

**FINANCIAL STATEMENTS  
OF  
M/S HASHIMI CAN COMPANY LIMITED  
FOR THE YEAR ENDED JUNE 30, 2021**

**RAO & COMPANY**

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CHARTERED ACCOUNTANTS

4-Karachi Chambers Hasrat Mohani Road P.O. Box : 5061 Karachi 74000  
Karachi- Tel: 021-32412778-9

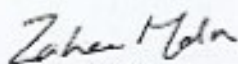
## Chairman's Review

I am pleased to present a report on the overall performance of the Board of Directors and effectiveness of the role played by the board in achieving the company's objectives. The board of directors is responsible for the management of the company, which formulates all significant policies and strategies. The board is governed by relevant laws & regulations and its obligation, rights, responsibilities and duties are as specified and prescribed therein.

The Board of Directors comprises of individuals with diversified knowledge who endeavor to contribute towards the aim of the Company with the best of their abilities.

An annual self-evaluation of the Board of Directors of the Company is carried out. The purpose of this evaluation is to ensure that the Board's overall performance and effectiveness is measured and benchmarked against expectations in the context of objectives set for the Company.

Moving ahead, the management is gearing up to present a business plan for approval at concerned departments and hopefully after approval the new business will make the company sustainable for long run and expand its operations in a growing market.

  
Zaheer A. Malik

Chairman Board of Director

Date : **27 SEP 2021**

Place : Karachi.

## DIRECTOR'S REPORT

I am pleased to welcome you to the 60<sup>th</sup> Annual General Meeting of the Company and on behalf of the Board of Directors, present the Annual Report along with Audited Accounts for the year ended 30<sup>th</sup> June 2021

### FINANCIAL RESULTS

The operating results as such are:-

	2021	2020
Sales	-	-
Gross loss	-	(184,389)
Net Profit/Loss	(25,888,966)	135,538,963

Earnings / (Loss) per share this year is Rs. (15.85) compared to Rs. 82.97 last year.

Provisions have been made for various receivables in litigations which were carried over in current and non-current assets for more than a decade without any outcome. Details are provided in notes to the accounts.

The Auditor of the Company has issued disclaimer of opinion in their report on the following basis.

On November 3, 2010, the operation of the Company come to sudden halt due to illegal strike of the unionized workers, subsequently the management was force to close down established and terminate service of all employees on January 18, 2011 under 11(1) of standing order of industries Commercial Act of 1968, However the management has successfully repossessed the premises and started restoring all the records and documents in order to restart its business activity.

### FUTURE OUTLOOK

The management is in final phase of evaluation of a new business plan for revival of the company.

### CORPORATE GOVERNANCE:

The directors of your company are aware of their responsibilities under the code of corporate governance of the Listing Regulations of the Stock Exchange in the country under instruction from Securities & Exchange Commission of Pakistan. We are taking all necessary steps to ensure good Corporate Governance in your Company as required by the code.

### PATTERN OF SHAREHOLDING

Pattern of shareholding is included as a part of the report.

#### AUDITORS

The present Auditors M/s Rao & Company retire and being eligible offer themselves for reappointment

#### QUALIFICATION REQUIREMENTS OF THE CHIEF FINANCIAL OFFICER (CFO) CUM COMPANY SECRETARY (CS):

The CFO and CS are fully qualified to hold the position in the Company were printed and circulated in time along with Directors Review on the affairs of the Company.

#### AUDIT COMMITTEE:

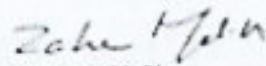
An audit committee comprises of the following members:-

Miss Humera Malik	Chair Person
Mr. Khurram Durrani	Member
Mr. Junaad Bhatti	Member

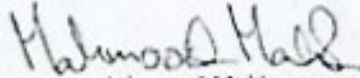
#### BOARD OF DIRECTORS:

The Board comprises of four executive and three non-executive directors. Four director meetings were held during the financial year for compliance matters.

On behalf of Board of Directors

  
Zaher A. Malik

Chief Executive Officer

  
Mehmood Malik

Director

27 SEP 2021





## Statement of Compliance with the Code of Corporate Governance

This statement is being presented to comply with the Listed Companies (Code of Corporate Governance) Regulations, 2019. The Company has applied the principles contained in the Listed Companies (Code of Corporate Governance) Regulations, 2019 in the following manner:

1. Total Number of Directors is eight (7) as per following:

1	Male	5
2	Female	2

2. The composition of Board of Directors is as follows:

Category	Number	Names
Executive Director	4	Zaheer Malik, Mehmood Malik, Junaid Bhatti, Khurram Durrani
Non-Executive Director	3	Humera Malik, Seema Zaheer, Shahzad Samad

3. The Directors have confirmed that none of them is serving as a director in more than seven listed companies, including Hashmi Can Company Limited.
4. The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.
5. The Board has developed a vision / mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of significant policies along with the dates of approval or updating is maintained by the Company.
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by Board / shareholders as empowered by the relevant provisions of the Act and these Regulations.
7. The meetings of the Board were presided over by the **Chairman** and, in his absence, by a Director elected by the Board for this purpose. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of Board.
8. The Board of Directors has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.

9. Out of the seven, six Directors have either obtained certificate of Directors' Training Program or are exempted from the requirement of Directors' Training Program as per the Listed Companies (Code of Corporate Governance) Regulations, 2019. While the remaining Director will undertake the Directors' Training Program with in the stipulated time.
10. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board.
12. The Board has formed committees comprising of members given below:

- Audit Committee

Miss. Humera Malik	Mr. Junaid Bhatti
Mrs. Seema Zaheer	

- HR and Remuneration

Khurram Durrani	
Junaid Bhatti	
Shahzad Samad	

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committees for compliance.
14. The frequency of meetings of the committees were as per following:

HR and remuneration committee	On required basis
Board of Director	Quarterly

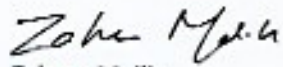
15. The Board has set up an effective internal audit function who are considered suitably qualified, experienced for the purpose and are conversant with the policies and procedures of the Company.
16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, Company secretary or director of the Company.
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other



regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.

