

**HALF YEARLY ACCOUNTS
DECEMBER 31, 2021
UNAUDITED**

ARSHAD ENERGY LIMITED

COMPANY INFORMATION

CHAIRMAN
CHIEF EXECUTIVE
DIRECTORS

MR. NISAR AHMAD SHEIKH
MR. MUHAMMAD ARSHAD
MR. SHAHZAD AHMED SHEIKH
MR. SHEHRYAR ARSHAD
MS. RESHAM SHAHZAD
MR. WASEEM ASHFAQ
MR. ZEESHAN AHMED

AUDIT COMMITTEE
CHAIRMAN
MEMBER
MEMBER

MR. WASEEM ASHFAQ
MR. SHAHZAD AHMED SHEIKH
MR. SHEHRYAR ARSHAD

HR & REMUNERATION COMMITTEE
CHAIRMAN
MEMBER
MEMBER

MR. WASEEM ASHFAQ
MR. SHAHZAD AHMED SHEIKH
MS. RESHAM SHAHZAD

CHIEF FINANCIAL OFFICER

MR. NASIR MAHMOOD

COMPANY SECRETARY

MR. SHAFIQ IJAZ

HEAD OF INTERNAL AUDIT

MR. SHAFQAT BAIG

AUDITORS

M/S IJAZ TABUSSUM & CO
CHARTERED ACCOUNTANTS

BANKERS

HABIB METROPOLITAN BANK
BANK AL HABIB LIMITED

LEGAL ADVISOR

RANA IFTIKHAR AHMAD

REGISTERED OFFICE

404-405, 4TH FLOOR, BUSINESS
CENTRE, MUMTAZ HASSAN ROAD,
KARACHI. TEL. 021-32412814
WEB: WWW.ARSHADENERGY.COM

SHARES REGISTRAR

F.D. REGISTRAR SERVICES (SMC-PVT)
LIMITED 17TH FLOOR, SAIMA TRADE
TOWER-A, I.I CHUNDRIGAR ROAD,
KARACHI.

PLANT

35-K.M., SHEIKHUPORA ROAD, TEHSIL
JARANWALA, DISTRICT FAISALABAD

Vision statement:

To become the most cost effective power generation company, committed to empowering Pakistan growth by not only maximizing energy outputs from the existing plant through sustained excellence in performance and innovation.

Mission statement:

Support the power purchaser to cope with the energy shortfalls in the country. Become the most efficient and economical plant while protecting commercial interests of the stakeholders. Create a work environment for employees that meets international standards of environment, health and safety.

DIRECTOR'S REVIEW TO THE SHARE HOLDERS

The Board of Directors is presenting the financial results of the Company, duly reviewed by auditors, for the half year ended December 31, 2021.

FINANCIAL RESULTS

	Quarter ended	
	31 December 2021	31 December 2020
	-----RUPEES-----	
OTHER INCOME	657,500	89,339
ADMINISTRATIVE EXPENSES	(4,250,258)	(4,331,469)
OTHER EXPENSES	(6,139,614)	(4,025,915)
FINANCE COST	(907)	(500)
LOSS BEFORE TAXATION	(9,733,279)	(8,268,545)
TAXATION	-	-
LOSS AFTER TAXATION	(9,733,279)	(8,268,545)
LOSS PER SHARE - BASIC AND DILUTED (RUPEES)	(1.22)	(1.03)

PERFORMANCE REVIEW:

Net sales for the period and comparative period were Nil and net loss is Rs.9.733 million as compared to net loss Rs.8.269 million of corresponding period. The Operations of the Company remain closed during the quarter due to non-viability of sale prices in contrast with operating cost.

FUTURE PROSPECTS:

On 23 November 2021, Automotive Plastics (Private) Limited (APPL), made a public announcement of intention to acquire more than 51% ordinary shares together with management control of the Company in accordance with the provisions of Securities Act, 2015 and Listed Companies (Substantial Acquisition of Voting Shares and Takeovers) Regulations, 2017. Currently this matter is under discussion between the directors of the Company and APPL, and negotiation for the purpose of entering into a formal share purchase agreement is being finalized.

The Board of Directors of the Company in its meeting on 27 January 2022 has approved the disposal of Company's assets located at 35 - Kilometers, Sheikhpura Road, Tehsil Jaranwala, District, Faisalabad. Moreover it was also decided to initiate the implementation of the Alternate / Revival Business Plan for textile trading and manufacturing. The proceeds from the proposed disposal of the assets will be used to repay the current / non-current liabilities of the Company and the remaining portion will be utilized for the implementation of the Alternate / Revival Business Plan as mentioned above. These decisions were also approved by the members of the Company in the extraordinary general meeting held on 24 February 2022.

