PAKISTAN GEMS AND JEWELLERY DEVELOPMENT COMPANY

A Subsidiary of Pakistan Industrial Development Corporation (PIDC)

A Company set up under section 42 of the Companies Ordinance, 1984

(Now Companies Act 2017).

Ministry of Industries & Production, Government of Pakistan

DIRECTORS' REPORT TO THE SHAREHOLDERS

FOR THE YEAR ENDED

30TH JUNE - 2023

ANNUAL REPORT WITH DIRECTORS REPORT OF THE COMPANY
BOARD OF DIRECTORS (2022-23)

CHAIRMAN BOARD

1) Mr. Shahid Iqbal

MEMBERS BOARD OF DIRECTOR

2) Joint Secretary (LED), Ministry of Industries and Production, Government of Pakistan.
3) Secretary, Trade Development Authority of Pakistan.
4) Chief Executive Officer, Small and Medium Enterprise Development Authority (SMEDA).
5) Chief Executive Officer, Pakistan Industrial Development Corporation (PIDC).
6) Secretary, Mines & Minerals Development Department, Government of Khyber Pakhtunkhwa.
7) Secretary, Mines & Minerals Development Department, Government of Balochistan.
8) Secretary, Industries. Commerce Mineral Resources and Labour Department, Government of Azad Jammu & Kashmir.
9) Secretary, Mines Development, Industries, Commerce & Labour Department, Government of Gilgit-Baltistan.
10) Chief Executive Officer, PGJDC
11) Mr. Izhar Hunzai, Gilgit Baltistan.
12) Ms. Nadia Ahmed Chhotani, Sindh.
13) Mr. Imran Nazir, Khyber Pakhtunkhwa.
14) Malik Waliullah Khan Kasi, Balochistan.

DIRECTORS' REPORT TO THE SHAREHOLDERS

The Board of Directors of Pakistan Gems and Jewellery Development Company is pleased to present the Directors Report & Annual Report along with the Company's Audited financial statements for the year ended June 30, 2023.

A. PERFORMANCE REVIEW

1. PROJECTS FOR SKILLS DEVELOPMENT AND TECHNOLOGICAL UP- GRADATION:

a. <u>Gems and Jewellery Training and Manufacturing Centre, Karachi:</u>

Gems & Jewellery Training & Manufacturing Centre Karachi is mandated to provide trainings with practical exposure in different fields of Gems and Jewellery especially in Gemology, Computer Aided Designing and manufacturing etc. GJTMC-Karachi had also conducted training programs in collaboration with organizations like BBSYDP, NAVTTC etc. Other facilities like Gemstone Certification, RP wax modeling, Mould making, casting services etc are also available for the sector. As the funding for operations of PGJDC projects got finished, the employees of GJTMC Karachi were laid off after June 2019. Currently, the operations of the center are at a halt and will resume once funding is approved from relevant quarters.

The Landlord of GJTMC Karachi had filed a writ petition in Court for recovery of their due rent pertaining to the premises of GJTMC Karachi. The Controller of rent ordered PGJDC to pay the outstanding rent and vacate the premises at the earliest. However, the Karachi Cantonment Board ordered to seal the premises due to non-payment of property tax. PGJDC arranged to pay the property tax on behalf of the landlord, which was due to be adjusted from the final payment of the landlord, in order to comply with the decision of Honorable Court and vacate the premises. Subsequently, the premise was de-sealed and PGJDC vacated the premises in December 2022. The assets of GJTMC Karachi are currently stored at a warehouse belonging to Sindh Engineering Limited located in west wharf Karachi.

During the Board meeting held on 5th June 2023, Ms. Nadia Chottani, PGJDC Board member from Karachi was tasked to negotiate with the Landlord of GJTMC Karachi premises for payment of their outstanding rent. After careful negotiation with the landlord, the final amount to be paid to the landlord was agreed upon at Rs. 7,000,000/-. Ultimately, the subject amount was paid to the Landlord in June 2023 and the landlord withdrew the case from Honorable court regarding recovery of rent.

b. <u>Gems and Jewellery Training and Manufacturing Centre, Lahore:</u>

Gems and Jewellery Training and Manufacturing Centre (GJTMC), Lahore is mandated to provide trainings to local sector in the fields of Gemology, Gemstone cutting, Computer aided jewellery designing. Additionally, gemstones are Identified and Gem Identification reports are issued to the sector to promote genuine businesses. Other facilities like RP wax modeling, Mould making, casting services etc are also available for the sector.

