

**ANNUAL REPORT
2017 - 2018**



Pak Leather Crafts Limited

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CORPORATE PROFILE

BOARD OF DIRECTORS

Dr.Muhammad Shoaib Ahmed	Chairman / Director
Muhammad Saleem Ahmed	Director / CEO
Nayer Ahmed Jalali	Director
Azeem Ahmed	Director
Bilal Ahmed	Director
Umer Ahmed	Director
Syed Fawad Hussain Rizvi	Director

AUDIT COMMITTEE

Syed Fawad Hussain Rizvi	Chairman
Bilal Ahmed	Member
Umer Ahmed	Member

HUMAN RESORCE & REMUNERATION COMMITTEE

Umer Ahmed	Chairman
Muhammad Saleem Ahmed	Member
Bilal Ahmed	Member

CHIEF FINANCIAL OFFICER & COMPANY SECRETARY

Naseer Ahmed

BANKERS

Albaraka Bank Pakistan Ltd
NIB Bank Limited
Habib Metropolitan Bank Ltd
Habib Bank Limited
Industrial Development Bank Ltd
Faysal Bank Limited
Soneri Bank Ltd
United Bank Limited
Bank Alfalah Ltd

EXTERNAL AUDITORS

IECnet S.K.S.S.S.
Chartered Accountants

REGISTERED OFFICE

Plot 18, Sector 7 - A
Korangi Industrial Area, Karachi
Website: www.pakleather.com

LEGAL ADVISOR

Shakiel Z. Lari, Advocate

SHARE REGISTRAR

NI Associates (pvt) Ltd
53, Kokan Society, Alamgir Road,
Karachi - 74800
Tel: 021-34937012
021-34945892

NOTICE OF ANNUAL GENERAL MEETING



Notice is hereby given that the 31st Annual General Meeting of the members of Pak Leather Crafts Limited will be held on Saturday, the 27th October, 2018 at 04.00 P.M. at Plot -9, Sector 59, Malir Development Authority, Taiser Town, Karachi to transact the following business:

1. To confirm the minutes of the 30th Annual General Meeting held on 31st October, 2017.
2. To receive, consider and adopt the audited accounts of the company for the year ended 30th June 2018 together with the Directors' and Auditors' Reports thereon.
3. To appoint Auditors for the year ending June 30, 2019 and to fix their remuneration.
4. To transact any other business with the permission of the chair.

By order of the Board

Naseer Ahmed
Company Secretary

Karachi: September 25, 2018

Notes:

1. To Share Transfer books of the Company will remain closed from 20-10-2018 to 27-10-2018 (both days inclusive)
2. A Member entitled to attend and vote at this meeting may appoint another member as his/her proxy to attend the meeting and vote to him/her. No person shall act as a proxy who is not a member of the Company. Proxies in order to be effective must be received duly stamped, signed and witnessed by the company not less then 48 hours before the meeting.
3. CDC account holders will further have to follow the under mentioned guidelines as laid down in Circular No. 1 dated January 26, 2000 issued by the Securities and Exchange Commission of Pakistan.
 - i) In case of individual, the account holder or sub-account holder and/or the person, whose securities are in group account and their registration details are uploaded as per the Regulations, shall authenticate his / her identity showing his / her original Computerized National Identity Card (CNIC) or original Passport at the time of attending the meeting. The shareholders registered on CDS are also requested to bring their participants I.D. numbers and account numbers in CDS.
 - ii) In case of a corporate entity, the Board of Directors' resolution / Power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of meeting.
4. Members are requested to immediately notify the Company of any change in their addresses.

اطلاع برائے سالانہ اجلاس عام



بذریعہ ہذا اطلاع دی جاتی ہے کہ پاک لیڈر کرافٹس لمیٹڈ شیئرز ہولڈرز کا 31 واں سالانہ اجلاس عام بروز ہفتہ 27 اکتوبر 2018ء کو شام 4:00 بجے پلاٹ نمبر-9 سیکٹر-59، بلیر ڈیولپمنٹ اتھارٹی، تیسرا ٹاؤن کراچی میں منعقد ہوگا جس میں مندرجہ ذیل امور سرانجام دیئے جائیں گے:

- 1- 30 واں سالانہ اجلاس عام منعقدہ 31 اکتوبر 2017 کی کاروائی کی توثیق۔
- 2- 30 جون 2018ء کو ختم شدہ سال کے لئے کمپنی کے آڈٹ شدہ حسابات بمع ان پراڈیٹرز اور ڈائریکٹرز کی رپورٹس کی وصولی، غور و خوض اور منظوری۔
- 3- 30 جون 2019ء کو ختم ہونے والے سال کے لئے قانونی آڈیٹرز کا تقرر اور ان کے مشاہرہ کا تعین کرنا۔
- 4- صدر اجلاس کی اجازت سے دیگر امور انجام دینا۔

حسب الحکم بورڈ

نصیر احمد
کمپنی سیکرٹری

کراچی - 25 ستمبر 2018

نوٹ:

- 1- کمپنی شیئرز ٹرانسفر بکس 20 اکتوبر 2018ء سے 27 اکتوبر 2018ء تک (دونوں دن شامل ہیں) بند رہیں گی۔
- 2- کوئی بھی میمبر جو سالانہ اجلاس عام میں شرکت کرنے، تقریر کرنے اور ووٹ دینے کا حقدار ہے وہ اجلاس میں شرکت کرنے کے لئے کسی بھی دوسرے شخص کو تحریراً بطور اپنا/اپنی پر کسی مقرر کرنے کا/کی مجاز ہے۔ جسے اجلاس میں شرکت کرنے، تقریر کرنے اور ووٹنگ کے ضمن میں وہی حقوق حاصل ہونگے جیسا کہ ایک میمبر کو حاصل ہیں۔ موثر ہونے کی غرض سے پر کسی فارم ہمارے رجسٹر کے دفتر میں اجلاس سے کم از کم اڑتالیس (48) گھنٹے قبل لازماً موصول ہو جانے چاہئیں جو اشخاص کی جانب سے ان کے نام، پتہ CNIC نمبر اور دستخطوں کے ساتھ باقاعدہ دستخط شدہ، مہر شدہ اور گواہی شدہ ہوں۔
- 3- سینٹرل ڈپازٹری کمپنی کے اکاؤنٹ ہولڈرز کو سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی دی گئی ہوئی سرکولر نمبر-1 تاریخ 26 جنوری، 2000ء کی درج ذیل ہدایت پر عمل کرنا ہوگا۔

(i) افراد کی صورت میں اکاؤنٹ ہولڈرز اور سب اکاؤنٹ ہولڈرز یا وہ جن کی سیکورٹیز گروپ اکاؤنٹ میں ہیں ان کی رجسٹریشن کی تفصیلات قوانین کے مطابق اپ لوڈڈ ہیں مندرجہ بالا شرائط کے مطابق پر کسی فارم جمع کروائیں گے۔ پر کسی فارم میں دو افراد کی گواہی ہوگی جن کے نام پتے اور کمپیوٹرائزڈ شناختی کارڈ نمبر فارم میں بھی درج ہوں گے پر کسی فارم کیساتھ پر کسی نامزد کرنے والے افراد کے شناختی کارڈ کی تصدیق شدہ نقل جمع کرانی ہوگی۔ میٹنگ کے وقت پر کسی اپنا اصل کمپیوٹرائزڈ شناختی کارڈ یا پاسپورٹ پیش کرے گا۔

(ii) ادارہ جاتی نمائندگی کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد/پاور آف اٹارنی نامزد کردہ افراد کے دستخط کیساتھ (اگر یہ پہلے فراہم نہ کئے گئے ہوں تو) پر کسی فارم کیساتھ کمپنی میں پیش کرنے ہوں گے۔

4- شیئرز ہولڈرز سے درخواست ہے کہ وہ اپنے پتوں میں کسی بھی قسم کی تبدیلی سے متعلق ہمارے رجسٹرار آفس کو بروقت مطلع کریں۔

DIRECTORS' REPORT



The Directors of the Company are pleased to present the Annual report together with the audited financial statements of the Company for the year ended June 30, 2018.

FINANCIAL RESULTS

The financial results of the Company for the year under report are shown below.

	2018 Rupees	2017 Rupees
Loss before taxation	(4,772,726)	(4,789,983)
Taxation	(516,877)	(452,864)
Loss after tax	(5,289,603)	(5,242,847)
Accumulated (Loss) Brought Forward	(395,337,554)	(390,094,707)
Accumulate (Loss) Carried Forward	(400,627,157)	(395,337,554)

During the year under review, the company succeeded to record turnover of Rs. 51.69 (M) registering an improvement 14.18% over last year. This is the outcome of untiring efforts of the management. Resultantly, after tax net loss for the year under review reduced to Rs 5.29 (M) as compared to after tax loss of Rs 5.24 (M) last year. Your directors are adamant to bring the Company out from the losses by increasing the turnover and exercising economies in expenses.

COMMENTS ON AUDITORS' REPORT

Regarding going concern, auditors have considered Note 29 of the financial statements. The Company has started performing better and its losses are substantially reducing year after year. Auditors have also noted the improvement in current ratio which has turned into positive. Considering these facts the auditors did not qualify their report on account of the going concern.

SALES

Your directors in the annual report of previous year pointed out their expectation about growth in exports. In line with that expectation, we are pleased to report that during the financial year ended June 30, 2018, the management explored export market and accordingly the Company made export sale of Rs 38.88 (M) comparing with Rs. 26.49(M) during previous year. Local sales and job work revenue of the company was Rs. 13.59 (M) for the year under review whereas corresponding figure is Rs. 18.80 Million for the preceding year

CORPORATE AND FINANCIAL REPORTING

In compliance with the applicable listing regulations of Pakistan Stock Exchange, the directors of the company do hereby declare the following:

- The financial statements prepared in conformity with the requirements of companies Act. 2017 by the management of the company, present fairly its state of affairs, the result of its operations, cash flow and changes in equity.
- Proper books of account of the listed company have been maintained.



DIRECTORS' REPORT

- c) Appropriate accounting policies have been consistently applied in preparation of financial statements. 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 any departure there from has been adequately disclosed.
- e) The system of internal control is sound in design and has been effectively implemented and monitored.
- f) The Company's ability to continue as a going concern is effective as discussed in the foregoing paras and in Note 29.
- g) There has been no material departure from the best practices of corporate governance, as detailed in the listing regulation.

KEY OPERATING & FINANCIAL DATA:

The key operating & financial data is mentioned on Page No. 15.

EARNINGS PER SHARE (EPS)

The loss per Share is Rs. (1.56) (2017: loss per share Rs.1.54)

BOARD AUDIT COMMITTEE

The Board Audit Committee is comprised of one Independent Non-Executive director as Chairman and two Non-Executive Directors as member of audit committee. The terms of reference include reviews of annual and quarterly financial statements, internal audit report, information before dissemination to Stock Exchanges and proposal for appointment of external auditors for approval of the shareholders, apart from other matters of significant nature. Four meeting were held during the period under review.

NUMBER OF BOARD MEETING

During the year, four board meetings were held, which were attended by the Directors as under:

S. No.	Names	No. of Meetings Attended / held
1.	Mr. M. Saleem Ahmed (CEO)	4 / 4
2.	Dr. M. Shoaib Ahmed	1 / 4
3.	Mr. Nayyer Ahmed Jalali	4 / 4
4.	Mr. Bilal Ahmed	3 / 4
5.	Mr. Azeem Ahmed	4 / 4
6.	Mr. Umer Ahmed	4 / 4
7.	Syed Fawad Husain Rizvi	2 / 4

PURCHASE / SALE OF SHARES

The Directors, CEO, CFO, Company Secretary and their spouses and minor children did not purchase or sale any shares of the Company during the period under review.