ACKNOWLEDGEMENT:

The Board places on record its appreciation for the loyalty and devotion to work by staff and workers of the Company.

On behalf of the Board

A handwritten signature in black ink, appearing to read 'Muhammad Arshad', with a horizontal line drawn underneath it.

(Muhammad Arshad)

Chief Executive Officer

LAHORE

DATED: February 28, 2021

ڈائریکٹرز رپورٹ شیئر ہولڈرز کیلئے

کمپنی ڈائریکٹرز 31 دسمبر 2020 کو ختم ہونے والے ششماہی سال کیلئے کمپنی کے مالی نتائج پیش کر رہے ہیں، جن کا باقاعدہ طور پر آڈیٹرز نے جائزہ لیا ہے۔ مالیاتی نتائج:

31 دسمبر 2020	31 دسمبر 2021	
روپے	روپے	
89,339	657,500	دیگر آمدنی
(4,331,469)	(4,250,258)	انتظامی اخراجات
(4,025,915)	(6,139,614)	دیگر اخراجات
(500)	(907)	مالیاتی کاسٹ
(8,268,545)	(9,733,279)	نقصان محصولات سے پہلے
---	---	محصولات
(8,268,545)	(9,733,279)	نقصان بعد از محصولات
(1.03)	(1.22) Diluted	نقصان فی شیئر (روپے فی شیئر) بنیادی اور

کارکردگی کا جائزہ:

س مدت میں نیٹ سیلز صفر رہی ہے اور خالص نقصان 9.733 ملین روپے ہے جبکہ خالص نقصان پچھلی مدت میں 8.269 ملین روپے ہے۔ آپریٹنگ کی لاگت کے برعکس فروخت کی غیر مستحکم قیمتوں کی وجہ سے سہ ماہی کے دوران کمپنی کی آپریٹنگز بند رہے۔ مستقبل کے اصول:

23 نومبر 2021 کو آٹو موٹیو پلاسٹکس (پرائیویٹ) لمیٹڈ (اے پی پی ایل) نے Securities Act, 2015 اور درج شدہ کمپنیز (Substantial Acquisition of Voting Shares and Takeovers) ضوابط 2017 کی دفعات کے مطابق کمپنی کے انتظامی کنٹرول کے ساتھ 51 فی صد سے زیادہ عمومی حصص حاصل کرنے کے ارادے کا عوامی اعلان کیا۔ فی الحال یہ معاملہ کمپنی اور اے پی پی ایل کے ڈائریکٹرز کے درمیان زیر بحث ہے اور حصص کی باضابطہ خریداری کے مقصد کے لیے معاہدہ کو حتمی شکل دی جا رہی ہے۔

کمپنی کے بورڈ آف ڈائریکٹرز نے 27 جنوری 2022 کو اپنے اجلاس میں کمپنی کے 35 کلومیٹر، شیخوپورہ روڈ، تحصیل جڑانوالہ، ضلع فیصل آباد میں واقع اثاثوں کو تصرف کرنے کی منظوری دی ہے۔ مزید یہ کہ ٹیکسٹائل کی تجارت اور مینوفیکچرنگ کے لیے متبادل/بحالی کاروباری منصوبے پر عمل درآمد شروع کرنے کا بھی فیصلہ کیا گیا۔ اثاثوں کے مجوزہ تصرف سے حاصل ہونے والی آمدنی کمپنی کی موجودہ/غیر موجودہ ذمہ داریوں کی ادائیگی کے لیے استعمال کی جائے گی اور بقیہ حصہ متبادل/بحالی کاروباری منصوبے کے نفاذ کے لیے استعمال کیا جائے گا جیسا کہ اوپر بتایا گیا ہے۔ ان فیصلوں کو کمپنی کے اراکین نے 24 فروری 2022 کو ہونے والی غیر معمولی جنرل میٹنگ میں بھی منظور کیا۔

اعتراف:
بورڈ نے کمپنی کے عملے اور کارکنوں کی طرف سے کام کرنے کے وفاداری اور عقیدت کیلئے ان کی تعریف کی ہے۔