As the funding for operations of PGJDC projects got finished, the employees of GJTMC Lahore were laid off after June 2019. Currently, the operations of the center are at a halt and will resume once funding is approved from relevant quarters.

The Landlord of GJTMC Lahore filed a writ petition in Court for recovery of their due rent pertaining to the premises of GJTMC Lahore. The Controller of rent directed the bailiff court to enter the premises and make a list of the inventory so that the assets could be auctioned to recover the due amount. Consequently, the Landlords along with bailiff from court took possession of the premises and submitted inventory lists to the Court. However, during the Board meeting held on 5th June 2023, a committee was formed comprising of Board members including Mr. Shahid Iqbal – Chairman BoD and Mr. Imran Nazir, PGJDC Board member from Peshawar and they were tasked to negotiate with the Landlord of GJTMC Lahore premises for payment of their outstanding rent. After careful negotiation with the landlord, the final amount to be paid to the landlord was agreed upon at Rs. 9,000,000/-, which was to be paid in two installments (i.e. Rs. 7,000,000/- immediately and Rs. 2,000,000/- by 31st August 2023).Subsequently the first installment was paid in June 2023, however, the cheque got declined due to lapse of funds at the closure of financial year 2022 – 23.

The Landlord then demanded to pay full outstanding amount i.e. Rs. 9,000,000/- in one installment, which, after deduction of applicable taxes was paid to the landlord in October 2023, from the allocation of PGJDC from Non-Development Budget 2023-24. However, the landlord has submitted that the agreed amount was over and above the applicable taxes, hence the remaining amount has been paid in June 2024 after re-appropriation of funds.

c. <u>Gems and Jewellery Training and Manufacturing Centre, Gilgit:</u>

The centre caters to the needs of training of the gems & jewellery sector of Gilgit Baltistan. GJTMC-Gilgit has also conducted training programs in collaboration with NAVTTC in Gem Faceting, Gem Carving, Gem identification and Fashion Jewellery made by wire and beads.

As the funding for operations of PGJDC projects got finished, the employees of GJTMC Gilgit were laid off after June 2019. Currently, the operations of the center are at a halt and will resume once funding is approved from relevant quarters.

PGJDC, upon directives of BoD and MoIP, have approached the Gilgit-Baltistan Government to collaborate in reviving operations of the Center and deliberations with them

...e underway. The Provincial Government of Gilgit-Baltistan has principally agreed to collaborate with PGJDC for reviving operations of the Center. Draft MoU for collaboration has been forwarded by MoIP to Gilgit Baltistan Government, where it is under consideration.

d. **Gems and Jewellery Training and Manufacturing Centre, Peshawar:**

The project was mandated to provide the facility for skills development in various domains of Gems and Jewellery including Gem Identification, Gemstone faceting & carving, Jewellery Designing, Trainings have also been conducted at the Center in collaboration with FATA Development Authority, NAVTTC etc.

As the funding for operations of PGJDC projects got finished, the employees of GJTMC Peshawar were laid off after June 2019. PGJDC, upon directives of BoD and MoIP, approached the KPK Government to collaborate in reviving operations of the Center and subsequently the operations of the Center were taken up by KP-TEVTA in November 2019.

e. **Gems and Jewellery Training and Manufacturing Centre, Quetta**

GJTMC Quetta offered Gems & Jewellery training to the local sector of Balochistan in the areas of Gemstone Identification, Gemstone Faceting & Carving, Manual Jewellery Designing and Fashion Jewellery Making with beads and wire. Trainings have also been imparted at the Center in collaboration with NAVTTC, BUITEMS, GIZ etc.