DIRECTORS' REPORT



PATTERN OF SHAREHOLDING

The pattern of shareholding as on June 30, 2018 is annexed with this report.

AUDITORS

Present auditors M/s. IECnet s.k.s.s.s. retire and being eligible offer themselves for re-appointment for the year 2018-2019. The audit committee has also recommended their reappointment in the AGM.

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

The statement of compliance with the Code of Corporate Governance is annexed with this report.

ACKNOWLEDGEMENT

The Board of Directors would like to place on record its appreciation to all our Patrons, Dealers, Suppliers and Employees for their valuable help, uncompromising support and contribution to the Company.

WORKER MANAGEMENT RELATIONSHIP

The board of Directors would like to place on record the valuable contribution of all members of the staff & workers. The workers management relationship remained cordial throughout the year which resulted in the smooth operation of your company.

On behalf of the Board

Muhammad Saleem Ahmed
Chief Executive Officer

Karachi: September 25, 2018



ڈائریکٹرز رپورٹ

سال 30 جون، 2018 کے ختم ہونے پر کمپنی کے ڈائریکٹرز بے حد خوشی و خلوص کے ساتھ کمپنی کی سالانہ رپورٹ کے ساتھ فنانشل اسٹیٹمنٹ آپ کی غور طلبی کے لیے پیش کر رہے ہیں۔

مالیاتی نتائج:

کمپنی کے سالانہ مالیاتی نتائج مندرجہ ذیل ہیں۔

2017 (روپے)	2018 (روپے)	
(4,789,983)	(4,772,726)	ٹیکسیشن سے قبل ہونے والے نقصانات
(452,864)	(516,877)	ٹیکسیشن
(5,242,847)	(5,289,603)	نقصانات بعد از ٹیکسیشن
(390,094,707)	(395,337,554)	مجموع نقصان جاری
(395,337,554)	(400,627,157)	مجموع نقصان پرانا

حالیہ سال کو مد نظر رکھتے ہوئے کمپنی نے 51.69 ملین روپے کی زائد سیلز کاریکارڈ قائم کیا ہے، جو کہ گزشتہ سال کے مطابق کمپنی کی سیلز میں 14.18% کی اضافی گروتھ ہوئی ہے، جو کہ مینجمنٹ کی کاوشوں اور انتھک محنت کے وجہ سے ممکن ہو پایا ہے۔ بعد از ٹیکسیشن سالانہ نقصان 4.90 ملین روپے گھٹا ہے جو کہ گزشتہ سال 5.24 ملین تھا۔ کمپنی کے ڈائریکٹرز پوری کوشش کر رہے ہیں کہ کمپنی کو خسارے سے بچایا جائے اور ٹرن اوور میں اضافہ لاسکیں اور اپنے ہونے والے اخراجات میں کمی لاسکیں۔

آڈٹ رپورٹ پر ہونے والا تبصرہ

آڈیٹر نے فنانشل اسٹیٹمنٹ نوٹ 29 پر غور طلب کرتے ہوئے، یہ تصفیہ دیا کہ کمپنی کی کارکردگی بہتر تر بہتر ہوتی جا رہی ہے اور کمپنی سالانہ طور پر اپنے نقصانات پر قابو پارہی ہے۔ آڈیٹر نے حالیہ ریشو پر ہونے والی ترقی کو نظر میں رکھتے ہوئے بتایا کہ کمپنی اونچائیوں کی طرف گامزن ہے۔ ان تمام تر حقائق کو مد نظر رکھتے ہوئے آڈیٹر نے اپنی رپورٹ فراہم کی ہے۔

سیلز

ڈائریکٹرز نے سالانہ رپورٹ پر غور و فکر کرتے ہوئے ایکسپورٹ میں ہونے والے اضافے سے متعلق اپنی امید ظاہر کی، اور ان امید کے مطابق کمپنی نے سال کے آخر

30 جون 2018ء پر اپنی ایکسپورٹ مارکیٹ کا معائنہ کرتے ہوئے اپنی سیل کو چیک کیا جو کہ 38.88 ملین روپے کی ہوئی ہے جو کہ گزشتہ سال ہونے والی سیل 26.49 ملین روپے سے کہیں زیادہ ہے۔ لوکل سیلز اور کمپنی کے ریونیو کے مطابق 13.59 ملین روپے کی سیلز ہوئی ہیں جو کہ کار سپونڈنگ فلر 18.80 ملین روپے کی سالانہ سیل ثابت ہوئی ہے۔

کارپوریٹ اور فنانشل رپورٹنگ

پاکستان اسٹاک ایکسچینج کے لاگسٹنگ قوانین کی تعمیل میں کمپنی ڈائریکٹران بذریعہ ہذا حسب ذیل اعلان کرتے ہیں۔

- ۱۔ فنانشل اسٹیٹمنٹ صرف اور صرف کمپنیز ایکٹ 2017 کی ضرورت کے تحت کمپنی کی اسٹیٹمنٹ کی جانب سے بنائی جاتی ہے۔ جس میں حالیہ مسائل، آپریشن میں ہونے والے نتیجے، پیسوں کی آمدورفت اور مارکیٹ میں ہونے والے تمام تر معاملات کی تفصیل مکمل طور پر ہوتی ہے۔
- ۲۔ ذیلی کمپنیوں کی اکاؤنٹ بک کلی طور پر مکمل رکھی جاتی ہے۔
- ۳۔ فنانشل اسٹیٹمنٹ بنانے منصفانہ پالیسیز برائے اکاؤنٹ کا استعمال کیا جاتا ہے۔ جو کہ اکاؤنٹنگ اسٹیٹمنٹ اور جمنٹ کے تحت ہوتا ہے۔
- ۴۔ اکاؤنٹنگ کے پاکستان میں بیرونی معیار کو مدنظر رکھتے ہوئے فنانشل اسٹیٹمنٹ تیار کیا جاتا ہے اور تمام تر ضروری دستاویزات بھی منسلک کیے جاتے ہیں۔
- ۵۔ انٹرنل کنٹرول کا سسٹم آواز اور اس کے انداز پر مشتمل ہے جسکی حفاظت اور نگرانی کی جاتی ہے۔
- ۶۔ کمپنی کی بنیاد، کاوشوں اور صلاحیتوں کو جاری رکھتے ہوئے نوٹ 29 کے پیرا 2 پر غور طلب کیا گیا۔
- ۷۔ لسٹنگ قوانین کے متعین کردہ کارپوریٹ گورننس کے بہترین رہنما اصولوں سے کسی بھی قسم کی مادی روگردانی نہیں کی گئی ہے۔

فنانشل ڈیٹا

کی برائے آپریٹنگ اور فنانشل ڈیٹا صفحہ نمبر 15 پر درج ہے۔

فی شیئر پر ہونے والی آمدنی

شیئر پر ہونے والا حالیہ نقصان 1.56 روپے (گزشتہ سال 2017 میں شیئر پر ہونے والا نقصان 1.54 روپے)

بورڈ آڈٹ کمیٹی

بورڈ آڈٹ کمیٹی ایک آزادانہ ڈائریکٹر جو کہ بطور چیئر مین اور دو ڈائریکٹر جو کہ بطور ممبر آڈٹ کمیٹی ہیں ان پر مبنی ہے۔ ریفرنس کے تحت جس میں سالانہ اور سہ ماہی فنانشل اسٹیٹمنٹ، انٹرنل آڈٹ رپورٹ کی معلومات پر نظر ثانی اور غور طلب کرتے ہوئے اسٹاک ایکسچینج اور ایکسٹرنل آڈیٹر کی بھرتیوں کی منظوری شیئر ہولڈرز سے بھی کروائی گئی اور دیگر معاملات پر بھی غور و فکر کیا گیا۔ جس کے لیے چار میننگ تشکیل پائیں جس میں ان تمام تر معاملات پر نظر ثانی کی گئی۔



ڈائریکٹرز رپورٹ

بورڈ میٹنگز کی تفصیل

حالیہ سال میں چار بورڈ میٹنگ منعقد کی گئی، جس میں مندرجہ ذیل ڈائریکٹرز نے اپنی شرکت کو یقینی بنایا۔

میتنگز کی تعداد، اور شرکت	نام	نمبر شمار
4/4	جناب محمد سلیم احمد (چیف ایگزیکٹو آفیسر)	۱
1/4	ڈاکٹر محمد شعیب احمد	۲
4/4	جناب نیر احمد جلالی	۳
3/4	جناب بلال احمد	۴
4/4	جناب عظیم احمد	۵
4/4	جناب عمر احمد	۶
2/4	جناب نواز حسین رضوی	۷

شیئرز کی خرید و فروخت

ڈائریکٹرز، چیف ایگزیکٹو آفیسر، چیف فائونڈر، کمپنی سیکریٹری، ان کے بیوی، بچے کوئی بھی کمپنی کے شیئرز بیچنے یا خریدنے کا مجاز نہیں اور نہ ہی اس بات کا حق کمپنی ان کو دیتی ہے۔

شیئر ہولڈنگ کا طریقہ کار:

30 جون 2018 تک کی شیئر ہولڈنگ کا طریقہ کار رپورٹ کے ساتھ منسلک ہے۔

آڈیٹر

حالیہ آڈیٹر کمپنی (IEC nets K.S.S.S) جو کہ ریٹائر ہو گئی اور جسے دوبارہ سے 2018-19 کی آڈٹ کرنے کے لیے کمپنی کے ساتھ کام کرنے کی دعوت دی گئی ہے۔ آڈٹ کمیٹی AGM میں شمولیت کرنے کے لیے اس پر اپنی نظر ثانی کر سکتی ہے۔

کمپلینس کی اسٹیٹمنٹ برطانیہ کارپوریٹ گورننس کوڈ

کمپلینس کی اسٹیٹمنٹ کے ساتھ کارپوریٹ گورننس کوڈ اس رپورٹ کے ساتھ منسلک ہے۔

ڈائریکٹرز رپورٹ



اظہار تشکر

بورڈ آف ڈائریکٹرز اس بات بے حد خلوص کے ساتھ اس بات کا شکریہ اور اعتراف کرتے ہیں کہ ہمارے پیٹرن، ڈیلر، سپلائر اور ملازمین نے ہمارا بھرپور ساتھ دیا اور کبھی بھی کمپنی میں اپنی اہمیت اور کمپنی کی جانب اپنے خلوص کو کم ہونے نہیں دیا ہے اور ہمیشہ کمپنی پر اپنے قابل تعریف اعتماد کا مظاہرہ کیا۔

تعلقات برائے (ملازمین اور منجمنٹ)

بورڈ آف ڈائریکٹرز اس بات سے بھی سب کو مطلع کرنا چاہتے ہیں کہ ان کے تمام ممبران، ملازمین، اسٹاف نے کمپنی کی ترقی کے لیے اپنا بھرپور اقدام و کردار ادا کیا اور منجمنٹ اور ملازمین کے درمیان پورے سال ایک گہرہ اور خوشگوار تعلق رہا جس کی وجہ سے کمپنی نے ہر مشکل کا آسانی سامنا اور ترقی کا یہ سفر طے کیا۔

از طرف بورڈ

محمد سلیم احمد
(چیف ایگزیکٹو آفسر)

کراچی: ستمبر، 25، 2018



Chairman's Review

I am pleased to welcome you all in the 31st annual general meeting of the Company and present the annual audited financial statements and audit report for the year ended June 30, 2018.