منجانب بورڈ آف ڈائریکٹرز

محمد ارشد
چیف ایگزیکٹو آفیسر

لاہور

مورخہ 28 فروری 2022ء



IJAZ TABUSSUM & CO.
Chartered Accountants

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Arshad Energy Limited

Report on review of Condensed Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of ARSHAD ENERGY LIMITED as at 31 December 2021 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the condensed interim financial statements for the half year then ended (here-in-after referred to as "condensed interim financial statements"). Management is responsible for the preparation and presentation of these condensed 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 condensed interim financial statements based on our review. The figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the quarters ended 31 December 2021 and 31 December 2020 have not been reviewed and we do not express a conclusion on them as we are required to review only the cumulative figures for the half year ended 31 December 2021.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed interim financial statements 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.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with approved accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Emphasis of Matter Paragraph

We draw attention to Note 1.1 to the condensed interim financial statements, which states that the Company is no longer a going concern, therefore, these condensed interim financial statements have been prepared on the basis of estimated realizable / settlement values of assets and liabilities respectively. Our report is not qualified in respect of this matter.

Other Matter

The condensed interim financial statements for the half year ended 31 December 2020 and financial statements for the year ended 30 June 2021 were reviewed / audited by another firm of chartered accountants whose review report dated 25 February 2021 and auditor's report dated 30 September 2021, expressed unqualified conclusion / opinion.

The engagement partner on the review resulting in this independent auditor's review report is Mrs. Saira Mudassar.


HLB IJAZ TABUSSUM & COMPANY
Chartered Accountants



Place: Lahore

Date: February 28, 2022

UDIN: RR2021101899SNpeoEaR

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Shaukat Ali Road, Johar Town, Lahore - Pakistan.

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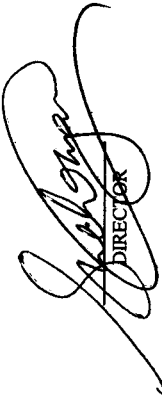
E-mail: matabussum@yahoo.com

ARSHAD ENERGY LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021

	NOTE	Un-audited 31 December 2021 RUPEES	Audited 30 June 2021 RUPEES
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
10 000 000 (30 June 2021: 10 000 000) ordinary shares of Rupees 10 each		100,000,000	100,000,000
Issued, subscribed and paid up share capital			
8 000 000 (30 June 2021: 8 000 000) ordinary shares of Rupees 10 each		80,000,000	80,000,000
Reserves			
Capital reserves			
Premium on issue of right shares		80,000,000	80,000,000
Surplus on revaluation of property, plant and equipment		63,866,677	63,358,539
		143,866,677	143,358,539
Revenue reserve - general		14,408,600	14,408,600
Total reserves		158,275,277	157,767,139
Accumulated loss		(170,703,089)	(161,311,031)
TOTAL EQUITY		67,572,188	76,456,108
LIABILITIES			
NON-CURRENT LIABILITY			
Staff retirement gratuity		8,126,668	7,836,878
CURRENT LIABILITIES			
Trade and other payables		10,871,208	11,051,581
Unclaimed dividend		31,348	31,348
Short term borrowings		72,298,000	66,360,000
		83,200,556	77,442,929
TOTAL LIABILITIES		91,327,224	85,279,807
CONTINGENCIES AND COMMITMENTS			
TOTAL EQUITY AND LIABILITIES		158,899,412	161,735,915

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


CHIEF EXECUTIVE OFFICER


DIRECTOR

NOTE

Un-audited 31 December 2021 RUPEES	Audited 30 June 2021 RUPEES
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ASSETS

NON-CURRENT ASSETS

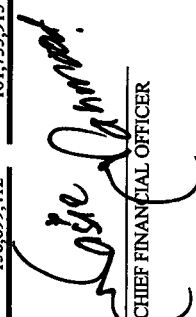
Property, plant and equipment	145,921,904	146,777,006
Long term security deposit	10,550	10,550
	145,932,454	146,787,556

CURRENT ASSETS

Stores, spare parts and loose tools	4,000,000	5,640,000
Stock of oil and lubricants	22,843	22,843
Advance income tax	24,600	24,600
Loans and advances	72,581	78,490
Prepayments and other receivables	4,901,617	8,244,038
Cash and bank balances	3,945,317	938,388
	12,966,958	14,948,359

TOTAL ASSETS

158,899,412	161,735,915
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CHIEF FINANCIAL OFFICER

ARSHAD ENERGY LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (Un-audited)
FOR THE HALF YEAR ENDED 31 DECEMBER 2021

NOTE

Half year ended		Quarter ended	
31 December 2021	31 December 2020	31 December 2021	31 December 2020

