

DOST STEELS LIMITED
FINANCIAL STATEMENTS UN-AUDITED
FOR THE NINE MONTHS ENDED MARCH 31, 2023

Our Vision

- To recognize globally as a leading supplier of steel large bar of the highest quality standards, with market leading standards of customer service.
- Business development by adoption of emerging technologies, growth in professional competence, support to innovation. Enrichment of human resources and performance recognition.

Our Mission

- To manufacture and supply high quality steel large bar to the construction sector whilst adopting safe and environmentally friendly practices.
- To remain the preferred and consistent supply source for various steel products in the country.
- Offer products that are not only viable in terms of desirability and price but most importantly give true and lasting value to our customers.
- To fulfill special obligation and compliance of good governance.
- Ensure that the business policies and targets are in conformity with national goals.
- Deliver strong returns on investments of our stakeholders by use of specialized and high quality corporate capabilities with the combined use of modern bar mill practices, enterprise class software on a web based solution and targeted human resource support.

Corporate Strategies

- Ensure that the business policies and targets are in conformity with national goals.
- Establish a better and safer work environment for all employees
- Contribute in National efforts towards attaining sustainable self-efficiency in steel products,
- Customer's satisfaction by providing best value and quality products.
- Maintain modern management system conforming to international standards needed for an efficient organization.
- Ensure to foster open communications, listen, and understand other perspectives.
- Acquire newer generation technologies for effective and efficient operations.

COMPANY INFORMATION

Board of Directors

Mr. Bilal Jamal Iftakhar
Mr. Jamal Iftakhar
Mr. Zahid Iftakhar
Mrs. Mona Zahid
Mr. Saad Zahid
Mr. Shahab Mahboob Vora
Mr. Mian Abuzar Shad
Mr. Muhammad Shakeel
Nominated by NBP
Mr. Asim Jilani
Nominated by FBL

Director/ Chairman
Director/CEO
Director
Director
Director
Director
Director
Director
Director
Director

Shares Registrar

THK Associates (Pvt.) Limited
Plot No. 32-C, Jami Commercial
Street 2, D.H.A., Phase VII
Karachi-75500
UAN +92 (021) 111-000-322
E-mail: secretariat@thk.com.pk

Audit Committee

Mr. Shahab Mahboob Vora
Mr. Mian Abuzar Shad
Mr. Mona Zahid

Chairman
Member
Member

Human resource & Remuneration Committee

Mr. Shahab Mahboob Vora
Mr. Jamal Iftakhar
Mr. Mian Abuzar Shad

Chairman
Member
Member

Chief Financial Officer

Mr. Shahid Ali

Company Secretary

Mr. Shahid Ali

Bankers

Faysal Bank Limited
National Bank of Pakistan
Askari Commercial Bank Limited
Bank of Khybar
Pak Kuwait Investments Co. (Pvt.) Limited
Saudi Pak Industrial & Agricultural Investment Co. Limited
United Bank Limited
Silk Bank Limited
Soneri Bank Limited
Summit Bank Limited
Bank Alfalah Islamic
Allied Bank Limited
Meezan Bank

Head Office/Registered Office

4th Floor, Ibrahim Trade Centre
1-Aibak Block, Barkat Market
New Garden Town
Lahore-54700, Pakistan
Ph: # 042-35941375-77
Lahore-54700, Pakistan

Auditors

Rahman Sarfaraz Rahim Iqbal Rafiq
Chartered Accountants

Legal Advisor

Mr. Ahsan Masood, Advocate
Masood & Masood Corporate &
Legal Consultants, 102 Upper Mall
Scheme Lahore
Ph: No. +92(0)42 37363718

Plant Address

52 Km Lahore Multan Road
Phool Nagar, Distt Kasur Punjab

Web Presence

www.doststeels.com
e mail: info@doststeels.com

DIRECTORS' REPORT



Dear Members Assalam-o-Alaikum

The Directors of Dost Steels Limited present their review on the financial performance of the Company for the nine months ended March 31, 2023.