18. We confirm that all other requirements of the **Regulations 3, 6, 7, 8, 27, 32, 33 and 36** of the regulations have been complied with. However, there is no Independent Director on the board due to winding up revision appeal pending with SECP.

On behalf of the Board of Director



Zaheer Malik  
Chief Executive

Date: **27 SEP 2021**

# RAO & COMPANY

CHARTERED ACCOUNTANTS

TELEPHONES

32412778 & 32412779

FAX: 32419452

Email: raosrca@gmail.com

TELEGRAMS

AKOUNTVIEW

4, Karachi Chambers  
Kasrat Mohani Road,  
P.O. Box 5061  
Karachi-2  
PAKISTAN

## Review Report on the Statement of Compliance Contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Hashmi Can Company Limited (the Company) for the year ended June 30, 2021, in accordance with the requirements of regulation 36 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 requires 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. 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 report that the documentation prepared by the Company to comply with the code is not available to provide us sufficient appropriate evidences to enables us to form an opinion thereon.

Based on the significance of the limitation of scope as discussed above we are unable to form an opinion, as to whether the Statement of Compliance appropriately reflect the Company's Compliance with the best practices contained in the Code of Corporate Governance as applicable to the Company for the year ended June 30, 2021.

  
  
Rao and Company  
Chartered Accountants  
Engagement Partner  
Shafqat Raza

Karachi

Date: 27 SEP 2021

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## AUDITORS' REPORT TO THE MEMBER

### Report on the Audit of the Financial Statements

#### Disclaimer Opinion

We have audited the annexed financial statements of **Hashmi Can Company Limited** (the Company), which comprises the statement of financial position as at June 30, 2021, and the statement of profit and loss, the statement of other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of the audit.

We do not express an opinion on the accompanying financial statements of the Company. Because of the significance of the matters described in the Basis for *Disclaimer of Opinion* section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion, whether the statement of financial position, the statement of profit and loss, the statement of other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof, conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2021 and of the loss, the changes inequity and its cash flows for the year then ended.

#### Basis for Disclaimer of opinion

- a) On November 3, 2010, the operation of the Company came to a sudden halt due to strike of unionized workers. Subsequently the management was forced to closed down establishment and terminate services of all employees on January 18, 2011 under section 11(1) of standing order of Industrial and Commercial Act of 1968. However, the management successfully repossessed the premises and started restoring all the records and documents in order to restart its business activity.
- b) As of the date of our audit report the management is still in the process of recovering records and essential documents. However essential records and supporting documents with respect to the receivables, payable and property, plant and equipment has not been fully recovered.
- c) Due to the matter discussed in paragraph (a) and (b), and lack of complete accounting records and supporting documents, we were unable to obtained sufficient and appropriate evidence with respect to property, plant and equipment amounting to Rs.0.007/-million (2020: Rs.12.509/-million) and liability aggregating to Rs.48.706/-million (2020: Rs.26.783/-million). Accordingly, it was not practicable to extend our procedures sufficiently to determine the extent to which the financial statements may have been affected by the conditions.

- d) In the absence of information regarding the latest position of income tax assessment of the Company, we are unable to ascertain the possible effects of contingencies or other financial effects, if any, on these financial statements that may arise.
- e) Confirmations were sent to the legal advisor as at June 30, 2021 from legal advisor and to date response was not received. In the absence of satisfactory response, it cannot be assessed whether any provision is required as a result of any legal proceeding.
- f) Due to the significant events and condition that cast significant doubt that the Company's going concern assumption is not valid, however the financial statements are prepared on the going concern assumption basis.

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

**Information Other than Financial Statements and Auditors' Report Thereon**

Management is responsible for the other information. Other information comprises the information included in the annual report for the year ended June 30, 2021 but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

**Responsibilities of Management and Board of Directors for the Financial Statements**

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

### Report on Other Legal and Regulatory Requirements

Based on the issues discussed in our basis for disclaimer of opinion paragraph, we do not express an opinion as to whether:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, statement of profit or loss, statement of other comprehensive income, statement of changes in equity and statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) no zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Shafqat Raza.

  
Rao and Company  
Chartered Accountants  
Karachi

Place: Karachi

Date: 27 SEP 2021

**HASHIMI CAN COMPANY LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT JUNE 30, 2021**

	Note	2021 Rupees	2020 Rupees
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	4	7,690	12,509,611
Long-term deposits	5	-	744,873
		7,690	13,254,484
<b>CURRENT ASSETS</b>			
Trade debts-unsecured and considered good	6	-	2,129,640
Short Term Investments	7	80,000,000	-
Advances, deposits and prepayments	8	-	9,370,107
Cash and bank balances	9	42,237,838	101,457,541
		122,237,838	112,957,288
		<u>122,245,528</u>	<u>126,211,772</u>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorized capital			
5,000,000 (2020: 5,000,000) Ordinary shares of Rs. 10/- each		50,000,000	50,000,000
Issued, subscribed and paid-up-capital	10	16,335,000	16,335,000
Capital reserve			
Gain on transferred assets	11	-	-
Surplus on revaluation of fixed assets land	12	-	-
Revenue reserve			
Accumulated profit		57,204,327	83,093,294
		73,539,327	99,428,294
<b>NON-CURRENT LIABILITIES</b>			
Long term liability	13	-	-
<b>CURRENT LIABILITIES</b>			
Creditors, provisions and accrued charges	14	2,661,000	2,661,000
Short term loan - Unsecured	15	45,547,601	23,624,878
Other liabilities	16	497,600	497,600
Provision for taxation	17	-	-
		48,706,201	26,783,478
Contingencies and commitments	18	-	-
		<u>122,245,528</u>	<u>126,211,772</u>

