



DKL/PSX/191005

October 17, 2019

Mr. Hafiz Maqsood Munshi,  
Pakistan Stock Exchange, Limited,  
Stock Exchange, Building,  
Karachi.

**Subject: Compliance Deadline**

With reference to the above subject we reply to the followings.

1. We have changed principal line of business according to section 27 of the Companies Act. The SECP granted permission to our company for the above changes, and the SECP also issued new memorandum. (Copies enclosed)
2. The certificate from the Auditor was also issued, which confirmed the amendments in the memorandum and Articles of Associations of the Company. (Copy of Certificate Enclosed)
3. That the company has taken sufficient steps and in this regard the company showed Business in the Annual Accounts. (Copies enclosed)

According to the above the company followed the compliance under rule book 5.11.1 (b) (i) and clause 5.11.2 and rectifies the defaults.

*Many Thanks & Regards*

(Ehemer Iqbal)

Chief Executive Officer



**DREKKAR KINGSWAY LIMITED**  
(Formerly Gauhar Engineering Limited)

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[www.drekkarkingsway.com](http://www.drekkarkingsway.com)

**Horwath Hussain Chaudhury & Co.**Chartered Accountants  
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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DREKKAR KINGSWAY LIMITED****Report on the Audit of the Financial Statements****Opinion Adverse**

We have audited the annexed financial statement of **DREKKAR KINGSWAY LIMITED** (the Company), which comprise the statement of financial position as at June 30, 2019 and the statement of profit or loss and other comprehensive income or the income and expenditure statement, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, because of the significance of the matters discussed in in the basis for adverse opinion paragraph the statement of financial position, statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively do not give a true and fair view of the state of the Company's affairs as at June 30, 2019 and of the loss and other comprehensive loss, the changes in equity and its cash flows for the year then ended.

**Basis for Adverse Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

1. As stated in note 1.1 to the annexed financial statements, the company was initially doing business as a manufacturing unit. Company had disposed off all its plant and machinery and currently it is involved in business of consultancy and advisory.
2. As disclosed in note 6 to annexed financial statements, company has taken over debt amounting to Rs.53 million of Noor Capital (Private) Limited advanced to M/S Service Fabrics Limited. After adjustment of amount receivable from Noor Capital and loan receivable from ex-related party now balance at reporting date amounting to Rs. 28,690,147 has been classified as long term loan which should have been reflected in current liabilities in the absence of any payment terms and condition with lender (M/S Noor Capital (Private) Limited. Moreover, there is no physical cash involved in the transaction and the Company has not amortized debt amounting to Rs. 53 million as required by IAS 39 (Financial Instruments – Recognition and Measurement).

3. In the absence of any agreement or relevant documents, we did not verify the amount Rs. 7,732,102/- received by the company on behalf of its subsidiary company Invest Forum (Private) Limited against sale of subsidiary company's shares of ISE Towers REIT management as disclosed in note 9 to the annexed financial statement.

Further the subsidiary has filed an application to Pakistan Stock Exchange regarding the surrender of TREC (Trading Right Entitlement Certificate) which give rise to significant uncertainty as the ability of the subsidiary company to continue operations has going concern in the foreseeable future. However, these financial statements do not contain any provision for diminution of value of investment in the subsidiary company on the basis of its going concern uncertainty. The management has not conducted impairment test as per IAS 36 (Impairment of Assets) on investment in subsidiary amounting to Rs. 17,190,000/- as appearing in Note 12.

4. As stated in the note 1 to the financial statements, the company has accumulated loss of 69,685,080/- as at June 30, 2019 (June 30, 2018: Rs. 68,969,262/-) and its equity has eroded which stands at Rs.30,314,920/- as at June 30, 2019 against issued, subscribed and fully paid up capital of Rs 100,000,000/- (June 30, 2018: Rs. 100,000,000/-). Further the company had disposed off all of its assets related to production and have been engaged in the business of consultancy and advisory services. These circumstances give rise to significant uncertainty as to the ability of the company to continue operations as going concern in the foreseeable future. However, these financial statements do not include any adjustment relating to the recoverability and classification of recorded assets and classification of liabilities that might be necessary should the company be unable to continue as going concern. Moreover, the directors have not indicated any commitment to provide cash flow projections and the future plans to revive the operations since closed.

#### Emphasis of Matter

We draw attention to note 2.1.2 to the financial statements which describe the matter related to non-preparation of consolidated financial statements. Our opinion is not qualified in respect of this matter.

#### Key Audit Matter(s)

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the Key audit matter(s)

S. No.	Key audit matter(s)	How the matter was addressed in our audit
1.	During the year, the Company has first time adopted IFRS 9 (Financial Instruments) and IFRS 15 (Revenue from Contracts with Customers). As part of this first-time adoption and transition to the requirements, the management performed an analysis to identify differences between the previous and the current applicable standards and as a result certain amendment relating to presentation and disclosures were made in the accompanying financial statements.	<p>We reviewed and understood the requirements of IFRS 9 and IFRS 15. Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>Reviewed the management's process to identify the additional disclosure requirements and related revisions (if any) as a result of first-time adoption of IFRS 9 and IFRS 15;</li> </ul>

Any change in presentation or classification of items has been accounted for in accordance with IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'.

In view of the amendments and various new disclosures prepared and presented in the financial statements, we considered this as a key audit matter.

- Obtained understanding of the recorded trade receivables by discussing with the management and making inquiries on the entire accounting process associated with the recording of trade receivables;
- Reviewed recording of provisions on the basis of expected credit loss on trade debts and contract assets as per the requirements of IFRS 9;
- Obtained relevant underlying supporting documents for ensuring that management has complied with the revenue recognition criteria as introduced by IFRS 15; and
- Obtained relevant underlying supporting documentation on test basis for the additional disclosures and assessed their appropriateness for the sufficient audit evidence.

#### **Information Other than the Financial Statements and Auditor's Report Thereon**

Management is responsible for the other information. The other information comprises the information included in the Annual report 2019 but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### **Responsibilities of Management and Board of Directors for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017(XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of



accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters.