Financial performance of the Company for the nine months ending March 31, 2023 was as under:

Description	March 31, 2023 (PKR)	March 31, 2022 (PKR)
Sales	-	-
Cost of sales	(39,602,049)	(26,463,837)
Gross Loss	(39,602,049)	(26,463,837)
Administrative and selling expenses	(9,310,582)	(37,493,315)
Finance costs	(108,600,115)	(60,059,026)
Other operating income	1,624	20,454,405
Loss before taxation	(157,511,122)	(103,561,773)
Taxation	-	-
Loss after taxation	(157,511,122)	(103,561,773)
Loss per share	(0.50)	(0.33)

Loss per share for the nine months was Rupees 0.50 as compared to Rupees 0.33 in corresponding period last year. Loss after tax for the period was Rupees 157.51 million as compared to Rupees 103.56 million in corresponding period last year.

The Company is in process of issuing further share capital other than right shares to settle the defaulted bank liabilities and to provide for/ arrange working capital to revive the operations of the Company. The board of directors in their meeting held on 18 January 2022 has approved the offer from Mr. Khawaja Shahzeb Akram being the potential investor to invest upto 29% in share capital (after the issuance of these shares) of the Company. Later on, the board decision is also approved by the members of the Company in the extraordinary general meeting held on 10 February 2022. The future implications of the scheme cannot presently be estimated as it is subject to the applicable statutory and regulatory approvals.

The Investment shall utilized to settle the defaulted bank liabilities and to provide for/arrange working capital to revive operations of the Company. This will result in revival of the Company and will result in profitability

We extend our gratitude to all our stakeholders for their continued support and look forward to a productive forthcoming quarter.

On behalf of the Board of Directors

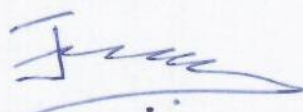
Jamal Iftakhar
Chief Executive Officer

Zahid Iftakhar
Director

DOST STEELS LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2023

		(Un-Audited) March 31, 2023	(Audited) June 30, 2022
	Note	Rupees	Rupees
<u>ASSETS</u>			
NON-CURRENT ASSETS			
Property, plant and equipment	6	2,525,398,581	2,537,149,985
Intangible assets	7	1,000	1,000
Long term security deposits	8	40,521,445	40,521,445
		2,565,921,026	2,577,672,430
CURRENT ASSETS			
Stores and spares		26,845,775	26,845,775
Stock in trade	9	-	-
Trade debtors	10	-	-
Advances	11	1,261,739	1,241,739
Taxes refundable/ adjustable	12	14,706,446	10,056,682
Cash and bank balances	13	103,370	117,743
		42,917,330	38,261,939
TOTAL ASSETS		2,608,838,356	2,615,934,369
<u>EQUITY</u>			
SHARE CAPITAL AND RESERVES			
Authorized Share Capital	14	3,600,000,000	3,600,000,000
Issued, subscribed and paid up share capital	14	3,157,338,600	3,157,338,600
Discount on issue of right shares	15	(1,365,481,480)	(1,365,481,480)
Accumulated losses		(1,707,790,715)	(1,550,279,593)
TOTAL EQUITY		84,066,405	241,577,527
<u>LIABILITIES</u>			
NON-CURRENT LIABILITIES			
Advance for issuance of shares - unsecured	16	358,100,019	358,100,019
Long term financing - secured	17	338,558,725	454,997,428
Markup accrued on secured loans	18	614,940,264	614,940,264
Employees benefit obligations	19	25,301,017	24,480,355
		1,336,900,025	1,452,518,066
CURRENT LIABILITIES			
Trade and other payables	20	42,073,986	49,169,296
Accrued markup	21	368,507,280	259,916,909
Short term borrowings - unsecured	22	322,034,682	273,935,296
Current and overdue portion of long term financing		455,255,978	338,817,275
Provision for taxation		-	-
		1,187,871,926	921,838,776
CONTINGENCIES AND COMMITMENTS	23		
TOTAL LIABILITIES		2,524,771,951	2,374,356,842
TOTAL EQUITY AND LIABILITIES		2,608,838,356	2,615,934,369

The annexed notes 1 to 27 form an integral part of these condensed interim financial statements.


