



CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
(UN-AUDITED) AS AT MARCH 31, 2020

COMPANY INFORMATION

Board of Directors

Mr. Shahab Mahboob Vora
Mr. Jamal Iftakhar
Mr. Zahid Iftakhar
Mrs. Mona Zahid
Mr. Saad Zahid
Mr. Mustafa Jamal Iftakhar
Mr. Abdul Rahim
Mr. Muhammad Shakeel
Nominated by NBP
Mr. Asim Jilani
Nominated by FBL

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

Director

Shares Registrar

THK Associates (Pvt.) Limited
1st Floor, 40-C, P.E.C.H.S
Karachi. P.O Box No. 8533
UAN +92 (021) 111-000-322
Fax No. +92 (021) 34168271
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Audit Committee

Mr. Abdul Rahim
Mr. Shahab Mahboob Vora
Mr. Mustafa Jamal Iftakhar

Chairman
Member
Member

Human resource & Remuneration Committee

Mr. Abdul Rahim
Mr. Jamal Iftakhar
Mrs. Mona Zahid

Chairman
Member
Member

Chief Financial Officer

Mr. Muddessar Ramzan

Company Secretary

Tariq Majeed

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
Habib Metropolitan 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

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e mail: info@doststeels.com

DIRECTORS' REPORT

Dear Members Assalam-o-Alaikum

The Directors of Dost Steels Limited are pleased to present their review on the financial performance of the Company for the nine months ended March 31, 2020.

During the period under review, overall market sentiment remained negative and resultant construction market including steel did not perform well. Following the outbreak of COVID-19 in mainland China in December 2019, the virus continues to spread at an alarming rate across the globe and has brought almost all economic and social activity to a virtual standstill. Pakistan having recently come out of a balance of payments crisis, now faces yet another crisis with the potential to erase the incremental gains that have been made over the last year.

However recently a positivity has started to creep in and is likely to continue after some major decisions are known to have been finalized including launch of Naya Pakistan Housing Project and a construction relief package. All these factors are likely to significantly contribute into the economic and market activity growth.

Financial performance of the Company for the nine months ending March 31, 2020 was as under:

Description	March 31, 2020 (PKR)	March 31, 2019 (PKR)
Sales	11,270,030	565,602,825
Cost of sales	(51,128,086)	(650,235,856)
Gross Loss	(39,858,056)	(84,633,031)
Administrative and selling expenses	(53,346,260)	(102,798,706)
Finance costs	(77,159,985)	(55,668,857)
Other operating income	534,436	663,068
Loss before taxation	(169,829,865)	(242,437,526)
Taxation	(140,875)	23,707,834
Loss after taxation	(169,970,740)	(218,729,692)
Loss per share	(0.54)	(0.69)

Earnings per share for the nine months was Rupees (0.54) as compared to Rupees (0.69) in corresponding period last year. Loss after tax for the period was Rupees 169.971 million as compared to Rupees 218.730 million in corresponding period last year.

So far, The Company has not been able to achieve desired production levels due to shortage of working capital, sudden decline in the market due to change of Government and consequent pause in the payments cycles of various public sector development projects. Now, gradually the market is improving, and we expect that the production and sales will start improving in next quarter and subsequently in next financial year.

The Company is exploring various options and feasibilities for achieving capacity enhancement including backward integration, market reach and/or performance improvement for its business including but not necessarily limited to by way of seeking potential investments, joint venture, strategic alliance / partnership etc.

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


Saad Zahid
Director

DOST STEELS LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)
AS AT MARCH 31, 2020

