	--	976,737	10	585,706	--	39,103	624,809	351,928
Air Conditioner and Refrig.	764,522	13,464,500	--	14,229,022	10	428,893	--	1,380,013	1,808,906	12,420,116
Vehicles	1,330,550	5,496,205	--	6,826,755	20	1,325,190	--	1,100,313	2,425,503	4,401,252
Fork Lifter	630,735	--	--	630,735	20	628,054	--	536	628,590	2,145
Computers	605,350	756,530	--	1,361,880	10	206,624	--	115,526	322,149	1,039,731
Studio Equipments	482,570	57,500		540,070	10	48,257		49,181	97,438	442,632
Generators	1,059,829	5,475,516		6,535,345	10	105,983		642,936	748,919	5,786,426
Elevator		8,547,000		8,547,000	10	-		854,700	854,700	7,692,300
Fire Fighting Equipments	79,112	--	--	79,112	10	72,802	--	631	73,433	5,679
Gas Installations	883,124	--	--	883,124	10	476,199	--	40,692	516,892	366,232
2018	807,957,635	81,217,592	231,341,754	1,093,656,999		449,290,527	--	28,957,645	457,200,690	636,456,309
		(26,859,982)	--				(21,047,482)			
2017	805,237,249	2,720,386	--	807,957,635		426,104,176	--	23,186,351	449,290,527	358,667,108
			--							

15.1. Its includes Plant and Machinery of Value added Embroided Fabric of Rs. 51.294 million

15.2. Allocation of Depreciation

Depreciation for the period has been allocated as follows:

	Polyester Filment Yarn		Value added Embroidered Fabric	
	2018	2017	2018	2017
	Rupees		Rupees	
Cost of Sales	20,150,995	23,035,903	4,959,152	--
Administrative and General Expense	135,269	150,448	3,712,228	--
	20,286,265	23,186,351	8,671,380	--

15.3 Leasehold land and buildings are subject to a first charge against the loan of Rs. 138 million obtained from Al Baraka Bank (Pakistan) Limited (Note 9). This charge will remain till May 16, 2022.

15.4 Particulars of immovable properties (i.e leasehold land and building on leasehold land) in the name of Company are as follows:

Location	Use of Immovable Location Property	Total Area
F-538, SITE , Karachi, Sindh	Manufacturing Facility	2 acres

15.5 The following operating fixed assets were disposed off during the year:

Asset	Cost	Carrying amount	Sale price	Gain / (Loss) on disposal	Particulars of the purchaser	Mode of disposal	Relationship with the purchaser
	.... Rupees						
Plant and Machinery	(44,058,500)	21,047,482	5,000,000	(70,105,982)	Abdul Hameed	Negociation	nil
	(44,058,500)	21,047,482	5,000,000	(70,105,982)			

15.6 Register of fixed assets of the company was illegally removed by the officials of the Income tax department at the time of conducting raid at the company's premises which has not yet been returned. Consequently the same remain not to be updated and could also not made available to the auditors.

15.7 Lease hold Land, Factory Building on lease hold land and Plant and Machinery were revalued on 29.06.2018 by M/s. Sadruddin Associates (Pvt) Ltd., a PBA approved valuer. The surplus on revaluation works out to Land , Building and Plant and Machinery by Rs. 231.342 million.

15.8 Revaluation of land, building, and plant & machinery had been carried out on June 29, 2018 by an independent professional valuers M/s. Sadruddin Associates (Pvt) Ltd., a PBA approved valuer on the basis of market value.

15.9 Had there been no revaluation the related figures of land, building and plant & machinery at June 30, 2018 would have been as follows:

	2018			
	Cost	Accumulated Depreciation	Depreciation Charge during	Written Down Value
			Rupees	
Lease hold land	7,440,950	-		7,440,950
Factory building on lease	30,979,497	28,473,231	250,627	2,255,640
Plant & machinery	565,415,437	378,180,065	18,723,537	168,511,835
Electrical Equipment	5,982,461	5,519,083	46,338	417,040
	609,818,345	412,172,379	19,020,502	178,625,465

