



Drekkar Kingsway Limited

**Half Yearly
Financial Statements
December 31, 2019**

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 Currently line of business of the company is provisioning of consultancy services to corporate groups, individuals, intuitions and associations in the area of strategic planning, project management, institutional development, capacity building and other related services.

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

CHAIRMAN REVIEW' REPORT**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, during 2018-19, Company changed its line of business to consultancy and made disinvestments in shares of subsidiary company in accordance with the approval of shares holders during annual general meeting of the company. Company is currently engaged in provisioning of consultancy services to individuals , corporate organizations and associations. The loss during the last half of the year amounting to Rs. 6.62 Million was mostly because of disinvestment in shares of subsidiary company and 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. In compliance with the Code of Corporate Governance, the Directors are pleased to state as follows:

- The financial statements prepared by the management of the Company present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
- Proper books of accounts of the Company have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of the financial statements and accounting estimates are based on reasonable and prudent judgment.
- International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of the financial statements.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- There has been no material departure from the best practices of corporate governance as detailed in the listing regulations.

DREKKAR KINGSWAY LIMITED**ACKNOWLEDGMENT**

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.

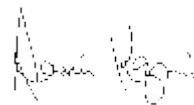
CODE OF CONDUCT

In order to put in place professional standards and corporate values for promotion of integrity of the Board, senior management and other employees, the Board has approved and disseminated a Code of Conduct, defining therein acceptable and unacceptable behaviors. The same has been placed on the Company's Website.

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 your Company and for the benefit of all stakeholders, and the country in general.



(AAMIR HUSSAIN KAZMI)
Chairman

Dated: 26 February, 2020
Islamabad

DREKKAR KINGSWAY LIMITED**DIRECTORS' REPORT**

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, during last year, Company changed its line of business to consultancy and made disinvestment in shares of subsidiary company in accordance with the approval of shares holders in annual general meeting held in October, 2019. Company is currently engaged in provisioning of consultancy services to individuals, corporate organizations and associations. The loss during the period amounting to Rs. 6.62 Million was mostly because of disinvestment in shares of subsidiary company and administrative expenses incurred in last half of the year. Further, the management of company is committed to make long term contracts with the corporate groups for future sustainability of the continued services.

To concentrate on core business, during last quarter, company disinvested its 95.5% holding in shares of its subsidiary Company Invest Form (Pvt) Ltd in accordance with the approval of shares holders in annual general meeting held in October, 2019

COMMENTS ON AUDITOR'S REPORT**1. CHANGE OF BUSINESS AND GOING CONCERN**

Company had sold its operating assets back in year 1996 and during last quarter of the year, Company has changed its line of business to consultancy in accordance with special resolution passed by members on May 02, 2019. Currently line of business of the company is provisioning of consultancy services to corporate groups, individuals, intuitions and associations in the area of strategic planning, project management, institutional development, capacity building and other related services. Further, the management of company is committed to make long term contracts with the corporate groups for future sustainability of the continued services.

DREKKAR KINGSWAY LIMITED**2. INVESTMENT IN DEBT**

During year 2017-18, the company had made an investment amounting to Rs. 53 Million in Debt of M/S Noor Capital (Pvt) Ltd payable by M/S Service Fabrics Limited. 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 had 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 when cash flow of the company will become positive.

3. PAYABLE TO SUBSIDIARY COMPANY

During year 2017-18, subsidiary company had made an agreement for sale of ISE Towers REIT Management (ISETRMCL) shares to M/S General Investment & Securities (Pvt) Ltd on August 09, 2017 through an agreement. The same can be verified from company legal documents. Further, the 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.

**STATEMENT ON CORPORATE FINANCIAL REPORTING
FRAME WORK**

The Company has complied with all the requirements of the code of Corporate Governance by the listing regulations.

Accordingly the Directors are pleased to confirm the following:

- I The financial statements together with the notes thereon have been drawn up in conformity with the Companies Act 2017. These statements present fairly the Company's state of affairs, the results of its operations, cash flow and changes in equity.

