



Drekkar Kingsway Limited

**Half Yearly
Financial Statements
December 31, 2018**

DREKKAR KINGSWAY LIMITED**Company Information**

Drekkar Kingsway Limited was registered on June 28, 1993 under Companies Ordinance 1984 as Private Limited Company and subsequently converted into Public Limited Company as on June 29, 1994. The shares of the Company are quoted on Pakistan Stock exchange. The primary business of company was manufacturing of all type of electrical appliances, cosmetics, toiletries, leather goods, machinery, components and parts. In 1996 the company sold its plant and machinery. The Company is currently engaged in making equity investments in undervalued and special situations.

We are able to bring highest potential cogs who have demonstrated their skills to compete and sustain at local and international avenues, with those business visionaries, investors and experts that will enable opportunities and potential for all the stakeholders rather than provide a mere assessment.

Board of Directors	1. Mr. Ehmer Iqbal
	2. Mr. Muhammad Ahmed Imran
	3. Mr. Muhammad Ubaid
	4. Mr. Muhammad Arsalan Habib
	5. Mrs. Mubashra Khan
	6. Mr. Amir Hussain Kazmi
	7. Mr. Mubasher Mehmood Abbasi
CEO	Mr. Ehmer Iqbal
Company Secretary	Mr. Ali Nawaz Bhatti
Registered Office	Office No 17, 2nd Floor, Anique Arcade, I-8 Markaz, Islamabad. Phone: +92 (51) 4862330-1 Fax: +92 (51) 4862330
Auditors	M/s. Horwath Hussain Chaudhary & Co.
Legal Advisor	Mr. Ch. Abdul Kahliq
Share Registrar	F. D. Registrar Services (SMC-Pvt) Limited. 1705, 17th Floor, Saima Trade Tower A, I.I Chundrigar Road Karachi. Phone: (+92-21) 35478192-93, 32271906 Fax : (+92-21) 32621233

DREKKAR KINGSWAY LIMITED

CHAIRMAN REVIEW' REPORT

Dear Members,

On behalf of my colleagues on the board, I am pleased present before you the 2nd Quarter report, along with the condensed unaudited financial statements of the Company, for half year ended December 31, 2018.

FINANCIAL PERFORMANCE

During the period under review, we directed all our efforts to improve the financial and operational condition of the company to create a fair value for our shareholders. To this effect, Company has made investment in Debt of M/S Noor Capital (Pvt) Ltd amounting to Rs. 53 Million. No investment were made in equity investment of other companies during period. The loss on investment amounting to Rs 0.682 Million was mainly because of administrative expenses.

The Board members are pleased to state that the management of the Company is committed to good corporate governance and complying with the best practices.

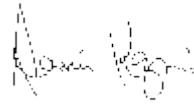
The Board considers sustainability as the key to success in the present competitive environment and is very much focused to enforce appropriate actions to maintain future business volume and profitability. For this purpose, the restructuring, rightsizing, portfolio adjustment activities, which were initiated last year, continued during the year across the Company.

Further, the Board also initiated measures to achieve cost efficiencies by optimizing the business processes.

DREKKAR KINGSWAY LIMITED**ACKNOWLEDGMENT**

The Board would like to thank all of their stakeholders and customers and suppliers of the Company for their valuable support and sheer confidence. Such confidence has allowed the Company to perform well in a difficult business environment.

The Board would like to thank executives, staff members and workers of the Company for their commitment, dedication and hard work. We continue to pray to Allah for the continued success of Company and for the benefit of all stakeholders, and the country in general.



(AAMIR HUSSAIN KAZMI)
Chairman

Dated: 26 February, 2019
Islamabad

DREKKAR KINGSWAY LIMITED

DIRECTORS' REPORT

During period of report, directors put all its efforts to improve the financial and operational condition of the company to create a fair value for our shareholders. To this effect, Company made investment in Debt of M/S Noor Capital (Pvt) Ltd amounting to Rs. 53 Million in preceding year. No investment were made in equity investment of other companies during half yearly period of July-December 2018. The loss on investment amounting to Rs.0.682 Million was mainly because of administrative expenses.