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

*Zaher Malik*  
**CHIEF EXECUTIVE**

*Zaher Malik*  
**CHIEF FINANCIAL OFFICER**

*Mahmood Malik*  
**DIRECTOR**

**HASHIMI CAN COMPANY LIMITED**  
**STATEMENT OF PROFIT OR LOSS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

	Note	2021 Rupees	2020 Rupees
Sales		-	-
Less: Cost of sales		-	-
Gross (loss)		-	-
Administrative expenses	20	(23,869,115)	(1,970,741)
		(23,869,115)	(1,970,741)
Operating (loss)		(23,869,115)	(1,970,741)
Other income		125,000	137,509,704
Net (loss) / profit before taxation		(23,744,115)	135,538,963
Provision for taxation		(2,144,852)	-
Net (loss) / profit after taxation		(25,888,967)	135,538,963
(Loss) / Earning per share - Basic	21	(15.85)	82.97

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

*Zohar Malik*  
 CHIEF EXECUTIVE

*Mahmood Malik*  
 DIRECTOR

*Zohar Malik*  
 CHIEF FINANCIAL OFFICER



HASHIMI CAN COMPANY LIMITED  
STATEMENT OF OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED JUNE 30, 2021

	2021 Rupees	2020 Rupees
Net (loss) / profit after taxation	(25,888,967)	135,538,963
Other comprehensive income	-	-
Total comprehensive (loss) / income for the year	<u>(25,888,967)</u>	<u>135,538,963</u>

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

*Zaher Malik*  
CHIEF EXECUTIVE

*Zaher Malik*  
CHIEF FINANCIAL OFFICER

*Mahmood Malik*  
DIRECTOR

**HASHIMI CAN COMPANY LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED JUNE 30, 2021**

	Share capital	Capital Reserve		Revenue reserve	Total
	Issued, subscribed and paid-up capital	Capital reserves	Surplus on revaluation of land	Accumulated losses	
	----- Rupees -----				
Balance as at July 01, 2019	16,335,000	1,669,590	76,230,000	(130,345,259)	(36,110,669)
Profit for the year	-	-	-	135,538,963	135,538,963
Surplus transferred to retained earning	-	-	(76,230,000)	76,230,000	-
Capital reserves transfer to accumulated profit	-	(1,669,590)	-	1,669,590	-
Balance as at June 30, 2020	16,335,000	-	-	83,093,294	99,428,294
Balance as at July 01, 2020	16,335,000	-	-	83,093,294	99,428,294
Loss for the year	-	-	-	(25,888,967)	(25,888,967)
Balance as at June 30, 2021	16,335,000	-	-	57,204,327	73,539,327

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

*Zoha Malik*  
**CHIEF EXECUTIVE**

*Mahmood Malik*  
**DIRECTOR**

*Zoha Malik*  
**CHIEF FINANCIAL OFFICER**

**HASHIMI CAN COMPANY LIMITED**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

	2021 Rupees	2020 Rupees
<b>CASH FROM OPERATION ACTIVITIES</b>		
Net (loss) / profit before taxation	(23,744,115)	135,538,963
Adjustments for:		
Depreciation	1,922	49,196
Provision	21,867,395	
Balances write-off	744,873	
Gain on disposal of fixed assets	-	(137,509,704)
	22,614,190	(137,460,508)
Operating (loss) before working capital changes	(1,129,925)	(1,921,545)
(Increase) / decrease in current assets :		
Advances, deposits and prepayments	-	1,583,545
Increase / (decrease) in current liabilities:		
Creditors, provisions and accrued charges	-	(58,802,405)
	-	(57,218,860)
Less : Tax Paid	(12,500)	-
Net cash used in operating activities	<u>(1,142,425)</u>	<u>(59,140,405)</u>
<b>CASH FROM INVESTING ACTIVITIES</b>		
Short term investments	(80,000,000)	-
Proceed from sale of fixed assets	-	214,200,000
Net cash (used in) / generated from investing activities	<u>(80,000,000)</u>	<u>214,200,000</u>
<b>CASH FROM FINANCING ACTIVITIES</b>		
Long term liability (paid) / obtained	21,922,723	(53,628,605)
Net cash generated / (used in) from financing activities	21,922,723	(53,628,606)
Net (decrease) / increase in cash and cash equivalents	(59,219,703)	101,430,989
Cash and cash equivalents at the beginning of the year	101,457,541	26,552
Cash and cash equivalents at the end of the year	<u>42,237,838</u>	<u>101,457,541</u>

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

*Zohar Malik*  
**CHIEF EXECUTIVE**

*Mahmood Malik*  
**DIRECTOR**

*Zohar Malik*  
**CHIEF FINANCIAL OFFICER**

**HASHIMI CAN COMPANY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

**1 NATURE AND STATUS OF BUSINESS**

The Company is incorporated in Pakistan as a public Limited Company and its shares are quoted on Karachi Stock Exchange. Its main business is to undertake manufacture of tin containers and processing of canned food. Its registered office is situated at B-24, S.I.T.E, Karachi.

- 1.1 The operation of the Company came to a sudden halt due to illegal strike of unionized workers on November 3, 2010. The Strike continued till management was forced to close down establishment and terminate services of all employees on January 18, 2011 under section 11(1) of standing order of industrial and commercial Act of 1968, Since all the utilities were disconnected due to non payments and business activity was completely shut down. The terminated workers instead of accepting the termination forcefully occupied the premises of the Company and vandalized the Plant and machinery having Written down value of Rs. 2,533 million, Furniture Fixture having Written Down Value of Rs. 1,279 million, Store and Spares valued of Rs. 5,120 million and Stock in trade valued of Rs. 8,823 were stolen and robbed and various complaints and FIR were registered against the illegal occupants and several litigation are pending in Court of Law.

Litigation at various courts of law are still pending due to frequent adjournments and changes in rosters. Since management was able to straighten various compliance issues and regain control of the premises, the new startup is the next planned step. The operation of the Company was supposed to be restarted before close of year 2021, but pandemic has slowed down everything.