As the funding for operations of PGJDC projects got finished, the employees of GJTMC Quetta were laid off after June 2019. Currently, the operations of the center are at a halt and will resume once funding is approved from relevant quarters.

PGJDC, upon directives of BoD and MoIP, have approached the Balochistan Government to collaborate in reviving operations of the Center and deliberations with them are underway. Draft MoU for collaboration has been forwarded by MoIP to Balochistan Government, where it is under consideration.

Moreover, NSPAIT, a PSDP funded project submitted by TUSDEC has been approved this year through which TUSDEC will provide latest Machinery and equipment and three year operational costs for reviving operations of GJTMC Quetta.

f. **Gems and Jewellery Training and Manufacturing Centre, Sargodha:**

The Gems and Jewellery Training and Manufacturing Center, Sargodha was equipped with the latest machinery, equipment and tools, and offeredcourses in jewellery Designing both manual and computer aided, Gemstone Identification and jewellery manufacturing to the local sector.

The project was funded by PIDC and has been discontinued. The Machinery and Equipment of the Center are safeguarded at Furniture Pakistan Office in Sargodha.

9. **Gems and Jewellery Training and Processing Centre, Muzaffarabad (AJK):**

The Gems and Jewellery Training and Processing Center, Muzaffarabad (AJK) provided training in the fields of Gemstone Carving, Gemstone Faceting and Gemstone Identification. The center is equipped with the latest machinery, equipment along with trained faculty.

As the funding for operations of PGJDC projects got finished, the employees of GJTPC AJK were laid off after June 2019. Subsequently, the operations of the center came at a halt.

PGJDC, under directives of BoD and MoIP, approached the AJK Government to collaborate in reviving operations of the Center. AJK TEVTA vide its letter No. AJKTEVTA/2579-82/2023 dated 30-03-2023 intimated that AJK TEVTA has taken over GJTPC AJK Muzaffarabad w.e.f. 01-01-2020 and the liabilities including salaries and wages, rentals and utilities are clear from 1st January 2020 to date. AJK TEVTA also noted that the draft MoU received from PGJDC is under process for vetting from Law department of Azad Jammu & Kashmir and AJK-TEVTA is agreed for signing of vetted MoU with PGJDC to take NOC from Industries and Production Division, Govt. of Pakistan.

2. GEM EXCHANGE:

Gem Exchanges were established by PGJDC at Peshawar and Quetta, primarily to facilitate linkages between buyers and sellers of gemstones. It was an integrated approach of providing all the services under one roof, reducing costs and increasing cooperation amongst different stakeholders of the value chain. Both gem exchanges have been closed down upon achieving the defined targets as per PC -1.

3. GEM IDENTIFICATION LABORATORIES:

To improve upon the quality of the gemstone products, introduction of standards in the form of certification of gemstones is essential. PGJDC set up full-fledged and modern Gem Identification Laboratories at Karachi, Lahore, Peshawar, Quetta, Gilgit, Sargodha and Muzaffarabad (AJK). These laboratories were housed in the training centers setup by PGJDC in these cities.

These laboratories provided the facilities of gemstone testing to the customers at very subsidized rates. In these Gem Labs, precious and semi-precious stones were examined, tested and reports were generated, containing details about their color, shape, cutting style, weight, measurements, etc, and were issued to the customers.As the funding for operations of PGJDC projects got finished, the operations of these labs came at a halt.

However, PGJDC is making efforts to operationalize the Gemstone Identification Laboratories at Karachi, Lahore, Quetta, Peshawar and Sargodha. Those at Gilgit and AJK have been handed over to Provincial Governments who have operationalized them through funding arrangement by respective Provinces.

4. ASSAYING/ HALLMARKING:

Introduction of Assaying & Hallmarking in Pakistan is among the major initiatives undertaken by PGJDC for introducing quality standards into the local industry and increasing the credibility of Pakistani products in international markets.

The Assaying and Hallmarking centres established by PGJDC at Karachi and Lahore played a pivotal role in inculcating the importance of Assaying and Hallmarking into the norms of Pakistani jewellery sector.