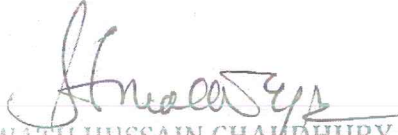
We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) except for the effects of the matters stated above proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) except for the matters stated above the statement of financial position, the statement of profit or loss and other comprehensive income or the income and expenditure account, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) zakat was not deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980) by the company

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

  
HORWATH HUSSAIN CHAUDHURY & CO.  
Chartered Accountants

Date: 12 7 SEP 2019  
Place: Islamabad



DREKKAR KINGSWAY LIMITED  
STATEMENT OF THE FINANCIAL POSITION  
AS AT JUNE 30, 2019

		2019 (Rupees)	2018 (Rupees)
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
<b>AUTHORISED :</b>			
10,000,000 (2018: 10,000,000) Ordinary shares of Rs.10/- each		100,000,000	100,000,000
<b>ISSUED , SUBSCRIBED AND PAID UP:</b>			
10,000,000 (2018: 10,000,000) Ordinary shares of Rs.10/- each fully paid	5	100,000,000	100,000,000
<b>REVENUE RESERVES</b>			
Un-appropriated loss		(69,685,080)	(68,969,262)
		30,314,920	31,030,738
<b>NON-CURRENT LIABILITIES</b>			
Long term financing	6	28,690,147	28,690,147
<b>CURRENT LIABILITIES</b>			
Loan from directors	7	2,966,196	2,835,970
Accrued & other payable	8	794,918	229,478
Payable against investment			
Short term loan-unsecured			
Payable to subsidiary	9	7,732,102	7,732,102
Unclaimed dividend		647,731	647,731
Current tax liability	17	-	-
<b>Contingencies and Commitments</b>	10	-	-
<b>Total Equity and Liabilities</b>		<u>71,146,014</u>	<u>71,166,165</u>
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant & equipment	11	102,773	130,282
Investment in subsidiary	12	17,190,000	17,190,000
Investment in debt	6	53,000,000	53,000,000
Long term financing-unsecured	13	-	-
<b>CURRENT ASSETS</b>			
Short term loan-unsecured		-	-
Advances & prepayments	14	2,000	19,940
Short term investments	15	1,252	2,154
Cash and bank balances	16	55,510	29,310
Advance Tax	17	794,480	794,480
<b>Total Assets</b>		<u>71,146,014</u>	<u>71,166,165</u>

The annexed notes, from 1 to 28, form an integral part of these financial statements.

CHIEF EXECUTIVE


CHIEF FINANCIAL OFFICER

DIRECTOR

DREKKAR KINGSWAY LIMITED  
 STATEMENT OF PROFIT AND LOSS  
 FOR THE YEAR ENDED JUNE 30, 2019

		2019 (Rupees)	2018 (Rupees)
Consultancy Services		1,225,000	-
Cost of sales and services		-	-
Gross Profit		1,225,000	-
Fair market value adjustment / Loss on sale of other company shares		(903)	(3,471)
		1,224,097	(3,471)
Other Income	18	-	465,425
Administrative expenses	19	(1,939,915)	(3,390,159)
Finance cost		-	-
(Loss) before Tax		(715,818)	(2,928,205)
Taxation		-	-
(Loss) after Tax		(715,818)	(2,928,205)
(Loss) per Share - Basic	24	(0.07)	(0.29)

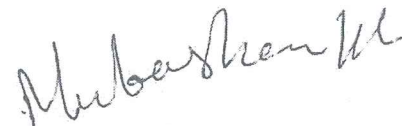
The annexed notes, from 1 to 28, form an integral part of these financial statements.



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR

DREKKAR KINGSWAY LIMITED  
STATEMENT OF OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED JUNE 30, 2019

	2019	2018
	Rupees	(Rupees)
(Loss) after tax	(715,818)	(2,928,205)
Other comprehensive income	-	-
Total comprehensive (loss) for the year	<u>(715,818)</u>	<u>(2,928,205)</u>

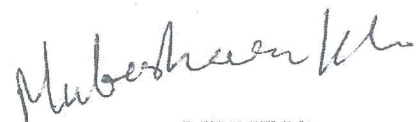
*The annexed notes, from 1 to 28, form an integral part of these financial statements.*



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER




DIRECTOR

DREKKAR KINGSWAY LIMITED  
 STATEMENT OF CHANGES IN EQUITY  
 FOR THE YEAR ENDED JUNE 30, 2019

	Share capital	Unappropriate Profit/ (Loss)	Total
	(Rupees)	(Rupees)	(Rupees)
Balance as at June 30, 2017	100,000,000	(66,041,057)	33,958,943
Total Comprehensive( loss) for the year	-	(2,928,205)	(2,928,205)
Balance as at June 30, 2018	100,000,000	(68,969,262)	31,030,738
Total Comprehensive( loss) for the year	-	(715,818)	(715,818)
Balance as at June 30, 2019	100,000,000	(69,685,080)	30,314,920

The annexed notes, from 1 to 28, form an integral part of these financial statements.

  
 CHIEF EXECUTIVE

  
 CHIEF FINANCIAL OFFICER

  
 DIRECTOR

DREKKAR KINGSWAY LIMITED  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2019

	2019 (Rupees)	2018 (Rupees)
<b>CASH FLOWS FROM OPERATING ACTIVITIES :</b>		
(Loss) for the year	(715,818)	(2,928,205)
Adjustment for non-cash items :		
Depreciation	27,508	37,057
Finance Cost	-	-
Working Capital Changes		
Increase/(Decrease) in Current Liabilities		
Payable against Investment	-	-
Payable to Subsidiary	-	7,732,102
Loan from Director's	130,227	1,353,000
Unclaimed dividend	-	-
Accrued and other payables	565,440	(15,504)
(Increase)/Decrease in Current Assets		
Advances & prepayments	17,940	(4,540)
<b>Cash generated from Operations</b>	<b>25,298</b>	<b>6,173,909</b>
Finance Cost	-	-
Income Tax Paid	-	(7,272)
<b>Net Cash Flow From Operating Activities</b>	<b>25,298</b>	<b>6,166,637</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Property, Plant & Equipment purchased	-	(68,500)
Investment in subsidiary	-	-
Investment in Debt	-	-
Short term Investments	902	10,936
<b>Net Cash Flows From Investing Activities</b>	<b>902</b>	<b>(57,564)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Issuance of Share Capital	-	-
Short term loan-unsecured	-	5,149,825
Long term financing	-	(11,339,231)
<b>Net Cash Flow From Financing Activities</b>	<b>-</b>	<b>(6,189,406)</b>
Net Increase / (Decrease) in Cash and Cash Equivalent	26,200	(80,334)
Cash and Cash Equivalents at the beginning of the Year	29,310	109,643
	<b>55,510</b>	<b>29,310</b>

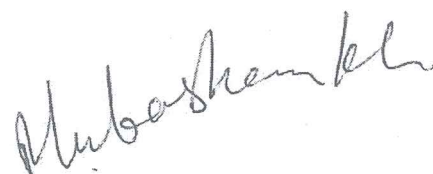
The annexed notes, from 1 to 28, form an integral part of these financial statements.