**1.2 GOING CONCERN ASSUMPTION**

There is no commercial activity reported during the year. Further the Company has disposed its factory building and land with leftover components of machinery and equipment which resulted in other income of Rs.138.538 million in previous year. These financial statements have been prepared using going concern assumption . In this connection the management of is opinion that the Company is a going concern entity because the management is striving hard to restart the shut down operation, since the management was busy in compliance for past nine years, the management did not have possession of the Company, now the Company is in a better position in terms of mandatory reporting and compliance, the subsequent year agenda is revival of business. For this purpose the Company had disposed off its assets to look for new business opportunitird.

The COVID-19 pandemic caused significant and unprecedented curtailment in economic and social activities during the period from March 2020 in line with the directives of the Government. This situation posed a range of business and financial challenges to the businesses globally and across various sectors of the economy in Pakistan. Complying with the lockdown, the management had to temporarily suspended the overall plan to restart the operations of production and trade.

**2 BASIS OF PREPARATION**

**2.1 Statement of compliance**

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

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

Where provision of and directives issued under the Act differ from the IFRS, the provision of and directives issued under the Act

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**2.2 Initial application of standards, amendments or interpretations to existing standards**

The following amendments to existing standards have been published that are applicable to the Company's financial statements covering annual periods, beginning on or after the following dates;

**2.2.1 Standards, amendments to published standards and interpretations that are effective in the current year**

Certain standards, amendments and interpretations to IFRS are effective for accounting periods beginning on April 1, 2020 but are considered not to be relevant or to have any significant effect on the Company's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these financial statements.

**2.2.2 Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company**

There are certain standards, amendments to the IFRS and interpretations that are mandatory for companies having accounting periods beginning on or after April 1, 2021 but are considered not to be relevant or to have any significant effect on the Company's operations and are, therefore, not detailed in these financial statements, except for the following:

**a) Classification of liabilities - Amendment to IAS 1: (effective for period beginning on April 01, 2021)**

The IASB issued a narrow-scope amendment to IAS 1, 'Presentation of Financial Statements', to clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date. The amendment also clarifies what IAS 1 means when it refers to the 'settlement' of a liability.

In particular, the amendment clarifies that:

- liabilities are classified as non-current if the entity has a substantive right to defer settlement for at least 12 months at the end of the reporting period. The amendment no longer refers to unconditional rights;
- the assessment determines whether a right exists, but it does not consider whether the entity will exercise the right. So, management's expectations do not affect the classification
- the right to defer only exists if the entity complies with any relevant conditions at the reporting date. A liability is classified as current if a condition is breached at or before the reporting date and a waiver is obtained after the reporting date; and
- Settlement is defined as the extinguishment of a liability with cash, other economic resources or an entity's own equity instruments.

The Company has assessed that the impact of this amendment is not expected to be significant.

**b) Disclosure of accounting policies and definition of accounting estimates - Amendment to IAS 1 and IAS 8: (effective for period beginning on April 01, 2021)**

The IASB amended IAS 1, 'Presentation of Financial Statements', to require companies to disclose their material accounting policy information rather than their significant accounting policies. The amendment also clarifies that accounting policy information is expected to be material if, without it, the users of the financial statements would be unable to understand other material information in the financial statements. Further, the amendment to IAS 1 clarifies that immaterial accounting policy information need not be disclosed. However, if it is disclosed, it should not obscure material accounting policy information.

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The amendment to IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, but changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period.

The Company has assessed that the impact of this amendment is not expected to be significant.

**2.2 BASIS OF MEASUREMENT**

These financial statements have been prepared under the historical cost convention except for certain assets which were carried at fair values.

**2.3 Significant accounting estimates and judgments**

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to the estimates and assumptions turning out to be wrong. Detailed information about each of these estimates and judgements is included in other notes together with information about the basis of calculation for each affected line item in the financial statements.

- i) Determination and measurement of useful life and residual value of property plant and equipment (note 3.1)
- ii) Income tax (notes 3.3)
- iii) Impairment of non-financial assets (Notes 3.10)
- iv) Provision for trade debts and other receivables (note 3.6)

**2.4 Functional and presentation currency**

These financial statements are presented in Pakistan Rupees, which is the Company's functional and presentation currency and rounded to nearest rupee.

**3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The principal accounting policies applied in the presentation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

**3.1 Property, plant and equipment**

**Owned**

These are stated at cost less accumulated depreciation. Depreciation is charged on systemic basis i.e. depreciation is charged quarterly to income on reducing balance method, whereby the cost of an asset is written off over its useful life. Depreciation on additions is charged from the quarter in which the asset put to use while no depreciation is charged in the quarter in which the assets are disposed off.

Maintenance and normal repairs are charged to the profit and loss, account as and when incurred while cost of major replacements and improvements, if any, are capitalized.

Gain or loss on disposal of fixed assets is taken to income currently.

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**Revaluation**

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

**3.2 Taxation**

**a) Current**

The provision for income tax is calculated in accordance with the provision of Income Tax Ordinance, 2001.

**b) Deferred**

Deferred tax is provided by using the balance sheet liability method on all temporary differences at the balance sheet date arising between the tax base of assets and liabilities and their carrying values for financial reporting purposes. Deferred tax asset is recognized only to the extent that it is probable that future taxable profit will be available against which the deferred tax asset can be utilized.

**3.3 Stores and spares**

These are valued at cost calculated on moving average basis less provision for obsolescence, if any.

**3.4 Stock in trade**

Stock in trade is stated at lower of cost and net realizable value. The cost is determined using average cost method, and include expenditure in acquiring the stocks, conversion cost and other cost incurred in bringing them to their existing location and condition

Net realizable value signifies the estimated selling price in the ordinary course of business less estimated cost of completion and selling expense.

Stock in transit is valued at cost comprising invoice value plus other charges incurred thereon.

**3.5 Trade debts-unsecured and considered good**

Trade debts are carried at invoice / charge amount which is the fair value less an estimate made for loss on account of doubtful debts based on review of outstanding amounts at year end. Provision is made in respect of those balances having no activity and which are considered doubtful by the management. Balances considered bad and irrecoverable are written off when identified.