As the funding for operations of PGJDC projects got finished, the operations of these centers came at a halt and will resume once funding is approved from relevant quarters.

It is worthwhile to mention that, as the project of AHMC Karachi was housed in same building of GJTMC Karachi, the case filed by the Landlord of Karachi pertained to AHMC Karachi as well. The matter of outstanding rent was amicably resolved as explained in previous sections and the machinery and equipment of AHMC Karachi are stored at the warehouse of SEL located in West Wharf Karachi.

As far as the AHMC Lahore is concerned, the AHMC Lahore was also housed in the same premises of GJTMC Lahore. The details of the matter have already been explained in the GJTMC Lahore section of this report. and PGJDC will pay the remaining outstanding amount pertaining to rent of AHMC Lahore along with GJTMC Lahore, as soon as the funds of fourth quarter are released to the Company.

5. MARKETING/BRANDING

PGJDC's Marketing and Branding activities include facilitation for participation of local sector in international exhibitions by setting up Pakistan Pavilion during different trade shows around the world, organizing International Gems and Jewellery Exhibitions and Gem Exhibitions/Gem Bazaars in Pakistan, participation in third party local exhibitions, promotion through E-Commerce, Digital marketing, Media and PR campaigns etc.

As the funding for operations of PGJDC projects got finished, the Marketing and Branding activities of the Company came at a halt and will resume once funding is approved from relevant quarters. During the year 2022 – 23, numerous proposals for organization of Gems and Jewellery Exhibitions were submitted however none of them got materialized due to operational difficulties being faced by the Company. These include:

<u>Single Country Gems and Jewellery Exhibition at Houston, Texas, USA:</u>

A Single Country Gems and Jewellery Exhibition at Houston, Texas, USA in collaboration with the Private sector was planned to be organized. A total of 50 Exhibitors from all across Pakistan enrolled for the subject Exhibition and an amount of around USD 250,000 was generated from the Private sector to cater for the Expenses of the Exhibition. Approval for organizing the subject Exhibition was also granted by the Federal Secretary MoIP and all gements pertaining to the Exhibition were done at Houston, USA including booking of Exhibition Hall, reservation of rooms, arrangement of shell schemes for display of products etc. Coordination was also done with the Pakistani Consulate in Houston USA to provide support regarding different aspects of the Exhibition and Ministry officials were also nominated to attend the Exhibition on behalf of the Federal Government. PGJDC was supposed to receive 50% share of revenue to be generated through the Exhibition. However, the Exhibition was not held as a result of non-issuance of US Visas to the Exhibitors, due to sudden change in political scenario of the Country.

Pakistan International Gems and Jewellery Exhibition (PIGJE) at Lahore:

The third edition of Pakistan International Gems and Jewellery Exhibition (PIGJE) was planned to be organized at Lahore in collaboration with the Private sector and an Event Management Company. An Event Management Company was arranged who agreed to bear all the expenses pertaining to the Exhibition through Booth Fee and sponsorships gathered from different companies. In return, PGJDC would make its brand name available under the umbrella of which the Exhibition was to be organized. PGJDC was supposed to receive 25% share of revenue to be generated through the Exhibition.

Working on removing impediments of SRO 760:

PGJDC worked vigorously for removing impediments of SRO 760, which were hampering export growth of the sector. The Company submitted its recommendations for amendments in the SRO 760 which have been included in the final recommendations to be put up to ECC for final approval.

B. KEY PERFORMANCE INDICATORS:

A detailed report is placed in the succeeding pages of the company's Annual Report.

C. FINANCIAL REVIEW

The financial review for 2023 shows a decline in total assets by Rs. 13.26 million, driven by a significant reduction in property, plant, and equipment, alongside a slight increase in the accumulated deficit, but with a positive reduction in current liabilities, improving short-term financial health.

ERATING RESULTS

he Company has a net Deficit of Rs. 88.72 million for the year 2023-24 as compared to et deficit of Rs. 76.41 million in 2022-23.