		(Un-Audited)	(Audited)
		March 31, 2020	June 30, 2019
	Note	Rupees	Rupees
ASSETS			
Non-Current Assets			
Property, plant and equipment	6	2,580,434,057	2,597,016,920
Intangible Assets	7	750,161	1,000,215
Long term security deposits		41,091,345	40,881,345
		2,622,275,563	2,638,898,480
Current Assets			
Stores and spares		26,899,746	26,853,768
Stock in trade	8	26,864,694	47,535,870
Trade debtors		26,171,226	46,397,108
Advances		7,525,585	8,467,091
Short term prepayments		40,975	856,645
Other receivables	9	-	-
Taxes refundable/adjustable		13,864,063	12,305,057
Cash and bank balances	10	2,253,730	1,887,215
		103,620,019	144,302,754
TOTAL ASSETS		2,725,895,582	2,783,201,234
EQUITY			
Share Capital and Reserves			
Authorized Share Capital			
360,000,000 (June 30, 2019 : 360,000,000)	11	3,600,000,000	3,600,000,000
Issued, subscribed and paid up capital	11	3,157,338,600	3,157,338,600
Discount on issue of right shares	12	(1,365,481,480)	(1,365,481,480)
Accumulated losses		(1,169,300,795)	(999,330,055)
Total Equity		622,556,325	792,527,065
LIABILITIES			
Non-Current Liabilities			
Advance for issuance of shares-unsecured	13	358,100,019	358,100,019
Long term financing - secured	14	687,874,836	734,450,318
Markup accrued on secured loans		614,940,264	614,940,264
Deferred Liabilities		15,529,590	14,643,590
		1,676,444,709	1,722,134,191
Current Liabilities			
Trade & other payables		123,761,541	88,617,016
Accrued Markup		94,993,851	18,429,788
Short term borrowings - unsecured		101,532,039	94,394,189
Current and overdue portion of long term borrowings		106,466,242	59,890,760
Provision for Taxation		140,875	7,208,225
		426,894,548	268,539,978
Contingencies and Commitments	15		
Total Liabilities		2,103,339,257	1,990,674,169
TOTAL EQUITY AND LIABILITIES		2,725,895,582	2,783,201,234

The annexed notes 01 to 23 form an integral part of these financial statements.


Chief Executive Officer


Chief Financial Officer


Director

DOST STEELS LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2020

	Note	Nine Month Ended		Quarter Ended	
		March 31, 2020 Rupees	March 31, 2019 Rupees	March 31, 2020 Rupees	March 31, 2019 Rupees
Sales	16	11,270,030	565,602,825	-	51,486,993
Cost of sales	17	(51,128,086)	(650,235,856)	(9,742,233)	(66,609,194)
Gross loss		(39,858,056)	(84,633,031)	(9,742,233)	(15,122,201)
Administrative and selling expenses		(53,346,260)	(102,798,706)	(5,506,125)	(35,410,963)
Finance cost		(77,159,985)	(55,668,857)	(22,171,763)	(21,340,566)
Other operating income	18	534,436	663,068	-	3,196
Loss before taxation		(169,829,865)	(242,437,526)	(37,420,121)	(71,870,534)
Taxation - Current		(140,875)	(7,070,035)	-	(643,587)
Taxation - Deferred		-	30,777,869	-	-
Loss after taxation		(169,970,740)	(218,729,692)	(37,420,121)	(72,514,121)
Loss per share - basic & diluted	19	(0.54)	(0.46)	(0.10)	(0.43)

The annexed notes 01 to 23 form an integral part of these financial statements.


Chief Executive Officer


Chief Financial Officer


Director

DOST STEELS LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2020

	Nine Month Ended		Quarter Ended	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
	Rupees	Rupees	Rupees	Rupees
Loss after taxation	(169,970,740)	(218,729,692)	(37,420,121)	(72,514,121)
Other comprehensive income for the year				
Items that will not be reclassified to profit or loss				
Remeasurement of Staff Gratuity	-	-	-	-
Deferred Tax impact of Remeasurement	-	-	-	-
Items that may be reclassified to profit or loss	-	-	-	-
Total comprehensive loss for the period	(169,970,740)	(218,729,692)	(37,420,121)	(72,514,121)

The annexed notes 01 to 23 form an integral part of these financial statements.


Chief Executive Officer

Chief Financial Officer


Director

DOST STEELS LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2020

	Issued, subscribed and paid up capital	Discount on issue of right shares	Revenue Reserve Accumulated losses	Total
	----- Rupees -----			
Balance as at July 01, 2018	3,157,338,600	(1,365,481,480)	(685,107,074)	1,106,750,046
Loss for the Nine Months Ended March 31, 2019	-	-	(218,729,692)	(218,729,692)
Balance as at March 31, 2019	3,157,338,600	(1,365,481,480)	(903,836,766)	888,020,354
Balance as at July 01, 2019	3,157,338,600	(1,365,481,480)	(999,330,055)	792,527,065
Loss for the Nine Months Ended March 31, 2020	-	-	(169,970,740)	(169,970,740)
Balance as at March 31, 2020	3,157,338,600	(1,365,481,480)	(1,169,300,795)	622,556,325

The annexed notes 01 to 23 form an integral part of these financial statements.