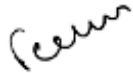
DREKKAR KINGSWAY LIMITED

- ii. Proper books of accounts of the Company have been maintained.
- iii. Appropriate accounting policies have been consistently applied in the preparation of financial statements which conform to the International Accounting Standards as applicable in Pakistan. The accounting estimates, wherever required are based on reasonable and prudent judgment.
- iv. The International Financial Reporting Standards, as applicable in Pakistan, have been followed in the preparation of financial statements.
- v. The system of Internal Control is sound in design and has been effectively implemented and monitored.
- vi. There are no significant doubts upon the Company's ability to continue as a going concern.
- vii. There has been no material departure from the best practices of Corporate Governance, as required by the listing regulations.
- viii. The key operating and financial data for the last six years is annexed.

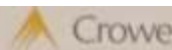
On behalf of Board of Directors of the company, I am thankful to all worthy shareholders and staff members of the company for their untiring efforts for the betterment of the company.

For and on Behalf of the Board

Dated: 26 February, 2020
Islamabad


(Ehmer Iqbal)
CEO/Director

DREKKAR KINGSWAY LIMITED



Crowe Horwath Chartered & Co.
25-E, Main Market, Gulberg II,
Lahore 54000, Pakistan
Main +92-42-3575 9223-5
www.crowe.pk

Independent Auditors' Review Report To the Members of Drekkar Kingsway Limited

Report on Review of Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **Drekkar Kingsway Limited** ("the Company") as at December 31, 2019 and the related condensed interim statement of profit or loss account, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the financial statements for the six month period then ended (here-in-after referred to as 'the interim financial statements'). Management is responsible for the preparation and presentation of the interim financial statements in accordance with 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.

The figures included in the condensed interim profit or loss account and condensed interim statement of comprehensive income for the quarters ended December 31, 2018 and December 31, 2019 have not been reviewed, as we are required to review only the cumulative figures for half year ended December 31, 2019.

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

- As disclosed in note 6 to annexed interim financial statements, the loan of Rs. 53 million receivable by M/s Noor Capital (Private) Limited from its related party, M/s Service Fabrics Limited, was novated to the Company. As a result, the Company is contractually liable to repay aforementioned outstanding balance to M/s Noor Capital (Private) Limited after recovering the receivable from M/s Service Fabrics Limited. Through this arrangement, the Company recorded receivable from M/s Service Fabrics Limited to the tune of Rs. 53 as well as a corresponding liability towards M/s Noor Capital (Private) Limited. As on June 30, 2019, this liability was reduced to a net payable amount of Rs. 28,690,147 after setting off the earlier receivable balance of M/s Noor Capital (Private) Limited. The balance as on December 31, 2019 is Rs. 28,898,947. The Company has classified this payable balance as a non-current liability, which should have been recorded as a current liability in the absence of any payment terms agreed with M/s Noor Capital (Private) Limited.

DREKKAR KINGSWAY LIMITED



Further, the Company has not tested the receivable balance of Rs. 53 million for impairment /expected credit loss which is non-compliance of IFRS 9. The latest published financial statements of M/s Service Fabrics Limited reveal that it has ceased its operations many years ago and disposed off its entire property, plant and equipment; it is not generating any revenue while its accumulated loss amount to Rs. 358.584 million as of June 30, 2019 and as of that date its current liabilities exceed its current assets by Rs. 45.523 million and its total liabilities exceed its total assets by Rs. 201.036 million. Owing to these facts, the amount receivable from M/s Service Fabrics Limited does not seem to be recoverable.

Considering that balance receivable from M/s Service Fabrics Limited may not be recoverable, and owing to this factor, the amount payable to M/s Noor Capital (Private) Limited may not be paid, these balances need a revision/reversal. Had these factors been considered and adjusting entries for the reversal been passed, the Company's accumulated loss would have increased by Rs. 24.101 million and the net liabilities of the Company would have exceeded its assets by Rs. 461,165 vis-à-vis the entire equity of the Company would have eroded.