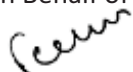
Company remained unable to prepare consolidated financial accounts for the period ended December 31, 2018 due to non-availability of books of accounts of subsidiary company. Company approached Securities and Exchange Commission of Pakistan seeking relaxation under section 228 (7) of Companies Act 2017 for preparation of consolidated as the books of accounts of company's subsidiary (Invest Forum (Private) Limited) were seized and taken with them by Securities and Exchange Commission of Pakistan (Security Market Division) against seizure memo of records dated March 20, 2017.

During preceding year, subsidiary company has made an agreement for sale of these shares to M/S General Investment & Securities (Pvt) Ltd on August 09, 2017. On August 15, 2017 Subsidiary company has made an application to Pakistan stock exchange Limited for surrender of Trading Right Entitlement Certificate (TREC) and intends to sell blocked 60% equity shares with CDC after surrendering of TREC.

On behalf of Board of Directors of the company, I am thankful to all worthy shareholders and staff members of the company for their untiring efforts for the betterment of the company.

For and on Behalf of the Board

Dated: 26 February, 2019
Islamabad


(Ehmer Iqbal)
CEO/Director

DREKKAR KINGSWAY LIMITED**Independent Auditors' Report to the Members on
Review of Condensed Interim Financial Information****Introduction**

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of Drekkar Kingsway Limited as at December 31, 2018 and the related unconsolidated condensed interim statement of profit and loss, condensed interim statement of comprehensive income, condensed interim statement cash flow and condensed interim statement of changes in equity together with the notes forming part thereof (here-in-after referred to as 'the condensed interim financial information') for the six-month period then ended. Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Adverse Conclusion:-

1. As stated in note 1 to the annexed financial statements, the company was initially doing business as a manufacturing unit. It has disposed off all its plant and machinery and is now involved in sale purchase of shares
2. As disclosed in note 4 to annexed financial statements, company has taken over debt amounting to Rs.53 million of Noor Capital (Private) Limited advance to M/s Service Fabrics Limited. After adjustment amount receivable from Noor Capital and loan receivable from ex-related party now balance at reporting date to

DREKKAR KINGSWAY LIMITED

Rs.28,690,147/- has been classified as long term loan which should have been reflected in current liabilities in the absence of any payment terms and condition with lender (M/s Noor Capital (Private) Limited. Moreover, there is no physical cash involved in the transaction and the company has not amortized debt amounting to Rs.53 million as required by IAS 39 (Financial instruments- Recognition and Measurement).

3. In the absence of any agreement or relevant documents, we did not verify the amount of Rs. 7, 582,102/- received by the Company on behalf of its subsidiary company Invest Forum (Private) Limited against sale of subsidiary company's shares of ISE Towers REIT management as disclosed in note 6 to the financial statements.

Further the subsidiary has filed an application to Pakistan Stock Exchange regarding the surrender of TREC (Trading Right Entitlement Certificate) which give rise to significant uncertainty as the ability of the subsidiary to continue operations has going concern in the foreseeable future. However, these financial statements do not contain any provision for diminution of value of investment in the subsidiary company on the basis of its going concern uncertainty. The management has not conducted impairment test as per IAS 36 (Impairment of Assets) on investment in subsidiary amounting to Rs. 17,190,000/- as appearing in Note 9.

4. As stated in the note 1 to the financial statements, the company has accumulated loss of Rs.69,651,767/- (June 30, 2018: Rs.68,969,262/-) and its equity is eroded which stand at 30,348,233/- as at December 31, 2018 against issued, subscribed and paid up capital of Rs 100,000,000/- (June 30, 2018: Rs. 100,000,000/-) Further the company has disposed off all of its assets related to production. These circumstances give rise to significant uncertainty as to the ability of the company to continue operations as going concern in the foreseeable future. However, these financial statements do not include any adjustment relating to the recoverability and classification of recorded assets and classification of liabilities that might be necessary should the company be unable to continue as going concern. Moreover, the directors have not indicated any commitment to provide cash flow projection and future plan to revive the operation since closed.