**3.6 Cash and cash equivalents**

For the purposes of cash flow statement, cash and cash equivalents comprise of cash in hand and cash at bank.

**3.7 Creditors, provisions and accrued charges**

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Liabilities for trade and other payables are carried at cost which is the fair value of the consideration paid or payables in the future for goods and services received.

**3.9 Revenue recognition**

Revenue is recognized when performance obligations are satisfied by transferring control of a good or service to a customer, either at a point in time or over time of an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Revenue is recognized in accordance with the aforementioned principle by applying the following steps:

- Identify the contract with a customer
- Identify the performance obligation in the contract
- Determine the transaction price of the contract.
- Allocate the transaction price to each of the separate performance obligations in the contract.
- Recognize the revenue when (or as) the entity satisfies a performance obligation.

**3.9.1 Sale of goods**

Revenue from contracts for sale of goods is recognized upon delivery and acknowledgement of the good by the customer i.e. point in time when the performance obligation of the Company is satisfied.

**3.10 Impairment**

The carrying amount of the assets are reviewed at each balance sheet date to determine whether there is any indication of impairment of any asset or group of assets. If any such indication exists, the recoverable amount of the asset is estimated and impairment loss is recognized in the profit and loss account.

The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

**3.11 Provisions**

Provisions are recognized when:

- The Company has a present legal or constructive obligation as a result of past events;
- it is probable that an outflow of resources will be required to settle the obligation; and
- a reliable estimate of the amount can be made.

**3.12 Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**Financial assets**

**Initial recognition and measurement**

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade debts, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.



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In order for a financial asset to be classified and measured at amortized cost, or fair value through OCI it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

**Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified into following categories:

- Financial assets at amortized cost (debt instruments).
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments).
- Financial assets at fair value.
- Financial assets at fair value through profit or loss

Financial assets at amortized cost (debt instruments) This category is the most relevant to the Company. The Company measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets.
- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows, And
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized,

**Financial assets designated at fair value through OCI (equity instruments)**

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as other income in the unconsolidated statement of profit or loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to

The Company elected to classify irrevocably its non-listed equity investments under this category.

**Financial assets at fair value through profit or loss**

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortized cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

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Financial assets at fair value through profit or loss are carried in the unconsolidated statement of financial position at fair value with net changes in fair value recognized in the statement of profit or loss. This category includes derivative instruments and listed equity investments which the Company had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are also recognized as other income in the unconsolidated statement of profit or loss when the right of payment has been established.

**Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Company's unconsolidated statement of financial position)

- The rights to receive cash flows from the asset have expired

Or

The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of its continuing involvement. In that

case, the Company also recognizes an associated liability. The transferred asset and the associated liability are

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to

**Impairment of financial**

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. For all other financial assets, the Company applies the general approach.

The Company considers a financial asset in default when contractual payments are 60 - 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

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**Financial liabilities**

**Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of

**Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial recognized in the unconsolidated statement of profit or loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Company has not designated any financial liability as at fair value through profit or loss.

**Financial liabilities at amortized cost (loans and borrowings)**

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in the unconsolidated well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the unconsolidated statement of profit or loss. This category generally applies to interest-bearing loans and borrowings.

**Derecognition**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability.

The difference in the respective carrying amounts is recognized in the unconsolidated statement of profit or loss.

**3.13 Offsetting of financial assets and financial liabilities**

A financial asset and a financial liability is offset and the net amount is reported in the balance sheet where there is a legally enforceable right to setoff the recognized amount and the company intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

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4 PROPERTY, PLANT AND EQUIPMENT

Particulars	JULY 2019 TO JUNE 2020									
	Cost / Revaluation		Rate %	Depreciation			W.D.V. as at 30.06.20			
	As at 01.07.2019	Addition / Deletion		As at 30.06.2020	As at 01.07.19	Disposal		For the period	As at 30.06.20	
Leasehold land	76,230,000	(76,230,000)	0%	-	-	-	-	-	-	12,500,000
Building at Lahore	12,500,000	-	0%	-	12,500,000	-	-	-	-	-
Building on lease hold land Karachi	2,681,144	(2,681,144)	5%	-	-	2,602,819	(2,606,735)	3,916	-	-
Plant and machinery	9,544,121	(9,544,121)	10%	-	-	9,188,195	(9,223,788)	35,593	-	-
Food processing machine	527,505	(527,505)	10%	-	-	466,054	(472,199)	6,145	-	-
Furniture, Fixture and equipment	155,158	(155,158)	10%	-	-	143,772	(144,910)	1,139	-	-
Motor vehicles	2,974,412	-	20%	-	2,974,412	2,962,397	-	2,403	2,964,800	9,612
	104,612,340	(89,137,928)			15,474,412	15,363,236	(12,447,632)	49,196	2,964,800	12,509,611

Particulars	JULY 2020 TO JUNE 2021									
	Cost / Revaluation		Rate %	Depreciation			W.D.V. as at 30.06.21			
	As at 01.07.2020	Addition / Deletion		As at 30.06.2021	As at 01.07.20	Provision (Note 4.2)		For the period	As at 30.06.21	
Building at Lahore	12,500,000	-	0%	-	12,500,000	-	-	-	12,500,000	-
Motor vehicles	2,974,412	-	20%	-	2,974,412	2,964,800	-	1,922	2,966,722	7,690
	15,474,412	-			15,474,412	2,964,800	12,500,000	1,922	15,466,722	7,690

Disposal of fixed assets

Particular	Cost	Accumulated Depreciation	Carrying Value	Sale Proceed	Gain & loss	Purchaser	Terms
Land and building with machinery and equipments	89,137,928	(12,447,632)	76,690,296	214,200,000	(137,509,704)	Mr. Hanif	Sale Agreement