General Review:

Year under review was challenging on all fronts. Political uncertainty due to election and financial crises has slowed down the overall economic activity.

Industry:

Leather industry is facing slump not only in Pakistan but all over the world due to the competition with artificial leather. Although your Company performed better than the previous years but the performance is yet to be improved.

Company Performance:

Company sales during the year under review increased to Rs. 51.687 Million from Rs. 45.286 Million during the corresponding last year.

Future Outlook:

The future of the company will likely conform to management's efforts. The management is aggressively pursuing international opportunity using effective marketing campaigns, visits to customers in Far East and Europe and development in leather technology. With hard work and perseverance, the management hopes to increase its international presence and regain market share. Your Company is also pursuing to increase local sale of leather in the forthcoming year.

Nevertheless, your management is determined to avail full benefits of the opportunities by continued focus on quality, productivity, cost control.

We seek blessings of Almighty Allah for success of the Company.

Dr. M. Shoaib Ahmed
Chairman

September 25, 2018

نظریہ برائے چیئرمین



بے حد خوشی اور خلوص کے ساتھ میں کمپنی کی 31 ویں سالانہ جنرل میٹنگ میں آپ کو خوش آمدید کہتا ہوں اور کمپنی کی سالانہ فنانشل اسٹیٹمنٹ اور آئیڈٹ رپورٹ سال جون 2018-30 کے ختم ہونے پر آپ کے آگے نظر ثانی کے لیے پیش کرتا ہوں۔

نظریہ برائے جواز:

یہ سال ہم سب کے لیے بہت ہی چیلنجنگ رہا ہے، الیکشن اور سرکاری سرگرمیوں کی وجہ سے کچھ مالی خسارے بھی درپیش ہوئے، اور ایک انکم ایکٹیوٹی کرنے میں شدید دشواریاں پیش آئی۔

انڈسٹری:

لیڈر انڈسٹری کو نہ صرف پاکستان بلکہ پوری دنیا میں بحران کا سامنا تھا، چونکہ لیڈر انڈسٹری کا مقابلہ مصنوعی لیڈر کی کمپنیوں سے تھا، لیکن کمپنی کی بہترین کارکردگی، پالیسی نے نہ صرف کمپنی کو اس بحران سے نجات دلائی بلکہ کمپنی کو ترقی کی طرف گامزن کیا۔

کمپنی کی کارکردگی

یہ کہ کمپنی نے اس سال 51.687 ملین کا سبزلز حاصل کیا ہے جو کہ پچھلے سال کے مقابلہ میں کہیں زیادہ، گزشتہ سال کمپنی نے 45.286 ملین کا سبزلز حاصل کیا تھا، جو کہ اس سال کمپنی نے کہیں زیادہ طور پر محنت کر کے اپنی سبزلز کو بڑھایا ہے۔

مستقبل کے لیے نقطہ نظر:

کمپنی کا مستقبل مینجمنٹ کی محنت اور لگن پر مشتمل ہے۔ مینجمنٹ بہت منصفانہ طور پر بیرونی مواقع کی تلاش میں جو کمپنی کی مارکیٹنگ کمپین کو اور بلند یوں تک پہنچائے، کئی صارفین نے ایسٹ اینڈ یورپ اور لیڈر کی ڈیولپمنٹ ٹیکنالوجی کے حوالے سے بھی اپنی قیمتی رائے فراہم کی۔ اپنی انتھک محنت اور بلند حوصلوں سے مینجمنٹ امید کرتی ہے کہ بیرونی شیئر مارکیٹ میں اپنی کمپنی کے شیئر پرائس کو اونچائیوں تک پہنچائیں اور مینجمنٹ اس بات پر بھی غور کر رہی ہے کہ لیڈر کی لوکل سیل کو بھی بڑھایا جاسکے۔ مینجمنٹ اپنی پوری کوشش کر رہی ہے کہ وہ تمام ترمیموں کو غور طلب کرے اور اپنی صلاحیتوں کا بھرپور فائدہ اٹھاتے ہوئے کواٹری، پراڈکٹیوٹی اور اخراجات میں کمی لاسکے۔ اللہ ہمارا حامی و ناصر ہو کمپنی اور اسکے ملازمین و مالکان کو ترقی کی راہ ہموار کرے۔

ڈاکٹر محمد شعیب احمد

چیئرمین

ستمبر 25، 2018



STATEMENT OF VALUE ADDED

	2018 (Rupees)	%	2017 (Rupees)
WEALTH GENERATED			
TOTAL REVENUE	51,687,730		45,286,416
BROUGHT IN MATERIAL & SERVICES	38,285,978		(32,991,120)
	<u>13,401,752</u>		<u>12,295,296</u>
WEALTH DISTRIBUTED			
TO EMPLOYEES			
SALARIES, BENEFITS & RELATED COST	11,398,180	85.05	10,328,076
TO GOVERNMENT			
INCOME TAX, SALES TAX, IMPORT DUTY AND WORKERS' FUND	455,822	3.40	777,149
RETAINED FOR REINVESTMENT & FUTURE GROWTH			
DEPRECIATION, AMORTISATION	1,547,750	11.55	1,190,071
	<u>13,401,752</u>	100.00	<u>12,295,296</u>

SIX YEARS AT A GLANCE



(Rs in '000)

PARTICULARS	2018	2017	2016	2015	2014	2013
Net Sales	51,688	45,286	20,914	17,170	9,005	15,904
Gross Profit/(loss)	1,875	61	(2,312)	(11,631)	(9,917)	(25,585)
Net Profit/(loss) before tax	(4,773)	(4,790)	(6,672)	(15,371)	(20,963)	(45,790)
Gross Profit/(loss) (%)	3.63	0.13	(11.05)	(67.74)	(110.13)	(160.87)
Net Profit/(loss) (%)	(9.23)	(10.58)	(31.90)	(89.52)	(232.79)	(287.91)
Earning/(loss) per share (after tax)	(1.56)	(1.54)	(2.02)	(4.57)	(6.17)	(13.51)
Current ratio	2.30	2.26	(0.26)	(0.26)	(0.28)	(0.31)



STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

This statement is being presented to comply with the Code of Corporate Governance (CCG) contained in the Rule Book of Pakistan Stock Exchange for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with best practices of corporate governance.

The company has applied the principles contained in the Code in the following manner:

- 1- The Company encourages representation of independent non-executive directors and representing minority interests on its Board of Directors. At present the Board includes:

Category	Names
Independent Non-Executive Director	1. Syed Fawad Hussain Rizvi
Executive Directors	1. Mr. M.Saleem Ahmed 2. Mr.Nayyer Ahmed Jalali
Non-Executive Director	1. Dr. M.Shoaib Ahmed 2. Mr.Azeem Ahmed 3. Mr. Bilal Ahmed 4. Mr. Umer Ahmed

The independent Director meets the criteria of independence as contained in CCG.

- 2- The directors have confirmed that none of them is serving as a director in more than Seven listed companies, including this Company.
- 3- All the resident directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or a NBF1 or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
- 4- The Company would prepare a 'Code of Conduct' and would ensure that appropriate steps would be taken to disseminate it throughout the company along with its supporting policies and procedures and which would be placed on company's website.
- 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 material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO, other executive and none executive directors, have been taken by the Board/share holders.
- 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 and the board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.
- 8- The directors have been made aware of the Listing regulations of Stock Exchanges, the Company's Memorandum and Articles of Association and the CCG during various Board meetings. The directors are therefore well conversant with their duties and responsibilities. Four out of seven Directors meet the exemption requirement of the directors' training program. The Company plans to arrange Director's Training Programs for the remaining three directors at the earliest.

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE



- 9- The Board has approved appointment of CFO & Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment.
- 10- The directors' report for this year has been prepared in compliance with requirements of the Code and fully describes the salient matters required to be disclosed.
- 11- The financial statements of the Company were duly endorsed by CEO and CFO before approval of the Board.
- 12- The directors, CEO and executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholding.
- 13- The Company has complied with all the corporate and financial reporting requirements of the CCG.
- 14- The Board had formed an audit committee. It comprises of three members having an independent director as chairman and two members are non-executive directors.
- 15- The meetings of the audit committee were held at least once every quarter prior to approval of interim and final results of the Company and as required by the CCG. The terms of reference of the committee had been formed and advised to the committee for compliance.
- 16- The board has formed Human Resource & Remuneration Committee. It comprises three members including the chairman and a member of the committee as non-executive director and the other member is an executive director.
- 17- The board has set up an effective internal audit function managed by personnel suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company.
- 18- The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan, that the firm or their spouses and minor children do not hold shares of the company on code of ethics as adopted by Institute of Chartered Accountants of Pakistan.
- 19- The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
- 20- The 'closed period', prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of company's securities, was determined and intimated to directors, employees and stock exchange.
- 21- Material / price sensitive information has been disseminated among all market participants at once through stock exchange.
- 22- We confirm that all other material principles enshrined in the CCG have been complied with.

Karachi: September 25, 2018

(Muhammad Saleem Ahmed)
Chief Executive Officer



REVIEW REPORT TO THE MEMBERS ON STATEMENT OF COMPLIANCE WITH THE BEST PRACTICES OF THE CODE OF CORPORATE GOVERNANCE

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 Lucky Cement 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.

Further, we highlight below the instances of non-compliance with the requirements of the code as reflected in paragraphs 9, 15 and 17 in the Statement of Compliance.

IECnet S.K.S.S.S

Chartered Accountants
Muhammad Ahmad Shahid, FCA
Engagement Partner

PESHAWAR, October 03, 2018

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
PAK LEATHER CRAFTS LIMITED



Report on the Audit of the Financial Statements

Qualified opinion:

We have audited the annexed financial statements of PAK LEATHER CRAFTS LIMITED (the 'Company'), which comprise the Statement of Financial Position as at June 30, 2018, and the Profit & Loss Account and the Statement of 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 (hereinafter referred to as the 'financial statements').

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects the financial position of the company as at June 30, 2018, and of its financial performance and its cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017).

Basis for Qualified Opinion:

1. As explained in Note # 14 of the financial statements, the company has reported outright stagnant liabilities towards various Banks, including markup accrued thereon, in aggregate to a sum of Rs.378.462 M (Rs.378.462 M-2017). The company is in continual default regarding repayment of the said stagnant liability towards these Banks, while matters for settlement thereof are pending in various Courts including High Court of Sindh and Banking Courts at Karachi since long, with no material outcome as on the date of balance sheet. Although, the response of the Legal Advisor engaged by the company was quite encouraging yet we are unable to satisfy ourselves regarding the exactness of these liabilities reflected in the financial statements, as fairly stated;
2. Closing stock of Work in Process (WIP) as of June 30, 2018 stood at a sum of Rs.43.036 M (Rs.40.398 M- June 30, 2017) with background of the said WIP stock, amounting to Rs.39.505 M on June 30, 2016 and Rs.40.147 M on June 30, 2015. No details have been furnished as to the volume of WIP inventory on June 30, 2018 and their physical availability together with the basis of valuation thereof. Consequently, the stocks of WIP appears to be on higher-side compared to the total manufacturing costs of Rs.54.980 M incurred during FY 2017-18 (Rs.30.719 M during FY 2016-17); and
3. Trade debts amounting to Rs.72.250 M as of June 30, 2018 (Rs.82.714 M - 30th June, 2017) considered good for recovery by the management appears to be still doubtful of recovery since the status of trade debts being brought forward from prior years at a sum of Rs.82.714 M on July 01, 2017 (Rs.86.023 M- 2016 and Rs.88.493 M -2015) with trivial percentage of recovery followed by no confirmation from the debtors concerned makes them insecure and distrustful, hence the provisions available against doubtful debts appears to be under-valued to the same extent.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company within the meaning of the Code of Ethics adopted by the Institute of Chartered Accountants of Pakistan and have fulfilled our other responsibilities under those relevant ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our Qualified Opinion.