DREKKAR KINGSWAY LIMITED**Adverse Conclusion**

Our review indicates that, because of the effect of matters described in preceding paragraph 1 to 4. This unconsolidated condensed interim financial statement as of and for the half year ended December 31, 2018 is not prepared in all material respect, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

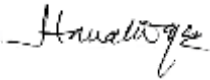
The engagement partner on the audit resulting in this independent auditor's report is Shahzad Qazi (FCA).

Emphasis of Matter

We draw attention to note 2.6 to the financial statements which describes the matter related to non-preparation of consolidated financial statements. Our opinion is not qualified in respect of this matter.

Other Matter Paragraph

The figures included in the condensed interim statement of profit and loss for the quarters ended December 31, 2017 and December 31, 2018 have not been reviewed, as we are required to review only the cumulative figures for half year ended December 31, 2018.



HORWATH HUSSAIN CHAUDHURY & CO.
Chartered Accountants

Date: February 26, 2019
Islamabad

DREKKAR KINGSWAY LIMITED

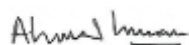
DREKKAR KINGSWAY LIMITED

UNCONSOLIDATED CONDENCED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2018

BALANCE SHEET-UN AUDTED		Un-Audited	Audited
		Dec 31, 2018	Jun 30 2018
		(Rupees)	(Rupees)
EQUITY			
SHARE CAPITAL			
AUTHORISED CAPITAL			
10,000,000 (2018: 10,000,000) Ordinary shares of Rs.10/- each		100,000,000	100,000,000
ISSUED , SUBSCRIBED AND PAID UP			
10,000,000 (2018: 10,000,000) Ordinary shares of Rs.10/- each fully paid		100,000,000	100,000,000
Un-appropriated (Loss)		(69,651,767)	(68,969,262)
		30,348,233	31,030,738
LONG TERM LOAN			
Long term financing	4	28,690,147	28,690,147
CURRENT LIABILITIES			
Loan from directors	5	3,646,181	2,835,970
Unclaimed dividend		647,731	647,731
Payable to Subsidiary	6	7,582,102	7,732,102
Accrued & other payable		229,478	229,478
Provision for taxation		-	-
Contingencies and Commitments	7	-	-
Total Equity and Liabilities		71,143,872	71,166,165
ASSETS			
NON-CURRENT ASSETS			
Property, Plant & Equipment	8	116,528	130,281
Investment in subsidiary	9	17,190,000	17,190,000
LONG TERM LOAN			
Invesment in Debt	10	53,000,000	53,000,000
CURRENT ASSETS			
Investment in marketable securities	11	1,890	2,154
Advances & prepayments	12	20,635	19,940
Advance Tax	13	794,480	794,480
Cash and cash equivalents	14	20,339	29,310
Total Assets		71,143,872	71,166,165


CHIEF EXECUTIVE


CHIEF FINANCIAL OFFICER


DIRECTOR

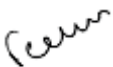
DREKKAR KINGSWAY LIMITED

DREKKAR KINGSWAY LIMITED

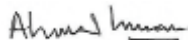
UNCONSOLIDATED CONDENCED INTERIM STATEMENT OF PROFIT AND LOSS - UN AUDITED FOR THE SIX MONTHS ENDED DECEMBER 31, 2018

		Quarter Ended December 31		Six months ended December 31	
		2018	2017	2018	2017
		(Rupees)	(Rupees)	(Rupees)	(Rupees)
Sales		-	-	-	-
Cost of sales and services		-	-	-	-
Gross profit		-	-	-	-
Administrative expenses	15	(369,078)	(873,080)	(682,241)	(1,686,161)
Other Loss	16	(158)	(805)	(264)	202,773
Loss before tax		(369,236)	(873,885)	(682,505)	(1,483,388)
Taxtion		-	-	-	-
(Loss) after tax		(369,236)	(873,885)	(682,505)	(1,483,388)
Basic loss per share	17	(0.04)	(0.09)	(0.07)	(0.15)

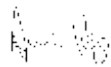
The annexed notes form an integral part of these financial statements.