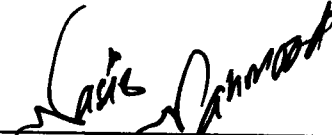
-----RUPEES-----

OTHER INCOME	657,500	89,339	657,500	89,339
ADMINISTRATIVE EXPENSES	(4,250,258)	(4,331,469)	(2,610,617)	(2,702,802)
OTHER EXPENSES	(6,139,614)	(4,025,915)	(3,884,913)	(1,435,941)
FINANCE COST	(907)	(500)	(785)	(375)
LOSS BEFORE TAXATION	<u>(9,733,279)</u>	<u>(8,268,545)</u>	<u>(5,838,815)</u>	<u>(4,049,779)</u>
TAXATION	5	-	-	-
LOSS AFTER TAXATION	<u>(9,733,279)</u>	<u>(8,268,545)</u>	<u>(5,838,815)</u>	<u>(4,049,779)</u>
LOSS PER SHARE - BASIC AND DILUTED - RUPEES	<u>(1.22)</u>	<u>(1.03)</u>	<u>(0.73)</u>	<u>(0.51)</u>

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


 CHIEF EXECUTIVE OFFICER


 DIRECTOR


 CHIEF FINANCIAL OFFICER

ARSHAD ENERGY LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (Un-audited)
FOR THE HALF YEAR ENDED 31 DECEMBER 2021

Half year ended		Quarter ended	
31 December 2021	31 December 2020	31 December 2021	31 December 2020

RUPEES

LOSS AFTER TAXATION	(9,733,279)	(8,268,545)	(5,838,815)	(4,049,779)
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OTHER COMPREHENSIVE INCOME

Items that will not be reclassified subsequently to profit or loss:

Increase in surplus on revaluation of property, plant and equipment

849,359	-	849,359	-
-	-	-	-

Items that may be reclassified subsequently to profit or loss


Other comprehensive income for the period	849,359	-	849,359	-
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TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	<u>(8,883,920)</u>	<u>(8,268,545)</u>	<u>(4,989,456)</u>	<u>(4,049,779)</u>
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The annexed notes form an integral part of these condensed interim financial statements.


 CHIEF EXECUTIVE OFFICER


 DIRECTOR


 CHIEF FINANCIAL OFFICER

ARSHAD ENERGY LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (Un-audited)
FOR THE HALF YEAR ENDED 31 DECEMBER 2021

Half year ended	
31 December 2021	31 December 2020

-----RUPEES-----

CASH FLOWS FROM OPERATING ACTIVITIES

Cash used in operations

Loss before taxation	(9,733,279)	(8,268,545)
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Adjustments for non-cash charges and other items:

Depreciation	2,361,961	2,765,216
Credit balances written back	-	(89,339)
Reversal of impairment loss on plant and machinery	(657,500)	-
Provision for staff retirement gratuity	534,790	501,169
Provision for slow moving and obsolete stores, spare parts and loose tools	1,640,000	-

(5,854,028)	(5,091,499)
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Working capital changes

Decrease / (increase) in current assets:

Loans and advances

Prepayments and other receivables

Decrease in trade and other payables

5,909	(44,000)
3,342,421	(23,110)
3,348,330	(67,110)
(180,373)	(469,685)

3,167,957	(536,795)
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Cash used in operations

(2,686,071)	(5,628,294)
-------------	-------------

Increase in long term advance

Staff retirement gratuity paid

-	(6,000)
(245,000)	(35,671)

Net cash used in operating activities

(2,931,071)	(5,669,965)
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CASH FLOWS FROM FINANCING ACTIVITIES

Short term borrowings received

5,938,000	6,200,000
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Net cash from financing activities

5,938,000	6,200,000
-----------	-----------

NET INCREASE IN CASH AND CASH EQUIVALENTS

3,006,929	530,035
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**CASH AND CASH EQUIVALENTS AT THE
BEGINNING OF THE PERIOD**

938,388	520,653
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**CASH AND CASH EQUIVALENTS AT THE
END OF THE PERIOD**

3,945,317	1,050,688
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The annexed notes form an integral part of these condensed interim financial statements.