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PAK LEATHER CRAFTS LIMITED

Key Audit Matters

Key audit matters (KAMs) are those matters that, in our professional judgment, were of most significance in our audit of the financial statements. KAMs are selected from the matters communicated with those charged with governance, but are not intended to represent all matters that were discussed with them. In addition to the matter described in the Basis for Qualified Opinion section of our report, we have determined the matters described below to be the key audit matters. Our audit procedures relating to these matters were designed in the context of our audit of the financial statements as a whole. Our opinion on the financial statements is not modified with respect to any of the key audit matters described below, and we do not express an opinion on these individual matters.

Serial #	Key Audit Matters	How the matter was addressed in our audit
(i)	<p>Changes in financial statements:</p> <p>As stated in note 2 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.</p> <p>The Companies Act, 2017 has also brought certain changes with regard to preparation and presentation of the annual financial statements of the company.</p> <p>As part of the transition to the requirements, the management performed a gap analysis to identify differences between the previous and current financial reporting framework(s) and as a result, certain changes were made in the company's annexed financial statements as fully described in Note # 33 of the financial statements.</p> <p>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 consider it as a key audit matter</p>	<p>We reviewed and understood the requirements of the fourth schedule to the Companies Act, 2017 (XIX of 2017). Our audit procedures included the following:</p> <ul style="list-style-type: none"> - 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 sufficient audit evidence. - Verified on test basis the supporting evidence for the additional disclosures, and ensured appropriateness of the disclosures made.
(ii)	<p>Going concern:</p> <p>Due to accumulated losses the equity of the company has become negative to the tune of Rs.366.240 M (Rs.361.147 M- 2017). However, the current liabilities of the company as of June 30, 2018 amounting to Rs.55.177 M (Rs.25.142 M-2017) were found noticeably lower than the current assets, besides the fact that the turnover of the company included export sales of Rs.38.881 M (Rs.26.485 M- 2017), hence considered to be a distinct move towards restructuring as fully described in Note # 29 of the financial statements.</p>	<p>Verified underlying documentation indicating rise in exports, and efforts otherwise made by the management to improve financial state of affairs of the company.</p> <p>Obtained commitments from the directors for raising paid up capital of the company, by or before December 31, 2018.</p>

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
PAK LEATHER CRAFTS LIMITED



Serial #	Key Audit Matters	How the matter was addressed in our audit
(iii)	<p>Deferred liabilities:</p> <p>A sum of Rs.1,655,176/- brought forward from prior years as liability towards 'staff retirement benefits' was found to have been added back during the year under audit, on the understanding that the company is no longer liable to pay any gratuity since no permanent employees exists in the company.</p>	<p>Verified stance of the company by obtaining written representation from those charged with the governance with respect to adding back of the liability accounted for during prior years.</p> <p>Verified payroll and list of employees provided by the management showing "non-existence" of permanent employees in the company.</p>
(iv)	<p>Revaluation of assets:</p> <p>IAS-16 (Property, plant & equipment) obligates the entities to revalue the property, plant and equipment at its fair value at the revaluation date less subsequent accumulated depreciation impairment. It is further obligated that the revaluation should be carried out with sufficient regularity so that the carrying amount doesn't differ materially from that which would be determined using fair value at the reporting date. It has been observed that the fixed assets of the company have not been revalued despite apparent material variance between the cost and their respective current fair value.</p>	<p>Drawn attention of the management for accomplishment of professional valuation for the assets owned by the company, such as; Land, Building and Plant & equipment for which necessary assurance has already been received from the management.</p>
(v)	<p>Reclassification and regrouping:</p> <p>During the year under audit the management preferred to reclassify certain current liabilities into non-current liabilities on the assumption that the liabilities in question were no longer anticipated for payment within next twelve months as they were noticeably found stagnant and still for the past over five years. Hence, reclassified the same as non-current liabilities by restating figures of the previous year for comparison purpose.</p> <p>Likewise, a transaction of sale-return recorded during the year under audit was found reversed on the analogy that the transaction was erroneously recorded in anticipation of completion of the requisite procedures as well as no goods were practically returned.</p>	<p>Verified stance of the management with respect to reclassification and presentation of financial statements as a whole, in accordance with the disclosure requirements under the Companies Act 2017 in particular.</p> <p>Verified authenticity of the reversal transaction besides validating their proper disclosure in the financial statements.</p>



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF **PAK LEATHER CRAFTS LIMITED**

Going Concern:

The Company's financial statements have been prepared using the going concern basis of accounting. The use of this basis of accounting is appropriate unless management either intends to liquidate the Company or to cease operations; or has no realistic alternative but to do so. As part of our audit of the financial statements, we have concluded that management's use of the going concern basis of accounting in the preparation of the Company's financial statements is appropriate. Management has not identified a material uncertainty that may cast significant doubt on the entity's ability to continue as a going concern, and accordingly none is disclosed in the financial statements. Based on our audit of the financial statements, we also have not identified such a material uncertainty. However, neither management nor the auditors can guarantee the Company's ability to continue as a going concern.

Responsibilities of Management for the Financial Statements:

Management of the company 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 controls as management determines is necessary to enable the preparation of financial statements that are free from material misstatements, 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 auditors' 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
PAK LEATHER CRAFTS LIMITED



- 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 auditors' 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 auditors' 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.

Report on Other Legal and Regulatory Requirements:

Based on our audit, we further report that in our opinion:

- Proper books of account have been kept by the company as required by the Companies Act, 2017 (XIX of 2017);
- the Statement of Financial Position, the Profit & Loss Account and the Statement of Other Comprehensive Income, 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;
- Investments made, expenditure incurred and guarantees extended during the year were for the purpose of the company's business; and
- 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 **Mr. Muhammad Ahmad Shahid FCA.**

PESHAWAR
DATED: October 03, 2018

IECnet S.K.S.S.S.,
CHARTERED ACCOUNTANTS



STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2018

	NOTE	2018 RUPEES	2017 (Restated) RUPEES
ASSETS			
Non current assets			
Property, plant and equipment	5	24,196,410	17,073,201
Long terms deposits	6	<u>1,409,612</u>	<u>1,409,612</u>
		25,606,022	18,482,813
Current assets			
Stores, spares and loose tools	7	<u>317,487</u>	317,487
Stock in trade	8	<u>50,579,192</u>	38,023,482
Trade debtors	9	<u>72,250,729</u>	82,714,267
Advances and other receivables	10	<u>2,599,313</u>	1,693,952
Tax refund due from government	11	<u>622,908</u>	546,877
Cash and bank balances	12	<u>388,849</u>	1,369,013
		126,758,478	124,665,078
TOTAL ASSETS		<u>152,364,500</u>	<u>143,147,891</u>
CAPITAL AND LIABILITIES			
Share capital and reserves			
Share capital	13	34,000,000	34,000,000
Unappropriated loss		<u>(400,627,157)</u>	<u>(395,337,554)</u>
		<u>(366,627,157)</u>	<u>(361,337,554)</u>
Non current liabilities			
Stagnant liabilities towards banks	14	378,461,814	378,461,814
Other liabilities	15	<u>85,352,742</u>	<u>70,990,918</u>
		463,814,556	449,452,732
Current liabilities			
Trade and other payables	16	55,177,101	55,032,713
Contingencies & commitments			
	17	<u>-</u>	<u>-</u>
		<u>152,364,500</u>	<u>143,147,891</u>

The annexed notes form an integral part of these financial statements.

MUHAMMAD SALEEM AHMED
CHIEF EXECUTIVE OFFICER

NAYYER AHMED JALALI
DIRECTOR

NASEER AHMED
CHIEF FINANCIAL OFFICER

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED JUNE 30, 2018



	NOTE	2018 RUPEES	2017 RUPEES
Sales	18	51,687,730	45,286,415
Cost of sales	19	49,813,042	45,225,060
Gross profit		1,874,688	61,355
Operating cost			
Administrative	20	4,173,320	3,752,938
Selling & distribution	21	8,550,760	1,617,695
		12,724,080	5,370,633
Operating Loss		(10,849,392)	(5,309,278)
Other income	22	6,716,657	1,080,493
		(4,132,735)	(4,228,785)
Finance cost	23	639,991	561,198
Loss before taxation		(4,772,726)	(4,789,983)
Taxation - Current	24	516,877	452,864
Loss for the year		(5,289,603)	(5,242,847)

The annexed notes form an integral part of these financial statements.

MUHAMMAD SALEEM AHMED
CHIEF EXECUTIVE OFFICER

NAYYER AHMED JALALI
DIRECTOR

NASEER AHMED
CHIEF FINANCIAL OFFICER



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

	2018 RUPEES	2017 RUPEES
Loss for the year	(5,289,603)	(5,242,847)
Other comprehensive income	-	-
Total comprehensive income	<u>(5,289,603)</u>	<u>(5,242,847)</u>

The annexed notes form an integral part of these financial statements.

MUHAMMAD SALEEM AHMED
CHIEF EXECUTIVE OFFICER

NAYYER AHMED JALALI
DIRECTOR

NASEER AHMED
CHIEF FINANCIAL OFFICER

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2018



	2018 RUPEES	2017 RUPEES
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before taxation	(4,772,726)	(4,789,983)
Adjustment for non-cash changes and other items:		
Depreciation	1,547,750	1,190,071
Reversal of provision due to sale of inventory	-	-
Gain on disposal	(336,706)	-
Bad debts written off	5,692,086	-
Prior year income	(4,850,322)	-
Financial charges	639,991	561,198
	2,692,799	1,751,269
	(2,079,927)	(3,038,714)
Changes in working capital		
(Increase) / decrease in current assets		
Stores, spares and loose tools	-	-
Stock in trade	(12,555,710)	4,880,217
Trade debts	10,463,538	3,308,910
Advances and other receivables	(905,361)	(1,517,325)
Tax refunds due from government	(76,031)	(324,284)
	(3,073,564)	6,347,518
Increase / (decrease) in current liabilities		
Trade and other payables	(697,376)	(3,534,986)
Cash generated from operations	(5,850,867)	(226,182)
Financial charges paid	(639,991)	(561,198)
Income tax paid	(516,877)	(452,864)
	(1,156,868)	(1,014,062)
Net cash flow from operating activities	(7,007,735)	(1,240,244)
CASH FLOW FROM INVESTING ACTIVITIES		
Addition in fixed assets	(8,724,253)	(360,000)
Sale proceeds from disposal of fixed assets	390,000	-
Net cash flow from investing activities	(8,334,253)	(360,000)
CASH FLOW FROM FINANCING ACTIVITIES		
Other liabilities	14,361,824	2,716,030
Net cash flow from investing activities	14,361,824	2,716,030
Net cash and cash equivalents	(980,164)	1,115,786
Cash and cash equivalents at the beginning of the year	1,369,013	253,227
Cash and cash equivalents at the end of the year	388,849	1,369,013

The annexed notes form an integral part of these financial statements.