	2017			
	Cost	Accumulated Depreciation	Depreciation Charge during the year	Written Down Value
			Rupees	
Lease hold land	7,440,950	-		7,440,950
Factory building on lease	30,979,497	28,194,757	278,474	2,506,266
Plant & machinery	565,415,437	357,376,135	20,803,930	187,235,372
Electrical Equipment	5,982,461	5,467,596	51,486	463,378
	609,818,345	391,038,488	21,133,891	197,645,966

15.10 The forced sale value of revalued assets is Rs. 448,227,000.

OPERATING FIXED ASSETS - At Cost Less Accumulated Depreciation

Particulars	2017									
	Cost/Revaluation					Depreciation				Written Down
	As at July 01, 2016	Additions / Transfers/ (Deletion)	Revaluation	As at June 30, 2017	Rate %	As at July 01, 2016	Transfer/ (Deletion)	For the year	As at June 30, 2017	Value As At June 30, 2017
	Rupees					Rupees				
Owned										
Lease hold land	150,000,000	--	--	150,000,000	--	-	--	--	--	150,000,000
Factory Building on lease hold land	177,434,832	--	--	177,434,832	10	67,884,152	--	10,955,068	78,839,220	98,595,612
Plant and Machinery	465,128,007	384,000	--	465,512,007	10	347,687,341	--	11,782,467	359,469,807	106,042,200
Electrical Installations	7,276,200	--	--	7,276,200	10	5,818,200	--	145,800	5,964,000	1,312,200
Furniture and Fixture	1,237,067		--	1,237,067	10	1,128,983	--	10,808	1,139,791	97,276
Office Equipments	630,537	31,200	--	661,737	10	577,258	--	8,448	585,706	76,031
Air Conditioner and Refrig.	430,235	334,287	--	764,522	10	391,601	--	37,292	428,893	335,629
Vehicles	1,330,550		--	1,330,550	20	1,323,850	--	1,340	1,325,190	5,360
Fork Lifter	630,735	--	--	630,735	20	627,384	--	670	628,054	2,681
Computers	176,850	428,500	--	605,350	10	162,321	--	44,303	206,624	398,726
Studio Equipments	--	482,570		482,570	10	-		48,257	48,257	434,313
Generators	--	1,059,829		1,059,829	10	-		105,983	105,983	953,846
Fire Fighting Equipments	79,112	--	--	79,112	10	72,101	--	701	72,802	6,310
Gas Installations	883,124	--	--	883,124	10	430,986	--	45,214	476,199	406,925
2017	805,237,249	2,720,386	--	807,957,635		426,104,176	--	23,186,351	449,290,527	358,667,108
			--							
2016	805,112,874	124,375	--	805,237,249		409,647,024	--	16,457,152	426,104,176	379,133,073

		2018	2017
		Rupees	
16	**Long term Deposits**		
	Karachi Electric Supply Corporation	14,975	14,975
	Telephone	3,200	3,200
	Pakistan Oxygen Limited	14,000	14,000
	Sui Southern Gas Company	750,820	750,820
	Others	1,000	1,000
	Al-Feroze (Pvt) Ltd	1,755,000	--
	Dolmen Real Estate Management (Pvt) Ltd	1,677,000	--
		4,215,995	783,995
17	**Long Term Investment**		
	2,455,000 (2017: 2,455,000) N.I.T units	34,510,675	34,510,675
	(Average cost price Rs. 14.0573)		
	Market value as at June 30, are as under		
	June 30 (2017: June 30) @ Rs. 73.71 . (2017: Rs.85.91) per unit	146,447,375	176,398,375
		180,958,050	210,909,050

17.1 In, September 1996, the Income Tax Authorities raided the Company's premises and took away, by force, all the records, documents, and valuable securities, including FEBC's/Bearer NIT units of all the Group companies, which included the bearer NIT units of the company; without lawful authority and without making any inventory. This raid caused a serious disruption in the company's business. The company has filed a suit against the Income Tax Authorities in the Honorable High Court of Sind, challenging the said act as being illegal. The Honorable High Court of Sind, vide its Order dated July 31, 1998, held that the presence of irregularities and malafides in the act of the Income Tax Department cannot be ruled out. Further, the remaining two ingredients namely balance of convenience and causing irreparable loss and injury, also exists in favor of the company. Further, the Income Tax Department was directed to submit their report keeping in view the provisions of Section 146(c) of The Income Tax Ordinance, 1979, declaring how much more time they would need to return the impounded documents and records. The matter is now in evidence stage.