The key financial figures have been tabulated as follows:

Heads	Year Ended June 30, 2022	Year Ended June 30, 2023
	Rupees	
(Deficit)/ Surplus) before Tax	53,479,280	(1,885,898)
Taxation	-	-
Surplus/(Deficit) after Tax	**53,479,280**	**(1,885,898)**

EARNING PER SHARE

Basic (Loss)/ earning per share come at Rs 0.36   Year 2022: Rs. (0.02)

Reason for Deficit

Deficit for the year under review include the major impact of depreciation on fixed assets of the company.

DIVIDEND

The Company is a non-profit organization and all surplus earned would be employed by your Company to meet its objectives. The Securities and Exchange Commission of Pakistan (SECP) while granting license u/s 42 of the Companies Act, 2017 has also required that no payment would be made to the members; therefore, the Company is not required to declare any dividends.

OUTSTANDING STATUTORY PAYMENTS

There are no outstanding payments due on account of taxes, duties, levies and charges except the current year tax liability and amounts of normal and routine nature.

GRATUITY

The gratuity accruals up to the period ending 30th June, 2023 has been recorded at an amount of Rs.12.555 million (June 2022 Rs.12.164 million).

NON-DEVELOPMENT GRANT

Non-Development funds of Rs. 28.623 Million related to Employees related expenses and Operating expenses of the Company were released for the year 2022-23 for operation and management of the Company.

PGJDC's Projects were dysfunctional due to non-availability of funds from any source and Training, Marketing and Promotional Activities could not be carried out. Therefore, revenue could not be generated from the projects during the year.

CLARIFICATION ON MODIFICATION OF AUDIT REPORT

Auditors of the company have qualified their report on certain instances, the para wise comments are given as under;

a) as fully explained in note No. 3.7 to the financial statements, the Company operates an unfunded gratuity scheme. Accordingly, the Company has accounted for deferred liability under gratuity scheme based on 'completed period of service' using 'current salary level' which works out to Rs. 12,555,747 (2022: Rs. 12,164,292) as disclosed in note No. 13 to the financial statements. The aforesaid policy as stated in note No. 3.7 is not in accordance with the requirements of International Financial Reporting Standards (IFRSs) which require that amounts of gratuity should be recorded on 'projected unit credit method' to determine the present value of its staff gratuity obligations and the related current service cost and where applicable, past service cost. Had the Obligation been accounted for on the 'projected unit credit method' as required by the IFRSs, various elements in the accompanying financial statements would have been materially affected. As the management has not carried out actuarial valuation for determination to its staff gratuity obligation, financial affects thereof on various elements of these financial statements cannot be determined with reasonable accuracy. Accordingly, we are unable to obtain reasonable assurance as to whether any adjustment should be made in the amount of deferred liability under gratuity scheme.

   On availability of Funds, the Gratuity amount shall be funded and invested and accordingly actuarial valuation shall be carried out regularly by the Company.

b) as fully stated in note No. 1.5 to the financial statements, in the year 2015, the Company has deposited an amount of Rs. 37,522,675 into the Government Treasury, representing revenue generated by the Company from operation of its projects since inception till June 30, 2014, in compliance of the condition given in the PC-1 document.

   The management was of the view that projects of the Company were developed and operated by the funding of Government of Pakistan (GOP) through PSDP and not by the Company, therefore, the revenue generated from operations of the projects was deposited in GOP account as per condition of Umbrella PC-1 approved by the highest forum of Executive Committee of the National Economic Council (ECNEC). Further, the Management has routed the above mentioned payment through 'Statement of Changes in Equity' which was not in accordance with the requirements of Approved Accounting Standards.