MUHAMMAD SALEEM AHMED
CHIEF EXECUTIVE OFFICER

NAYYER AHMED JALALI
DIRECTOR

NASEER AHMED
CHIEF FINANCIAL OFFICER



STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 30, 2018

Particulars	Share Capital	Unappropriated (loss)	Total
	<-----(all amount in PKR)----->		
Balance as on July 01, 2016	34,000,000	(390,094,707)	(356,094,707)
Total comprehensive income for the year	-	(5,242,847)	(5,242,847)
Balance as on June 30, 2017	<u>34,000,000</u>	<u>(395,337,554)</u>	<u>(361,337,554)</u>
Balance as on July 01, 2017	34,000,000	(395,337,554)	(361,337,554)
Total comprehensive income for the year	-	(5,289,603)	(5,289,603)
Balance as on June 30, 2018	<u>34,000,000</u>	<u>(400,627,157)</u>	<u>(366,627,157)</u>

The annexed notes form an integral part of these financial statements.

MUHAMMAD SALEEM AHMED
CHIEF EXECUTIVE OFFICER

NAYYER AHMED JALALI
DIRECTOR

NASEER AHMED
CHIEF FINANCIAL OFFICER



1. LEGAL ENTITY & NATURE OF BUSINESS

The company is a Public Limited Company incorporated in Pakistan under the Companies Ordinance, 1984 and is quoted on Pakistan Stock Exchange. The principal activity of the Company is leather tanning and export of leather and leather garments. The registered office of the company is situated at Plot # 18, Sector 7-A, Korangi Industrial Area, Karachi.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board as are notified under the Companies Act, 2017 and provisions and directives issued under the Companies Act, 2017. In case requirements differ, the provisions and directives issued under the Companies Act, 2017 shall prevail.

3. BASIS OF PREPARATION

These financial statements have been prepared on the basis of 'historical cost convention' except for recognition of certain employee retirement benefits at present value.

Functional and presentation currency

These financial statements are presented in Pakistani Rupee which is the company's functional and presentation currency.

Use of 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 judgement in the process of applying the Company's accounting policies. Estimates and judgements 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 judgements which are significant to the financial statements:

- (a) Determining the useful lives of property and equipment
- (b) Stores, spares and loose tools
- (c) Stock in trade
- (d) Recognition of taxation

3.1 Amendments to approved accounting and reporting standards which are effective during the year ended June 30, 2018

There were certain new amendments to the approved accounting and reporting standards which became effective during the year ended June 30, 2018 but are considered not to be relevant or have any significant effect on the Company's financial reporting except as mentioned below and are therefore, not disclosed in these financial statements.

The third and fourth schedule to the Companies Act, 2017 became applicable to the company for the first time for the preparation of these financial statements. The Companies Act, 2017 (including its third and fourth schedule) forms an integral part of the statutory financial reporting framework applicable to the Company and amongst others, prescribes the nature and content of disclosures in relation to various elements of the financial statements.



Notes to the Financial Statements for the year ended June 30, 2018

3.2 Standards and amendments to published approved accounting standards that are not yet effective

There are certain new standards, amendments and interpretations to the approved accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after July 01, 2018. However, these amendments will not have any significant impact on the financial reporting of the Company and therefore have not been disclosed in these financial statements. During the current year the Securities & Exchange Commission of Pakistan (SECP) has adopted IFRS 9 "Financial Instruments", IFRS 15 "Revenue from Customers" and IFRS 16 "Leases" which will not have any significant impact on the financial reporting of the Company.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 Property, plant & equipment

Property, plant & equipment are stated at cost less accumulated depreciation and accumulated impairment losses if any, except freehold land and capital work in progress, which are stated at cost less impairment losses if any. Depreciation is charged to income using the reducing balance method on all assets at the rates reflected in the relevant note of Property, plant & equipment.

Depreciation on additions is charged from the month the asset is available for use and in case of disposal up to the month preceding the month of disposal. Residual values, useful lives and methods of depreciation are reviewed at each balance sheet date and adjusted if expectations differ significantly from previous estimates. An asset's carrying amount is written down immediately to its recoverable amount if asset's carrying amount is greater than its estimated recoverable amount.

Useful lives are determined by the management based on expected usage of asset, expected physical wear and tear, technical and commercial obsolescence, legal and similar limits on the use of the assets and other similar factors.

Maintenance and normal repairs are charged to income as and when incurred. Major renewals and improvements are capitalized. Gains or losses on disposal of assets are included in current income.

Expenditure incurred subsequent to the initial acquisition of assets is capitalized only when it increases the future economic lives embodied in the items of Property, plant & equipment.

4.2. Stores, spares & loose tools

These are principally valued at weighted average cost. Item in transit and in bonded warehouse are valued at cost comprising invoice value and related cost to balance sheet date. Values of items are reviewed at each balance sheet date to record provision for any slow moving and obsolete item.

4.3 Stock in trade

Stock in trade is valued at lower of cost and net realizable value (NRV). Cost signifies in relation to:



Raw material and components	Weighted average method
Work - in - process	Net realizable value (NRV)
Finished goods	Cost
Scrap	Net realizable value (NRV)

The cost of work in process and finished goods comprises of direct material, direct labour and applicable production overheads. Cost is determined on weighted average method.

Net realizable value signifies the estimated selling price in the ordinary course of business less cost necessary to make the sale. Provision is made for obsolete and slow moving stock when considered necessary.

4.4 Trade debts and other receivables

Trade debts and other receivables are stated at original invoice amount as reduced by appropriate provision for debts/receivables considered to be doubtful. Provision for doubtful debts is based on the management's assessment of customers outstandings and credit worthiness. Bad debts are written off as and when identified.

4.5 Borrowing costs

Borrowing costs are recognized as an expense in the period in which they are incurred, except that those which are directly attributable to the acquisition, construction or production of qualifying asset (i.e. 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 that asset, until such time as the asset is substantially ready for the intended use.

4.6 Provisions

Provisions are recognized when the company has legal or constructive obligation as a result of past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

4.7 Trade and other payables

Liabilities for trade and other amounts payable are carried at cost, which is the fair value of the consideration to be paid in the future for goods and services, whether or not billed to the company.

4.8 Taxation

Current

Provision of current tax is based on the taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for the current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year if enacted after taking into account tax credits, rebates and exemptions, if any. The charge for the current tax also includes adjustments, where considered necessary, to provide for tax made in previous years arising from assessments framed during the year for such years.



Notes to the Financial Statements for the year ended June 30, 2018

Deferred

Deferred taxation is provided, proportionate to local sales, using the balance sheet liability method, on all Temporary differences at the balance sheet date between the tax base of assets and liabilities and their carrying amounts for the financial reporting purposes. Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences to the extent it is probable that taxable profits will be available against which the deductible temporary differences can be utilized. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax relating to items recognized directly in equity is recognized in equity and not in the profit and loss account.

Sales tax

Revenue, expenses and the assets are recognized net off amount of sales tax except (a) where the sales tax incurred on purchase of asset or service is not recoverable from the taxation authority, in that case, the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable; and (b) receivables or payables are stated including the amounts of sales tax.

4.9 Dividend and other appropriation

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

4.10 Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable. Revenue is recorded on dispatch of goods.

4.11 Financial instruments

All financial assets and liabilities are recognized at the time when the company becomes a party to the contractual provisions of the instruments. All the financial assets are derecognized at the time when the company loses control of contractual rights that comprise the financial assets. All financial liabilities are derecognized at the time when they are extinguished i.e. when the obligation specified in the contract is discharged, cancelled, or expired. Any gain or loss on recognition / de-recognition of the financial assets and liabilities is taken to profit and loss account currently.

Financial assets and financial liabilities are initially measured at cost, which is the fair value of the consideration given and received respectively. These financial assets and liabilities are subsequently measured at fair value, amortized cost or cost, as the case may be.

4.12 Long and short term borrowings

These are recorded at the amount received. Instalments due within one year are shown as current liability and markup on borrowings is charged as an expense on accrual basis.



4.13 Compensated absences

The liability for accumulated compensated absences of employees is recognized in the period in which employees render services that increase their entitlement to future compensated absences.

4.14 Foreign currency translation

Foreign currency transactions are translated into rupees at the rates of exchange approximating those prevailing on the date of transactions. Monetary assets and liabilities in foreign currencies are translated into rupees at the rates of exchange approximating those prevailing at the balance sheet date. Exchange gains and losses are included in the profit and loss account. Non-monetary foreign currency assets and liabilities, which are carried at historical cost in foreign currencies, are translated into rupees at the rates of exchange existing on the date of transaction.

4.15 Impairment

The carrying amounts of the Company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment loss. If any such indication exists the asset's recoverable amount is estimated in order to determine the extent of the impairment loss if any. Impairment losses are recognized as expense in profit and loss account.

4.16 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purpose of cash flow statement, cash and cash equivalents include cash in hand, deposits held with banks, other short term highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of change in value.

4.17 Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the financial statements only when the Company has legally enforceable right to offset the recognized amounts and the Company intends either to settle on a net basis, or realize the assets or to settle the liabilities simultaneously.

4.18 Related party transactions

Transactions involving related parties arising in the normal course of business are conducted at arm's length of normal commercial rates on the same terms and conditions as third party transactions using valuation modes as admissible.



Notes to the Financial Statements for the year ended June 30, 2018

5. PROPERTY, PLANT AND EQUIPMENT

5.1 OPERATING FIXED ASSETS

(Amount in Rupees)

PARTICULARS	Cost				Rate	Depreciation				W.D.V
	As at July 01, 2017	Additions	(Deletion)	As at June 30, 2018		As at July 01, 2017	(Deletion)	Charge for the year	As at June 30, 2018	As at June 30, 2018
Leasehold land	6,382,167	-	-	6,382,167	-	-	-	-	-	6,382,167
Building on leasehold land	15,527,966	570,343	-	16,098,309	10%	14,412,899	-	124,122	14,537,021	1,561,288
Plant and machinery	79,029,481	6,763,910	(600,000)	85,193,391	10%	70,269,372	(558,362)	1,150,341	70,861,351	14,332,040
Furniture and fixture	5,103,287	-	-	5,103,287	10%	4,790,085	-	31,320	4,821,405	281,882
Motor vehicles	10,115,404	1,390,000	(1,891,000)	9,614,404	20%	10,051,714	(1,879,344)	198,071	8,370,441	1,243,963
Office equipment	6,864,007	-	-	6,864,007	10%	6,451,675	-	41,233	6,492,908	371,099
Books	75,000	-	-	75,000	10%	48,366	-	2,663	51,029	23,971
June 30, 2018	123,097,312	8,724,253	(2,491,000)	129,330,565		106,024,111	(2,437,706)	1,547,750	105,134,155	24,196,410

(Amount in Rupees)

PARTICULARS	Cost				Rate	Depreciation				W.D.V
	As at July 01, 2016	Additions	(Deletion)	As at June 30, 2017		As at July 01, 2016	(Deletion)	Charge for the year	As at June 30, 2017	As at June 30, 2017
Leasehold land	6,382,167	-	-	6,382,167	-	-	-	-	-	6,382,167
Building on leasehold land	15,527,966	-	-	15,527,966	10%	14,289,003	-	123,896	14,412,899	1,115,067
Plant and machinery	78,669,481	360,000	-	79,029,481	10%	69,302,693	-	966,679	70,269,372	8,760,109
Furniture and fixture	5,103,287	-	-	5,103,287	10%	4,755,285	-	34,800	4,790,085	313,202
Motor vehicles	10,115,404	-	-	10,115,404	20%	10,035,792	-	15,922	10,051,714	63,690
Office equipment	6,864,007	-	-	6,864,007	10%	6,405,860	-	45,815	6,451,675	412,332
Books	75,000	-	-	75,000	10%	45,407	-	2,959	48,366	26,634
June 30, 2017	122,737,312	360,000	-	123,097,312		104,834,040	-	1,190,071	106,024,111	17,073,201

**2018
RUPEES**

**2017
RUPEES**

Allocation of depreciation

Cost of sales	1,454,885	1,118,667
Administrative	92,865	71,404
	<u>1,547,750</u>	<u>1,190,071</u>

5.1 Fixed assets disposed off during the year

The operating fixed assets disposed off during the year had an aggregate net book value less than Rs. 500,000.