17.2 The above investment of the company was illegally removed by the officials of the Income tax department at the time of conducting raid at the company's premises which has not yet been returned. Consequently the same remain to be updated and could also not be made available to the auditors for physical verification.

		2018	2017
		Rupees	
18	**Stores, Spares & Loose Tools**		
	Stores and Spares	2,993,241	4,058,694
	Packing Material	410,060	120,350
	Cops	1,207,948	1,207,948
	Fuel, Oil and Lubricants	173,510	173,510
		4,784,759	5,560,502
19	**Stock-in-Trade**		
	Raw Materials	157,618,000	3,357,245
	Work in Process	1,129,072	1,062,615
	Finished Goods	78,562,335	28,842,715
		237,309,407	33,262,575
20	**Trade Debts - Considered Good**		
	Local Receivables - Considered Good (An Associated Party)	**318,485,912**	109,102,583
	Considered Doubtful	--	--
		318,485,912	109,102,583
	Provision for Doubtful debts	--	--
		318,485,912	109,102,583

20.1 The aging of debtors (Related Party) at the reporting date was:

	2018	2017
Up to one month	**18,464,152**	--
1 to 6 months	**120,403,060**	109,102,583
More than 6 months	**70,516,116**	--
More than one year	**109,102,583**	--
	209,383,328	109,102,583

20.2 Maximum amount due at any month during the year with Related Party amounting to Rs. 318.49 Million (2017: Rs. 109.10 Million)

		2018	2017
21	**Trade Deposits, Prepayments and Statutory Balances - Considered good**		
	Deposits	435,445	46,500
	Sales Tax Refundable	11,752,193	1,411,871
		12,187,638	1,458,371

			2018	2017
			Rupees	
22	**Cash and Bank Balances**			
	Cash in Hand		8,072,487	238,691
	Cash at Banks - Current Accounts	22.1	122,454	5,265
			8,194,941	243,956

22.1 The Company has conventional banking relationships with all the banks.

23 Sales

	Polyester Filment Yarn 2018	Polyester Filment Yarn 2017	Value added Embroidered Fabric 2018	Value added Embroidered Fabric 2017	Total 2018	Total 2017
				(Rupees)		
Gross Sales						
Local	-	-	322,043,764	200,181,917	322,043,764	200,181,917
	-	-	322,043,764	200,181,917	322,043,764	200,181,917
Sales Tax/Special Excise Duty	-	-	-	-	-	-
Net Sales	-	-	322,043,764	200,181,917	322,043,764	200,181,917

24 Cost of Sales

	Note	Polyester Filment Yarn 2018	Polyester Filment Yarn 2017	Value added Embroidered Fabric 2018	Value added Embroidered Fabric 2017	Total 2018	Total 2017
					(Rupees)		
Raw material - opening stock		-	-	3,477,595	409,500	3,477,595	409,500
Purchases / Acquired		-	-	227,045,470	40,389,007	227,045,470	40,389,007
Raw material - closing stock		-	-	230,523,065	40,798,507	230,523,065	40,798,507
Raw material consumed		-	-	(158,028,061)	(3,477,595)	461,046,130	81,597,014
				72,495,004	37,320,912	72,495,004	37,320,912
Fuel and Power, Oil and Lubricant		--	--	58,482,286	65,593,350	58,482,286	65,593,350
Water		--	--	298,058	160,500	298,058	160,500
Salaries, Wages and Other Benefits	24.1	--	--	25,809,513	13,644,137	25,809,513	13,644,137
EOBI Contribution		--	--	272,718	51,836	272,718	51,836
SESSI Contribution		--	--	296,506	81,785	296,506	81,785
Store consumed		--	--	367,587	96,244	367,587	96,244
Conveyance Expenses		--	--	143,819	8,337	143,819	8,337
Freight Inward		--	--	101,663	76,140	101,663	76,140
Oil and Greece		--	--	18,488	3,805	18,488	3,805
Security Expenses		--	--	552,000	322,000	552,000	322,000
Repairs and Maintenance		--	--	4,756,379	1,890,101	4,756,379	1,890,101
Depreciation	24.2	20,150,995	23,035,903	4,959,152	--	25,110,147	23,035,903
		20,150,995	23,035,903	168,553,173	119,249,147	188,704,168	142,285,050
Work-in-Process - Opening		--	--	1,062,615	--	1,062,615	-
Work-in-Process - Closing		--	--	(1,129,072)	(1,062,615)	(1,129,072)	(1,062,615)
Cost of Goods Manufactured		20,150,995	23,035,903	168,486,716	118,186,532	188,637,711	141,222,435
Finished Goods - Opening		--	--	28,842,715	5,679,872	28,842,715	5,679,872
Finished Goods - Closing		--	--	(78,562,335)	(28,842,715)	(78,562,335)	(28,842,715)
		20,150,995	23,035,903	118,767,096	95,023,689	138,918,091	118,059,592

