

Drekkar Kingsway

Ref: DKL/PSX/2021-15

November 16, 2021

Mr. Hafiz Maqsood Munshi,
Manager Companies and Securities Compliance – RAD
Pakistan Stock exchange Limited
Stock Exchange Building, Stock Exchange Road,
Karachi.

SUB: INDEPENDENT AUDITORS' REPORT FOR YEAR ENDED JUNE 30, 2021

Dear Sir,

Reference to your letter no. PSX/GEN-2255 dated November 12, 2021. Please note that all of the cited reasons are the legacy problems of the Company, and are being sorted out one by one.

Post the balance sheet date, the Company's shareholders (on Oct 22, 2021) have already approved the revival business plan, and has submitted the same to Islamabad High Court, the Securities and Exchange Commission of Pakistan, and Pakistan Stock Exchange. The Company is being revived under Modaraba Al Mali, which is a listed entity and would take 10% stake in the Company post revival.

As such, the non-compliances referred in your letter are temporary in nature, and the Company, after the disposal of the winding up case, would need a period of six-months till the full implementation of the revival plan.

1. Regulation no. 5.11.1 (b) - It has suspended commercial production/ business operations in its principal line of business for a continuous period of one year;

Please note that Company is in the process of implementing the "Revival Business Plan" for which the shareholders of the Company have already given approval.

This "**Revival Business Plan**" will be effectuated within the current financial year (2021-22).

2. Regulation no. 5.11.1 (i) - Its statutory auditor has issued a qualified opinion on the going concern assumption or has issued a disclaimer or an adverse opinion in the audit report;

This is explained fully in the Directors' Report to the Shareholders. Auditors' opinion is depicting financial position up till June 30, 2021, however, the Company is in process of implementing "Revival Business Plan" with full spirit. Resultantly, the required financial resources will be mobilized and commercial/business activities will be resumed for 3Q, 2021 subject to the disposal of the case by IHC.

3. Petition is already filed with the honorable Islamabad High Court for the withdrawal of liquidation petition filed by SECP against the Company on the basis of approved "Revival Business Plan". Please note that the Company ("DKL") is already in suspended counter on PSX.

We trust that above clarification would be deemed as sufficient for the purpose of regulatory compliance. Please contact the undersigned for any further information, if required.

Yours truly,
For Drekkar Kingsway Limited


Muhammad Usman
Company Secretary



Cc: The Director (CSD) - SECP
The Additional Director (AD-SMD) – SECP
The Chief Regulatory Officer, PSX

DREKKAR KINGSWAY LIMITED

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