**'Total area of land
in square yards**

5.2 Immovable fixed assets of the company

Head office	Plot # 18, Sector 7-A, Korangi Industrial Area, Karachi, Pakistan.	2,667
Production facility	Plot # 18, Sector 7-A, Korangi Industrial Area, Karachi, Pakistan.	2,667

Notes to the Financial Statements for the year ended June 30, 2018



	2018 RUPEES	2017 RUPEES
6. LONG TERM DEPOSITS		
Utilities	843,112	843,112
Clubs	42,000	42,000
Petrol pump	60,000	60,000
Others	464,500	464,500
	1,409,612	1,409,612
7. STORES, SPARES AND LOOSE TOOLS		
Loose tools	317,487	317,487
	317,487	317,487
8. STOCK IN TRADE		
Raw material	13,777,854	9,026,378
Work in process	43,035,060	40,398,160
Finished goods (8.1)	55,241,165	50,073,831
	112,034,079	99,498,369
Provision for write down of inventory (8.2)	61,474,887	61,474,887
	50,579,192	38,023,482
8.1 This includes stock of Rs. 42,803,921 (2017 Rs. 42,803,921) pledged with bank against export refinance facility.		
8.2 Provision for write down of inventory		
Provision as at July 01,	61,474,887	70,656,939
Reversal of provision due to sale of inventory	-	9,182,052
	61,474,887	61,474,887
9. TRADE DEBTORS - Unsecured		
Considered good	72,250,729	82,714,267
Considered doubtful	9,375,890	9,375,890
	81,626,619	92,090,157
Provision for doubtful debts	9,375,890	9,375,890
	72,250,729	82,714,267
10. ADVANCES AND OTHER RECEIVABLES		
Advance to suppliers - Unsecured	1,056,615	596,832
Other receivables - Duty drawback	3,208,961	2,763,383
	4,265,576	3,360,215
Provision for duty drawback	1,666,263	1,666,263
	2,599,313	1,693,952



Notes to the Financial Statements for the year ended June 30, 2018

	2018 RUPEES	2017 RUPEES
11. TAX REFUND DUE FROM GOVERNMENT		
Advance income tax - <i>Prior year</i>	142,547	222,593
Advance income tax - <i>Current year</i>	410,222	372,818
	<u>552,769</u>	<u>595,411</u>
Provision for the year	516,877	452,864
	<u>35,892</u>	<u>142,547</u>
Sales tax refundable	<u>2,189,827</u>	<u>2,007,141</u>
Provision for sales tax refundable	<u>1,602,810</u>	<u>1,602,810</u>
	<u>587,017</u>	<u>404,331</u>
	<u>622,908</u>	<u>546,877</u>
12. CASH AND BANK BALANCES		
Cash in hand	46,436	459,772
Cash at bank - <i>Current account</i>	342,413	909,241
	<u>388,849</u>	<u>1,369,013</u>
13. SHARE CAPITAL		
Authorised capital		
5,000,000 Ordinary shares of Rs. 10/- each.	<u>50,000,000</u>	<u>50,000,000</u>
Issued, subscribed and paid up capital		
3,400,000 Ordinary shares of Rs. 10/- each, fully paid.	<u>34,000,000</u>	<u>34,000,000</u>

13.1 There were no movements during the reporting period.

13.2 The company has one class of ordinary shares which carries no right to fixed income.

13.3 The company has no reserve shares for issuance under options and sales contracts.

	Note	2018 RUPEES	2017 RUPEES
14. STAGNANT LIABILITIES TOWARDS BANKS			
Liabilities classifiable as 'utterly stagnant' for the past over five years or so, are made up as follows:			
Demand finance	14.1	46,903,419	46,903,419
Export refinance	14.1	202,850,004	202,850,004
Running finance	14.3	4,679,088	4,679,088
Markup on bank borrowings	14.4	124,029,303	124,029,303
		<u>378,461,814</u>	<u>378,461,814</u>

14.1 Demand finance

This represents term finance facility obtained by the company from NIB Bank Limited with a limit of Rs.25 Million obtained in the year 2009 in addition to a demand finance facilities obtained from Habib Bank Limited to the tune of Rs.37.571 Million and Rs.4.571 Million during or unto 2011.



14.2 Export refinance

The company had arranged export refinance facilities from various commercial banks on markup rates prescribed by the State Bank of Pakistan from time to time. These facilities have not been renewed by the Banks and have become overdue for payment, except for Habib Bank Limited carrying Rs.7.850 Million (Rs.7.850 M – 2017). Other banks have filed suits for recovery as more elaborately explained in Notes # 17.1, 17.2, 17.3, 17.4 & 17.5 of these financial statements.

14.3 Running finance

These facilities (export-refinance/running-finance) are fully secured against first pari-passu hypothecation charge over the stocks and book-debts, first mortgage charge of building, plant and machinery installed at Plot # 18, Sector 7-A, Korangi Industrial Area, Karachi, personal guarantees of the directors of the company, pledge over stocks and hypothecation on machinery, lien over import and export documents.

14.4 Markup on bank borrowings

The markup comprises of finance cost accrued towards long term borrowing Rs.43.206 M (Rs.43.206 – 2017) and Rs.80.823 M (Rs.80.823 M- 2017) which are under litigation with the respective Banks as more elaborately explained in Note # 17.1 of these financial statements.

	Note	2018 RUPEES	2017 RUPEES
15. OTHER LIABILITIES			
These are made up as follows:			
Directors' loan	15.1	67,975,852	51,958,852
Loan from others	15.2	17,376,890	17,376,890
Staff retirement benefits	15.3	-	1,655,176
		<u>85,352,742</u>	<u>70,990,918</u>

15.1 Directors' loan

This represents interest free loans received from directors of the company from time to time. In view of the financial constraints at the company's end, the directors are willing to convert their loans into share capital of the company, if so required.

15.2 Loan from others

This represents interest free loans received from family friends of CEO of the company. In view of the financial constraints at the company's end, the aforesaid liability is likely to be converted into share capital of the company, if so required.

15.3 Staff retirement benefit - Gratuity

The entire liability towards staff retirement benefits–gratuity has been added back during the year since there were no permanent employees on the strength of the company. The movement in liability stood as follows:



Notes to the Financial Statements for the year ended June 30, 2018

	2018 RUPEES	2017 RUPEES
Movement in liability recognized in balance sheet		
Balance as on July 01,	1,655,176	1,655,176
Amount written back during the year	(1,655,176)	
Amount recognized during the year	-	-
Benefit payments made directly by the company	-	-
Balance as at June 30,	<u>-</u>	<u>1,655,176</u>
Present value of defined benefit obligation		
Present value of defined benefit obligation	-	1,655,176
Actuarial gains/(losses) recognized	-	-
Net present value of defined benefit obligation as at June 30,	<u>-</u>	<u>1,655,176</u>

2018	2017	2016	2015	2014
-	1,655,176	1,655,176	1,655,176	1,655,176

Experience adjustments Gain/(loss) obligations as percentage of plan assets

2018	2017	2016	2015	2014
0%	0%	0%	0%	0%

	2018 RUPEES	2017 RUPEES
16. TRADE AND OTHER PAYABLES		
Creditors	16,101,310	45,470,595
Accrued liabilities	2,359,385	3,210,271
LC payables	29,890,889	-
Advance from customers	5,444,089	4,966,862
Tax deducted at source	11,763	15,320
Workers' welfare fund	907,066	907,066
Compensated absences	320,091	320,091
Unclaimed dividend	142,508	142,508
	<u>55,177,101</u>	<u>55,032,713</u>

17. CONTINGENCIES AND COMMITMENTS

Contingencies

- 17.1 United Bank Limited has filed a suit No B-141 under the provision of Financial Institutions (Recovery of Finances) Ordinance, 2001 and seeks the recovery of Rs. 135.54 million plus cost of funds (2017: 135.54 million) from the company and its directors/shareholders in their capacity as guarantors of the company's liabilities. The liability is booked by the company and the case is pending before the High Court of Sindh. According to the legal council of the Company evidences provided by the bank are not sufficient to establish the bank's entitlement to the amount claimed. Therefore, the bank's case against the company and its directors/shareholders will be difficult to establish. The total markup on outstanding balance of United Bank Limited Rs. 34.829 (2017: Rs 34.829) million is booked by the company and no further markup is being provided as the case is filed in the court by the bank.



- 17.2** Al Baraka Bank Pakistan Limited has filed a suit No B-26 under the provision of the Financial Institutions (Recovery of Finances) Ordinance, 2001 and seeks the recovery of Rs. 50.543 (2017: Rs. 50.543) million along with the profit, cost of fund and charity from the company and its Directors/Shareholders in their capacity as guarantors of the company's liability. The liability is booked by the company and the case is pending before the High Court of Sindh. The company has filed an application for leave to defend and the grounds taken by the company could not be addressed by the bank in their reply. Accordingly, according to legal counsel, leave to defend should be granted in the circumstances. Total profit and charity of Rs. 7.234 million (2017: Rs. 7.234 million) is provided by the company and no further profit and charity is being provided as the bank has filed the case in the Court against the Company.
- 17.3** NIB Bank Limited has filed a suit No B-86 under Financial Institutions (Recovery of Finances) Ordinance, 2001 for recovery of Rs 114.287 million plus markup and cost of funds from the company and its directors and financial institutions. The liability is booked by the company and the case is pending before the High Court of Sindh. Application seeking leave to defend has been filed by the company. In the opinion of company legal counsel leave to defend should be granted in the circumstances.
- 17.4** Industrial Development Bank of Pakistan (IDBP) has filed a suit No: 43 under Financial Institutions(Recovery of Finances) Ordinance, 2001 for recovery of Rs 28.936 million from the company and its Directors/Shareholders in their capacity as alleged guarantors of the company's liabilities. The above amount has been claimed in respect of an ERF Facility of Rs 40 million extended to the company in the year 2001. The liability is booked by the company, an application for leave to defend the suit has been filed by the company on the basis of grounds raised in the leave to defend application the entire suit amount is disputed by the company whereas amounts of Rs. 15,987,395 are time barred. The Plaintiff has yet to file its replication to the company's application for leave to defend.
- 17.5** Habib Bank Limited has filed a suit No. 54 under Financial Institutions (Recovery of Finances) Ordinance, 2001 for recovery of Rs. 8.054 million from the company and its Directors/Shareholders in their capacity as alleged guarantors of the company's liabilities. The above amount has been claimed in respect of Demand Finance facility of Rs 10 million. The liability is booked by the company. According to the legal counsel, leave to defend applications filed by the company were refused while the company has filed an appeal in the High Court of Sindh (First Appeal No. 19 of 2017).
- 17.6** The Securities and Exchange Commission of Pakistan had initiated investigation u/s 263 of the Companies Ordinance, 1984 relating to the affairs of the company vide order dated April 24, 2012 followed by responses made by the company from time to time, finally vide company's letter dated July 19, 2012. The outcome of the proceedings is awaited at the SECP's end.