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

31 December 2021	31 December 2020	31 December 2021	31 December 2020
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-----RUPEES-----

i) Transactions

Associated companies

Sharing of costs	530,957	1,192,700	176,739	610,210
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Other related parties

Borrowings received	5,938,000	6,200,000	5,938,000	6,200,000
Meeting fee and remuneration paid to directors and executives	3,090,000	1,655,732	1,605,000	857,033

9

Un-audited 31 December 2021	Audited 30 June 2021
RUPEES	RUPEES

ii) Period end balances

Trade and other payables	9,762,335	9,716,624
Short term borrowings	72,298,000	66,360,000

7. EVENT AFTER THE REPORTING PERIOD

The Board of Directors of the Company in its meeting on 27 January 2022 has approved the disposal of Company's assets located at 35 - Kilometers, Sheikhpura Road, Tehsil Jaranwala, District Faisalabad. Moreover it was also decided to initiate the implementation of the Alternate / Revival Business Plan for textile trading and manufacturing. The proceeds from the proposed disposal of the assets will be used to repay the current / non-current liabilities of the Company and the remaining portion will be utilized for the implementation of the Alternate / Revival Business Plan as mentioned above. These decisions were also approved by the members of the Company in the extraordinary general meeting held on 24 February 2022.

8. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the preceding audited annual financial statements of the Company for the year ended 30 June 2021.

9. DATE OF AUTHORIZATION

These condensed interim financial statements were approved by the Board of Directors and authorized for issuance on _____.

10. CORRESPONDING FIGURES

In order to comply with the requirements of IAS 34, the condensed interim statement of financial position and condensed interim statement of changes in equity have been compared with the balances of annual audited financial statements of preceding financial year, whereas, the condensed interim statement of profit or loss, condensed interim statement of comprehensive income and condensed interim statement of cash flows have been compared with the balances of comparable period of immediately preceding financial year.

Corresponding figures have been rearranged, wherever necessary, for the purpose of comparison. However, no significant rearrangements have been made.

11. GENERAL

Figures have been rounded off to the nearest Rupee.

ARSHAD ENERGY LIMITED
SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Un-audited)
FOR THE HALF YEAR ENDED 31 DECEMBER 2021

1. THE COMPANY AND ITS OPERATIONS

Arshad Energy Limited (the Company) is a public limited company incorporated in Pakistan on 20 February 1994 under the repealed Companies Ordinance, 1984 (Now Companies Act, 2017) and listed on Pakistan Stock Exchange Limited (PSX). Its registered office is situated at Room No. 404 and 405, 4th Floor, Business Centre, Mumtaz Hassan Road, Karachi, Sindh. The principal activity of the Company is generation and distribution of electricity.

1.1 Non-going concern basis of accounting

Previously the Company was in operations due to decrease in the furnace oil prices in the world market as the cost of generation of electricity by the Company was decreased. However, during the last couple of years the price of furnace oil has increased which ultimately resulted in suspension of Company's operations. During the half year ended 31 December 2021, the Company has loss after taxation of Rupees 9.733 million. Moreover the Company has suffered accumulated loss of Rupees 170.703 million as at 31 December 2021. Furthermore as per Notice no. PSX/N-1318 dated 26 November 2020 issued by PSX, the Company's shares were placed on the defaulters' segment due to suspended commercial production / business operations in its principal line of business for a continuous period of one year. On 05 July 2021, Securities and Exchange Commission of Pakistan (SECP) issued a show cause notice to the Board of Directors and to the Company under section 301(m) read with section 304(b) of the Companies Act, 2017 regarding Company's suspended operations and the proposed winding up of the Company. However, upon request of the Company, on 13 December 2021, SECP allowed extension for hearing of show cause notice uptill 28 February 2022 along with advice to the Company to furnish progress report on monthly basis.

In view of the aforesaid reasons, the Company is not considered a going concern. These condensed interim financial statements have been prepared using the non-going concern basis of accounting on the basis of estimated realizable / settlement values of the assets and liabilities respectively.

- 1.2** On 23 November 2021, Automotive Plastics (Private) Limited (APPL), made a public announcement of intention to acquire more than 51% ordinary shares together with management control of the Company in accordance with the provisions of Securities Act, 2015 and Listed Companies (Substantial Acquisition of Voting Shares and Takeovers) Regulations, 2017. Currently this matter is under discussion between the directors of the Company and APPL, and negotiation for the purpose of entering into a formal share purchase agreement is being finalized.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

a) Statement of compliance

- i) These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34 'Interim Financial Reporting', issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and

- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

- ii) These condensed interim financial statements do not include all the information and disclosures required in annual financial statements and should be read in conjunction with the annual audited financial statements of the Company for the year ended 30 June 2021. These condensed interim financial statements are un-audited, however, have been subjected to limited scope review by the auditors and are being submitted to the shareholders as required by the Listed Companies (Code of Corporate Governance) Regulations, 2019 and section 237 of the Companies Act, 2017.

