

Pakistan Fisheries Limited

Annual Report 1999

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COMPANY INFORMATION

BOARD OF DIRECTORS

MR. SULEMAN I. VOHRA (Chief Executive)
DR. ZUBAIR S. VOHRA
MRS. ZARINA S. VOHRA
MR. ANAS VOHRA
MR. M. USMAN VOHRA
MR. MASTA KHAN
MR. SHAHID GHAFAR (N.I.T. Nominee)

COMPANY SECRETARY

M R. M.I. HASAN

AUDITORS

DAUDALLY LALANI & CO.
Chartered Accountants

REGISTERED OFFICE AND FACTORY

A-4, Fish Harbour,
West Wharf,
Karachi.

NOTICE OF THE 39TH ANNUAL

GENERAL MEETING OF SHARE HOLDERS

NOTICE is hereby given that 39th Annual General Meeting of shareholders of the Company will be held on 24-12-1999 at 4:30 p.m. at the Registered Office of the Company situated at A-4, Fish Harbour, West Wharf, Karachi, to transact the following business .

1. To confirm the Minutes of the 38th Annual General Meeting.
2. To receive, consider and adopt the audited Financial Statements of the Company together with the Director's and Auditor's Report for the year ended 30th June, 1999.
3. To appoint auditors for the year ending June 30th, 2000 and to fix their remuneration.
4. To elect 7 Directors for a period of 3 years in accordance with the provision of Section 178 of the Companies Ordinance, 1984. The number of elected Directors of the company has been fixed at SEVEN by the Board, all present Directors will stand retired and

shall be eligible to offer themselves for re-election. The following members are eligible have notified their intention to offer themselves for election as Directors.

- 1: MR. SULEMAN I. VOHRA (Chief Executive)
- 2: DR. ZUBAIR S. VOHRA
- 3: MRS. ZARINA S. VOHRA
- 4: MR. ANAS VOHRA
- 5: MR. M. USMAN VOHRA
- 6: MR. MASTA KHAN
- 7: MR. SHAHID GHAFAR (N.I.T. Nominee)

To transact any other business which can be transacted at the Annual General Meeting with the permission of the Chair.

By the Order of the Board

M.I. HASAN

Company Secretary

Karachi, dated: 20-11-1999

NOTES · i. A member entitled to attend and vote at the Meeting may appoint another member, as his/her Proxy. The instrument of Proxy, in order to be valid must be received at the Registered Office of the Company, not later than 48 hours before the Annual General Meeting.

ii. Shareholders are requested to immediately notify the change of address, if any, to the Shares Department of the Company.

iii. In terms of Section 178(3) of the Companies Ordinance, 1984 any person who seeks to contest an election to the office of Director, whether he is retiring Director or otherwise, shall file with the Company, not later than fourteen (14) days before the date of this meeting, a notice of his intention to offer himself for election as a Director.

DIRECTORS' REPORT TO THE SHAREHOLDERS

The Directors hereby present 39th Annual Report together with the audited statements of account for the year ended June 30, 1999. The earning per share during the year was a negative Rs. 4.42/=

The Board of Directors are seriously considering to reactivate the Plant & bring it into operation. For this purpose necessary formalities are being completed and concerned departments / Govt. Authorities are being approached.

(1) For the purpose of reviving this sick unit the Management has finally succeeded in arranging funds from M/s. Sea Link, U.S.A. to the tune of USD\$ 250,000 as a long term loan carrying interest at lower of 7.5% OR LIBOR + 1.5% p.a.

(2) First installment of \$125,000 was received on 29/10/1997. The Management is pursuing hard to get the 2nd Installment of the loan released which will be utilized to bring the plant into operation. The Management is hopeful in its effects.

(3) The loan is repayable in seven years (including a grace period of two years) from the date of disbursement.

(4) The Management is also arranging to obtain private loans from the Company's directors and associated companies for working Capital requirements and to install new Machinery and for renovation of the factory.

REPORTS AND ACCOUNTS:

Due to the continued closure of operations, the Company incurred a loss of Rs. 1,324,582 during the year after providing Rs. 19,716 for depreciation on Written Down Value of Fixed Assets. The accumulated loss is as follows:-

-- Deficit Balance from last year	(24,606,066)
-- Add: Net Loss for the year	(1,324,582)
-- Deficit Balance Carried Forward to next year	(25,930,648)

AUDITORS:

The Retiring Auditors M/s. DAUDALLY LALANI & CO. Chartered Accountants being eligible offer themselves for re-appointment.