   In our opinion, this ultra vires the provisions of the Company's Memorandum and Articles of Association and Section 42 of the Companies Act, 2017 (previously repealed ordinance, 1984) which interalia restricts the application of Company's income in promoting its objects and prohibits the payment of any dividend to its members. Has the Company not paid this amount to the Government Treasury in year 2015, cash and bank balances would have increased and accumulated deficit would have decreased by an equal amount of Rs. 37,522,675 (2021: Rs. 37,522,675); and

c) In Para (c), as fully explained in note No. 4.2 to the financial statements, the Company carried out an external assignment of fixed assets verification during the year 2019. As per the report, there were certain observations which included shortage of items of property, plant and equipment. The aggregate written down value of those fixed assets is Rs. 660,545 (2022: Rs.786,364).

The report also included an observation that certain items of property, plant and equipment were obsolete and damaged. The aggregate amount of those fixed assets is Rs.608,642 (2022: Rs.724,574).

Based on these observations and as per the requirements of IAS 36, the Company has to carried out impairment testing as indicator exist on each balance sheet dated 2018, 2019, 2020 2021 whereas the Management of Company did not carry out impairment testing resulting in departure of requirement of IAS-36.

However, we are unable to quantify its impact on the income and expenditure account of the year ended June 2021 and ascertain the actual written down value of fixed assets to be reflected in the financial statements as at June 30, 2023.

The management is of the view that as per requirement of IAS 36, the appropriate amount will be charged subject to settlement of DAC directives and approval of Board.

99

E. NPO STATUS OF THE COMPANY

NPO Certificate was granted by the Commissioner Inland Revenue, Zone-III, Regional Tax Office, Karachi in March, 2009. Extension was granted up to the year ended 30-06-2016. The application has been filed for extension which is under process in the tax department. The Tax Consultant is pursuing the matter.

F. MEETINGS OF DIRECTORS

In the year under review, three meetings of the Board of Directors were held. The Attendance by the Chairman, Chief Executive Officer and each Director is annexed with this report.

G. PATTERN OF SHAREHOLDING

Statement regarding Pattern of Shareholding on Form 34 is enclosed.

H. APPOINTMENT OF AUDITOR

The present auditor's M/s Naveed Zafar Ashfaq Jaffery & Co., the Chartered Accountants, retire and being eligible, offer themselves for re-appointment at audit fee i.e. Rs.150,000/- (One hundred Fifty Thousand Only) inclusive of withholding income tax, Sindh Sales tax and out of pocket expenses for statutory auditing services of PGJDC.

I- FUTURE PROSPECTS & PLANS

1. PGJDC is planning to revive operations of its Training centers through Public/Private Partnership. Deliberations are underway with different Gems and Jewellery Associations for mutual collaboration regarding operating the training centers of the Company.

2. PGJDC plans to operationalize and revitalize its Quality Assurance, E-Commerce and Marketing/Branding components through funding arrangement from EDF/PSDP/Donor agencies. Proposal has been formulated in this regard which is under discussions at relevant quarters.

3. PGJDC has been assigned to work on the Draft Pakistan Gems and Jewellery Authority Act formulated by the Prime Minister's Task Force. Comments/Feedback has been gathered from different ministries and provincial governments by MoIP which have been provided to PGJDC for incorporation in the subject Act. PGJDC is also working on the organizational structure of the proposed PGJDA, which will be submitted to the relevant quarters for consideration.

RENEWAL OF LICENCE OF THE COMPANY

The license of the Company under section 42 of Companies Act 2017 was expired on 9th December 2020.

In this regard, an application for renewal of Company License was furnished to Securities & Exchange Commission of Pakistan (SECP) office Islamabad vide letter No. PGJDC/CS/2021/2423 dated 16th November 2021, enclosed for information.

In response, PGJDC received SECP letter No. CLD/RD/CO-42/Renewal/2021/2099 dated 1st February 2022 was enclosed for information of worthy Board members. The Board was informed that the Securities and Exchange Commission of Pakistan (the "Commission") vide Notification No. S.R.O. 1574(1)/2021 dated November 29, 2021 has amended the Associations with Charitable and not for Profit Objects Regulations, 2018 (the "Regulations"). As per the said Notification, license once granted by the Commission under Section 42 of the Companies Act, 2017 (the "Act") is no more required to be renewed. However, Company in accordance with Regulation 15(2) of the Association with Charitable and Not for Profit Objects Regulations, 2018, shall obtain prior security clearance though an application (along with necessary 8 sets of documents) made to the Commission in case it intends to receive foreign funding or donation, as provided in the Regulations.