Commitments

There are no commitments as at Balance Sheet date.



Notes to the Financial Statements for the year ended June 30, 2018

	Note	2018 RUPEES	2017 RUPEES
18. SALES			
Export:			
Leather		38,575,640	26,485,566
Garments		<u>305,921</u>	<u>-</u>
		<u>38,881,561</u>	<u>26,485,566</u>
Local sale:			
Leather		-	6,000,000
Job work income		<u>13,593,715</u>	<u>12,800,849</u>
		<u>13,593,715</u>	<u>18,800,849</u>
Commission and discount		<u>(787,546)</u>	<u>-</u>
		<u>51,687,730</u>	<u>45,286,415</u>
19. COST OF SALES			
Opening stock of finished goods		50,073,831	64,579,545
Cost of goods manufactured	19.1	<u>54,980,376</u>	<u>30,719,346</u>
		<u>105,054,207</u>	<u>95,298,891</u>
Less: Closing stock of finished goods		<u>55,241,165</u>	<u>50,073,831</u>
		<u>49,813,042</u>	<u>45,225,060</u>
19.1 Cost of goods manufactured			
Raw material consumed	19.1.1	33,602,569	19,139,836
Salaries, wages, allowances and benefits		9,732,111	8,624,076
Power, fuel and water		7,770,130	8,018,288
Repair and maintenance		4,538,332	3,628,594
Cartage and carriage		219,320	169,920
Rent, rates and taxes		95,000	95,077
Depreciation		1,454,885	1,118,667
Other factory overheads		<u>204,929</u>	<u>-</u>
		<u>57,617,276</u>	<u>40,794,458</u>
Work in process:			
As at July 01,		<u>40,398,160</u>	39,505,100
As at June 30,		<u>43,035,060</u>	<u>40,398,160</u>
		<u>(2,636,900)</u>	<u>(893,060)</u>
Reversal of provision due to sale of inventory		-	9,182,052
		<u>54,980,376</u>	<u>30,719,346</u>
19.1.1 Raw material consumed			
As at July 01,		9,026,378	9,475,993
Purchased during the year		<u>38,354,045</u>	<u>18,690,221</u>
Available for consumption		<u>47,380,423</u>	<u>28,166,214</u>
As at June 30,		<u>13,777,854</u>	<u>9,026,378</u>
		<u>33,602,569</u>	<u>19,139,836</u>

Notes to the Financial Statements for the year ended June 30, 2018



	Note	2018 RUPEES	2017 RUPEES
20. ADMINISTRATIVE			
Directors' remuneration	29	1,086,000	1,314,000
Salaries and other benefits		580,069	390,000
Telephone, fax and postage		357,505	366,808
Fee and subscription		143,795	180,985
Printing and stationary		203,740	130,719
Repair and maintenance		753,215	447,391
Vehicle running expenses		60,870	55,345
Legal and professional charges		190,800	120,000
Auditors' remuneration		600,000	600,000
Advertisement		11,820	30,275
Depreciation		92,865	71,404
Others		92,641	46,011
		<u>4,173,320</u>	<u>3,752,938</u>
20.1 Auditors' remuneration			
Half year review		100,000	100,000
Audit fee		350,000	350,000
Out of pocket expenses		10,000	10,000
Other professional services		140,000	140,000
		<u>600,000</u>	<u>600,000</u>
21. SELLING AND DISTRIBUTION			
Freight charges		1,922,220	1,173,670
Travelling & conveyance		313,720	148,210
Others		622,734	295,815
Bad debt written off		5,692,086	-
		<u>8,550,760</u>	<u>1,617,695</u>
22. OTHER OPERATING INCOME			
Duty draw back		1,529,629	1,080,493
Liabilities written off		4,850,322	-
Gain on disposal		336,706	-
		<u>6,716,657</u>	<u>1,080,493</u>
23. FINANCE COST			
Bank charges		<u>639,991</u>	<u>561,198</u>
24. TAXATION			
Current year		<u>516,877</u>	<u>452,864</u>
		<u>516,877</u>	<u>452,864</u>

In view of the management, sufficient taxation has been made in the company's financial statements. Comparison of tax provisions as per the financial statements viz-a-viz tax assessment for the last three years, being deemed assessment, is as follows:



Notes to the Financial Statements for the year ended June 30, 2018

	2017	2018	2019
Tax assessed as a deemed assessment order	452,864	210,000	162,000
Provision in accounts for income tax	452,864	210,000	162,000

25. BASIC EARNING PER SHARE

25.1 Basic EPS

Basic earning per share has been computed by dividing the net loss for the year after taxation by the weighted average number of shares outstanding during the year.

	Note	2018 RUPEES	2017 RUPEES
Loss after taxation for the year		(5,289,603)	(5,242,847)
Weighted average number of ordinary shares		3,400,000	3,400,000
Loss per share		(1.56)	(1.54)

25.2 Diluted EPS

No figure for diluted earning per share has been presented as the company has not yet issued any instruments which would have an impact on basic earnings/(loss) per share when exercised.

26. REMUNERATION OF CHIEF EXECUTIVE AND DIRECTORS

Remuneration	Chief Executive		Directors		Total	
	2018	2017	(Rupees)		2018	2017
Managerial	380,160	380,160	314,880	460,800	695,040	840,960
Housing rent	171,072	171,072	142,680	207,360	313,752	378,432
Utilities	42,768	42,768	34,440	51,840	77,208	94,608
	<u>594,000</u>	<u>594,000</u>	<u>492,000</u>	<u>720,000</u>	<u>1,086,000</u>	<u>1,314,000</u>
Number of persons	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>2</u>	<u>2</u>

Notes to the Financial Statements for the year ended June 30, 2018



27. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURE

27.1 Financial assets and liabilities

Particulars	2 0 1 8		(all amounts in PKR)	
	Interest bearing		Non - interest bearing	
	Maturity upto one year	Maturity after one year	Maturity upto one year	Maturity upto one year
Financial assets				
Long term receivables:				
Long term deposits	-	-	-	1,409,612
Trade debts	-	-	29,224,720	-
Advances and other receivables	-	-	2,599,313	-
Tax refund due from government	-	-	749,785	-
Cash and bank balances	-	-	388,849	-
	-	-	32,962,667	1,409,612
Financial liabilities at amortised cost				
Long term finance	46,903,419	-	-	-
Deferred liabilities	-	-	-	-
Short term loans	-	-	85,352,742	-
Trade and other payables	-	-	55,177,101	-
Accrued markup	124,029,303	-	-	-
Short term borrowings	-	-	207,529,092	-
	170,932,722	-	348,058,935	-
On balance sheet gap	(170,932,722)	-	(346,649,323)	1,409,612

Particulars	2 0 1 7		(all amounts in PKR)	
	Interest bearing		Non - interest bearing	
	Maturity upto one year	Maturity after one year	Maturity upto one year	Maturity upto one year
Financial assets				
Long term deposits	-	-	-	1,409,612
Trade debts	-	-	82,714,267	-
Advances and other receivables	-	-	1,693,952	-
Tax refund due from government	-	-	737,441	-
Cash and bank balances	-	-	1,369,012	-
	-	-	86,514,672	1,409,612
Financial liabilities at amortised cost				
Long term finance	46,903,419	-	-	-
Deferred liabilities	-	-	1,655,176	-
Short term loans	-	-	69,335,742	-
Trade and other payables	-	-	55,032,713	-
Accrued markup	124,029,303	-	-	-
Short term borrowings	-	-	207,529,092	-
	170,932,722	-	333,552,723	-
On balance sheet gap	(170,932,722)	-	(247,038,051)	1,409,612



Notes to the Financial Statements for the year ended June 30, 2018

	2018 RUPEES	2017 RUPEES
Off balance sheet items - financial commitments	-	-

27.2 Financial risk management objectives and policies

Risk management policies

The company's objectives in managing risks is the creation and protection of shareholders' value. Risk is inherent in the company's activities, but it is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. The process of risk management is critical to the company's continuing profitability. The company is exposed to credit risk, liquidity risk and market risk arising from the financial instruments it holds.

The company finances its operations through equity, borrowing and management of working capital with a view to maintaining an appropriate mix among various sources of finances to minimize risk.

Credit risk exposure and concentration of credit risk

Credit risk is the risk which arises with the possibility that one party to a financial instrument will fail to discharge its obligations and cause the other party to incur a financial loss. The company attempts to control credit risk by monitoring credit exposure, limiting transaction with specific counterparties and continually assessing the credit worthiness of counterparties.

Concentration of credit risk arise when a number of counterparties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the company's performance to developments affecting a particular industry.

The company is mainly exposed to credit on trade debts and bank balances. The company seeks to minimize the credit risk on trade debts and bank balances. The company seeks to minimize the credit risk exposure through having exposures only to customers considered credit worthy and by obtaining securities where possible.

The table below provides the analysis of the credit quality of financial assets on the basis of external credit rating of the historical information about counterparty default rates.

	2018 RUPEES	2017 RUPEES
The analysis of trade debts is as follows:		
Neither past due date not impaired	-	-
Past due date but not impaired:		
- Past due 0 - 90 days	7,435,532	2,762,922
- Past due 0 - 210 days	-	-
- Past due 0 - 365 days	-	-
- Past due more than 365 days	21,789,188	79,951,345
	<u>29,224,720</u>	<u>82,714,267</u>



Liquidity risk

Liquidity risk is the risk that the company will encounter the difficulty in meeting its financial obligations as they fall due. The company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stress conditions without incurring unacceptable losses of risking damage to the company's reputation. But due to nature of business, unavailability of proper export orders and bad economic conditions, the management of the company is making their effort for recoveries from parties and assure that they provide financial support to company in meeting their obligations.

The table below analyses the companies financial liabilities into relevant maturity groupings based on remaining period at the balance sheet to the maturity date.

	Carrying Amount	Contractual Cash Flows	Six months or less	Six to twelve months
----- (Rupees) -----				
2018				
Short term loans	85,352,742	85,352,742	85,352,742	-
Trade and other payables	55,177,010	55,177,010	55,177,010	-
Long term finance - Current portion	46,903,419	46,903,419	46,903,419	-
Short term borrowings	207,529,092	207,529,092	207,529,092	-
Accrued markup	124,029,303	124,029,303	124,029,303	-
	<u>518,991,657</u>	<u>518,991,657</u>	<u>518,991,657</u>	<u>-</u>
2017				
Short term loans	69,335,742	69,335,742	69,335,742	-
Trade and other payables	55,032,713	55,032,713	55,032,713	-
Long term finance - Current portion	46,903,419	46,903,419	46,903,419	-
Short term borrowings	207,529,092	207,529,092	207,529,092	-
Accrued markup	124,029,303	124,029,303	124,029,303	-
	<u>502,830,269</u>	<u>502,830,269</u>	<u>502,830,269</u>	<u>-</u>

Market risk

Market risk is the risk that changes in market price, such as foreign exchange rates, interest rates and equity prices will effect the company's income or the value of its holdings of financial instruments.