CHIEF EXECUTIVE



CHIEF FINICAL OFFICER



DIRECTOR

**DREKKAR KINGSWAY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

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**1 THE COMPANY AND ITS OPERATIONS**

**1.1 Legal Status and Operations**

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

The principle activity of company was manufacturing of all type of electrical appliances, cosmetics, toiletries, leather goods, machinery, components and parts. In 1996 the company sold its plant and machinery. Further, the company has changed its principle line of business from engineering to consultancy services in accordance with special resolution passed by members on May 02, 2019 and currently company is engaged in provisioning of consultancy services to companies and individuals.

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

The company has accumulated loss of Rs.69,685,080/- (June 30, 2018: Rs. 68,969,262 /-) as at June 30, 2019 against issued, subscribed and paid up capital of Rs 100,000,000/- (June 30, 2018: Rs 100,000,000/-). The Company has changed its principle line of business from engineering to consultancy services in accordance with special resolution passed by members on May 02, 2019.

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

**1.2 Summary of significant events and transactions in the current reporting period**

The Company's financial position and performance was particularly affected by the following events and transactions during the reporting period:

- The company has changed its principle line of business from engineering to consultancy services in accordance with special resolution passed by members on May 02, 2019 and currently company is engaged in provisioning of consultancy services to companies and individuals.

**2 Basis of preparation**

**2.1 Statement of compliance**

2.1.1 These financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of:

- International Financial Reporting Standard (IFRS Standards) 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 provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.1.2 During preceding year, the books of accounts of company's subsidiary (Invest Forum (Private) Limited) were seized and taken with them by Securities and Exchange Commission of Pakistan (Security Market Division) against seizure memo of records dated March 20, 2017. The company has approached SECP (Corporate Supervision Deptt) vide letter dated September 19, 2019 to seek relaxation under section 228 (7) of Companies Act 2017 for preparation of annual consolidated account for year ended June 30, 2019 on stated grounds.

**DREKKAR KINGSWAY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

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**2.2 Basis of measurement**

These financial statements have been prepared on the historical cost convention, except for certain investments which are measured at fair value as described in note 15.

**2.3 Functional and presentation currency**

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates. These financial statements are presented in Pak Rupees, which is the Company's functional currency. Amounts presented in the financial statements have been rounded off to the nearest of Rs. / Rupees, unless otherwise stated.

**2.4 Key judgements and estimates**

The preparation of financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires the use of certain critical accounting estimates. In addition, it requires management to exercise judgement in the process of applying the Company's accounting policies. The areas involving a high degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are documented in the following accounting policies and notes, and relate primarily to:

- Useful lives, residual values and depreciation method of property, plant and equipment – (Note 4.1 & 11)

- Classification and valuation of investments (note 15.1)

The revisions to accounting estimates (if any) are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

**2.5 Significant accounting estimates**

The preparation of financial statements in conformity with the approved accounting standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are discussed in the ensuing paragraphs.

**2.6 Property and equipment**

Management has made estimates of residual values, useful lives and recoverable amounts of certain items of property, plant and equipment. Any change in these estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment with corresponding effect on the depreciation charge and impairment loss.

## 2.7 Provisions

A provision is recognized when, and only when the Company has a present obligation (legal or constructive) as a result of past event and it is probable (i.e. more likely than not) that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

## 2.8 Impairment

The carrying amount of the Company's assets are reviewed regularly to determine whether there is any indication of impairment loss. If any such indication exists, recoverable amount is estimated in order to determine the extent of the impairment loss, if any. Impairment loss is charged to profit and loss account.

## 2.9 Income taxes

The Company takes into account the current income tax law and decisions taken by appellate authorities. Instances where the Company's view differs from the view taken by the income tax department at the assessment stage and where the Company considers that its view on items of material nature is in accordance with law, the amounts are shown as contingent liabilities.

## 3 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING STANDARDS

The following amendments/improvements to approved accounting standards, effective for accounting periods beginning from the dates specified below and are either not relevant to the Company's current operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures:

IFRS 15	-	Revenue from contracts with customer (effective for annual periods beginning on or after 01 July 2018).
IFRS 16	-	Leases - (effective for annual periods beginning on or after 01 January 2019).
IFRS 9	-	Financial Instruments - (effective for annual periods beginning on or after 01 July 2018).

## 4 SUMMARY SIGNIFICANT ACCOUNTING POLICIES

### 4.1 Property, plant and equipment

#### Initial recognition

All items of property, plant and equipment are initially recorded at cost.

#### Subsequent measurement

Items of property, plant and equipment other than land, buildings, leasehold improvements and capital work in progress are measured at cost less accumulated depreciation and impairment loss (if any).

Capital work in progress is stated at cost less impairment loss (if any).

#### Depreciation

Depreciation is charged so as to write off the cost or revalued amount of assets (other than land and capital work in progress) over their estimated useful lives, using the straight-line method at rates specified in note 11 to the financial statements.

The property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease term.

#### **Disposal**

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amounts of the asset and is recognised as other income in the statement of profit or loss. In case of the sale or retirement of a revalued items, the attributable revaluation surplus remaining in the surplus on revaluation of such item is transferred directly to the unappropriated profit.

#### **Judgements and estimates**

The useful lives, residual values and depreciation method are reviewed on a regular basis. The effect of any changes in estimate is accounted for on a prospective basis.

#### **4.2 Taxation**

Income tax expense comprises of current tax.

##### **Current Tax**

Provision for current taxation is based on taxable income at the applicable rates of taxation after taking into account tax credits and tax rebates, if any. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

#### **4.3 Investments**

The investments of the Company determines the appropriate classification of its investment at the time of purchase or increase in holding and classifies its investment through profit or loss, available for sale, held to maturity, loans and receivables. The classification depends on purpose for which the investment were acquired.

All investments are initially recognized at cost, being the fair value of consideration given including transaction cost associated with the investment except in the case of fair value through profit or loss investments where transaction costs are charged to the profit and loss account when incurred. ( See Note 15 for Short term Investments).

##### **Investment in subsidiaries**

Investment in subsidiary is initially recognized at cost. At subsequent reporting date, recoverable amounts estimated to determine the extent of impairment loss, if any, and carrying amount of investment is adjusted accordingly. Impairment losses are recognized as expenses in profit or loss. Where impairment loss subsequently reverses, the carrying amounts of the investments are increased to its revised recoverable amount but limited to the extent of initial cost of investment. Reversal of impairment losses are recognized in the profit or loss.

The profits and losses of subsidiaries are carried forwarded in their financial statements and not dealt within these financial statements except to the extent of dividend declared by subsidiary. When the disposal of investment in subsidiary resulted in loss of control such that it becomes an associate, the retained investment is carried at cost.