24.1 Salaries, wages and other benefits include Rs.nil million relating to staff retirement benefits.

24.2 During the last year ended June 30, 2017 the company has started its operations through use of manufacturing Facility provided by the buyers of the product (Value added Embriodered Fabric) with the Brand name "Image" therfore the depreciation in the segment of Value added Embroided Fabric has not been charged to the same segment in Cost of Sales and Admin and General Expenenses (Note 26).

25 Selling and Distribution Expenses

	Polyester Filment Yarn		Value added Embroidered Fabric		Total	
	2018	2017	**2018**	2017	**2018**	2017
Distribution and Selling Expenses			(Rupees)			
Advertisement Expenses	-	-	8,407,060	24,300	**8,407,060**	**24,300**
Dispatching Expenses	-	-	1,018,495	90,600	**1,018,495**	**90,600**
Conveyance Expenses	-	-	1,300	--	**1,300**	-
Sales Promotion	-	-	3,429,317	--	**3,429,317**	-
Salaries	-	-	3,696,235	--	**3,696,235**	-
Rent Expenses	-	-	7,741,500	--	**7,741,500**	-
Travelling Expenses	-	-	718,358	--	**718,358**	-
Electric Expenses	-	-	98,457	--	**98,457**	-
Telephone Expenses	-	-	3,539	--	**3,539**	-
Utility Expenses	-	-	1,690,264	--	**1,690,264**	-
	-	-			-	-
	-	-	**26,804,525**	114,900	**9,426,855**	114,900

25.1 Salaries, wages and other benefits include Rs.nil million relating to staff retirement benefits.

26 Administrative and General Expenses

	Note	Polyester Filment Yarn		Value added Embroidered Fabric		Total	
		2018	2017	**2018**	2017	**2018**	2017
				(Rupees)			
Vehicle up Keep		-	-	1,119,837	217,423	**1,119,837**	217,423
Postage, Telephone and Telex		-	-	485,724	232,669	**485,724**	232,669
Printing and Stationery		-	-	665,039	199,489	**665,039**	199,489
Salaries and Benefits		-	-	18,031,636	3,961,529	**18,031,636**	3,961,529
Fees and Subscription		-	-	4,656,510	671,875	**4,656,510**	671,875
Depreciation		**135,269**	**150,448**	3,712,228	--	**3,847,498**	150,448
General Expenses		-	-	137,070	43,541	**137,070**	43,541
Computer Expenses		-	-	282,740	269,435	**282,740**	269,435
Entertainments Expenses		-	-	177,832	72,727	**177,832**	72,727
Travelling Expenses		-	-	4,690,059	1,089,265	**4,690,059**	1,089,265
Conveyance Expenses		-	-	608,578	207,792	**608,578**	207,792
Legal Fee & Expenses		-	-	3,242,274	--	**3,242,274**	-
Gratuity Expenses		-	-	349,958	--	**349,958**	-
Medical Expenses		-	-	2,146	1,207	**2,146**	1,207
Professional Fee		-	-	32,400	--	**32,400**	-
Registrar Services		-	-	258,241	169,062	**258,241**	169,062
Computer software		-	-	805,000	500,000	**805,000**	500,000
Security Expenses		-	-	1,149,025	7,180	**1,149,025**	7,180
Insurances		-	-	573,122	--	**573,122**	-
Trade Mark Maintenance		-	-	4,000	10,000	**4,000**	10,000
Rent Expenses		-	-	9,000,000	--	**9,000,000**	-
Periodical and Journals		-	-	18,154	--	**18,154**	-
Donation	26.1	-	-	1,000,000	--	**1,000,000**	-
Underwriting Commission		-	-	3,368,628	--	**3,368,628**	-
Site Maintenances		-	-	50,000	--	**50,000**	-
Auditors Remuneration	**26.2**	-	-	225,000	75,000	**225,000**	75,000
						-	-
						-	-
		135,269	150,448	54,645,201	7,728,194	54,780,471	7,878,642