 Chief Executive Officer

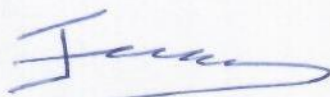

 Chief Financial Officer


 Director

DOST STEELS LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME
FOR THE NINE MONTHS ENDED MARCH 31, 2023

Note	(Un-Audited)		(Un-Audited)	
	Nine Month Ended		Quarter Ended	
	March 31, 2023 Rupees	March 31, 2022 Rupees	March 31, 2023 Rupees	March 31, 2022 Rupees
Sales	-	-	-	-
Cost of sales	(39,602,049)	(26,463,837)	(9,808,808)	(9,766,327)
Gross loss	(39,602,049)	(26,463,837)	(9,808,808)	(9,766,327)
Administrative and selling expenses	(9,310,582)	(37,493,315)	(1,855,570)	(5,475,683)
Finance cost	(108,600,115)	(60,059,026)	(43,022,177)	(22,948,160)
Other operating income	1,624	20,454,405	-	-
Loss before taxation	(157,511,122)	(103,561,773)	(54,686,555)	(38,190,170)
Taxation	-	-	-	-
Loss after taxation	(157,511,122)	(103,561,773)	(54,686,555)	(38,190,170)
<u>Other Comprehensive Income-Net of Tax</u>				
Items that will never be reclassified to Profit or Loss				
Remeasurement of Staff Gratuity (Loss)/gain	-	-	-	-
Related Impact on Deferred Tax	-	-	-	-
Items that will be reclassified to Profit or Loss				
Total Comprehensive Loss for the period	(157,511,122)	(103,561,773)	(54,686,555)	(38,190,170)
Loss per share - Basic and diluted	24 (0.50)	(0.33)	(0.17)	(0.12)

The annexed notes 1 to 27 form an integral part of these condensed interim financial statements.



Chief Executive Officer



Chief Financial Officer

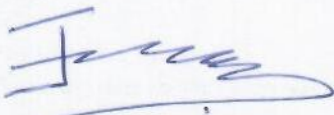


Director

DOST STEELS LIMITED
STATEMENT OF CHANGES IN EQUITY UN-AUDITED
FOR THE NINE MONTHS ENDED MARCH 31, 2023

	Issued, subscribed and paid up share capital	Discount on issue of right shares	Revenue reserve	Total
			Accumulated losses	
----- Rupees -----				
Balance as at July 01, 2021	3,157,338,600	(1,365,481,480)	(1,415,438,292)	376,418,828
Total comprehensive loss for the period	-	-	(103,561,773)	(103,561,773)
Balance as at March 31, 2022	3,157,338,600	(1,365,481,480)	(1,519,000,065)	272,857,055
Total comprehensive loss for the quarter ended June 30, 2022			(31,279,528)	(31,279,528)
Balance as at July 01, 2022	3,157,338,600	(1,365,481,480)	(1,550,279,593)	241,577,527
Total comprehensive loss for the period	-	-	(157,511,122)	(157,511,122)
Balance as at March 31, 2023	3,157,338,600	(1,365,481,480)	(1,707,790,715)	84,066,405

The annexed notes 1 to 27 form an integral part of these condensed interim financial statements.