##### **Investment available for sale**

These are initially measured at their fair value plus directly attributable transaction cost and at subsequent reporting dates measured at fair values and gains or losses from changes in fair values other than impairment loss are recognised in other comprehensive income until disposal at which time these are recycled to profit or loss. Impairment loss on investments available for sale is recognised in the profit or loss.

##### **Investments at fair-value through profit or loss**

Investments which are acquired principally for the purpose of selling in the near term or the investments that are part of a portfolio of financial instruments exhibiting short term profit taking, are classified as fair value through profit or loss and designated as such upon initial recognition. These are stated at fair values with any resulting gains or losses recognized directly in profit or loss.

**Held to maturity**

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

**4.4 Cash and Cash Equivalents**

Cash and cash equivalents are carried at cost. For the purpose of cash flow statement, cash and cash equivalents comprise cash in hand and cash at banks in current and saving accounts.

**4.5 Financial instruments**

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument and de-recognised when the Company loses control of the contractual rights that comprise the financial assets and in case of financial liabilities when the obligation specified in the contract is discharged, cancelled or expired. All financial assets and liabilities other than at fair value through profit or loss are initially recognised at fair value plus transaction costs. Financial assets and liabilities carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are charged to profit or loss for the year. Any gain or loss on derecognition of financial assets and financial liabilities is included in profit or loss for the year.

**Off-setting of financial assets and liabilities**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet if the Company has a legally enforceable right to setoff the recognised amounts and the Company intends to settle on a net basis, or realise the asset and settle the liability simultaneously.

**4.6 Trade and other payable**

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

**4.7 Dividends**

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

**4.8 Income**

Dividends are recognized as income when Company's right to receive the dividend is established. All the other revenues are recorded on accrual basis.

**4.9 Finance Income and Finance Cost**

Finance income comprises interest income on funds invested (including available-for-sale financial assets), dividend income, gain on disposal of available-for-sale financial assets and changes in fair value of investments held for trading. Interest income is recognised as it accrues in profit or loss, using effective interest method. Dividend income is recognised in profit or loss on the date that the Company's right to receive payment is established.

Finance costs comprise interest expense on borrowings, changes in fair value of investment carried at fair value through profit or loss and impairment losses recognised on financial assets. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using effective interest method.

**4.10 Earnings per share**

The Company presents basic and diluted earning per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary share holders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

**DREKKAR KINGSWAY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	Notes	2019 (RUPEES)	2018 (RUPEES)
5	<b>Share capital :</b>		
	- Authorized 10,000,000 (2018: 10,000,000) Ordinary Shares of Rs 10/- each	100,000,000	100,000,000
	- Issued, subscribed and fully paid up 10,000,000 (2018: 10,000,000) Ordinary Shares of Rs 10/- each	100,000,000	100,000,000
		100,000,000	100,000,000

5.1 Reconciliation of the number of shares outstanding at the beginning and at the end of the year is as under

Opening balance	10,000,000	10,000,000
Issued during the year		
Closing balance	10,000,000	10,000,000

6 **LONG TERM FINANCING**

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

7 **LOAN FROM DIRECTORS**

**Sheraz Monno-Director**

Opening Balance		1,482,970	1,482,970
Re-paid / Received during period		-	-
Closing Balance - Current Portion of Loan	7.1	1,482,970	1,482,970

**Bilal Aurangzeb Noor**

Opening Balance		1,353,000	
Received during period		130,226	1,353,000
Closing Balance - Current Portion of Loan		1,483,226	1,353,000

Total Loan from related party		2,966,196	2,835,970
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7.1 This represents, loan obtained from directors and ex-directors of the company and remaining balance of ex-director has been accounted for as current portion.

**DREKKAR KINGSWAY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	Notes	2019 (RUPEES)	2018 (RUPEES)
<b>8</b>	<b>ACCRUED AND OTHER PAYABLE</b>		
	With Holding tax payable	107,743	104,478
	Audit Fee	375,000	125,000
	Rent payable	93,175	-
	Professional fee payable	219,000	-
		<u>794,918</u>	<u>229,478</u>
<b>9</b>	<b>PAYABLE TO SUBSIDIARY COMPANY</b>		

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

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

**10 CONTINGENCIES AND COMMITMENTS**

(i) During preceding year, Security and Exchange Commission of Pakistan had passed an order vide letter No 1(32) SMD /PRPD/ PSX/ISE/2017 dated 13 December 2017 through which penalty amounting Rupees Five Million was imposed on Invest Forum (Pvt) Ltd (Subsidiary Company) as subsidiary Company contravened provision of Companies Act 2017, Brokers Regulations and Rule Book of PSX. The Subsidiary company has filed an appeal against order, which is pending before Applete Tribunal of SECP.

(ii) On Balance sheet, there no other material contingencies and commitments outstanding as at the balance sheet date (June 30, 2018: Rs. Nil).

**BRIDGES KIRKSKAY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

**11 PROPERTY, PLANT AND EQUIPMENT**

	All figures in PKR			
	Furniture and Fixture	Office Equipment	Computer and Accessories	Total
<b>Year Ended June 30, 2018</b>				
Opening Book Value	33,851	19,833	45,154	98,838
Addition	-	20,500	48,000	68,500
Deletions	-	-	-	-
Depreciation for the year	(5,077.64)	(4,033)	(27,916)	(37,057)
Closing Net Book Value	28,773	36,300	65,208	130,281
<b>At June 30, 2018</b>				
Cost	50,600	44,800	141,400	236,600
Accumulated Depreciation	(21,827)	(8,500)	(75,992)	(106,319)
Net Book Value	28,773	36,300	65,208	130,282
<b>Year Ended June 30, 2019</b>				
Opening Book Value	28,773	36,300	65,208	130,281
Addition	-	-	-	-
Deletions	-	-	-	-
Depreciation for the year	(4,316)	(3,630)	(19,563)	(27,508)
Closing Net Book Value	24,457	32,670	45,645	102,773
<b>At June 30, 2019</b>				
Cost	50,600	44,800	141,400	236,600
Accumulated Depreciation	(26,143)	(12,130)	(95,755)	(133,827)
Net Book Value	24,457	32,670	45,645	102,773

DREKKAR KINGSWAY LIMITED  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 2019

12 INVESTMENT IN SUBSIDIARY

During the previous period, the Company purchased 95.5% shares of Invest Forum (Private) Limited against cash consideration of Rs.17,190,000 @ 35.29 per share. This transaction was undertaken as on May 13, 2017.

Notes	2019 (RUPEES)	2018 (RUPEES)
13 LONG TERM FINANCING		
Loan to Noor Capital (Private) Limited	-	12,970,622
Adjustment / Repayment of loan	-	(13,230,042)
Interest on Loan	-	259,420
	-	-

The loan was un-secured and carries interest at agreed rate of 8.16% (KIBOR + 2%) p.a.