2. The Company has generated revenue to the tune of Rs. 1.425 million during the half year ended December 31, 2019 arising from consultancy services only. In the absence of any projections that could depict that continuous / recurring revenue streams may be generated in foreseeable future, the going concern assumption used in the preparation of these interim financial statements of the Company is not appropriate. However, the management has not disclosed these factors in the interim financial statements and prepared its interim financial statements on going concern basis.

Adverse Conclusion

Our review indicates that, because the impairment of receivables (net) is not recorded in the annexed interim financial statements and the going concern assumption used in the preparation of the interim financial statements cannot be substantiated, as described in the *Basis for Adverse Conclusion*, these interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the review resulting in this Independent auditor's report is Muhammad Nasir Muneer.

CROWE HUSSAIN CHAUDHURY & CO.
Chartered Accountants

Lahore
Dated: 6 FEB 2020

DREKKAR KINGSWAY LIMITED

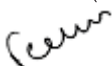
DREKKAR KINGSWAY LIMITED

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION- UN AUDITED

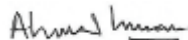
AS AT DECEMBER 31, 2019

		Un-Audited Dec 31, 2019 (Rupees)	Audited Jun 30 2019 (Rupees)
EQUITY			
SHARE CAPITAL AND RESERVES			
Issued, subscribed and paid up share capital	5	100,000,000	100,000,000
Accumulated loss		(76,284,555)	(69,685,080)
		23,715,445	30,314,920
LONG TERM LOAN			
Long term financing	6	28,898,947	28,690,147
CURRENT LIABILITIES			
Loan from directors and others	7	2,664,030	2,966,196
Unclaimed dividend		647,731	647,731
Payable to subsidiary	8	-	7,732,102
Accrued and other payables		508,209	794,918
		3,819,970	12,140,947
Contingencies and Commitments	9	-	-
Total Equity and Liabilities		56,434,362	71,146,014
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	10	75,558	102,773
Investment in subsidiary	11	-	17,190,000
Investment in debt	6	53,000,000	53,000,000
CURRENT ASSETS			
Short term investment	12	1,429	1,251
Receivable against sale of investment		2,502,000	-
Advances and prepayments	13	20,500	2,000
Tax deducted at source		794,480	794,480
Cash and bank balances	14	40,395	55,510
		3,358,804	853,241
Total Assets		56,434,362	71,146,014

The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements (un-audited)



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR

DREKKAR KINGSWAY LIMITED

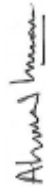
DREKKAR KINGSWAY LIMITED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS ACCOUNT - UN AUDITED FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2019

	Six months ended December 31,		Quarter Ended December 31,	
	2019 (Rupees)	2018 (Rupees)	2019 (Rupees)	2018 (Rupees)
Revenue from services	1,425,413	-	1,425,413	-
Administrative and other expenses	15 (1,069,167)	(682,241)	(754,004)	(369,078)
Other loss	16 (6,955,721)	(264)	(6,955,721)	(158)
Loss before tax	(6,599,475)	(682,505)	(6,284,312)	(369,236)
Taxation	-	-	-	-
Loss after tax	(6,599,475)	(682,505)	(6,284,312)	(369,236)
Loss per share - basic and diluted	(0.66)	(0.07)	(0.63)	(0.04)

The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements (un-audited)



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR

DREKKAR KINGSWAY LIMITED

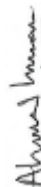
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME - UN AUDITED
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2019**

	Six months ended December 31		Quarter Ended December 31	
	2019 (Rupees)	2018 (Rupees)	2019 (Rupees)	2018 (Rupees)
Loss after Tax	(6,599,475)	(682,505)	(6,284,312)	(369,236)
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>	-	-	-	-
<i>Items that may be reclassified subsequently to profit or loss</i>	-	-	-	-
Total Comprehensive Loss for the Period	(6,599,475)	(682,505)	(6,284,312)	(369,236)

The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements (un-audited).