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR

DREKKAR KINGSWAY LIMITED

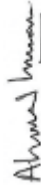
**DREKKAR KINGSWAY LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHANSIVE INCOME-UN-AUDITED
FOR THE PERIOD ENDED DECEMBER 31, 2018**

	Quarter year Ended December 31		Half year Ended December 31	
	2018 (Rupees)	2017 (Rupees)	2018 (Rupees)	2017 (Rupees)
Loss after Tax	(369,236)	(873,885)	(682,505)	(1,483,388)
Other comprehensive income				
Total Comprehensive loss for the Period	<u><u>(369,236)</u></u>	<u><u>(873,885)</u></u>	<u><u>(682,505)</u></u>	<u><u>(1,483,388)</u></u>

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



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR

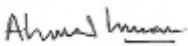
DREKKAR KINGSWAY LIMITED

**DREKKAR KINGSWAY LIMITED
UNCONSOLIDATED CONDENCED INTERIM STATEMENT OF CASH FLOWS-UN AUDITED
FOR THE SIX MONTHS ENDED DECEMBER 31, 2018**

	Six Months 2018 (Rupees)	Ended Dec 31 2017 (Rupees)
CASH FLOWS FROM OPERATING ACTIVITIES :		
Loss for the half year	(682,505)	(1,483,388)
Adjustment for non-cash items :		
Depreciation	13,754	11,328
Working Capital Changes		
Increase/(Decrease) in Current Liabilities		
Unclaimed dividend		647,731
Payable against Investment		-
Payable to Invest Forum (Pvt) Ltd	(150,000)	1,562,821
Accrued & other payable	-	(521,000)
(Increase)/Decrease in Current Assets		
Advances & prepayments	(695)	(124,022)
	(819,447)	93,470
Income Tax Paid		-
Net Cash Flow From Operating Activities	(819,447)	93,470
CASH FLOWS FROM INVESTING ACTIVITIES:		
Investment in Marketable Securities	264	10,696
Capital Expenditure on Purchase Fixed Assets	-	(20,500)
Net Cash Flows From Investing Activities	264	(9,804)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Loan from Director	810,211	(85,985)
Net Cash Flow From Financing Activities	810,211	(85,985)
Net Increase / (Decrease) in Cash and Cash Equivalent	(8,972)	(2,319)
Cash and Cash Equivalents at the beginning of the period	29,310	109,643
	20,339	107,324

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


CHIEF EXECUTIVE


CHIEF FINANCIAL OFFICER

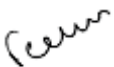

DIRECTOR

DREKKAR KINGSWAY LIMITED

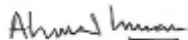
**DREKKAR KINGSWAY LIMITED
UNCONSOLIDATED CONDENCED INTERIM STATEMENT OF CHANGES IN EQUITY-UN AUDITED
FOR THE SIX MONTHS ENDED DECEMBER 31, 2018**

	Share capital	Unappropriate Profit/ (Loss)	Total
	(Rupees)	(Rupees)	(Rupees)
Balance as at July 01, 2017	100,000,000	(66,041,057)	33,958,943
Total comprehensive loss for the six months	-	(1,483,388)	(1,483,388)
Balance as at December 31, 2017	100,000,000	(67,524,445)	32,475,555
Balance as at July01, 2018	100,000,000	(68,969,262)	31,030,738
Total comprehensive loss for the six months	-	(682,505)	(682,505)
Balance as at December 31, 2018	100,000,000	(69,651,767)	30,348,233

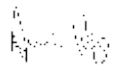
The annexed notes form an integral part of these financial statements.



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR

DREKKAR KINGSWAY LIMITED

DREKKAR KINGSWAY LIMITED NOTES TO THE FINANCIAL STATEMENTS-UN AUDITED FOR THE SIX MONTHS ENDED DECEMBER 31, 2018

1 THE COMPANY AND ITS OPERATIONS

Drekkar Kingsway Limited was registered on June 28, 1993 under the repealed Companies Ordinance, 1984 (Repealed with the enactment of the Companies Act, 2017 on May 30, 2017) as Private Limited Company and subsequently converted into Public Limited Company as on June 29, 1994. The shares of the Company are quoted on Pakistan Stock exchange.

The principle activity of company was manufacturing of all type of electrical appliances, cosmetics, toiletries, leather goods, machinery, components and parts. In 1996 the company sold its plant and machinery. The Company is currently engaged in making equity investments in undervalued profitable situations.