b) Accounting convention

These condensed interim financial statements have been prepared using the non-going concern basis of accounting on the basis of estimated realizable / settlement values of the assets and liabilities respectively. In realizable / settlement value basis, assets are carried at amount of cash and cash equivalents that could currently be obtained by selling the assets in an orderly disposal. Liabilities are carried at their settlement values, that is the undiscounted amounts of cash or cash equivalents expected to be paid to satisfy the liabilities in the normal course of business.

c) Critical accounting estimates, judgments and financial risk management

The preparation of these condensed interim financial statements in conformity with the approved accounting and reporting standards, requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these judgments, estimates and assumptions.

During the preparation of these condensed interim financial statements, the significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty along with the financial risk management policies were the same as those that applied in the audited annual financial statements of the Company for the year ended 30 June 2021.

Analysis of upside not recognized in the profit or loss on assets during the period:

Expected profit on disposal of items of property, plant and equipment of the Company, which are not revalued shall be Rupees 0.228 million. Hence, there is an upside of Rupees 0.228 million not recognized in the condensed interim statement of profit or loss.

The Company have no items that it plans to sell that the Company have not previously recognized in these condensed interim financial statements.

3. CONTINGENCIES AND COMMITMENTS

There was no contingent liability and commitment as at the reporting date (30 June 2021: Rupees Nil).

4. PROPERTY, PLANT AND EQUIPMENT

	Un-Audited 31 December 2021	Audited 30 June 2021
	RUPEES	RUPEES
Opening book value	146,777,006	143,445,720
Add:		
Effect of surplus on revaluation - net	849,359	19,315,806
Reversal of impairment loss during the period / year	657,500	-
	148,283,865	162,761,526
Less: Impairment loss charged during the period / year	-	(10,454,087)
	148,283,865	152,307,439
Less: Depreciation charged during the period / year	(2,361,961)	(5,530,433)
	145,921,904	146,777,006

5. TAXATION

The profit and gains derived by the Company from the electric power generation projects are exempted from levy of income tax under Clause 132 of Part-I of the Second Schedule of the Income Tax Ordinance, 2001.

6. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of associated companies / undertaking other related parties and key management personnel. The Company in the normal course of business carries out transactions with various related parties. Detail of transactions and balances with related parties is as follows:

(Un-audited)			
Half year ended		Quarter ended	
31 December 2021	31 December 2020	31 December 2021	31 December 2020

RUPEES

i) Transactions

Associated companies

Sharing of costs	530,957	1,192,700	176,739	610,210
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Other related parties

Borrowings received	5,938,000	6,200,000	5,938,000	6,200,000
Meeting fee and remuneration paid to directors and executives	3,090,000	1,655,732	1,605,000	857,033

Un-audited	Audited
31 December 2021	30 June 2021
RUPEES	RUPEES

ii) Period end balances

Trade and other payables	9,762,335	9,716,624
Short term borrowings	72,298,000	66,360,000

7. EVENT AFTER THE REPORTING PERIOD

The Board of Directors of the Company in its meeting on 27 January 2022 has approved the disposal of Company's assets located at 35 - Kilometers, Sheikhpura Road, Tehsil Jaranwala, District Faisalabad. Moreover it was also decided to initiate the implementation of the Alternate / Revival Business Plan for textile trading and manufacturing. The proceeds from the proposed disposal of the assets will be used to repay the current / non-current liabilities of the Company and the remaining portion will be utilized for the implementation of the Alternate / Revival Business Plan as mentioned above. These decisions were also approved by the members of the Company in the extraordinary general meeting held on 24 February 2022.

8. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the preceding audited annual financial statements of the Company for the year ended 30 June 2021.

9. DATE OF AUTHORIZATION

These condensed interim financial statements were approved by the Board of Directors and authorized for issuance on _____.

10. CORRESPONDING FIGURES


In order to comply with the requirements of IAS 34, the condensed interim statement of financial position and condensed interim statement of changes in equity have been compared with the balances of annual audited financial statements of preceding financial year, whereas, the condensed interim statement of profit or loss, condensed interim statement of comprehensive income and condensed interim statement of cash flows have been compared with the balances of comparable period of immediately preceding financial year.


Corresponding figures have been rearranged, wherever necessary, for the purpose of comparison. However, no significant rearrangements have been made.

11. GENERAL

Figures have been rounded off to the nearest Rupee.


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

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