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



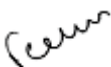
DIRECTOR

DREKKAR KINGSWAY LIMITED

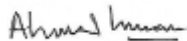
DREKKAR KINGSWAY LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY - UN AUDITED
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2019

	Share capital	Accumulated Loss	Total
	(Rupees)	(Rupees)	(Rupees)
Balance as at July 01, 2018	100,000,000	(68,969,262)	31,030,738
Total comprehensive loss for the six months period ended December 31, 2018	-	(682,505)	(682,505)
Balance as at December 31, 2018	<u>100,000,000</u>	<u>(69,651,767)</u>	<u>30,348,233</u>
Balance as at July 01, 2019	100,000,000	(69,685,080)	30,314,920
Total comprehensive loss for the six months period ended December 31, 2019	-	(6,599,475)	(6,599,475)
Balance as at December 31, 2019	<u>100,000,000</u>	<u>(76,284,555)</u>	<u>23,715,445</u>

The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements (un-audited)



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



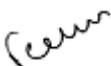
DIRECTOR

DREKKAR KINGSWAY LIMITED

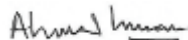
DREKKAR KINGSWAY LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOW - UN AUDITED
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2019

	Six Months Ended Dec 31	
	2019	2018
	(Rupees)	(Rupees)
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the half year	(6,599,475)	(682,505)
Adjustment for non-cash items :		
- Depreciation	27,215	13,754
- Loss on sale of investment	6,955,898	-
- Fair value of (gain)/loss on marketable securities	(177)	264
	6,982,936	14,018
Working Capital Changes		
Increase/(Decrease) in Current Liabilities		
Payable to subsidiary company	-	(150,000)
Accrued and other payable	(286,709)	-
(Increase)/Decrease in Current Assets		
Advances and prepayments	(18,500)	(695)
Net Cash generated from / (used in) operating activities	78,251	(819,182)
CASH FLOWS FROM INVESTING ACTIVITIES	-	-
CASH FLOWS FROM FINANCING ACTIVITIES:		
Loan from Director	(302,166)	810,211
Long Term Financing	208,800	-
Net Cash (used in)/generated from financing activities	(93,366)	810,211
Net (Decrease) / Increase in Cash and Cash Equivalents	(15,115)	(8,971)
Cash and Cash Equivalents at the beginning of the period	55,510	29,310
Cash and Cash Equivalents at the end of the period	40,395	20,339

The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements (un-audited)



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR

DREKKAR KINGSWAY LIMITED**DREKKAR KINGSWAY LIMITED****NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS-UN AUDITED
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2019**

1 THE COMPANY AND ITS OPERATIONS

Drekkar Kingsway Limited was registered on June 28, 1993 under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017) as Private Limited Company and subsequently converted into Public Limited Company on June 29, 1994. The shares of the Company are quoted on Pakistan Stock exchange. Its primary business was manufacturing of all type of electrical appliances, cosmetics, toiletries, leather goods, machinery components and parts. However, in 1996, the Company sold its plant and machinery and is currently engaged in business of consultancy and advisory services.

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

2 STATEMENT OF COMPLIANCE

- 2.1** This condensed interim financial information of the Company for the half year ended December 31, 2019 has been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting 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, 2019. Comparative statement of financial position is extracted from annual audited financial statements for the year ended June 30, 2019 whereas comparative statement of profit or loss account, comparative statement of comprehensive income, comparative statement of changes in equity and comparative cash flows statement are extracted from unaudited condensed interim financial information for the half year ended December 31, 2018.
- 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 Listed Companies (Code of Corporate Governance) Regulations, 2019.
- 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, 2019.
- 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 CONDENSED INTERIM FINANCIAL STATEMENTS-UN AUDITED FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2019

3 SIGNIFICANT ACCOUNTING POLICIES

The Company's accounting and financial risk management policies and methods of computation of this condensed interim financial information (un-audited) are the same as those followed in the preparation of annual financial statements for the preceding financial year ended June 30, 2019.