The registered office of the Company is situated at Office No. 17, 2nd Floor, Anique Arcade, I-8 Markaz, Islamabad.

The company has accumulated loss of Rs.69,651,767 /- (June 30, 2018: Rs.68,969,262 /-) and its equity is eroded which stand at 30,348,233 as at December 31, 2018 against issued, subscribed and paid up capital of Rs 100,000,000/- (June 30, 2018 : Rs. 100,000,000/-) Further the company has disposed off all of its assets related to production. These circumstances give rise to significant uncertainty as to the ability of the company to continue operations as going concern in the foreseeable future. However, these financial statements do not include any adjustment relating to the recoverability and classification of recorded assets and classification of liabilities that might be necessary should the company be unable to continue as going concern.

These financial statements are the separate financial statements of the company in which investment in subsidiary company is accounted for on the basis of direct equity interest rather than on the basis of reported results. Consolidated financial statements are prepared separately.

2 STATEMENT OF COMPLIANCE

- 2.1 This condensed interim financial statements of the Company for the half year ended December 31, 2018 has been prepared in accordance with the accounting and reporting standards as applicable in Pakistan and provisions of and directives issued under the Companies Act, 2017. In case where requirements differ, the provisions of or directives issued under the Companies Act, 2017 have been followed.
- 2.2 This condensed interim financial information should be read in conjunction with annual audited financial statements for the year ended June 30, 2018. Comparative balance sheet is extracted from annual audited financial statements for the year ended June 30, 2018 whereas comparative profit and loss account, comparative statement of comprehensive income, comparative cash flows statement and comparative statement of changes in equity are extracted from unaudited condensed interim financial information for the half year ended December 31, 2017.
- 2.3 This condensed interim financial information is unaudited; however, a limited scope review has been performed by the external auditors as required by the Code of Corporate Governance.
- 2.4 The preparation of these condensed interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates. In preparing this condensed interim financial information, the significant judgments made by the management in applying accounting policies and key sources of estimation were the same as those that were applied to the financial statements for the year ended June 30, 2018.
- 2.5 This condensed interim financial information is presented in Pak Rupees, which is the Company's functional and presentational currency. All the figures have been rounded off to the nearest rupees, unless otherwise stated.

DREKKAR KINGSWAY LIMITED

DREKKAR KINGSWAY LIMITED NOTES TO THE FINANCIAL STATEMENTS-UN AUDITED FOR THE SIX MONTHS ENDED DECEMBER 31, 2018

- 2.6** During prior period, the books of accounts of company's subsidiary (Invest Forum (Private) Limited) has been seized and taken with them by Securities and Exchange Commission of Pakistan (Security Market Division) against seizure memo of records dated March 20, 2017. The company has approached SECP (Corporate Supervision Deptt) to seek relaxation under section 228 (7) of Companies Act 2017 for preparation of annual consolidated account for the period ended December 31, 2018 vide letter No DKL/SECP/190201 dated February 12, 2019 on stated grounds.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computations adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements for the year ended June 30, 2018.

Amendments to certain existing standards and new interpretations on approved accounting standards effective during the period were either not relevant or did not have any impact on the accounting policies of the company.

3.1 Provision

A provision is recognized in the unconsolidated condensed interim balance sheet when the Company has a legal or constructive obligation as a result of a past event, and it that an outflow of economic benefits will be required to settle the obligation and of which a reliable estimate can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

3.2 Investment

3.2.1 Subsidiary

In its unconsolidated condensed interim financial information, investments in subsidiary company is measured at cost.

Other Investment

Investment are initially recognized at cost, comprising the consideration paid and cost of transaction except in the case of investment at fair value through profit or loss where transaction costs are charged to the profit and loss account when incurred. For listed securities, closing quotations of stock exchanges on the last working day of the accounting year are considered for determining the fair value, while for unquoted securities, cost is considered as the fair value of securities.

The classification is made on the basis of intended purpose for holding such investments. These are measured at the balance sheet date as under:

3.2.2 Available for Sale

These are stated at fair value and changes in carrying value are recognized in equity until the investment is sold or determined to be impaired at which time the accumulated gain or loss previously recognized in equity is included in the profit and loss account.