Chief Executive Officer

Chief Financial Officer


Director

DOST STEELS LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2020

	(Un-Audited)	(Un-Audited)
	March 31, 2020	March 31, 2019
Note	Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(169,829,865)	(242,437,526)
Adjustments for non cash items:		
Depreciation	16,582,863	20,609,177
Amortization	250,054	9,261
Finance cost	77,159,985	55,668,857
Provision for gratuity	886,000	2,337,062
# #	(506,560)	-
Interest Income	(27,876)	(658,410)
	94,344,466	77,965,947
Operating cash flow before working capital changes	(75,485,399)	(164,471,579)
Working capital changes:		
(Increase)/decrease in current assets:		
Stores and spares	(45,978)	(23,230,319)
Stock in trade	20,671,176	207,251,990
Trade debtors	20,225,882	13,633,294
Advances	941,506	44,548,310
Short term prepayments	815,670	(646,760)
Other receivables	506,560	-
Tax refund due from government	(1,559,006)	(3,777,554)
Increase/(decrease) in current liabilities:		
Trade and other payables	35,144,525	(10,242,784)
Cash Inflow from working capital	76,700,335	227,536,177
Cash generated from operations	1,214,936	63,064,598
Taxes Paid	(7,208,225)	(4,695,320)
Gratuity Paid	-	(663,350)
Finance cost paid	(595,922)	(51,386,120)
Net cash used in operating activities	(6,589,211)	6,319,808
CASH FLOW FROM INVESTING ACTIVITIES		
Fixed capital expenditure	-	(7,095,207)
Proceeds from disposal of property, plant and equipment	-	86,992
Long term security deposits	(210,000)	1,170,000
Interest received	27,876	667,113
Net cash generated from/(used in) investing activities	(182,124)	(5,171,102)
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of long term financing - secured	-	(21,419,954)
Receipt/ (Repayment) of short term borrowings- unsecured	7,137,850	(86,992)
Net cash generated from/(used in) financing activities	7,137,850	(21,506,946)
Net decrease in cash and cash equivalents during the period	366,515	(20,358,240)
Cash and cash equivalents at beginning of the period	1,887,215	31,491,873
Cash and cash equivalents at the end of the period	10 2,253,730	11,133,633

The annexed notes 01 to 23 form an integral part of these 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, 2020

1 LEGAL STATUS AND NATURE OF BUSINESS

Dost Steels Limited (the Company) was incorporated & 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

Purpose	Location	Address
Head Office/ Registered 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.
Regional Office	Karachi	101, Chapal Plaza, Hasrat Mohani Road, Karachi.

1.1 GOING CONCERN ASSUMPTION

The Company has incurred a net loss of Rs. 169.971 million for the period (2018: Rs. 146.216 million) and its accumulated losses are Rs. 1,169.301 million as on 31 December 2019 (30 June 2019: Rs. 999.330 million). The current liabilities of the company exceeds its current assets by Rs. 323.275 million and liquid assets by Rs. 377.039 million. The company has also been facing unfavorable key financial ratios, difficulty in complying with the terms of loan agreement with banks & to pay creditors on due date. The company is in default under its syndicated contractual obligation with bankers and unable to obtain additional finance, has stopped its commercial production since last year and lost its key management staff without replacement due to working capital deficiency. There are also banking litigations against the company. These conditions indicate the existence of material uncertainties which may cast significant doubt on ability of the company to continue as going concern.

The Company is still maintaining a positive relationship with the lead agent of syndicated loan and seeking means of finance from other sources. The Company is expected to earn profits in coming years. Therefore the company expects that adequate inflows will be generated in the future years which will wipe out these losses. Hence, the financial statements are prepared on the basis of going concern assumption.

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 of:

- 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 The cumulative figures for the half year ended December 31, 2019 presented in these condensed interim financial statements are unaudited but have been subjected to limited scope review by the auditors of the Company, as required under section 237 of the Companies Act, 2017 ("the Act") and Code of Corporate Governance.