4 ACCOUNTING ESTIMATES AND JUDGEMENT

The preparation of these condensed interim financial statements requires management to make judgments estimates and assumptions that effect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates in preparing these condensed interim financial statements, the significant judgements made by management in applying accounting policies and key sources of estimation were the same as those that were applied to the financial statement for the year ended June 30, 2019.

5 SHARE CAPITAL AND RESERVES

5.1 Authorised share capital

	Dec 31, 2019 (Rupees) (Un-audited)	Jun 30 2019 (Rupees) (Audited)
10,000,000 (2019: 10,000,000) Ordinary shares of Rs.10 each	<u>100,000,000</u>	<u>100,000,000</u>

5.2 ISSUED , SUBSCRIBED AND PAID UP

10,000,000 (2019: 10,000,000) Ordinary shares of Rs.10 each fully paid	<u>100,000,000</u>	<u>100,000,000</u>
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6 LONG TERM FINANCING

In 2017, the Company entered into an agreement with M/s Noor Capital (Pvt) Limited and M/s Service Fabrics Limited for novation of book debts/receivables. By virtue of that agreement dated September 09, 2017, the right to receive 53 million from Service Fabrics Limited was transferred from M/s Noor Capital (Pvt) Limited to the Company, thus making the Company a creditor of M/s Service Fabrics Limited for an amount of Rs. 53 million. As per terms agreed, the Company will receive Rs. 53 million from Service Fabrics Limited and shall return this amount to M/s Noor Capital (Pvt) Limited. Accordingly, the Company recorded the investment in debt for Rs. 53 million and a corresponding liability to M/s Noor Capital (Pvt) Ltd for the same amount. Prior to this agreement, the Company had a receivable balance from M/s Noor Capital (Pvt) Limited. The liability of Rs. 53 million arising as per agreement, as reduced by receivable balance existing before this agreement, has been shown as long term financing at Rs. 28,898,947/- at the reporting date.

DREKKAR KINGSWAY LIMITED

DREKKAR KINGSWAY LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS-UN AUDITED FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2019

	Dec 31, 2019 (Rupees) (Un-audited)	Jun 30 2019 (Rupees) (Audited)
7 LOAN FROM DIRECTORS AND OTHERS		
Sheraz Monno-Director		
Opening Balance	1,482,970	1,482,970
Re-paid / received during period	-	-
Closing balance	1,482,970	1,482,970
Bilal Aurangzeb Noor		
Opening Balance	1,483,226	1,353,000
(Re-paid) / received during period	(302,166)	130,226
Closing Balance	1,181,060	1,483,226
	<u>2,664,030</u>	<u>2,966,196</u>

8 PAYABLE TO SUBSIDIARY

During the years ended June 30, 2018 and 2019, the Company received the said amounts on behalf of its subsidiary company Invest Forum (Pvt) Limited . These receipts were related to the sale of 3,034,603 shares of ISE Towers REIT Mangement (ISETRMCL) that were given to the subsidiary company in pursuance of corporatization and demutualization of (ISETRMC) in accordance with the requirements of Stock Exchanges under Corporatization, Demutualization and Integration Act, 2012 . The subsidiary company sold these shares to M/S General Investment & Securities (Pvt) Ltd on August 09, 2017, and the sale proceeds were received by the Company on behalf of the subsidiary company.

During the half year ended December 31, 2019, as stated in note 11, the Company has disinvested its shareholding in subsidiary company and the shares were sold to M/s Floret Commodities (Pvt) Limited. As part of share purchase agreement, the amount payable to Invest Forum (Pvt) Limited was adjusted against the sale consideration receivable from M/s Floret Commodities (Pvt) Limited. The Board of Directors of M/s Invest Forum (Private) Limited, in their meeting held on November 27, 2019, have approved the said adjustment.

9 CONTINGENCIES AND COMMITMENTS

There is no material contingencies and commitments outstanding as at reporting date (June 30, 2019 : material contingency existed in respect of subsidiary company whose investment was disinvested during the half year ended December 31, 2019).