 Chief Executive Officer


 Chief Financial Officer


 Director

DOST STEELS LIMITED
STATEMENT OF CASH FLOWS UN-AUDITED
FOR THE NINE MONTHS ENDED MARCH 31, 2023

	Note	<u>Un-Audited</u> March 31, 2023 Rupees	<u>Un-Audited</u> March 31, 2022 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before taxation		(157,511,122)	(103,561,773)
Adjustments for non-cash items:			
Depreciation		11,751,404	14,697,225
Amortization		-	250,054
Finance cost		108,600,115	60,059,026
Provision for gratuity		820,662	3,207,452
Creditors written back		-	(20,452,613)
Provision against raw material		-	4,781,225
Interest income		(1,624)	(1,792)
		<u>121,170,557</u>	<u>62,540,577</u>
Operating cash flow before working capital changes		(36,340,565)	(41,021,196)
Working capital changes:			
(Increase)/ decrease in current assets:			
Trade debtors		-	1,410,160
Advances		(20,000)	(89,502)
Tax refundable/ adjustable		(4,649,764)	(1,196,582)
Increase/ (decrease) in current liabilities:			
Trade and other payables		(7,095,310)	(848,640)
		<u>(11,765,074)</u>	<u>(724,564)</u>
Cash used in operations		(48,105,639)	(41,745,760)
Finance cost paid		(9,744)	(13,142)
Taxes paid		-	(105,809)
Net cash used in operating activities		(48,115,383)	(41,864,711)
CASH FLOWS FROM INVESTING ACTIVITIES			
Net cash generated from investing activities		1,624	1,792
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipt of short term borrowings - unsecured		48,099,386	50,110,551
Net cash generated from financing activities		48,099,386	50,110,551
Net increase/ (decrease) in cash and cash equivalents during the period		(14,373)	8,247,632
Cash and cash equivalents at the beginning of the period		117,743	93,497
Cash and cash equivalents at the end of the period	13	103,370	8,341,129

The annexed notes 1 to 27 form an integral part of these condensed interim financial statements.


 Chief Executive Officer


 Chief Financial Officer


 Director

DOST STEELS LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS - UN-AUDITED
FOR THE NINE MONTHS ENDED MARCH 31, 2023

1 LEGAL STATUS AND NATURE OF BUSINESS

Dost Steels Limited (the Company) was incorporated and domiciled in Pakistan on March 19, 2004 as a private limited company under the Companies Ordinance, 1984 (The Ordinance), now the Companies Act, 2017. The Company was converted into public limited company with effect from May 20, 2006 and then listed on the Pakistan Stock Exchange Limited (formerly Karachi Stock Exchange Limited) with effect from November 26, 2007.

The principal business of the Company include manufacturing of steel, direct reduced iron, sponge iron, hot briquetted iron, carbon steel, pig iron, special alloy steel in different forms, shapes and sizes and any other product that can be manufactured with existing facilities.

Geographical location and address of business units/ plants

<u>Description</u>	<u>Location</u>	<u>Address</u>
Registered office/ Head office	Lahore	4th Floor, Ibrahim Trade Centre, 1-Aibak Block, Barkat Market, New Garden Town, Lahore.
Mill/ Plant Site	Phoolnagar	52 km, Multan Road, Phoolnagar.

2 BASIS OF PREPARATION

2.1 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:

- International Accounting Standard 34, 'Interim Financial Reporting' (IAS 34), 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.

2.2 These interim financial statements do not include all the information and disclosures required in annual financial statements, and should be read in conjunction with the Company's annual financial statements for the year ended June 30, 2021.

3 SIGNIFICANT ACCOUNTING POLICIES

3.1 The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the financial statements for the year ended June 30, 2022, except for those stated as below;

- **New standards, amendments to approved accounting standards and new interpretations**
- **Amendments to approved accounting standards which are effective during the year ended 30 June, 2023**
There are certain amendments to approved accounting standards which are mandatory for accounting periods beginning on or after July 1, 2021 but are considered not to be relevant or have any significant effect on the Company's financial reporting.
- **New standards and amendments to approved accounting standards that are effective for the Company's accounting periods beginning on or after July 1, 2022**
There is a new standard and certain amendments to approved accounting standards that will be mandatory for accounting periods beginning on or after July 1, 2022 but are considered not to be relevant or expected to have any significant effect on the Company's financial reporting.

3.2 Previous periods' figures are rearranged/ reclassified where necessary to facilitate comparison and are rounded off to the nearest rupee; appropriate disclosure is given in relevant note in case of material rearrangement.

4 ESTIMATES

The preparation of condensed interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. The significant judgements made by the management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those applied to the financial statements for the year ended June 30, 2021.

5 RISK MANAGEMENT

The Company's risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2022.