26.1 **Donations**

26.1.1 Donation of Rs. 500,000 was given to Chidren First The Society.

26.1.2 Donation of Rs. 500,000 was given to Patient Aid Foundation for its free medical treatment.

26.2. **Auditors Remuneration**

Audit Fee	225,000	75,000
	225,000	75,000

27 **Other Income**

Loss on Sales of fixed assets	(812,500)	--
Liabilities Written Back		1,356,040
	(812,500)	1,356,040

28 **Finance Cost**

Bank Charges and Commission	648,186	8,500
Interest on Loan from Associated and Directors	15,670,763	43,291
Interest on Diminishing Musharka Finance Facility	1,549,607	
	17,868,556	51,791

29 **Earnings Per Share - Basic**

Profit after Taxation		77,800,009	77,847,285
Weighted Average Number of Ordinary Shares		33,271,886	33,271,886
Earning Per Share - Basic	Rupees	2.34	2.34

30 **Remuneration of Chief Executive, Director and Executives**

Particulars	2018			2017		
	Chief Executive	Directors	Executives	Chief Executive	Directors	Executives
			(Rupees)		(Rupees)	
Managerial Remuneration	4,000,000	4,000,000	--	--	--	--
House rent allowance	1,600,000	1,600,000	--	--	--	--
Utilities allowance	400,000	400,000	--	--	--	--
Total	6,000,000	6,000,000	-	-	-	-
Number of persons	1	2	3	--	--	-

31 Related Party Transactions

Related parties comprise subsidiary, associated companies, companies where directors also hold directorship, retirement benefits fund and key management

Name of the related party	Relationship and percentage shareholding	Transactions during the year and year end balances	2018 (Rupees)	2017 (Rupees)
Tri-Star Power Ltd	Associated company by virtue of common directorship	Markup accrued	3,945,205	10,959
	Shareholding : NIL	Loan repaid	4,861,558	450,000
		Electricity Purchased	49,362,536	65,593,350
		Loan Payable at the year end	40,000,000	40,000,000
Mr Asad Ahmad	Chief Executive	Loan repaid	231,000	-
	Shareholding : 5.64%	Loan received	231,000	-
		Markup accrued	2,091,019	5,789
		Loan Payable at the year end	21,128,106	21,128,106
Ms Uzma Ahmad	Director	Loan repaid	800,000	-
	Shareholding : 0.46%	Loan received	800,000	-
		Markup accrued	120,822	116
		Loan Payable at the year end	425,000	425,000
Prestige Enterprises (Pvt) Ltd	Associated company by virtue of common directorship	Markup accrued	3,057,534	8,493
	Shareholding : 2.79%	Loan Payable at the year end	31,000,000	31,000,000
Tri-Star Industries (Pvt) Ltd	Associated company by virtue of common directorship	Purchase of Raw Material	158,120,095	10,954,714
	Shareholding : 0.01%	Purchase of Assets	72,952,130	
		Markup accrued	55,036	153
		Loan Payable at the year end	558,000	558,000
Tri-Star Investments Ltd	Associated company by virtue of common directorship	Markup accrued	50,578	140
	Shareholding : 2.22%	Loan Payable at the year end	512,800	512,800
Image Embroidered Fabric	Associated undertaking by virtue of sales arrangement	Sale of goods	320,000,841	200,181,917
		Amount recoverd/adjusted against sales	112,660,435	91,079,334
Habib Jamal & Co.	Partnership firm of related parties	Purchase of Raw Material	34,942,910	--
		Purchase of Assets	1,434,053	-
Loan repaid to sponsors/Directors			-	3,075,000
First Tri-Star Modaraba	Associated company by virtue of common directorship	Rent Accrued	9,000,000	-

The outstanding balance with related parties as at the year-end have been disclosed in the respective notes to the fnancial statements.