Currency risk

Foreign currency risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in foreign currency rates. The company, at present is not materially exposed to currency risk as majority of the transactions are carried out in Pak Rupees.



Notes to the Financial Statements for the year ended June 30, 2018

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Majority of the interest rate exposure arises from long term loans and short term borrowings. At the balance sheet date the interest rate profile of the company's interest bearing financial instruments is:

	2018	2017	2018	2017
	Effective rate		Carrying amount	
	----- (In %) -----		----- (In Rupees) -----	
Financial liabilities				
Variable rate instruments				
Long term finance	11.34 - 11.34	11.34 - 11.34	46,903,419	46,903,419
Short term borrowings	9.3 - 11.34	9.3 - 11.34	207,529,092	207,529,092

27.3 Fair value of financial instruments

The carrying value of all financial assets and liabilities reflected in the financial statements approximating their fair values. Fair value is determined on the basis of objective evidence at each reporting date. It is the amount for which an asset could be exchanged, or a liability settled between knowledgeable and willing parties, in an arm's length transaction.

27.4 Capital risk management

The company's objective when managing capital is to safeguard the company's ability to remain as a going concern and continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

28. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of staff retirement funds, directors and key management personnel. Transactions with related parties are made under normal commercial terms and conditions.

The related party status of outstanding balances at June 30, 2017 is included in the respective notes to the financial statements.

There is no related party transaction during the year

29. GOING CONCERN ASSUMPTION

29.1 During the current year, the Company incurred a net loss of Rs. 4.902 million (2017: Rs. 5.243 million) resulting in accumulated losses of Rs. 400.240 million (2017: Rs. 395.338 million) as of the balance sheet date. Further, as of that date the current assets of the Company exceeded its current liabilities by Rs. 101.859 million (2017: Rs. 99.523 million). The directors have been able to turnaround the export business resulting in export sales of Rs. 38.575 million (2017: Rs.26.485 million) which has been considered a distinct move towards restructuring. These factors shall improve company's liquidity position noticeably. Besides the directors of the company have assured to extend all necessary support and financial assistance to ensure the going concern status of the Company at all times.



- 29.2** Due to management's aggressive approach, volume of loss is reducing year after year as evident below:

Year ended	PKR (million)
2017 - 2018	5.289
2016 - 2017	5.243
2015 - 2016	6.882
2014 - 2015	15.533
2013 - 2014	20.974

- 29.3** Negative equity balance eroded cash flow position of the Company resulted uncertainties which may cast a doubt over the Company's ability to continue as a going concern. However, considering the results and measures mentioned in note 32.1 and 32.2 along with the commitment provided by the Directors to financially support the Company as and when needed; the management is quite confident that the Company will be able to continue as a going concern. Accordingly these financial statements are prepared on going concern basis.

30. CAPACITY AND PRODUCTION

In view of the peculiar nature of the business carried on by the company, the capacity of the tanneries is not determinable.

	2018 RUPEES	2017 RUPEES
31. NUMBER OF PERSONS EMPLOYED BY THE COMPANY		
Number of employees as at balance sheet date	21	21
Factory Employees	18	18
Contract office employees	3	3
Average number of employees during the year	21	21

32. DATE OF AUTHORIZATION OF FINANCIAL STATEMENTS

The financial statements have been authorised for issue by the Board of Directors of the company after approval thereof on September 25, 2018.

33. GAP ANALYSIS

Considering certain changes having been brought through enactment of the Companies Act, 2017, the management preferred to perform a gap analysis to identify differences between the previous and the current financial reporting framework(s) with an outcome with NIL impacts on the financial statements, as follows:



Notes to the Financial Statements for the year ended June 30, 2018

	2018 RUPEES	2017 RUPEES
		Total area
Immoveable fixed assets:		
Head office	Plot # 18, Sector 7-A, Korangi Industrial Area, Karachi, Pakistan.	2,667 Sqy
Production facility	Plot # 18, Sector 7-A, Korangi Industrial Area, Karachi, Pakistan.	2,667 Sqy
Long term loans & advances:		
Due from employees	Nil	Nil
Debtors related to export sale		
International credit sale	Nil	Nil
Capital & revenue reserves		

In view of the 'NIL' status of reserves at the year's end, there was no utilization against the said reserves worth reporting, as required under Section 81 of the Companies Act, 2017.

Taxation

In view of the management, sufficient taxation has been made in the company's financial statements. Comparison of tax provisions as per the financial statements viz-a-viz tax assessment for the last three years, being deemed assessment, is as follows:

	2017	2016	2015
Tax assessed as a deemed assessment order	452,864	210,000	162,000
Provision in accounts for income tax	452,864	210,000	162,000

34. GENERAL

- 34.1 Figures in these financial statements have been rounded off to the nearest rupee.
- 34.2 For better presentation certain prior year's figures have been reclassified consequent to certain changes in the current year's presentation.

MUHAMMAD SALEEM AHMED
CHIEF EXECUTIVE OFFICER

NAYYER AHMED JALALI
DIRECTOR

NASEER AHMED
CHIEF FINANCIAL OFFICER

PATTERN OF SHARE HOLDING AS AT JUNE 30, 2018



NUMBER OF SHAREHOLDERS	SHARE HOLDINGS FROM	TO	SHARES HELD OF RS. 10/- EACH
252	1	100	12,250
187	101	500	37,650
44	501	1000	32,900
47	1001	5000	56,400
7	5001	10000	36,000
9	85001	90000	810,000
1	100001	105000	104,000
1	165000	170000	167,800
2	185000	190000	368,000
1	275001	280000	280,000
1	310001	315000	311,300
1	325001	330000	330,000
1	330001	335000	334,800
1	515000	520000	518,900
555			3,400,000

CATEGORIES OF SHAREHOLDERS	NO. OF SHAREHOLDERS	NO. OF SHARES HELD	HOLDING PERCENTAGE
Individuals	552	3,392,500	99.78
Investment Companies	2	5,700	0.17
Joint Stock Companies	1	1,800	0.05
	555	3,400,000	100.00



DETAILS OF PATTERN OF SHAREHOLDING

AS PER REQUIREMENT OF CODE OF CORPORATE GOVERNANCE

	NO. OF SHAREHOLDERS	SHARES HELD	PERCENTAGE
Associated Companies	NIL	NIL	-
Mutual Funds:			
NBP - Trustee Deptt (NIT)	1	3,900	0.11
Investment Corp. of Pakistan	1	1,800	0.05
Public Sector Companies & Corporations:			
State Life Insurance Corporation	1	167,800	4.94
Directors, their spouses & Miner children:			
Mr. M. Saleem Ahmed Chief Executive	1	518,900	15.26
Mrs. Rubina Jalali W/O M. Saleem Ahmed	1	311,300	9.16
Mr. Azeem Ahmed Director S/O M. Saleem Ahmed	1	1,000	0.03
Mr. Umer Ahmed Director S/O M. Saleem Ahmed	1	3,000	0.09
Mr. M. Shoaib Ahmed Chairman / Director	1	330,000	9.71
Mrs. Veronique Ahmed W/O M. Shoaib Ahmed	1	334,800	9.85
Mr. Nayyer Ahmed Jalali Director	1	1,000	0.03
Mr. Bilal Ahmed Director S/O M. Saleem Ahmed	1	1,000	0.03
Syed Fawad Hussain Rizvi Director	1	1,000	0.03
Sponsors' associates & friends:	12	1,282,500	37.72
Other Individuals:	531	442,000	13.00
	555	3,400,000	100.00

PROXY FORM



I/We _____

_____ of _____

being member (s) of Pak Leather Crafts Limited and a holder of ordinary shares, hereby appoint

_____ of _____

_____ who is also a member of the company vide Folio

No. _____ as my/our proxy to attend and vote for me/us and on

my/our behalf at the 31st Annual General Meeting of the Company to be held on Saturday 27th

October 2018 at 04:00 p.m. or at any adjournment thereof.

Signed this _____ day of _____ 2018

Please affix
Revenue Stamp
of Rs. 10/=

Signature of Witness

Shareholder's Folio No. _____ Number of Shares held _____

IMPORTANT :

1. A member entitled to attend and vote at a General Meeting is entitled to appoint a proxy to attend and vote instead of him/her. No person shall act as a proxy, who is not a member of the company except that a company may appoint a person who is not a member.
2. An instrument of proxy duly stamped, and witnessed and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or authority, in order to be valid, must be deposited at the registered office of the Company at least 48 hours before the time of the meeting.
3. Signature should agree with the specimen signature registered with the Company.
4. If a member appoints more than one proxy and more than one instrument of proxy are deposited by a member with the company, all such instrument of proxy shall be rendered invalid.

FOR CDC ACCOUNT HOLDERS/CORPORATE ENTITIES:

In addition to the above the following requirements have to be met:

The Proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.

Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.

The proxy shall produce his original CNIC or original passport at the time of the meeting.

In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature shall be submitted (unless it has been provided earlier) alongwith proxy form of the Company.



پراکسی فارم

سالانہ اجلاس عام

میں/ہم

پچھتیت رکن پاک لیڈر کرافٹس لمیٹڈ و حامل

عام حصص بمطابق شیئر رجسٹر فو لیو نمبر _____ اور/یا سی ڈی سی کے شراکتی آئی ڈی نمبر _____

اور ذیلی کھاتہ نمبر _____ محترم/محترمہ _____ ساکن _____

یا بصورت دیگر _____ ساکن _____

کواپنی/ہماری جگہ بروز ہفتہ، مورخہ 27 اکتوبر، 2018، بوقت 4:00 بجے میں منعقد یا ملتوی ہونے والے 31 واں سالانہ اجلاس عام میں شرکت، رائے دہندگی کے لیے اپنا نمائندہ مقرر کرتا/کرتی/کرتے ہوں/ہیں۔

دستخط مورخہ _____ برائے ماہ و سال _____ ثبت ہیں۔

گواہ:

10 روپے کارسیدی
ٹکٹ یہاں چسپاں کر کے
دستخط کریں

1 دستخط _____

نام _____

پتہ _____

سی این آئی سی نمبر _____

2 دستخط _____

نام _____

پتہ _____

سی این آئی سی نمبر _____

نوٹ:

(1) پراکسی فارم کے موثر ہونے کے لیے ضروری ہے کہ وہ 5 روپے کے رسیدی ٹکٹ پر دستخط کے ساتھ اجلاس شروع ہونے سے

48 گھنٹے قبل کمپنی کو موصول ہو جائے۔

(2) پراکسی کو کمپنی کارکن (ممبر) ہونا ضروری ہے۔

(3) دستخط کمپنی کے پاس رجسٹرڈ کردہ نمونے کے مطابق ہونی چاہیے۔

(4) سی ڈی سی شیئر ہولڈرز اور ان کے پراکسیز سے گزارش ہے کہ وہ اپنے قومی شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ فوٹوکاپی اس

پراکسی فارم کے ساتھ منسلک کریں۔

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