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	Notes	2021 Rupees	2020 Rupees
<b>4.1</b>	Depreciation charge for the year has been allocated as follows:		
	Cost of sales	-	37,389
	Administrative expenses	1,922	11,807
		<u>1,922</u>	<u>49,196</u>
<b>4.2</b>	Due to the uncertainty of litigation, relating to the building at Lahore, the Company has made a 100% provision against this property. However, the Company retains the rights to this property and expects a positive outcome.		
	Cost	12,500,000	12,500,000
	Less: provision	(12,500,000)	-
		<u>-</u>	<u>12,500,000</u>
<b>5</b>	<b>LONG-TERM DEPOSITS</b>		
	Security deposits	744,873	744,873
	Less: Balance write-off	(744,873)	-
		<u>-</u>	<u>744,873</u>
<b>6</b>	<b>TRADE DEBTORS - unsecured</b>		
	Considered good	2,129,640	2,129,640
	Considered doubtful	3,315,048	3,315,048
		5,444,688	5,444,688
	Less: Provision for doubtful debts	(5,444,688)	(3,315,048)
		<u>-</u>	<u>2,129,640</u>
<b>6.1</b>	It includes an amount of Rs. 2,129,640 receivable from Sun Shine Cloth Limited, which is under liquidation and the claim has been filed with the liquidator. However, the quantum of recoverable amount has yet not been determined by the liquidator. A provision for the entire amount has been made, while the Company is hopeful of some returns.		
<b>7</b>	<b>SHORT TERM INVESTMENT</b>		
	Short Term Investment	80,000,000	-
<b>7.1</b>	The Company has made an investment in M/s. 5 Star Enterprises a Partnership concern Company doing a business of sale and purchase of machinery. The investment carries profit @ 7% - 12%. Maturity of the Investment is up to one year and renewable after period of 12 month by mutual consent of the parties.		
<b>8</b>	<b>ADVANCES, DEPOSITS AND PREPAYMENTS</b>		
	<b>Advances - unsecured, considered good</b>		
	- Income tax refundable	-	285,802
	- Advance income tax	-	1,846,550
	- Advance to suppliers	7,237,755	7,237,755
	Less: Provision	(7,237,755)	-
		<u>-</u>	<u>9,370,107</u>

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	Notes	2021 Rupees	2020 Rupees
<b>Deposits and prepayments- unsecured , considered good</b>			
- Deposits		-	-
- Prepayments		-	-
- Other Receivable		-	-
		-	-
		<u>-</u>	<u>9,370,107</u>

- 8.1 This includes an amount of Rs. 7,237,755/- paid to M/s Swiss Embroidery (Private) Limited for supply of tin plate and other material, but the supplier has failed to supply material. A suit for recovery has been filed with the High Court of Sindh and the matter is pending for adjudication. Due to the uncertainty of litigation, the Company has made a 100% provision against this. However, the Company retains the rights and expects a positive outcome.

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	2021 Rupees	2020 Rupees
<b>9 CASH AND BANK BALANCES</b>		
Cash at bank - current accounts	<u>42,237,838</u>	<u>101,457,541</u>
	<u>42,237,838</u>	<u>101,457,541</u>
<b>10 SHARE CAPITAL</b>		
<b>Authorised capital</b>		
5,000,000 (2020: 5,000,000) Ordinary shares of Rs. 10/- each	<u>50,000,000</u>	<u>50,000,000</u>
<b>Issued, subscribed and paid up capital</b>		
1,034,500 (2020: 1,034,500) Ordinary shares of Rs. 10/- each fully paid up in cash	10,345,000	10,345,000
170,000 (2020: 170,000) Ordinary shares of Rs.10/- each fully paid, issued for consideration other than cash	1,700,000	1,700,000
429,000 (2020: 429,000) Ordinary shares of Rs. 10/- each issued as fully paid up bonus shares	4,290,000	4,290,000
	<u>16,335,000</u>	<u>16,335,000</u>
<b>11 CAPITAL RESERVE</b>		
This represents the difference between the written down value of the " Original" and "Revalued" Costs of a Machinery transferred by CIBA GIEGY (Pakistan) Limited, on completion of 6 years on 31-12-97, as per an agreement dated 28-05-91.		
<b>12 SURPLUS ON REVALUATION OF FIXED ASSETS - Land</b>		
<b>Surplus on revaluation of land</b>		
Beginning balance	-	76,230,000
Revaluation gain during the year	-	-
Less : Surplus transferred to retained earning	-	<u>(76,230,000)</u>
	<u>-</u>	<u>-</u>
12.1	The above amount represents the total value of the leasehold plot of land bearing survey No. B-24, S.I.T.E, Karachi. The original value of such land is reported to be already included in the value of the building which is subject to depreciation charge.	
12.2	The management has sold out the land on May 18, 2020 through sale agreement and transferred all gain to retained earning accounts.	

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	2021 Rupees	2020 Rupees
<b>13 LONG TERM LIABILITY</b>		
Provident fund contribution / loan payable		
Balance July 1	-	23,717,135
Contribution of employees	-	-
Contribution of company	-	-
	-	23,717,135
Loan deductions from employees during the year	-	-
Paid to employees during the year	-	(23,717,135)
	-	-
	-	-

- 13.1 The company has transferred the entire provident fund amount into a different account from where payments are being made to verified members. The Provident Fund was dissolved in year 2007 and the figures were up to date and being reflected in the financial statements every year.

**14 CREDITORS, PROVISIONS AND ACCRUED CHARGES**

Accrued expenses	75,000	75,000
Deposits from customers	80,000	80,000
Provision against final settlement of salary	2,506,000	2,506,000
	<u>2,661,000</u>	<u>2,661,000</u>

- 14.1 The above balance represent cheque return back and not encashed by creditors due to the various reason as the due were pertain to the financial year 2009 and in these course of time business has closed or their bank title has been changed. As discussed with the particular creditors a new draft agreement will be prepared to settle the due balances.

**15 SHORT TERM LOAN - UNSECURED**

These represent loan obtain from directors. The loan does not carry any markup and terms of the payments are not fixed and repayable on demand.