	Note	March 31, 2023 Rupees	June 30, 2022 Rupees
7 INTANGIBLE ASSETS			
Computer Software			
COST			
As at beginning of the period/ year		1,111,350	1,111,350
Addition		-	-
Balance as at end of the period/ year		1,111,350	1,111,350
ACCUMULATED AMORTIZATION			
As at beginning of the period/ year		(1,110,350)	(777,945)
Amortization		-	(332,405)
Balance as at end of the period/ year		(1,110,350)	(1,110,350)
Written down value as at end of the period/ year		1,000	1,000
Intangible asset has been taken at notional value of Rs.1000/- after amortising the asset over its estimated useful life i-e @30% p.a , as asset is still in use.			
8 LONG TERM SECURITY DEPOSITS			
Against utilities		40,251,445	40,251,445
Against rent		210,000	210,000
Others		60,000	60,000
		40,521,445	40,521,445
9 STOCK-IN-TRADE			
Raw material		4,781,225	4,781,225
Less: Provision against raw material		(4,781,225)	(4,781,225)
		-	-
10 TRADE DEBTS			
Unsecured & considered good by the management			
Trade debts		45,218,980	45,218,980
Remeasurement of Expected Credit Loss	10.1	(45,218,980)	(45,218,980)
		-	-
10.1 Remeasurement of Expected Credit Loss			
Opening Balance		45,218,980	37,735,982
Charged for the year		-	7,482,998
Closing Balance		45,218,980	45,218,980
11 ADVANCES			
Unsecured & considered good by the management			
Advances			
To employees - against salary		20,000	-
To employees - against expenses		24,400	24,400
For supplies/services	11.1	1,208,110	1,208,110
Letter of credits	11.2	-	-
Margin against letter of credits		9,229	9,229
		1,261,739	1,241,739
11.1 For supplies/services		1,958,110	1,958,110
Provision against doubtful advances			
Opening Balance		750,000	2,318,392
Provision Adjusted		-	(1,568,392)
Closing Balance		(750,000)	(750,000)
		1,208,110	1,208,110
11.2 Advance letter of credits		3,631,900	3,631,900
Provision against letter of credits		(3,631,900)	(3,631,900)
		-	-
12 TAXES REFUNDABLE/ADJUSTABLE			
Advance Income Tax		9,506,891	8,310,587
Input Sales Tax		5,199,555	1,746,095
		14,706,446	10,056,682