Date: 20-11-1999

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed Balance Sheet of PAKISTAN FISHERIES LIMITED as at June 30, 1999 and the related Profit and Loss Account and Statement of Cash Flow, together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and, after due verification thereof, we report that:

The financial statements have been prepared and presented on a going concern basis. The validity of this depends on the Company being able to obtain finance sufficient for the reactivation of the operations of its business, in the absence of which, the basis would be invalid and adjustments would have to be made in the carrying value of the Company's assets and liabilities and the presentation of the financial statements would have to be changed accordingly.

Except for the effects of our foregoing reservation, we report that:

a) In our opinion, proper books of account have been kept by the Company as required by the Companies Ordinance, 1984;

b) In our opinion:

i. the Balance Sheet and the Profit and Loss Account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984 and are in agreement with the books of account and are further in accordance with the accounting policies consistently applied;

ii. the expenditure incurred during the year was for the purpose of the Company's business; and

iii. the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the company;

c) In our opinion and to the best of our information and according to the explanations given to us, the Balance Sheet, Profit and Loss Account and the statement of cash flow, together with the notes forming part thereof, give the information required by the Companies Ordinance, 1984 in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 1999 and of the loss and the cash flows for the year then ended; and

(d) In our opinion, no. zakat was deductible at source under the Zakat and Ushr Ordinance, 1980.

Daudally Lalani & Co.
 CHARTERED ACCOUNTANTS
 KARACHI:

Date: 20-11-1999

BALANCE SHEET AS AT JUNE 30, 1999

	Note	1999 Rupees	1998 Rupees
SHARE CAPITAL AND RESERVES			
Authorized share capital			
1,000,000 Ordinary shares of Rs. 10 each		10,000,000	10,000,000
		=====	=====
Issued, Subscribed and paid-up share capital			
260,000 Ordinary Shares of Rs. 10 each fully paid-up in cash.		2,600,000	2,600,000
40,000 Ordinary Shares of Rs. 10 each issued as fully paid Bonus Shares		400,000	400,000
		-----	-----
		3,000,000	3,000,000
Tax Holiday Reserve		805,700	805,700
Accumulated losses		(25,930,648)	(24,606,066)
		-----	-----
		(22,124,948)	(20,800,366)
LONG TERM LOANS			
Secured Loans	3	7,322,779	7,972,780
Unsecured Loans	4	12,806,217	10,923,437
		-----	-----
		20,128,996	18,896,217
CURRENT LIABILITIES			
Creditors		903,615	903,615
Accrued Expenses		1,434,013	1,434,013
Unclaimed dividend		5,115	5,115
		-----	-----
		2,342,743	2,342,743
		-----	-----
		346,791	438,594
		=====	=====
TANGIBLE FIXED ASSETS	5	306,763	326,479
CURRENT ASSETS	6		
Cash and Bank Balances		40,028	112,115
		-----	-----
		346,791	438,594
		=====	=====

The annexed notes form an integral part of these accounts.

Chief Executive

Director

Note	1999 Rupees	1998 Rupees
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**PROFIT AND LOSS ACCOUNT
 FOR THE YEAR ENDED JUNE 30, 1999**

NON OPERATIONAL EXPENSES

Factory Overheads	7	55,010	175,083
Administration	8	36,793	291,092
		-----	-----
		91,803	466,175
Financial Charges	9	510,904	291,010
Exchange Loss on translation of Foreign Currency loan		721,875	299,250
		-----	-----
Loss for the year		(1,324,582)	(1,056,435)
Accumulated losses brought forward		(24,606,066)	(28,169,032)
Liability written back against secured loan		--	4,619,401
		-----	-----
		(24,606,066)	(23,549,631)
Accumulated losses carried forward		(25,930,648)	(24,606,066)
		=====	=====
.(Loss) for the year per share		Rs. (4.42)	Rs. (3.52)

The annexed notes form an integral part of these accounts.

Chief Executive Director

**STATEMENT OF CASH FLOW
FOR THE YEAR ENDED JUNE 30, 1999**

	Note	1999 Rupees	1998 Rupees
Cash Flow From Operating Activities:			
(Loss) for the year		(1,324,582)	(1,056,435)
Less adjustments for items not involving movement of cash:			
Depreciation		19,716	21,177
Exchange loss		721,875	299,250
Financial Charges		510,904	290,000
		-----	-----
Cash (Loss) before working capital changes		(72,087)	(446,008)
Effect On Cash Flow Due To Working Capital Changes:			
Increase in current liabilities		-	7,500
		-----	-----
Cash used in operations		(72,087)	(438,508)
Cash Flow From Financing Activities:			
Repayment of UBL loan		-	(5,005,650)
Loan received from M/s Sea Link (USA)		-	5,500,750
		-----	-----
		(72,087)	56,592