L- VISION, MISSION STATEMENT & CORE VALUES

Vision Statement:

The Company endeavors for the development of the Gems and Jewellery Industry of the Country from mine to market and to enhance its competitiveness internationally by Facilitation, Technology Up-gradation, Skill Development and Marketing/Branding.

Mission Statement:

To work together across regions and activities for establishing Pakistan as high value added, internationally competitive, world-class hub for precious stone cutting, jewellery manufacturing and designing by focusing on development of female gender and skill development.

Core Values

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

STRATEGIC GOALS

- Raise value chain productivity
- Strengthen policies for increased competitiveness
- Invest in workforce development and innovation capacity
- Strengthen industry organization and supporting institutions
- Improve marketing and branding.

Attendance at the Board Meetings held during the year 2022-23

S.No.	Directors	No. of BOD Meetings Attended
1.	Joint Secretary (LED), Ministry of Industries& Production, Islamabad	01
2.	Secretary, Industries & Mineral Development Department, Khyber Pukhtunkwa.	-
3.	Secretary, Industries & Mineral Development Department, Baluchistan.	01
4.	The Secretary, Trade Development Authority of Pakistan (TDAP)	01
5.	Secretary, Industries & Mineral Development Department, Gilgit-Baltistan.	-
6.	Secretary, Industries & Mineral Development Department, AJK-Muzaffarabad.	-
7.	Chief Executive Officer, PIDC	03
8.	CEO, SMEDA	2
9.	Chief Executive Officer (PGJDC)	03
10.	Mr. Izhar Ali Hunzai	-
11.	Mr. Shahid Iqbal	03
12.	Ms. Nadia Ahmed Chhotani	02
13.	Malik Waliullah Khan Kasi	02
14.	Mr. Imran Nazir	03

- Directors who were unable to attend Board meetings were officially granted leave of absence.
- No meeting fee was paid to any director for attending Board meetings during the year.

OF ETHICS AND BUSINESS PRACTICES

- Maintaining integrity and scrupulous dealings
- Maintaining correct books and records of the company
- Strictly observing the laws of the country
- Strictly avoiding questionable and improper payments, or use of the company's assets
- Strictly avoiding conflicts of interest
- Strictly avoiding political contributions
- Expediting due payments
- Strictly avoiding giving and receiving of gifts
- Treating means to be as important as ends

99

M. FINANCIAL REPORTING FRAMEWORK:

- The financial statements, prepared by the management of the Company present fairly its state of affairs, the result of its operations, its cash flows and its changes in equity.
- Proper books of account of the Company have been maintained
- Appropriate accounting policies have been applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgement
- International Accounting Standards, as applicable in Pakistan, have been followed in the preparation of financial statements and any departure there from has been adequately disclosed
- No material changes and commitments affecting the financial position of your Company have occurred between the end of the financial year to which this balance sheet relates and the date of the Directors' Report
- The system of internal control is sound in design and has been effectively implemented and monitored
- The Board recognizes its responsibility to establish and maintain sound system of internal control, which is regularly reviewed and monitored
- The appointment of chairman and other members of Board and the terms of their appointment along with the remuneration policy adopted are in the best interests of the Public Sector Company as well as in line with the best practices
- The Board has complied with the relevant principles of corporate governance, and has identified the rules that have not been complied with, the period in which such non-compliance continued, and reasons for such non-compliance
- There are no significant doubts about the company's ability to continue as a going concern
- Key operating and financial data of last six years has been summarized

N. <u>Audit Committee:</u>

i.	Malik Waliullah Khan Kasi	Chairman
ii.	Mr. Shahid Iqbal	Member
iii.	Secretary Mines & Minerals Development Department, KPK	Member
iv.	CEO, SMEDA	Member

FINANCIAL DATA

Six Years Financial Data

Rs. (Million)