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 are given in Note 30 above.

			2018	2017
			Rupees	
32	**Cash and Cash Equivalents**			
	Cash and Bank Balances		8,194,941	243,956
	Short term Running Finances utilized under mark-up arrangements		--	--
			8,194,941	243,956

33	**Plant Capacity and Production**		M.Tons	M.Tons
	Actual production on Annual Basis	33.1	4,000	4,000
	Actual production		nil	nil

33.1 **Reason for Polyester Filament Yarn Unit not in Production**

No production activity was done in Polyester Filament Yarn unit during the year due to high production cost and low market demand .

33.2 The company has started production to make value added fabric (as textile unit) with the Brand name 'Image' for stitched and unstitched suits. The capacity of the Company cannot be determined as this depends upon designs, number of stitches, pattern, styling etc.

34 OPERATING SEGMENT

These financial statements have been prepared on the basis of two reportable segment one segment of Polyester Filment Yarn unit which be remained idle diring the year, the other segment is Value added Embroidered Fabric Unit which is in operations since last year.

	Polyester Filment Yarn		Value added Embroidered Fabric		Total	
	2018	2017	2018	2017	2018	2017
Net Sales (Note 23)	-	-	322,043,764	200,181,917	322,043,764	200,181,917
Cost of Sales (Note 24)	20,150,995	23,035,903	118,767,096	95,023,689	138,918,091	118,059,592
Gross Profit/(Loss)	(20,150,995)	(23,035,903)	203,276,668	105,158,228	183,125,673	82,122,325
Selling & Distribution costs (Note 25)	-	-	26,804,525	114,900	26,804,525	114,900
Administrative Expenses (Note 26)	135,269	150,448	54,645,201	7,728,194	54,780,471	7,878,642
	135,269	150,448	81,449,727	1,709,386	81,584,996	7,993,542
Segment Results	(20,286,265)	(23,186,351)	121,826,941	(17,986,453)	101,540,678	74,128,784
Capital Expenditure - Excluding revaluation	2,720,386	-	81,217,592	-	83,937,978	-
Depreciation	20,286,265	23,186,351	8,671,380	-	43,472,616	23,186,351

Revenue from sales of Value added Fabrics 100% (2017: 100%) of total revenue whereas, remaining represents revenue from sales if nil.

All non current assets of the Company as at June 30, 2018 are located in Pakistan.

100% (2017: 100%) of sales of embroied Fabrics local sales.

Revenue from single major customer of the Company represent 100% (2017: 100%) of total revenue of the Company

35 Financial Instruments

The Company has exposures to the following risks from its use of financial instruments:

Credit Risk
Liquidity Risk
Market Risk

The Board of Directors has overall responsibility for the establishment and oversight of Company's risk management framework. The Board is also responsible for developing and monitoring the Company's risk management policies.

35.1 Credit Risk

Credit risk is the risk that one party to the financial instruments will fail to discharge an obligation and cause the other party to incur a financial loss. The Company believes that it is not exposed to major concentration of credit risk. However, to reduce exposure to credit risk, if any, the management monitors the credit exposure towards the customers and makes provisions against those balances considered doubtful of recovery.

The maximum exposure to credit risk at the reporting date is:

	2018	2017
	Rupees	
Long Term Investment	180,958,050	210,909,050
Long Term Deposits	4,215,995	783,995
Trade Deposits and Prepayments	12,187,638	1,458,371
Cash with Banks in Current Accounts	8,194,941	243,956
	205,556,624	213,395,372

35.2 Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure as far as possible to always have sufficient liquidity to meet its liability when due.

The company is exposed to liquidity risk in respect of non current interest bearing liabilities, short term borrowings, trade and other payable and mark up accrued.