Cash and cash equivalents at beginning of the year	112,115	55,523
	-----	-----
Cash and cash equivalents at end of the year	40,028	112,115
	=====	=====
Chief Executive	Director	

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED JUNE 30, 1999

1. STATUS AND NATURE OF BUSINESS

Pakistan Fisheries Limited is a public limited company incorporated in Pakistan and its shares are quoted on the Karachi Stock Exchange. The Company's principal business was processing and export of Sea Foods which has been discontinued since 1981.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis for preparation of the accounts

These financial statements have been prepared in compliance with the requirements of International Accounting Standards adopted by the Institute of Chartered Accountants of Pakistan which are applicable to the Company.

2.2 Accounting Convention

These accounts have been prepared under historical cost convention.

2.3 Fixed Assets

Fixed assets are stated at cost less accumulated depreciation.

Depreciation is charged to profit and loss account using reducing installment method and the rates used are stated in the relevant note. In respect of additions during the year, depreciation is charged for the full year, however, no depreciation is charged in the year of disposal of an asset.

Maintenance and normal repairs are charged to income as and when incurred. Major renewals and improvements are capitalized and the assets replaced, if any, are retired, Gain or Loss on disposal of asset is included in current income.

2.3 Foreign Currency Translation

Transactions in foreign currency are converted into rupees at the rate of exchange on the date of transactions. Monetary assets and liabilities in foreign currency are translated into rupees at the rate of exchange ruling at the balance sheet date.

2.4 Taxation

Taxation is provided on the basis of taxable income at current rates of taxation after taking into account admissible tax credit and rebates if any. Deferred taxation is provided on material timing differences using the liability method.

1999	1998
Rupees	Rupees

3. SECURED LOANS

Local Currency		
Citibank (3.1)	-	1,882,780
Foreign Currency		

M/s Sea Link (U.S.A) (3.2)

Principal US \$125,000 (1998: US \$125,000)	6,487,500	5,800,000
Interest due US \$ 16,094 (1998: US \$ 6,250)	835,279	290,000
	-----	-----
	7,322,779	6,090,000
	-----	-----
	7,322,779	7,972,780
	=====	=====

3.1 This loan has been fully paid by the associated undertaking.

3.2 An agreement has been entered by the company with M/s. Sea Link, a USA based firm, under which a sum of USD 125,000 has been provided to the company as on 29, October 1997 as a long term loan out of total committed amount of USD 250,000. The partial disbursement has been utilized towards the full and final settlement of local currency loan in the year ended June 30,1998. The balance amount, on receipt, will be utilized to renovate the company's plant and to reactivate the company's business activities. The loan shall be repayable in US \$ in 5 equal annual installment, commencing after a grace period of two years from the disbursement date of loan. The loan carries compound interest at lower of 7.5% or relevant LIBOR+1.5% p.a., prevailing on the loan disbursement date and shall be payable on yearly basis. The loan is secured against personal guarantee of directors. M/s. Sea Link USA will have the option to convert part of loan into equity share capital of the company.

4. UNSECURED LOANS-Interest Free

Associated Companies	12,356,217	10,473,437
Directors	450,000	450,000
	-----	-----
	12,806,217	10,923,437
	=====	=====

5. OPERATING FIXED ASSETS

Particulars	COST			DEPRECIATION		WRITTEN DOWN VALUE		Rate % p.a.
	As on July 1, 1998	As on June 30, 1999	As on July 1, 1998	For the Year	As on June 30, 1999	AS ON JUNE 30, 1999		
Lease Hold Land	22,253	22,253	15,838	257	16,095	6,158	4	
Factory Building, Karachi	1,158,532	1,158,532	912,435	12,305	924,740	233,792	5	
Factory Building, Lahore	19,823	19,823	14,803	251	15,054	4,769	5	
Plant & Machinery	1,311,348	1,311,348	1,251,939	5,941	1,257,880	53,468	10	
Furniture & Upholstery	8,395	8,395	7,048	81	7,129	1,266	6	
Factory Equipments	61,417	61,417	60,854	84	60,938	479	15	
tools & Implements	7,319	7,319	7,267	8	7,275	44	15	
Gas Installation	2,534	2,534	2,431	10	2,441	93	10	
Scales	35,891	35,891	35,404	73	35,477	414	15	
AT OFFICE								
Furniture & Fixture	21,565	21,565	18,226	200	18,426	3,139	6	
Office Equipment	14,154	14,154	14,047	16	14,063	91	15	
Inter Communication	9,208	9,208	8,838	37	8,875	333	10	
Electric Installations	64,556	64,556	61,847	406	62,253	2,303	15	
Electric Fittings	11,477	11,477	11,016	46	11,062	415	10	
	-----	-----	-----	-----	-----	-----	-----	
1999 : Rupees	2,748,472	2,748,472	2,421,993	19,716	2,441,709	306,763	-	
	=====	=====	=====	=====	=====	=====	=====	
1998: Rupees	2,748,472	2,748,472	2,400,818	21,177	2,421,993	326,479	-	
	=====	=====	=====	=====	=====	=====	=====	