14 ADVANCES & PREPAYMENTS

Loan to Employee	2,000	3,000
Prepaid rent	-	16,940
	2,000	19,940

15 SHORT TERM INVESTMENTS

Investments at fair value through profit or loss

Investment in securities ( Note : 15.1)	1,252	2,154
	1,252	2,154

15.1 Investments are carried at fair value through profit and loss account

	2019		2018	
	NO. OF SHARES	FAIR VALUE (RUPEES)	NO. OF SHARES	FAIR VALUE (RUPEES)
First Paramount Modarba	62	279	62	403
The Searle Company Limited	3	440	3	1,019
Service Fabrics Limited	198	533	198	732
	263	1,252	263	2,154

Fair values of these investments are determined using quoted market / repurchase price.

16 CASH AND BANK BALANCE

Cash in hand	41,294	7,584
Cash at bank	14,216	21,726
	55,510	29,310

17 CURRENT TAX ASSET

The current tax / Liability represent the net balance of:

Advance income tax	794,480	907,230
Provision for taxation	-	(112,750)
	794,480	794,480

DREKKAR KINGSWAY LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019

	Notes	2019 (RUPEES)	2018 (RUPEES)
<b>18 OTHER INCOME</b>			
Interest on loan		-	465,281
Dividend income		-	144
		-	465,425
<b>19 ADMINISTRATIVE EXPENSES</b>			
Communication		18,766	44,757
Entertainment-meals		161,871	388,866
Fees & subscription		-	170,277
Fuel expense		30,720	44,360
Hotel accommodation		-	-
Janitorial services		10,000	-
Legal fee		128,239	796,012
Audit fee ( annual and half yearly)	19.1	175,000	200,000
Office supplies		18,236	25,630
Postage & courier		4,860	20,290
Printing & stationery		74,951	123,477
Professional fee		359,000	390,640
Repair and maintenance		3,900	26,000
Salaries expenses		253,128	298,800
Rent expense		435,375	386,540
Travel expense		70	242,700
Utilities		109,524	167,019
Bank service charges		6,777	2,734
Depreciation		27,508	37,057
Medical expense		5,760	-
Advertisement expense		116,230	25,000
		1,939,915	3,390,159
<b>19.1 AUDITOR'S REMUNERATION</b>			
Audit fee ( annual and half yearly)		175,000	200,000
		175,000	200,000
<b>20 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES</b>			

The Chief Executive, Directors do not take any remuneration.

DREKKAR KINGSWAY LIMITED  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 2019

21 TRANSACTIONS AND BALANCES WITH ASSOCIATED UNDERTAKING/RELATED PARTIES

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

Name of the related party	Relationship and percentage shareholding	Transactions during the year and year end balances	2019 Rupees	2018 Rupees
Invest forum Private Limited	Susidiary Company holds share 95.5% (2018: 95.5%)	Investment in subsidiary Payable at year end	17,190,000 7,732,102	17,190,000 7,732,102
Noor Capital (Pvt) Ltd	Company	Repayment / Adjustment Loan received Payable/(Receivable) at year end		(12,970,622) 28,949,567 28,949,567
Sheraz Monno	Director	Payable at year end	1,482,970	1,482,970
Bilal Aurenzged Noor	Advisor BOD	Repayment of Loan Loan Received Payable at year end		- 130,226 1,353,000
			1,483,226	1,353,000

22 DISCLOSURE RELATING TO PROVIDENT FUND

No provident fund was maintained by the company.

23 FINANCIAL INSTRUMENTS

	2019						Total
	Interest / markup bearing			Non-Interest / Interest markup bearing			
	Maturity up to one year	Maturity after one year	Sub Total	Maturity up to one year	Maturity after one year	Sub Total	
<b>Financial Assets</b>							
Loan to Noor Capital (Private) Limited	-	-	-	-	-	-	-
Short term investments	-	-	-	1,252	-	1,252	1,252
Loan to Employees	-	-	-	2,000	-	2,000	2,000
Advance rent	-	-	-	-	-	-	-
Cash and bank balances	-	-	-	55,510	-	55,510	55,510
				58,762		58,762	58,762
<b>Financial Liabilities</b>							
Loan from Noor Capital (Private) Limited	-	-	-	-	-	-	-
Loan from directors	-	-	-	2,966,106	-	2,966,106	2,966,106
Unclaimed dividend	-	-	-	647,731	-	647,731	647,731
Accrued & other payable	-	-	-	79,418	-	79,418	79,418
Contingencies and commitments	-	-	-	-	-	-	-
				4,403,945		4,403,945	4,403,945

DREKKAR KINGSWAY LIMITED  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 2019

	2018						Total
	Interest / markup bearing			Non-Interest / Interest markup bearing			
	Maturity up to one year	Maturity after one year	Sub Total	Maturity up to one year	Maturity after one year	Sub Total	
<b>Financial Assets</b>							
Loans from Non Capital (Private) Limited	-	-	-	-	-	-	-
Short term investments	-	-	-	2,154	-	2,154	2,154
Loans to Employee	-	-	-	3,000	-	3,000	3,000
Advances rent	-	-	-	16,940	-	16,940	16,940
Cash and bank balances	-	-	-	29,310	-	29,310	29,310
	-	-	-	51,403	-	51,403	51,403
<b>Financial liabilities</b>							
Loans from Non Capital (Private) Limited	-	-	-	-	38,690,147	38,690,147	38,690,147
Loans from directors	-	-	-	2,835,970	-	2,835,970	2,835,970
Unclaimed dividend	-	-	-	647,731	-	647,731	647,731
Accrued & other payable	-	-	-	229,477	-	229,477	229,477
Contingencies and commitments	-	-	-	-	-	-	-
	-	-	-	3,713,178	-	3,713,178	3,713,178

**23.1 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The company's activities expose it to a variety of financial risks : Credit risk , liquid risk and market risk (including interest /mark-up rate risk, foreign exchange risk and equity price risk).The Company's overall risk management focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance. The Company activity monitors the key factors that affect the stock market. The Company consistently manages its exposure to financial risk in the manner described in the notes below.

**23.2 Risk Management framework**

Risk management is carried out by the Board of Directors (the Board). The Board provides principles for overall risk management, as well as policies covering specific areas such as currency risk, price risk, interest rate risk, credit risk and liquidity risk.

**(a) Market risk**

**(i) Currency risk**

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies. As there are no foreign receivables / payables of the Company, it is not exposed to currency risk.

**(ii) Price risk**

Price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instrument traded in the market. The Company is not exposed to equity and commodity price risk.

**(iii) Interest rate risk**

This represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has no significant long-term interest-bearing assets / liabilities.