3.2.3 At fair through profit and loss

These are securities which are acquired for the purpose of generating profit from short-term punctuations in market price or dealer's margin, securities in a portfolio in which a pattern of short term profit taking exists or derivatives other than those held as hedging instruments.

3.2.4 Held to maturity

These are stated at amortized cost less impairment loss, if any, recognized to reflect irrecoverable amounts. Impairment loss is charged to the profit and loss account.

DREKKAR KINGSWAY LIMITED

**DREKKAR KINGSWAY LIMITED
NOTES TO THE FINANCIAL STATEMENTS-UN AUDITED
FOR THE SIX MONTHS ENDED DECEMBER 31, 2018**

3.2.5 Cash and equivalents

Cash, and cash equivalents are carried out at cost. For the purpose of unconsolidated condensed interim cash flow statement, cash and equivalents comprise cash at bank in current and saving accounts.

3.2.6 Trade and other payable

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

3.2.7 Dividends

Dividends are recognized as a liability in the period in which these are declared.

3.2.8 Income

Dividends are recognized as income when Company's right to receive the dividend is established.

All the other revenues are recorded on accrual basis.

4 LONG TERM FINANCING

During reporting period, the company has made an investment amounting to Rs. 53 Million in Debt of M/S Noor Capital (Pvt) Ltd payable by M/S Service Fabrics Limited vide an agreement dated September 09, 2017. M/S Noor Capital (Pvt) Ltd has transferred its rights as the creditor of Service Fabrics Limited to M/S Drekkar Kingsway Limited in relation to the Rs. 53 Million (Fifty Three Million) out of its total loan which stands Rs. 157,837,311/- (One Hundred Fifty Seven Million Eight Hundred Thirty Seven Thousands Three Hundred and eleven only) as on September 09, 2017. Company has agreed to become the creditor of M/S Service Fabrics Limited to the extent of the Loan amounting to Rs. 53 Million. Consideration amount will be mutually agreed in due course of time. After adjustment of amount receivable from M/S Noor Capital (Pvt) Ltd. and loan receivable from ex-related party stands at Rs. 28,690,147/- at reporting date.

5 LOAN FROM DIRECTORS

Sheraz Monno-Director

Opening Balance	1,482,970	1,482,970
Re-paid / Received during period	-	-
Closing Balance - Current Portion of Loan	1,482,970	1,482,970

Bilal Aurangzeb Noor

Opening Balance	1,353,000	-
Received during period	810,211	1,353,000
Closing Balance - Current Portion of Loan	2,163,211	1,353,000

Total Loan from related party	3,646,181	2,835,970
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This represents, loan obtained from directors and ex-directors of the company and remaining balance of ex-director has been accounted for as current portion.

DREKKAR KINGSWAY LIMITED

DREKKAR KINGSWAY LIMITED
NOTES TO THE FINANCIAL STATEMENTS-UN AUDITED
FOR THE SIX MONTHS ENDED DECEMBER 31, 2018

6 PAYABLE TO INVEST FORUM (PVT) LTD

This represents partly payment received on behalf of subsidiary company against sale of 3,034,603/- shares of ISE Towers REIT Mangement (ISETRMCL) received to subsidiary company in pursuance of corporatization and demutualization of (ISETRMC) in accordance with the requirement of Stock Exchanges under corporatization, Demutualization and Integration Act, 2012 . Subsidiary company has made an agreement for sale of these shares to M/S General Investment & Securities (Pvt) Ltd on August 09, 2017. On August 15, 2017 Subsidiary company has made an application to Pakistan stock exchange Limited for surrender of Trading Right Entitlement Certificate (TREC) and intends to sell blocked 60% equity shares with CDC after surrendering of TREC.

Securitie Exchange Commission of Pakistan vide its Order dated December 17, 2017 has refused Invest Forum (Pvt) Ltd (Subsidiary company) to grant / renwal of of licence as securites broker due to non compliant with the provisions of the Regulations read with Securites Act. SECP has directed PSX and NCCPL in this regard to suspend the trading terminal of Invest Form (Pvt) Ltd and proceed further under the applicable regulatory Frame work.