ASSETS	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Property Plant & Equipment	148.827	132.130	116.805	102.999	90.939	78.824
Intangible Assets	2.638	1.947	0.8332	0.583	0.408	0.233
Long term Security Deposit	5.348	5.278	4.898	4.898	4.898	4.118
TOTAL:	**156.813**	**139.355**	**122.536**	**108.480**	**96.246**	**83.175**
Cash, Bank & Investment	57.545	1.614	1.906	1.557	1.403213	1.347
Adv. Prepayment & Other receivable	32.413	22.965	23.285	22.77	19.404	19.270
TOTAL CURRENT ASSETS	89.958	24.579	25.192	24.327	20.807	20.617
TOTAL ASSETS	**246.771**	**163.934**	**147.728**	**132.808**	**117.053**	**103.792**
Paid up Capital	1,466.691	1,479.921	1,479.921	1,479.921	1,479.921	1,479.921
Less: Accumulated Deficit	(1,536.438)	(1,662.512)	(1.683.285)	(1,701.639)	(1,648.160)	(1,650.462)
NET EQUITY	**(69.747)**	**(182.591)**	**(203.364)**	**(221.718)**	**(168.239)**	**(170.541)**
Adv. against Shares from PSDP Funds	213.515	213.515	213.515	213.515	213.515	213.515
Other Payables	103.004	133.010	137.578	141.012	71.778	60.819
TOTAL LIABILITIES & CAPITAL	**246.771**	**163.934**	**147.728**	**132.808**	**117.053**	**103.792**

Revenue (Income) and Expenditure Account

Heads	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Income from investment/Saving Account	2.876	1.702	0.0504	0.059	0.048	0.136
Grant related to income	50.00	-	40	29.350	29.669	28.623
Other Income	10.523	5.364	0.212	0.113	78.317	16.802
Total Income	**63.399**	**7.066**	**40.263**	**29.523**	**108.034**	**45.562**
Direct costs	(122.363)	(101.296)	(32.015)	(26.677)	(27.836)	(32.345)
Administrative Expenses	(43.627)	(31.812)	(29.010)	(21.199)	(26.717)	(15.518)
Financial Charges	(0.061)	(0.031)	(0.009)	(0.001)	(0.001)	-
Other Expenses	(2.464)	-	-	-	-	-
Total Expenses	**(168.515)**	**(133.139)**	**(61.036)**	**47.877**	**54.555**	**(47.864)**
Deficit for the year	(105.112)	(126.074)	(20.773)	(18.354)	53.479	(2.301)

99

P- PATTERN OF SHAREHOLDINGS

1. Pattern of holding of the shares held by the shareholders as at | 3 | 0 | | 0 | 6 | | 2 | 0 | 2 | 3 |

2. No of shareholders	Shareholdings	Total shares held
3	shareholding from 1 to 100 shares	3
--	shareholding from 101 to 500 shares	---
--	shareholding from 501 to 1000 shares	---
--	shareholding from 1001 to 5000	---
--	shareholding from 5001 to 10000	---
1	10001 to 30,000,000 (Add appropriate slabs of shareholdings)	23,834,850
1	Total 30,000,001 to 129,782,370	124,157,220
Total		147,992,070

3. Categories of shareholders	share held	Percentage
3.1 Directors/Members.	3	0.00
3.2. Pakistan Industrial Development Corporation	23,834,850	16.11
3.3 Ministry of Industries and Production	124,157,220	83.89
Total	**147,992,070**	**100.00%**

ACKNOWLEDGEMENT

We all the Directors are grateful to the Company's shareholders, Planning Commission & Finance Division, the Gems and Jewellery Sector stakeholders, Ministry of Industries & Production, PIDC, SMEDA, TDAP, Academia, Provincial Governments, Banks/financial institutions and other stakeholders for their continued cooperation, support and patronage. The Directors acknowledge the dedicated services, loyalty and hard work of all the employees of the Company and hope this spirit of devotion and dedication will continue in future.

For and on behalf of the Board

Chief Executive Officer

Chairman of the Board/
Independent Director