DREKKAR KINGSWAY LIMITED  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 2019

(b) Credit risk

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Carrying amounts of financial assets represent the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

	2019	2018
	.....Rupees in thousand.....	
Advance and & prepayments	2	20
Bank balances	14	22
	<u>16</u>	<u>42</u>

(c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. Following are the contractual maturities of financial liabilities, including interest payments.

	Carrying Amount	Contractual cash flows	6 month or less	6-12 month	1-2 Years	2-5 Years
	.....Rupees in thousand.....					
Financing and loans	39,388	39,388	10,698			28,690
Trade and other payables	795	795	795			
	<u>40,183</u>	<u>40,183</u>	<u>11,493</u>			<u>28,690</u>

Contractual maturities of financial liabilities as at June 30, 2018:

	Carrying Amount	Contractual cash flows	6 month or less	6-12 month	1-2 Years	2-5 Years
	.....Rupees in thousand.....					
Financing and loans	39,258	39,258	10,568			28,690
Trade and other payables	229	229	229			
	<u>39,488</u>	<u>39,488</u>	<u>10,798</u>			

24 (LOSS)/EARNING PER SHARE

There is no dilutive effect on the basic earnings per share of the Company, which is based on:

Total Comprehensive (loss)	<u>(715,818)</u>	<u>(2,928,205)</u>
	<b>Number of shares</b>	
Weighted Average number of shares in issue	<u>10,000,000</u>	<u>10,000,000</u>
(Loss) per Share	<u>(0.07)</u>	<u>(0.29)</u>

DREKKAR KINGSWAY LIMITED  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 2019

25 NUMBER OF EMPLOYEES

Number of employees as at June	9	9
Average number of employees during the year	9	9

26 CORRESPONDING FIGURES

The preparation and presentation of these financial statements for the year ended June 30, 2018 is in accordance with requirements in Companies Act, 2017. Accordingly, the corresponding figures have been rearranged and reclassified, wherever considered necessary, to comply with the requirements of Companies Act, 2017 and for better presentation. Following major reclassifications have been made during the year:

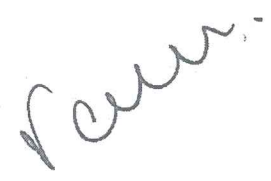
Description	Reclassified from	Reclassified to	2019 Rupees	2018 Rupees
Auditor's Remuneration	Other Operating Expenses	Administrative Expenses	175,000	200,000

27 DATE OF AUTHORIZATION

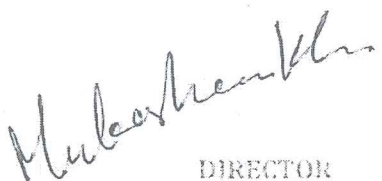
These financial statements were authorized for issue by the Board of Directors of the company on **27 SEP 2019**

28 GENERAL

Figures have been rounded off to the nearest rupee.

  
 CHIEF EXECUTIVE

  
 CHIEF FINANCIAL OFFICER

  
 DIRECTOR

Incorporated under the Companies Ordinance, 1984

(Company Limited by Shares)

**MEMORANDUM OF ASSOCIATION**

**OF**

**DREKKAR KINGSWAY LIMITED**

The name of the Company is "DREKKAR KINGSWAY LIMITED".

The Registered Office of the Company will be situated at Islamabad Capital Territory.

The Objects for which the Company is established are:-

1. **To act as a consultants and advisors to individuals, corporations, financial institutions, Government bodies and departments, company, corporation and other entities.**
2. To buy, sell, let or hire, repair, alter any machinery, component parts, accessories and fittings of all kinds for things hereinabove mentioned or used in or capable of being used.

To carry on the business of oil milling, crushing, oil and seeds, filtering and refining oil and oil products, manufacturing and dealing in oil products, soaps, cakes, manures, fertilizers, gram, coruseeds of all kinds, food, and deal in oleaginous seeds and plants of every description anywhere in Pakistan or elsewhere.

To acquire, construct, carry out, equip, maintain, alter, improve, develop, manage, work, control and superintend workshops, factories, warehouses, sheds, dwellings, offices, shops, stores, buildings and other works and conveniences which may seem directly or indirectly conducive to any of the objects of the Company and to contribute to, subsidies or otherwise aid by taking part in any such operation.

3. To act as market research, financial, technical and industrial consultants for ongoing products or service, or at any stage of development of any product or service.
4. To formulate and advise on marketing strategies at any stage of any product or service and for any product or service whatsoever.
5. To act as public relations agents for any concern or undertaking and to engage in lobbying, arranging sponsorships, establishing business contact systems, issuing press releases, holding and arranging press conferences and using any other means appropriate.



8. To engage in the business of arranging and holding exhibitions, seminars and conferences.
9. To engage in the business of manufacturers, importers and dealers of all types cosmetics and toiletries.
10. To engage in the business of establishing, operating and managing hospitals and clinics.
11. To engage in the business of establishing, operation and managing sports and health clubs and gymnasiums.
12. To carry on the business of magazine, periodical, and journal proprietors; publishers, distributors and printers of magazines, periodicals, and hand out publications, serialized books and encyclopedias, educational literature, hard and soft backed books, newsletters, trade and society promotion literature, programmes, and information sheets; to promote advertising campaigns and to undertake advice and assistance in all matters relating to the distribution, marketing and selling of goods, products and services.
13. To carry on business as tanners, leather dressers, leather manufacturers and merchants and dealers in hides, skins and other materials, manufacturers and dealers in all kinds of leather goods.
14. To carry on business as exporters, importers, traders and dealers in hides, skins and leather of all animals and all kinds of leather garments, leather goods, auxiliaries and accessories of the same.
15. To carry on the business of exports of goat hair, bones, guts, fat, tallow, grease, ofal, livestock, and other animal products, glue etc.
16. To carry on the business of export of cotton, seeds, grains and raw products, ores, minerals, coke, oil etc.
17. To carry on the business of cotton ginning, cotton seeds, all types of commodities including food grains and edible oils including export and import of any such products.
18. To carry on the business of ship owners, marine operators, charterers, ship purchasers, sellers, brokers, indenters.
19. To carry on the business of ship-breakers, yard-owners, scrap dealer, scrap importers and exporters.



20. To acquire, store, purchase, sell, distribute, export and import all kinds of cattle, meat, hides, skins, fat, tallow, grease, offal, and other animal products and also any kind of merchandise, machinery, appliances, tools, goods or articles, which may directly or indirectly be dealt with, in or pertain to, the business of the company or such other business as may be conveniently carried on by the Company.
21. To carry on the business of wool washing and drying, baling, and any process required for the processing of wool and to manufacture woolen yarn, woolen cloth and carpets.
22. To promote the establishment of new industries in the mechanical, electrical, electronic, civil engineering and nuclear fields in Pakistan or elsewhere.
23. To act in the business of engineering agents, real estate agents, indenting agents, manufacturers' representatives and generally agency business of every kind except managing agency.
24. To invite investment from local and foreign sources and to promote the establishment of new industries in Pakistan or anywhere else.