7 CONTINGENCIES AND COMMITMENTS

There were no material contingencies and commitments outstanding as at the balance sheet date (June 30, 2018: Rs. Nil).

DREKKAR KINGSWAY LIMITED

8. PROPERTY, PLANT AND EQUIPMENT

All figures in PKR

	Furniture and Fixture	Office Equipment	Computer and Accessories	Total
At July 01, 2018				
Opening Book Value	33,851	40,334	93,154	167,339
Addition	-	-	-	-
Deletions	-	-	-	-
Depreciation for the year	(5,078)	(4,033)	(27,946)	(37,057)
Net Book Value	28,773	36,301	65,208	130,282
At July 01, 2018				
Cost	50,600	44,800	141,200	236,602
Accumulated Depreciation	(21,827)	(8,500)	(75,993)	(106,320)
Closing Net Book Value	28,773	36,300	65,207	130,282
Half Year December 31, 2018				
Opening Book Value	28,773	36,301	65,208	130,282
Addition	-	-	-	-
Deletions	-	-	-	-
Depreciation for six months	(2,158)	(1,815)	(9,781)	(13,754)
Net Book Value	26,615	34,486	55,427	116,528
At December 31, 2018				
Cost	50,600	44,800	141,200	236,602
Accumulated Depreciation	(23,985)	(10,315)	(85,774)	(120,074)
Closing Net Book Value	26,615	34,485	55,426	116,528
Depreciation Rate	15%	10%	30%	

DREKKAR KINGSWAY LIMITED

DREKKAR KINGSWAY LIMITED NOTES TO THE FINANCIAL STATEMENTS-UN AUDITED FOR THE SIX MONTHS ENDED DECEMBER 31, 2018

9 INVESTMENT IN SUBSIDIARY

During year 2015-16, the Company purchased 95.5% shares of Invest Forum (Private) Limited against cash consideration of Rs. 17,190,000/- @ 35.29 per share. This transaction was undertaken as on May 13, 2016.

10 LONG TERM LOAN

This represents loan made to Noor Capital (Pvt) Ltd , which is un-secured and carries interest at agreed rate of 9.50% (KIBOR+2%) p.a.

The fair value adjustment in accordance with the requirements of IAS 39 'Financial Instruments: Recognition and Measurement ' arising in respect of loan to Noor Capital (Private) Limited is not considered as no documentation and payment terms were provided.

11 INVESTMENT IN SECURITIES

Investment in securities (**Note : 11.1**)

11.1 Investment are carried at fair value through Profit and Loss account.

	December 31,2018		June 30,2018	
	NO. OF SHARES	FAIR VALUE (RUPEES)	NO. OF SHARES	FAIR VALUE (RUPEES)
First Paramount Modarba	62	403	62	403
The Searl Company Limited	3	737	21	1,019
Service Febrics Limited	198	750	198	733
	<u>263</u>	<u>1,890</u>	<u>281</u>	<u>2,154</u>

DREKKAR KINGSWAY LIMITED

DREKKAR KINGSWAY LIMITED
NOTES TO THE FINANCIAL STATEMENTS-UN AUDITED
FOR THE SIX MONTHS ENDED DECEMBER 31, 2018

	Dec 31, 2018 (Rupees)	Jun 30, 2018 (Rupees)	Dec 31, 2017 (Rupees)	Jun 30, 2017 (Rupees)
12 ADVANCES AND PREPAYMENTS				
Prepaid rent	18,635	16,940	15,400	15,400
Loan to Staff	2,000	3,000	4,000	
	<u>20,635</u>	<u>19,940</u>	<u>19,400</u>	<u>15,400</u>

13 ADVANCE INCOME TAX

Advance Income Tax	794,480	794,480	907,230	787,208
	<u>794,480</u>	<u>794,480</u>	<u>907,230</u>	<u>787,208</u>

14 CASH AND CASH EQUIVALENTS

Cash in hand	6,000	7,584	1,523	7,363
Cash at bank	14,339	1,932	105,801	102,280
	<u>20,339</u>	<u>9,516</u>	<u>107,324</u>	<u>109,643</u>