**16 OTHER LIABILITIES**

Unclaimed dividend	412,540	412,540
Workers' profit participation fund	85,060	85,060
	<u>497,600</u>	<u>497,600</u>



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	2021 Rupees	2020 Rupees
<b>17 PROVISION FOR TAXATION</b>		
Balance - July 01	12,500	30,648
Less : Advance tax deducted / adjustment	(12,500)	(30,648)
	<u>-</u>	<u>-</u>
<b>18 CONTINGENCIES AND COMMITMENTS</b>		
In compliance with the court order, Services of 381 surplus staff / workers were terminated on 26th November 1999, only 179 worker's dues remain outstanding as mentioned in note 13, and rest of the terminated workers have received their full and final dues.		
<b>19 ADMINISTRATIVE AND SELLING EXPENSES</b>		
Factory security charges	-	147,000
Fees and subscription	-	82,000
Legal and professional charges	759,000	34,000
Audit fee	75,000	75,000
Misc Expense	420,925	-
Depreciation	1,922	49,196
Provisions	21,867,395	1,583,545
Balance write-off	744,873	-
	<u>23,869,115</u>	<u>1,970,741</u>
<b>20 OTHER INCOME</b>		
Disposal against land building	20.1 -	137,509,704
Profit on invsement	125,000	-
	<u>125,000</u>	<u>137,509,704</u>
<b>20.1 Disposal against land building</b>		
Sale proceeds	-	214,200,000
Cost of land and building with machinery and equipments	-	12,907,928
Less : Accumulated depreciation	-	(12,447,632)
Carrying amount	-	460,296
<b>Total gain on disposal</b>	-	213,739,704
Less : Surplus on revaluation transferred to retain earning	-	(76,230,000)
	<u>-</u>	<u>137,509,704</u>
<b>20.1</b> The Company has disposed off its factory land and building with machinery and equipments on May 18, 2020 through sale agreements between Company and Mr. Hanif Harron.		
<b>21 - LOSS PER SHARE - BASIC</b>		
Profit after taxation for the year	(25,888,967)	135,538,963
Weighted average number of share outstanding during the year	1,633,500	1,633,500
Earning per share	<u>(15.85)</u>	<u>82.97</u>

**HASHIMI CAN COMPANY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**22 TRANSACTIONS WITH RELATED PARTIES**

The related parties comprises of associated undertakings, other related parties, directors, key management personnel and staff retirement funds. Amount due from and due to these undertakings are shown under receivables and payables. Transactions with related parties during the year, other than those which have been disclosed elsewhere in these financial statements are as follows:

	2021 Rupees	2020 Rupees
Loan paid / obtained from director during the year - Net	<u>21,922,723</u>	<u>(53,502,303)</u>

Outstanding balance of the related parties are disclosed in their respective head in this financial statements.

**23 REMUNERATION OF CHIEF EXECUTIVE AND DIRECTORS**

There were no remuneration paid to Chief executive, Executives and Directors of the company. ( 2020: Nil)

**24 FINANCIAL RISK MANAGEMENT**

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

- Credit risk;
- Liquidity risk;
- Market risk; and
- Operational risk.

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

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company through its training and management standards and procedures aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Audit Committee oversee how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit Committee is assisted in its oversight role by Internal Audit Department (IAD). IAD undertakes both regular and ad hoc reviews of the risk management controls and procedures, the results of which are reported to the Audit Committee.

**24.1 Credit risk**

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

	2021 Rupees	2020 Rupees
<b>Carrying amount</b>		
Trade debts-unsecured and considered good	-	2,129,640
Advances, deposits, prepayments and other receivables	-	7,523,557
Cash at bank	42,237,838	101,457,541
	<u>42,237,838</u>	<u>111,110,738</u>

**HASHIMI CAN COMPANY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**Bank balances**

The credit quality of the Company's cash and cash equivalents, held with various commercial banks and financial institutions is assessed with reference to extent credit rating thereof, ranging from AA+ to A1+ assigned by the reputable credit rating agencies.

**24.2 Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty to meet its financial obligations as they fall due. Liquidity risk arises because of the possibility that the Company could be required to pay its liabilities earlier than expected or difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damages to the Company's reputation. The following are the contractual maturity of the financial liabilities, including interest payments.

Financial liabilities	2021			
	Carrying amount	Contractual cash flows		
		Total	Up to one year	More than
	----- Rupees -----			
Long term finance	-	-	-	-
Creditors, provisions and accrued charges	2,661,000	2,661,000	2,661,000	-
Other liabilities	497,600	497,600	497,600	-
	<u>3,158,600</u>	<u>3,158,600</u>	<u>3,158,600</u>	<u>-</u>
Financial liabilities	2020			
	Carrying amount	Contractual cash flows		
		Total	Up to one year	More than one
	----- Rupees -----			
Long term finance	-	-	-	-
Creditors & other liabilities	2,661,000	2,661,000	2,661,000	-
Other liabilities	497,600	497,600	497,600	-
	<u>3,158,600</u>	<u>3,158,600</u>	<u>3,158,600</u>	<u>-</u>

**24.3 Market risk**

Market risk is the risk that the value of the financial instruments fluctuate as a result of changes in market interest rates or the market price due to change in credit rating of the issuer of the instrument, change in market sentiments, speculative activities, supply and demands of securities and liquidity in the market. Market risk comprises of three types of risk namely, interest risk and other price risk.

**24.3.1 Interest rate risk**

Interest rate risk represent the risk that the fair value of the future cash flows of the financial instruments will fluctuate because of the changes in market interest rates. The Company interest rate risk arises on Banking finance.

**HASHIMI CAN COMPANY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

**24.3.2 Other price risk**

Other price risk is the risk that fair value of the future cash flows of the financial instruments will fluctuate because of the changes in market price (other than arising from the interest and currency risk) whether this changes caused by the factor specific to the financial instruments or its issuer or factors effecting similar financial instruments traded in financial markets. The Company is not exposed to other price risk.