DREKKAR KINGSWAY LIMITED

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS-UN AUDITED FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2019

10. PROPERTY AND EQUIPMENT

All amounts in PKR

Furniture and Fixture	Office Equipment	Computer and Accessories	Total
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Year ended June 30, 2019 (audited)

At July 01, 2018

Opening Book Value	28,773	36,300	65,208	130,281
Addition	-	-	-	-
Deletions	-	-	-	-
Depreciation for the year	(4,316)	(3,630)	(19,563)	(27,509)
Net book value	24,457	32,670	45,646	102,773

At June 30, 2019

Cost	50,600	44,800	141,200	236,600
Accumulated Depreciation	(26,143)	(12,130)	(95,555)	(133,828)
Closing net book value	24,457	32,670	45,646	102,773

Half Year ended December 31, 2019 (un-audited)

At July 01, 2019

Opening Book Value	24,457	32,670	45,646	102,773
Addition	-	-	-	-
Deletions	-	-	-	-
Depreciation for six months	(3,795)	(2,240)	(21,180)	(27,215)
Net book value	20,662	30,430	24,466	75,558

At December 31, 2019

Cost	50,600	44,800	141,200	236,600
Accumulated Depreciation	(29,938)	(14,370)	(116,734)	(161,042)
Closing net book value	20,662	30,430	24,466	75,558

Depreciation Rate	15%	10%	30%
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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS-UN AUDITED FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2019

11 INVESTMENT IN SUBSIDIARY

In 2017, the company purchased 95.5% shares of Invest Forum (Pvt) Ltd against cash consideration of Rs. 17,190,000/- @ 35.29 per share, this transaction was undertaken as on May 13, 2017.

The Company decided to disinvest shares of Invest Forum (Pvt) Ltd (subsidiary company) through special resolution passed at annual general meeting held in October 2019. On November 27, 2019, the 95.5% shares of M/S Invest Forum (Pvt) Ltd were sold to M/s Floret Commodities (Pvt) Limited against consideration of Rs. 9,884,157. In accordance with the share purchase agreement, it was agreed that the amount payable towards ex-subsidiary M/s Invest Forum (Private) Limited, whose balance as on June 30, 2019 was Rs. 7,732,101 (Note 08), will be adjusted towards sale consideration receivable from M/s Floret Commodities (Pvt) Limited. Accordingly, an amount payable towards ex-subsidiary has been adjusted to the extent of Rs. 7,384,157 against amount receivable for sale consideration. The remaining balance of sale consideration is Rs. 2,500,000 which is receivable as on December 31, 2019.

12 SHORT TERM INVESTMENT

Investment in securities (Note : 12.1)

12.1 Investment are carried at fair value through profit or loss.

	December 31, 2019		June 30, 2019	
	NO. OF SHARES	FAIR VALUE (RUPEES)	NO. OF SHARES	FAIR VALUE (RUPEES)
		(Un-audited)		(Audited)
First Paramount Modaraba	62	353	62	279
The Searle Company Limited	3	570	3	440
Service Fabrics Limited	198	505	198	533
	263	1,429	263	1,251

Dec 31, 2019	Jun 30, 2019
(Rupees)	(Rupees)
(Un-audited)	(Audited)

13 ADVANCES AND PREPAYMENTS

Prepaid rent	20,500	-
Loan to Staff	-	2,000
	20,500	2,000

Dec 31, 2019	Jun 30, 2019
(Rupees)	(Rupees)
(Un-audited)	(Audited)

14 CASH AND CASH EQUIVALENTS

Cash in hand	26,209	41,294
Cash at bank	14,186	14,216
	40,395	55,510

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**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS-UN AUDITED
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2019**

Six months ended December 31		Quarter ended December 31	
2019	2018	2019	2018
(Rupees)	(Rupees)	(Rupees)	(Rupees)

.....(Un-audited).....