Quarter ended December 31		Six months ended December 31	
2018	2017	2018	2017
(Rupees)	(Rupees)	(Rupees)	(Rupees)

15 ADMINISTRATIVE EXPENSES

Communication	5,000	-	9,424	16,048
Entertainment-meal	30,354	115,237	85,279	252,992
Fees & subscription		165,244		165,244
Fuel	4,000	19,810	6,500	39,710
Legal and Professional Charges	535	113,320	4,970	300,320
Office supplies	-	-	-	17,295
Postage & courier	1,860	14,910	2,210	15,480
Printing & stationery	670	60,401	5,041	65,057
Professional Fee	-	110,000	-	110,000
Repair and maintenance	-	-	3,900	3,000
Salaries expenses	82,000	90,000	175,000	134,800
Rent expense	110,115	92,400	211,755	184,800
Travel expense	70	-	70	242,700
Utilities	5,600	59,755	41,401	101,013
Bank Services Charges	5,767	1,339	6,707	1,374
Advertisement expense	116,230	25,000	116,230	25,000
Depreciation	6,877	5,664	13,754	11,328
	<u>369,078</u>	<u>873,080</u>	<u>682,241</u>	<u>1,686,161</u>

DREKKAR KINGSWAY LIMITED

DREKKAR KINGSWAY LIMITED NOTES TO THE FINANCIAL STATEMENTS-UN AUDITED FOR THE SIX MONTHS ENDED DECEMBER 31, 2018

16 OTHER (LOSS) / INCOME

	Quarter ended December 31		Six months ended December 31	
	2018 (Rupees)	2017 (Rupees)	2018 (Rupees)	2,017 (Rupees)
Dividend income		145		145
Loss on sale / remeasurement of investment classified as fair value through profit and loss	(158)	(950)	(264)	(3,231)
Interest on loan	-	-	-	205,860
	(158)	(805)	(264)	202,773

17 LOSS PER SHARE

	Quarter ended December 31		Six months ended December 31	
	2018 (Rupees)	2017 (Rupees)	2018 (Rupees)	2,017 (Rupees)
Loss after taxation	(369,236)		(682,505)	
Number of ordinary shares at six months ended	10,000,000		10,000,000	
	Rupees			
Loss per Share	(0.04)		(0.07)	

18 TRANSACTIONS AND BALANCES WITH ASSOCIATED UNDERTAKINGS/RERATED PARTI

The associated undertakings / related parties comprise of associated companies, key management personnel. Transactions carried out with associated undertakings / related parties during the year are as follows:

Name of the related party	Relationship and percentage shareholding	Transactions during the year and period end balances	December 31, 2018	June 30, 2018
Invest forum Private Limited	Susidiary Company holds share 95.5%	Investment in subsidiary Payable at period end	17,190,000 7,582,102	17,190,000 7,732,102
Noor Capital (Pvt) Ltd	Company	Loan provided Interest income Repayment / Adjustment Loan received Payable/(Receivable) at period end	- - - 28,690,147 28,690,147	- - (12,970,622) 28,690,147 28,690,147
Sheraz Monno	Director	Payable at period end	1,482,970	1,482,970
Bilal Aurangzeb Noor	Advisor to BOD	Repayment of Loan Loan Received Payable at period end	- 810,211 2,163,211	- 1,353,000 1,353,000
Bilal Aurangzeb Noor	Advisor to BOD	Loan provided Repayment / Adjustment	- -	- (5,149,825)



DREKKAR KINGSWAY LIMITED

**DREKKAR KINGSWAY LIMITED
NOTES TO THE FINANCIAL STATEMENTS-UN AUDITED
FOR THE SIX MONTHS ENDED DECEMBER 31, 2018**

19 RISK MANAGEMENT

Financial risk management objectives and policies are consistent with that disclosed in the annual audited financial statement for the year ended June 30, 2018.

20 DATE OF AUTHORIZATION

These Financial Statements have been authorized for issue on February 26, 2019 by the Board of Directors of the company.

21 GENERAL

Figures have been rounded off to the nearest rupee.

CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER

DIRECTOR

If Undelivered Please Return to:

DREKKAR KINGSWAY LIMITED
(FORMERLY GAUHAR ENGINEERING LIMITED)

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