- To actively participate with foreign investors in the establishment of all types of industries.
- To act as industrial and technical consultants on the design, execution, erection, installation and running of any type of industrial project.
- To act as technical advisors on the installation, overhauling, replacements or expansion programmers of any, type of industrial concern.
28. To purchase, comb, prepare, spin, dye, weave and deal in jute, cotton, flax, hemp, wool, silk and any other fibrous substance and the manufactured products thereof, whether textile felted, netted or looped.
29. To buy, sell, manufacture or deal in minerals, plants, machinery, implements, conveniences, provisions and things capable of being used in connection with any operations of the Company.
30. To establish and maintain distribution center and agencies at any place in Pakistan or any part of the world for the conduct of the business of the Company, or for the purchase and sale of any merchandise, commodities, goods, wares, materials, produce, products, articles and things required for or dealt in or manufactured by or at the disposal of the Company and transact all kinds of agency business.

31. To carry on in Pakistan or elsewhere the business of manufacturers, importers, exporters and suppliers of hardware goods of every description, machinery of all kinds, railway and building stores of every description, cotton yarn and cloth, linen, flax, jute, silk, wool, or other goods and fabrics, whether textile, felted, netted or looped, oils, paints, colors, dyes, soaps for textile and wool processing, varnishes, cans, drums, domestic appliances both electrical and gas, electronic appliances, motor cars, motor cycles and scooters, motor tractors, motor launches, motor trucks and buses including diesel operated and of every description, and all accessories, spare parts, engine, tyres, tubes, lubricants, greases, aircraft and aircraft parts, milling and ginning machinery, and all things the business of which, in the opinion of the directors may be conveniently carried on by the Company, and to act as selling agents and representatives in Pakistan or elsewhere for dealing in all or any of the above products, articles and things.
32. To act as general order suppliers and commission agents and to export and import raw and manufactured articles into markets, local or foreign.
33. To carry on the business or businesses of manufacturers, importers, exporters of and dealers in all types of steel, sheet metal and the products thereof.
34. To carry on the business or businesses of manufacturers, operators, importers and exporters of and dealers in furnaces of all types, presses, foundries, structural works of all kinds including pre-stressed and R.C.C. rolling works of all types.
35. To carry on the business of manufacturers and exporters of masonite, bricks including fire bricks, tiles, pipes, pottery, earthenware, china and terracotta and ceramic wares of all kinds.
36. To carry on the business of manufacturers, exporters and importers of cement and all its products.
37. To carry on the business of sugar-cane crushers and manufacturers of sugar and the by products thereof including molasses and spirits, and to sell, export and import this commodity.
38. To carry on the business of manufacturers, exporters and importers of glassware, plate glass and all the products thereof.
39. To carry on the business of servicing and repairing all types of motor vehicle, motor lorries, motor cycles including scooters, aero planes, jet, turbo-prop, piston engine, motor tractors, diesel engines all types, electric motors and generators all types, electric vehicles all types, power station equipment and switch-gear of all types, electronic equipment of all types,



radio wireless and radar equipment of all types, electro medical equipment of all types, projection and sound equipment of all types, and to establish workshops or service stations or both or any other organization for the purpose of carrying out repairs and maintenance to any or all of the above machinery or equipment.

40. To carry on the business of motor garage owners or service station owners and to manufacture, assemble, import and export motor vehicles, motor cycles and scooters of all types.

41. To carry on the business of manufacturers, importers and dealers of all types of electrical equipment and products, in particular transformers, turbo generators, diesel generators, coupled to turbines driven by steam or water, motor, both A.C. and D.C. of all types, atomic reactors with all control and test equipment, switchgear all types, cables and winding wires of all types, insulating materials of all types, special purpose electrical machines used for any industrial, medical or other purpose, accumulators and batteries of all types, testing and measuring equipment of all types.

To carry on the business of manufacturers, importers and dealers of all types of electronic components in particular valves, resistors, condensers, capacitors, transistors, or any other component of any kind used in wireless, radio, radar or any other electronic equipment.

To carry on the business of manufacturers, importers and dealers of all types of electronic equipment in particular transmitters and receivers of all types, television equipment including cameras, radar sets of all types, electronic computers inertial guidance systems, gyroscopes, microwaves equipment, test equipments of all types, or any other equipment in which electronic components are used.

44. To carry on the business of manufacturers, importers and dealers in all types of air conditioning and refrigeration equipment, both small and large.

45. To carry on the business of manufacturers, importers and dealers of machines powered by electric motors, in particular machine tools, domestic electrical and gas appliances and luxury goods like electric shavers.

46. To carry on the business of chemists. and druggists, importers and exporters of chemicals, and to manufacture or deal in pharmaceutical, medical, chemical preparations of all types, oils, paints, varnishes, fertilizers, disinfectants, toilet requisites, and dealers in all types of machinery and appliances or the manufacture and preparation thereof.



47. To carry on the business of producers of and dealers in dairy, farm and garden produce of all kinds and in particular to set up dairies with all scientific equipment to produce pasteurized milk, cream, butter, cheese, poultry, eggs, fruits and vegetables.
48. To carry on the business of manufacture and sale of patent medicines and preparations and generally to manufacture, buy, sell and deal in all kinds of medicines and drugs and medicinal preparations.
49. To carry on the business of ship owners and operators, and for this purpose to purchase, and operate cargo ships, passenger ships, tankers, trawlers or any other type of craft, and to provide repair facilities for them by acquiring and hiring a shipyard.
50. To carry on the business of producing, directing, screening, importing and exporting motion pictures in all process, patented or otherwise, and to hire, set-up, operate studios and cinemas for this purpose.
51. To carry on the business of fish catchers and exporters of fish, particularly prawns, and for this purpose, to set up, purchase, hire and operate fishing vessels, freezing plants, cold storage plants and all such requisites.
52. To purchase, take on lease or otherwise acquire any mines, mining rights and metaliferous land in Pakistan or elsewhere and any interest therein, and to explore, work, exercise develop and urn to account the same.
53. To search for, work, raise, make merchantable, sell and deal in iron, coal, ironstone, brick earth, mica, lead, tin, copper, graphite asbestos and all other metals and minerals.
54. To carry on the business of extracting, pumping, drawing, transporting and dealing in petroleum and other mineral oils.
55. To search for, inspect, examine and explore, work, take on lease, purchase or otherwise acquire lands or places which may seem to the Company capable of affording supply of mineral oils and to establish, utilize, turn to account pumping stations, pipelines and other works and conveniences suitable for this purpose.
56. To carry on the business of manufacturers and dealers in all other articles, commodities, skin to or connected with the business mentioned herein before, and also to carry on any trade or business, whether manufacturing or otherwise, which may seem to the Company capable of being conveniently carried on in connection with the above, calculated directly or indirectly to benefit the Company.