	Note	March 31, 2023 Rupees	June 30, 2021 Rupees
13 CASH AND BANK BALANCES			
Cash in hand			
Cash at banks:		2,610	2,661
- current accounts			
- deposit accounts		75,485	91,203
	13.1	25,275	23,879
		100,760	115,082
		103,370	117,743
13.1 It includes balances pertaining to repayment account for long term loans amounting to Rs. 2,911/- (30 June 2022: Rs. 2,911/-). Management of the Company as per arrangement can't withdraw amounts once deposited in this bank account.			
14 SHARE CAPITAL			
		March 31, 2023	June 30, 2022
		Number of shares	
AUTHORIZED SHARE CAPITAL			
360,000,000		360,000,000	Authorized share capital of Rs. 10 each
		3,600,000,000	3,600,000,000
ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL			
		Ordinary share of Rs.10 each	
315,733,860		315,733,860	fully paid in cash
	14.1	3,157,338,600	3,157,338,600
14.1 It includes 121,266,205 (June 2022: 84,166,705) ordinary shares of Rs.10/- each, amounting to Rs. 1,212,662,050/- (June 2022: Rs. 841,667,050/-) held by related parties.			
Opening Balance-84,166,705 ordinary share of Rs.10/- each		841,667,050	841,667,050
Held by new Director and his relative, elected during the period-37,099,500 ordinary shares of Rs.10/- each		370,995,000	-
Closing Balance-121,266,205 ordinary shares of Rs.10/- each		1,212,662,050	841,667,050
14.2 The Company has only one class of ordinary shares. The holder of ordinary shares have equal right to receive dividend, bonus and right issue as declared, vote and block voting at meetings, board selection and right of first refusal of the Company.			
14.3 The Company has not reserved shares for issue under options or sale contracts.			
15 DISCOUNT ON ISSUE OF RIGHT SHARES		1,365,481,480	1,365,481,480
The Company issued right shares with the approval of board of directors, SECP and PSX with face value of Rs. 2,482,693,600/- comprising 248,269,360/- ordinary shares of Rs. 10/- each at a discount of Rs. 5.5/- per share in year 2017.			
16 ADVANCE FOR ISSUANCE OF SHARES - UNSECURED			
From Crescent Star Insurance Limited and its assignees		354,279,066	354,279,066
From directors		3,820,953	3,820,953
		358,100,019	358,100,019
The Company has received advance against issuance of shares from the Crescent Star Insurance Limited (CSIL), associated company, and directors of the Company which will be adjusted against shares in capital of the Company whenever there is next issue. These amounts are unsecured and interest free. In the previous years, CSIL assigned aggregate amount of Rs. 247,995,000/- and Rs. 57,768,000/- to Dynasty Trading (Private) Limited and Din Corporation (Private) Limited respectively under an assignment agreement executed on February 12, 2019. The notice of assignment was given on February 08, 2019 which was approved by the board on February 27, 2019. Subsequently CSIL has controverted/ disputed assignment in favour of Dynasty Trading (Private) Limited. Management is of the view that presently there is no dispute regarding total amount payable and dispute pertains to whom it is payable. At that time CEO of CSIL was also chairman and director of Dost Steels Limited. Refer note 16 also on contingencies.			
17 LONG TERM FINANCING - SECURED			
From banking companies and financial institutions			
Term finance - Restructured facilities	17.1		
Opening balance		793,814,703	793,814,703
Paid during the year		-	-
		793,814,703	793,814,703
Less: Current portion		(151,370,315)	(116,438,704)
Less: Overdue portion		(303,885,663)	(222,378,571)
		(455,255,978)	(338,817,275)
		338,558,725	454,997,428
17.1 The Company has arranged Restructured Term Finance facilities of Rs. 931,509,627/- from National Bank of Pakistan, Askari Bank Limited, NIB Bank Limited(Now MCB Bank Limited), Bank of Khyber, Pak Kuwait Investment Company (Private) Limited, Saudi Pak Industrial and Agricultural Investment Company Limited and Faysal Bank Limited (former Royal Bank of Scotland Limited) as Syndicated loan, whereby Faysal Bank Limited is acting as agent of the syndicate. Due to absence of cash flow and delayed commissioning of the project and subsequent closure of the production, DSL was and is unable to meet its repayment obligations towards the Financiers. All the syndicate banks have given their in-principal approval to the rescheduling and restructuring of the debts and obligations. All the syndicate banks except Pak Kuwait Investment Company (Private) Limited have signed the rescheduling and restructuring agreement.			
Terms of rescheduled and restructured agreement are as follows:			

- a) For the repayment of the unpaid markup, markup has been calculated on the total outstanding amount from the date of last payment till 30 June 2016 - the assumed date of commissioning @ 8% per annum. As per the terms of the agreement the syndicate loan banks individually have the following two options regarding the repayment of the unpaid markup:
- i) Option I : The total mark up calculated will be converted into a "Zero Coupon TFC convertible into ordinary shares". All the TFCs issued will be completely converted into equity/ ordinary shares by 2027 as per the following schedule:

	Year 9th 2024	Year 10th 2025	Year 11th 2026	Year 12th 2027
Percentage of TFC converted	25%	25%	25%	25%

The conversion shall be held on the 20th Day of December each year at a discount of 5% to the last six months weighted average price of the Company shares at Karachi Stock Exchange Limited (Now Pakistan Stock Exchange Limited).

- ii) Option II : Waiver of 85% of the markup upto the date of the commissioning. The 15% remaining markup would be payable within 2 years after complete repayment of restructured loan i.e 31 December 2025.
- However, respective adjustments of this compound financial instrument regarding classification into equity portion and financial liability as required by the IAS 32 cannot be determined as options are available to individual banks of the syndicate loan and considering the financial standing of the Company in stock market, it is highly unlikely that bankers will opt for the investment in equity option as compared to markup recovery. Further all the syndicate banks except Pak Kuwait Investment Company (Private) Limited have signed the rescheduling and restructuring agreement. Pak Kuwait has not signed this agreement so far and no communication was made by the banks in this respect which will enable the company to assess treatment for the said markup.
- b) The markup rate effective from the date of commissioning is 3 month KIBOR payable quarterly in arrears.
- c) The principal repayment is made in 41 quarterly instalments commencing from 31 March 2016 and ending on 31 December 2025 as per repayment schedule.
- d) The loan is secured by a mortgage by deposit of title deeds of the Mortgaged Properties, a charge by way of hypothecation over hypothecated assets, pledge of the pledged shares, and personal guarantees of the sponsors.