**24.4 Fair value of financial assets and liabilities**

The fair value of the financial assets and liabilities is the value in which assets could be exchange or a liability settled between knowledgeable willing parties in an arms length transaction.

**24.5 Operational risk**

Operational risk is the risk of direct or indirect losses arising from a wide variety of causes associated with the processes, technologies and infrastructure supporting the Company's operation either internally with in the Company or externally to the Company's service providers, and from external factors other than credit, market and liquidity risk such as those arising from legal regulatory requirements and generally accepted standards of investments and management behavior. Operation risk arises from all of the Company's activities.

The Company's objective is to manage operational risk so as to balance limiting financial losses and damage to its reputation and generating returns from stake holders.

The primary responsibility for the development and implementation of the controls over operational risk rest with the Board of Directors. This responsibility encompasses the controls in the following areas:

- requirements for the segregation of duties between various functions, roles and responsibilities;
- requirements for the reconciliation and monitoring of the transactions;
- compliance with the regulatory and other legal requirements;
- documentations of controls and procedures;
- requirements for the periodic assessment of operational risk faced, and adequacy of controls and procedures to address the risk identified;
- ethical and business standards; and
- risk mitigation, including insurance where effective.

Senior management ensure that the Company's staff have adequate training and experience and foster effective communication related to the operational risk management.

**24.6 Capital risk management**

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Company manages its capital structure and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends (if any) paid to shareholders or issue new shares (if any).

Consistent with others in the industry and the requirements of the lenders, the Company monitors the capital structure on the basis of gearing ratio. This ratio is calculated as net debt divided by total equity (as shown in the statement of financial position). Net debt is calculated as total borrowings (including current and non-current borrowings) less cash and bank balances and liquid investments.

HASHIMI CAN COMPANY LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020

Particulars	2021 Rupees	2020 Rupees
Borrowing	45,547,601	23,624,878
Cash and bank balances	(122,237,838)	(101,457,541)
Total debt	<u>(76,690,237)</u>	<u>(77,832,663)</u>
Total equity	<u>73,539,327</u>	<u>99,428,294</u>

The Company is not exposed to any externally imposed capital requirements.

25 NUMBER OF EMPLOYEES

The total number of employees as on June 30, 2021 were Nil (2020: Nil) where as average number of employees were Nil (2020: Nil).

26 DATE OF AUTHORIZATION

These financial statements have been authorized for issue on 27 SEP 2021 by the Board of Directors of the Company.

  
CHIEF EXECUTIVE

  
DIRECTOR

  
CHIEF FINANCIAL OFFICER

**PATTERN OF HOLDING SHARES BY THE SHAREHOLDERS  
AS AT JUNE 30, 2021**

NO. OF SHAREHOL DER	SHARE HOLDING TOTAL		SHARE HELD
	FROM	TO	
470	1	100	13307
104	101	500	24157
23	501	1000	18122
26	1001	5000	60540
4	5001	10000	29400
1	10001	15000	10395
2	20001	25000	46631
1	45001	50000	45688
1	50001	55000	51907
1	85001	90000	89730
1	235001	240000	240000
1	325001	330000	326815
1	620001	760251	676808
636			1633500

Categories of Shareholders	Numbers of Shareholders	Shares Held Percentage
Individuals	475	4.36
Insurance Companies	3	0.48
Financial Institutions	2	9.86
Joint Stock Companies	0	0
Investment Companies	2	0.3
Cooperative Society	1	0
Holding of Directors	7	85
Total	490	100

## CATEGORIES OF SHAREHOLDERS AS AT JUNE 30, 2021

Categories of Shareholders	Numbers of Share Holders	Shares Held
<b>Individuals</b>	475	
Holding less than 10%		71057
<b>Insurance companies</b>	3	
Adamjee Insurance co ltd		2364
EFU General Insurance		110
Pakistan General Insurance		5250
<b>Financial institution</b>	2	
National Bank of Pakistan Trustee Deptt.		161063
United Bank Limited		200
<b>Investment Companies</b>	2	
Investment Corporation of Pakistan		4729
NH Securities Pvt Limited		82
<b>Cooperative Society</b>	1	25
<b>Holding of Directors</b>	4	
Mr. Zaheer A. Malik		1321568
Miss. Humera Malik		54407
Mr. Mahmood A, Malik		2500
Mrs. Seema Zahoor		2500
Mr. Junaid Bhatti		2500
Mr. Khurram Durrani		2500
Mr. Shahzad Samad		2500
<b>TOTAL</b>	<b>489</b>	<b>1633500</b>

### **Notice of General Meeting**

Notice is hereby given that the 60<sup>th</sup> Annual General Meeting of the Shareholders of Hashimi Can Company Limited will be held on Monday October 18, 2021 at 11:30 am, at Plot No.35, Sector A, Street no.5 opposite DHA police station, main Korangi Road, Karachi.

#### **Ordinary /Special business:**

1. To confirm minutes of last Annual General Meeting of the company held on Oct 17, 2020.
2. To receive, consider and adopt the audited Financial Statements of the Company for the year ended 30<sup>th</sup> June 2021 together with the report of Directors and Auditors thereon.
3. To appoint Auditors for the year 2021-2022 and their remuneration.
4. To transact any other business with the permission of the Board

For and on behalf of the Board  
Company Secretary

#### **NOTES:**

1. The Share Transfer Book of the company will remain closed from October 11<sup>th</sup>, 2021 to October 18<sup>th</sup>, 2021 (both inclusive).
2. A member entitled to attend, speak and vote at this meeting may appoint proxy, in order to be effective must be received by the Company not less than 48 hours before the meeting.
3. Any individual entitled to attend and vote at this meeting, must bring his/her Original CNIC or Passport in Original to prove his/her identity. In case of Proxy, must enclose additionally an attested copy of his/her CNIC or Passport. Representative of corporate member should bring the usual documents required for such purpose
4. Shareholders are requested to notify the change of address, if any immediately.