Particulars	2018 Carrying Amount	Contractual Cash Flows	Six moths or Less	Six to twelve months	One to two year
	Rupees				
Financial Liabilities					
Long term Loan from Associated and related Parties. Interest free	158,011,625	158,011,625	-	-	158,011,625
Diminishing Musharika Finance	138,000,000				
Trade and other payables	69,819,821	69,819,821	652,789	69,167,032	-
Accured interest on Loans	15,714,054				
Due to Associated Company - interest free	-	-	-	-	-
	381,545,500	227,831,446	652,789	69,167,032	158,011,625

Particulars	2017 Carrying Amount	Contractual Cash Flows	Six moths or Less	Six to twelve months	One to two year
	Rupees				
Financial Liabilities					
Long term Loan from Associated and related Parties. Interest free	158,011,625	158,011,625	-	-	158,011,625
Trade and other payables	40,474,656	40,474,656	652,789	39,821,867	-
Due to Associated Company - interest free	5,311,558	5,311,558	-	5,311,558	-
	203,797,839	203,797,839	652,789	45,133,425	158,011,625

35.3 Market Risk

Market risk is the risk that the value of a financial instrument will fluctuate resulting in as a result of changes in market prices or the market price due to change in credit rating of the issuer or the instrument, change in market sentiments, speculative activates, supply and demand of securities and liquidity in the market.

35.4 Currency Risk

Foreign currency risk arises mainly due to conversion of foreign currency assets and liabilities into local currency. The Company is not materially exposed to foreign currency risk on foreign currency assets and liabilities.

35.5 Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates, majority of the interest rate exposure arises from short and long term borrowings from bank and term deposits and deposits in profit and loss sharing accounts with banks. At the balance sheet date there no interest rate profile of the Company.

35.6 Risk Management Policies

Risk management is carried out by the management under policies approved by board of directors. The board provides principles for overall risk management, as well as policies covering specific areas like foreign exchange risk, interest rate risk and investing excessive liquidity.

35.7 Capital Risk Management

The Company's objective when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure the Company may adjust the amount of dividends paid to shareholders, issue new shares and take other measures commensuration to the circumstances.

Consistent with others in the industry, the Company manages its capital risk by monitoring its debt levels and liquid assets and keeping in view future investment requirements and expectation of the shareholder. Debt is calculated as total borrowings ('long term loan' and 'short term borrowings' as shown in the balance sheet). Total capital comprises share holders' equity as shown in the balance sheet under 'share capital and reserves'.

	2018	2017
	Rupees	
Total Borrowings	158,011,625	162,873,183
Less: Cash and Bank Balances	8,194,941	243,956
Net Debt	149,816,684	162,629,227
Total Equity	949,830,835	491,415,888
Total Capital	1,099,647,519	654,045,115
Gearing Ratio	**0.14**	**0.25**

35.8 Fair Value of Financial Instruments

Fair value is an amount for which an assets could be exchanged, or a liability settled, between knowledgeable willing parties in arm's length transaction. Consequently, differences may arise between the carrying value and the fair

As at the reporting date the fair value of all financial assets and liabilities are estimated to approximate their carrying values.

36 Number of Employees

Number of persons employed contractual and Permnent as at year end were 269 (2017: 58) and the average number of persons employed during the year were 83 (2017: 48).

Number of persons employed at factory contractual and Permnent as at year end were 229 (2017: 39) and the average number of persons employed during the year were 54 (2017: 16).

37 General

a. Figures have been rounded off to the nearest rupee.

b. Functional and Presentation Currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the company operates. The financial Statements are presented in Pakistani rupees, which is the Company's functional and Presentational currency.

c. Corresponding figures

The preparation and presentation of these financial statements for the year ended June 30, 2018 is in accordance with requirements in Companies Act, 2017. The fourth schedule to the Companies Act, 2017 has introduced certain presentation and classification requirements for the elements of financial statements. Accordingly, the corresponding figures have been rearranged and reclassified, wherever considered necessary, to comply with the requirements of Companies Act, 2017. Following major reclassifications have been made during the year:

c (i)	Description	Reclassified from	Reclassified to	2017 (Rupees)
	Unclaimed dividend	Trade and other payables	Unclaimed dividend (presented on face of statement of financial position)	8,094,295

c (ii) During the year company has disclosed the segments, in note 5.27 , 23, 24, 25, 26 and 34 to the accounts on above two units except disclosures no change in financial Statememts of the Company.