	1999	1998
	Rupees	Rupees

6. CASH AND BANK BALANCES

Cash in Hand	5,458	77,545
Cash at bank on sundry deposit account (this deposit is retained by the United Bank Limited for Payment to suppliers, M/s Hanif and Company Rs. 34,570/- against purchase of seafood)	34,570	34,570
	-----	-----
	40,028	112,115
	=====	=====

7 FACTORY OVERHEADS

Rent, Rates and Taxes	-	1,400
Salaries, Wages and Benefits	36,000	153,308
Depreciation	19,010	20,375
	-----	-----
	55,010	175,083
	=====	=====

8 ADMINISTRATION

Advertisement and publicity	-	2,200
Printing and stationary	17,650	15,365
Telephone and postages	5,417	8,065
Fees and licenses	2,800	-
Salaries, wages and benefits	-	245,700
Annual meeting expenses	1,720	3,730
Transport and conveyance	1,000	130
Miscellaneous	-	100
Depreciation	706	802
Audit fee	7,500	15,000
	-----	-----
	36,793	291,092
	=====	=====

8.1 DIRECTORS' AND EXECUTIVES' EMOLUMENTS

No remuneration was paid and no perquisites were provided to the Chief Executive and any of the Directors and Officers of the Company during the year.

9 FINANCIAL CHARGES

Bank charges	-	1,010
Mark-up on Foreign Currency Loan	510,904	290,000
	-----	-----
	510,904	291,010
	=====	=====

10 INCOME TAX ASSESSMENT

Keeping in view the tax history of the company i.e., assessments at NIL income for its being in-operative, and loss for the year, no tax provision has been made in these accounts.

11 CAPACITY UTILIZATION

a) Installed capacity 3 Shifts: Operation for 300 days	2,363,600 kgs	2,363,600 kgs
b) Utilized Capacity	--	--

c) The Company remained dormant throughout the financial year due to non-availability for funds. In view of the non operation of the factory the question of shortfall does not arise.

12 TRANSACTION WITH ASSOCIATED UNDER TAKING

Short term finance obtained	--	500,000
Short term finance re-paid	--	(500,000)
Payment of Company's loan	1,882,780	--

13 GENERAL

Prior year figures have been rearranged, wherever necessary, for the purpose of comparison.

Chief Executive Director

PATTERN OF HOLDING OF SHARES HELD BY

SHARE HOLDERS AS AT JUNE 30, 1999

Shares Value of Rs. 10 each

No. of Share holders	Size holdings		Shares	No. of Shares held
	From	To		
592	1	100	"	34,300
105	101	500	"	28,150
10	501	1,000	"	8,300
11	1,001	5,000	"	15,650
1	5,001	30,000	"	30,000
1	30,001	55,000	"	51,550
1	55,001	135,000	"	132,050
-----	-----	-----	-----	-----
721				300,000
=====	=====	=====	=====	=====

Share holder's Categories	No. of Shareholders	No. of Shares	Percentage to Paid up Capital
Individuals	710	148,600	49.53
Investment Companies	1	6,550	2.18
Insurance Companies	2	950	0.32
'Joint Stock Companies	4	142,050	47.35
Financial Institutions	3	1,500	0.50
Properties Govt. of Pakista	1	350	0.12
-----	-----	-----	-----
	721	300,000	100.00
=====	=====	=====	=====

5. OPERATING FIXED ASSETS

COST

DEPRECIATION

WRITTEN

Particulars	As on July 1, 1998	As on June 30, 1999	As on July 1, 1998	For the Year	As on June 30, 1999	DOWN VALUE AS ON JUNE 30, 1999	Rate % p.a.
Lease Hold Land	22,253	22,253	15,838	257	16,095	6,158	4
Factory Building, Karachi	1,158,532	1,158,532	912,435	12,305	924,740	233,792	5
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1999
Rupees

1998
Rupees

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=====	=====

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	-----	-----
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	=====	=====