	Note	March 31, 2023 Rupees	June 30, 2021 Rupees
18 MARKUP ACCRUED ON SECURED LOANS			
On secured loans			
Refer note 17		<u>614,940,264</u>	<u>614,940,264</u>
19 EMPLOYEES BENEFIT OBLIGATIONS			
Staff gratuity	19.1	<u>25,301,017</u>	<u>24,480,355</u>
		<u>25,301,017</u>	<u>24,480,355</u>
19.1 Staff gratuity			
Movement in net defined benefit obligation recognized in the statement of financial position:			
Opening balance		24,480,355	23,418,350
Provision for the period/ year	19.1.1	<u>820,662</u>	<u>1,062,005</u>
Less: Payments made during the year		<u>25,301,017</u>	<u>24,480,355</u>
		<u>-</u>	<u>-</u>
		<u>25,301,017</u>	<u>24,480,355</u>
19.1.1 Provision of gratuity for the period/ year has been allocated as follows:			
Cost of sales		455,787	575,505
Administrative and selling expenses		<u>364,875</u>	<u>486,500</u>
		<u>820,662</u>	<u>1,062,005</u>
20 TRADE AND OTHER PAYABLES			
Creditors		11,931,053	18,099,419
Contract liabilities		419,438	419,438
Accrued liabilities		26,712,154	27,639,098
Payable to old employees		<u>3,011,341</u>	<u>3,011,341</u>
		<u>42,073,986</u>	<u>49,169,296</u>
21 ACCRUED MARKUP			
Long term financing - secured		<u>368,507,280</u>	<u>259,916,909</u>
22 SHORT TERM BORROWINGS			
Unsecured & Interest Free			
Loan from directors		258,963,166	228,213,780
Loan from sponsors		<u>63,071,516</u>	<u>45,721,516</u>
		<u>322,034,682</u>	<u>273,935,296</u>

These loans are unsecured, interest free, obtained to facilitate the company for working capital requirement and had been utilized accordingly.

23 CONTINGENCIES AND COMMITMENTS	Note	March 31,	June 30,
		2023	2021
		Rupees	Rupees
23.1 Contingencies			
There is no material change in the contingencies as described in the financial statement for the year ended June 30, 2022.			
23.2 Commitments			
Non-capital commitments - post dated cheques		1,625,000	1,625,000
		March 31,	March 31, 2022
		2023	
		Rupees	Rupees

24 LOSS PER SHARE - BASIC AND DILUTED

Loss per share is calculated by dividing the loss after tax for the period by the weighted average number of ordinary shares outstanding during the period as follows:

Loss attributable to ordinary shareholders	(157,511,122)	(103,561,773)
Weighted average number of ordinary shares in issue	315,733,860	315,733,860
Loss per share - basic and diluted	(0.50)	(0.33)

No figure for diluted earnings per share has been presented as the Company has not issued any instrument carrying options which would have an impact on loss per share when exercised.

25 ISSUE OF FURTHER SHARE CAPITAL TO POTENTIAL INVESTORS

The Company is in process of issuing further share capital other than right shares to settle the defaulted bank liabilities and to provide for/ arrange working capital to revive the operations of the Company. Subsequent to the period end board of directors in their meeting held on 18 January 2022 has approved the offer from Mr. Khawaja Shahzeb Akram being the potential investor to invest upto 29% in share capital (after the issuance of these shares) of the Company. Later on, the board decision is also approved by the members of the Company in the extraordinary general meeting held on 10 February 2022. The future implications of the scheme cannot presently be estimated as it is subject to the applicable statutory and regulatory approvals.

There are not any events after the statement of financial position date causing any adjustment to/ disclosure in the condensed interim financial statements.

26 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were authorized for issue on _____ by the board of directors of the Company.

27 GENERAL

Figures in the financial statements have been rounded-off to the nearest rupees except where stated otherwise.


Chief Executive Officer


Chief Financial Officer


Director