Asad Ahmad	Mohammad Zameer	Uzma Ahmd
Chief Executive	Chief Financial Officer	Director

Pattern of Shareholding

As at June 30, 2018

Number of Share Holders	Share Holdings			Total Shares Held
581	1	—	100	31,662
1,063	101	—	500	357,856
1,509	501	—	1,000	1,228,855
1,012	1,001	—	5,000	2,349,103
181	5,001	—	10,000	1,382,583
81	10,001	—	15,000	999,196
38	15,001	—	20,000	678,267
27	20,001	—	25,000	639,311
14	25,001	—	30,000	401,574
7	30,001	—	35,000	226,445
11	35,001	—	40,000	421,887
4	40,001	—	45,000	172,000
12	45,001	—	50,000	588,775
7	50,001	—	55,000	369,858
4	55,001	—	60,000	237,125
2	60,001	—	65,000	124,203
5	65,001	—	70,000	339,200
7	70,001	—	75,000	513,962
3	75,001	—	80,000	231,920
3	80,001	—	85,000	249,625
3	85,001	—	95,000	279,238
4	95,001	—	100,000	392,779
3	100,001	—	105,000	309,500
4	105,001	—	110,000	438,000
1	110,001	—	115,000	112,500
2	115,001	—	120,000	237,000
1	140,001	—	145,000	142,000
3	145,001	—	150,000	449,042
1	170,001	—	175,000	172,000
2	175,001	—	185,000	364,800
1	200,001	—	205,000	204,750
1	205,001	—	210,000	209,500
1	220,001	—	225,000	222,500
1	235,001	—	240,000	232,811

Number of Share Holders	Share Holdings			Total Shares Held
1	270,001	—	275,000	271,000
1	305,001	—	310,000	305,129
1	325,001	—	330,000	328,500
2	495,001	—	500,000	1,000,000
1	595,001	—	600,000	600,000
1	610,001	—	615,000	612,787
1	725,001	—	730,000	727,500
1	795,001	—	800,000	798,400
1	875,001	—	880,000	879,000
1	890,001	—	895,000	893,225
1	930,001	—	935,000	931,500
1	995,001	—	1,000,000	1,000,000
1	1,120,001	—	1,125,000	1,123,992
1	1,145,001	—	1,150,000	1,147,449
1	1,255,001	—	1,260,000	1,255,322
1	1,390,001	—	1,395,000	1,392,000
1	1,395,001	—	1,400,000	1,396,096
1	3,115,001	—	3,120,000	3,115,750
1	3,320,001	—	3,325,000	3,322,000
1	4,265,001	—	4,270,000	4,268,562
1	4,395,001	—	4,400,000	4,400,000
4,621				**45,078,039**

Categories of Shareholders	Number of Shares Held	Percentage
1. Directors, Chief Executive Officer and Minor Children	6,858,874	15.22
2. Associated Companies, Undertakings and Related Parties	2,258,494	5.01
3. NIT & ICP	35,702	0.08
4. Banks, Financial Institutions, Non-Banking Financiakl Institutions	860,816	1.91
5. Modaraba & Mutual Funds	46,437	0.10
7. Insurance & Leasing Companies	336,115	0.75
8. Investment Companies	45,459	0.10
9. General Public (Local)	31,296,930	69.43
10. Other Companies	887,783	1.97
11. Joint Stock Companies	2,451,429	5.44
Total	**45,078,039**	**100.000**

Tri-Star Polyester Ltd.

Proxy Form

I, ____

of ____ being a member

of Tri-Star Polyester Ltd., Karachi and holder of ________________________ Shares as per

R.F. No. _______________ and/or CDC Participant I.D. No. _________________ and Sub

Account No. _______________ hereby appoint ___________________ of

_______________ or failing him ___________________________ of

__________________________ as my proxy to attend and vote for me and on my behalf at

the Annual General Meeting of the Company to be held on October 26, 2018 at F/538, S.I.T.E., Karachi and at any adjournment thereof.

As witness my hand this _______________ day of ______________, 2018.

Signed by the said _______________

Please affix Rs. 5/- Revenue Stamp

To be singed over Revenue Stamp

IMPORTANT:

a) This form of proxy duly completed must be received at the office of the Company at F/538, S.I.T.E., Karachi, not later than 48 hours before the time of holding the meeting.

b) CDC Shareholders and their Proxies must each attach an attested photocopy of their National Identity Card or Passport with their proxy form.

c) A proxy should also be a share holder of the Company.