57. To purchase, take on lease or in exchange or otherwise acquire any lands or buildings in Pakistan or elsewhere any estate or interest in, and any rights connected with any such lands or buildings.
58. To develop and turn into account any land acquired by or in which the company is interested and in particular by laying out and preparing the same for building undertaking of the Company.
59. To construct, maintain, improve, develop, work, control, and manage any waterworks, gasworks, reservoirs, roads, tramways, railways, electric power supply works, telephone works, hotels, clubs, restaurants, cinemas, baths, wharves, warehouses, places of worship, places of amusement, pleasure grounds, parks, gardens, reading rooms, stores, shops, and other works and conveniences which the company may think directly or indirectly conducive to those objects and to contribute or otherwise assist or take part in the construction, maintenance, development, working, control and management thereof.
60. To enter into partnership or any arrangement for sharing profits, union of interest, cooperation, joint venture or otherwise with any person, firm or company carrying on or engaged in or about to carry on or engage in any business or transaction which the company is authorized to engage in or any business or transaction capable of being conducted so as directly or indirectly to benefit the company.
61. To carry on any other business which may seem capable of being conveniently carried on in connection with the business of the company or calculated directly or indirectly to enhance the value of, or render profitable, any properties or rights of the Company.
62. To acquire and undertake the whole or any part of the business property and liabilities of any person, firm or company carrying on any business which the Company is authorized to carry on or having property suitable for the purposes of the Company.
63. To purchase, acquire, protect, prolong, renew any patents, patent rights, trade marks, license rights, protections, concessions which may appear likely to be useful and advantageous to the company and to use and operate the same.
64. To acquire and hold shares in any other company having objects wholly or similar to that of the Company.
65. To enter into agreements with any governments or authorities, supreme, municipal, local or otherwise that may be deemed conducive to the Company's objects or to any one of them.



66. To promote any companies or company for the purpose of acquiring all or any of the property, rights and liabilities of this company or for any other purpose which may seem directly or indirectly calculated to benefit this company.
67. To acquire property and rights which the Company may think necessary or useful for the Company or for the purpose of its business.
68. To invest and deal in the surplus money of the Company not immediately required in such manner as the Company may deem fit.
69. To acquire by subscription, purchase or otherwise, and to accept and take hold of or sell shares or stock in any company, association or undertaking.
70. To borrow or secure the payment of money in such manner as the Company may deem fit and in particular by the issue of debenture stock or debentures, perpetual or otherwise, charged upon all or any of the Company's property (both present and future).
71. To draw, make, accept, endorse, discount, execute and issue promissory notes, bills of exchange, bills of lading, warrants, debentures, and other negotiable or transferable instruments.
72. To create and issue ordinary, and stocks and to redeem, cancel and accept surrenders of any such shares or stocks.
73. To sell, improve, manage, develop, exchange, mortgage, dispose off, turn into account or otherwise deal with all or any part of the property and rights of the Company or the business of the Company.
74. To undertake and execute any trusts either gratuitously or otherwise.
75. To open and operate any current, overdraft, cash, credit or fixed account with any banker or merchant.
76. To employ any engineers, mechanics, experts, accountants, salesmen and any other persons as may be found necessary for the efficient running of the business of the Company.
77. To remunerate any person or company for services rendered or to be rendered in selling any of the shares of the Company, or any debentures, debenture stocks or other securities of the Company or in connection with the formation or promotion of the Company.



78. To establish or support or aid in the establishment and support of associations, institutions, funds and trusts calculated to benefit and to grant pensions, allowances, gratuities and bonuses, and to make payment towards insurance to employees, ex-employees of the Company or the dependents of such persons and to support or subscribe to any charitable or other institutions, exhibitions, clubs, societies or funds.
79. To sell or dispose-off the undertaking of the Company or any part thereof, in such manner and for such consideration as the Company may think fit, and in particular for shares fully paid up, debentures or debenture stocks or securities.
80. To do all or any of the above things in any part of the world either as principals, agents, trustees or otherwise and either alone or in conjunction with others and by or through agents, sub-contractors, trustees and others.
81. To do all such things as are incidental or conducive to the carrying out the above objects.

The Company shall not engage in banking, the business of an investment company, insurance and leasing company or in any unlawful business and that nothing in the object clause shall be construed to entitle it to engage in such business.

To carry on business as clearing forwarding agents, shippers, recruiting agent, and travel agency business.

And it is hereby declared that the word "company" in this memorandum, when applied otherwise than to this company, shall be deemed to include any partnership or other body of persons whether incorporated or not incorporated.

The liability of the members is limited.

The share capital of the Company is Rs. 100,000,000/- (Rupees Hundred Million) divided into 10,000,000 (Ten Million) Ordinary Shares of Rs. 10/- (Rupees Ten) each with power to increase or reduce the share in the capital for the time being into several classes.



VI. We, the several persons whose names and addresses as subscribed below are desirous of being formed into a company, in pursuance of these Memorandum of Association, and we respectively agree to take the number of shares in the capital of the Company as set opposite to our respective names.

Serial No.	Name & Surname in Full block letters	Father's / Husband Name in Full	Nationality	Occupation	Resident Address in full	NO. of shares taken by each subscriber	SIGNATURE
1.	Mr. Humayun Gauhar	S/O Mr. Altaf Gauhar	Pakistani	Business Executive	1A/II-2nd Gizri Street, P.D.O.H.A., Karachi	One	Sd/-
2.	Mrs. Manizeh Gauhar	W/O Mr. Humayun Gauhar	Pakistani	Business Executive	1A/II-2nd Gizri Street, P.D.O.H.A., Karachi	One Two	Sd/-



Karachi, dated the 17th day of June 1993

Witnesses to Above Signature

NAME: Mr. MAHFOOZ YAR KHAN  
 FATHER NAME: Late Mr. MAHBOOB YAR KHAN  
 NATIONALITY: PAKISTANI

OCCUPATION: ADVOCATE

ADDRESS: 30-A, Khayaban-e-Ghazi  
 Phase - V, P.D.O.H.A.,  
 Karachi

**CERTIFIED TO BE TRUE COPY**

*Adnan* 07/18/2019  
 Dy Assistant Registrar  
 Company Registration Office Islamabad

No. ADI \_\_\_\_\_

Dated \_\_\_\_\_