15 ADMINISTRATIVE AND OTHER EXPENSES

Communication	16,865	9,424	14,865	5,000
Entertainment-meal	71,039	85,279	44,264	30,354
Fuel	8,745	6,500	-	4,000
Legal and professional charges	126,320	4,970	25,851	535
Office supplies	23,234	-	75	-
Postage and courier	1,740	2,210	1,510	1,860
Printing and stationery	28,530	5,041	20,630	670
Professional fee - book keeping services	229,000	-	229,000	-
Repairs and maintenance	-	3,900	-	-
Salaries	104,500	175,000	87,500	82,000
Rent	232,945	211,755	191,135	110,115
Travelling expenses	-	70	-	70
Utilities	74,600	41,401	24,234	5,600
Audit fee	50,000	-	50,000	-
Bank services charges	29	6,707	29	5,767
Advertisement expenses	55,000	116,230	42,853	116,230
Depreciation	27,215	13,754	22,058	6,877
Computer and internet expenses	17,405	-	-	-
Receivables written off	2,000	-	-	-
	<u>1,069,167</u>	<u>682,241</u>	<u>754,004</u>	<u>369,078</u>

16 OTHER (LOSS) / INCOME

Six months ended December 31		Quarter ended December 31	
2019	2018	2019	2018
(Rupees)	(Rupees)	(Rupees)	(Rupees)

.....(Un-audited).....

Income/(Loss) on sale/remeasurement
of investment classified as fair value
through profit or loss

177 (264) 177 (158)

(Loss) on Sale of shares of subsidiary
(note 11)

(6,955,898) - (6,955,898) -

(6,955,721) (264) (6,955,721) (158)

DREKKAR KINGSWAY LIMITED

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS-UN AUDITED FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2019

17 LOSS PER SHARE

T	Six months ended December 31		Quarter ended December 31	
	2019 (Rupees)	2018 (Rupees)	2019 (Rupees)	2018 (Rupees)
(Un-audited).....			
(Loss) after taxation	(6,599,475)	(682,505)	(6,284,312)	(369,236)
Number of ordinary shares at six months ended	10,000,000	10,000,000	10,000,000	10,000,000
	Rupees			
(Loss) per Share	(0.66)	(0.07)	(0.63)	(0.04)

18 TRANSACTIONS AND BALANCES WITH ASSOCIATED UNDERTAKINGS/RELATED PARTIES

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	Period end balances	December 31, 2019	June 30, 2019
			Rupees (Un-audited)	Rupees (Audited)
Invest forum Private Limited	Previously Subsidiary Company	Investment in Subsidiary	-	17,190,000
	Previously Subsidiary Company	Payable at year/period end	347,945	7,732,102
Sheraz Monno	Director	Payable at year / period end	1,482,970	1,482,970
Bilal Aurangzeb Noor Service Fabrics Limited	Advisor to BOD	Payable at year / period end	1,181,060	1,483,226
	Associated concern	Investment in debt	53,000,000	53,000,000
Name of the related party	Relationship and percentage shareholding	Transactions during the year / period	December 31, 2019	June 30, 2019
			Rupees (Un-audited)	Rupees (Audited)
Invest forum Private Limited	Previously Subsidiary Company	Loss on Sale of subsidiary	(6,955,898)	-
Invest forum Private Limited	Previously Subsidiary Company	Adjustment of payable against share purchase agreement (note 8)	(7,732,102)	-
Bilal Aurangzeb Noor	Advisor to BOD	Loan (repaid)/ received	(302,166)	130,226



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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS-UN AUDITED
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19 DATE OF AUTHORIZATION FOR ISSUE

These Condensed Interim Financial Statements have been authorized for issue on 26 February, 2020 by the Board of Directors of the Company.

20 GENERAL

- Corresponding figure are re-arranged/ reclassified, where ever necessary to facilitate comparison. No material re-arrangements/ re-classification has been made in these condensed interim financial statements (un-audited)

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR

If Undelivered Please Return to:

DREKKAR KINGSWAY LIMITED
(FORMERLY GAUHAR ENGINEERING LIMITED)

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