- 2.3 These condensed interim financial statements comprise of the Statement of Financial Position as at December 31, 2019, Statement of Profit or Loss, Statement of Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows together with the selected notes for half year ended December 31, 2019.
- 2.4 The comparative Statement of Financial Position presented in these condensed interim financial statements as at December 31, 2019 has been extracted from the audited Financial Statements of the Company for the year ended June 30, 2019, whereas the comparative Statement of Profit or Loss, Statement of Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows for the half year ended December 31, 2019 have been subjected to review but not audited.
- 2.5 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, 2019.

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, 2019, except for those stated as below

- **Standards and amendments to published accounting and reporting standards which were effective during the half year ended December 31, 2019**

IFRS 16 'Leases' - IFRS 16 replaces the previous lease standard: IAS 17: Leases. As the distinction between operating and finance lease is eliminated, it has resulted in leases being recognised on the statement of financial position except for short-term and low-value leases. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised.

However, the application of IFRS 16 does not have any material impact on the Company's books of account.

- **Standards and amendments to approved accounting and reporting standards that are not yet effective**

There are new standards and certain amendments and interpretation to the accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after July 1, 2020. However, these standard, amendments and interpretation will not have any significant impact on the financial reporting of the Company and, therefore, have not been disclosed in these condensed interim financial statements.

- 3.2 Previous periods' figures are re-arranged/re-classified 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 that applied to the financial statements for the year ended June 30, 2019.

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, 2019.

6 PROPERTY, PLANT AND EQUIPMENT

Operating assets
Capital work-in-progress

	(Un-Audited) June 30, 2019	(Audited) June 30, 2019
Note		
	Rupees	Rupees

6.1	2,580,434,057	2,597,016,920
6.2	-	-

2,580,434,057	2,597,016,920
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6.1 Operating Assets

Particulars	OWNED								Total
	Free hold land	Building on free hold land	Plant and Machinery	Furniture & fittings	Vehicles	Office Equipment	Electric Equipment	Computers Equipment	
	Rupees								
Period ended March 31, 2020									
Cost	157,876,220	232,546,602	2,230,750,729	3,841,299	4,411,500	1,928,302	10,342,774	5,071,544	2,646,768,970
Accumulated depreciation	-	(45,383,648)	(4,481,784)	(2,912,726)	(3,596,857)	(677,602)	(5,482,234)	(3,800,062)	(66,334,913)
	157,876,220	187,162,954	2,226,268,945	928,573	814,643	1,250,700	4,860,540	1,271,482	2,580,434,057
As at June 30, 2019									
Cost	157,876,220	232,546,602	2,230,750,729	3,841,299	4,411,500	1,928,302	10,342,774	5,071,544	2,646,768,970
Accumulated depreciation	-	(30,208,273)	(4,481,784)	(2,795,019)	(3,453,097)	(516,847)	(4,866,108)	(3,430,922)	(49,752,050)
	157,876,220	202,338,329	2,226,268,945	1,046,280	958,403	1,411,455	5,476,666	1,640,622	2,597,016,920
Period ended March 31, 2020									
Operating net book value	157,876,220	202,338,329	2,226,268,945	1,046,280	958,403	1,411,455	5,476,666	1,640,622	2,597,016,920
Additions	-	-	-	-	-	-	-	-	-
Deletion	-	-	-	-	-	-	-	-	-
Depreciation charged	-	(15,175,375)	-	(117,707)	(143,760)	(160,755)	(616,126)	(369,140)	(16,582,863)
	157,876,220	187,162,954	2,226,268,945	928,573	814,643	1,250,700	4,860,540	1,271,482	2,580,434,057
Net book value as at March 31, 2020									
Year ended June 30, 2019									
Operating net book value	157,876,220	224,820,366	2,225,455,070	1,230,918	1,063,724	1,577,149	6,349,278	922,775	2,619,295,500
Additions	-	-	3,024,037	-	217,000	84,000	92,498	1,198,122	4,615,657
Deletion	-	-	-	-	(86,992)	-	-	-	(86,992)
Depreciation charged	-	(22,482,037)	(2,210,162)	(184,638)	(235,329)	(249,694)	(1965,110)	(480,275)	(26,807,245)
	157,876,220	202,338,329	2,226,268,945	1,046,280	958,403	1,411,455	5,476,666	1,640,622	2,597,016,920
Net book value as at June 30, 2019									

6.1.1 Depreciation charged for the period has been allocated as under:

Cost of sales
Administrative and selling expenses

	(Un-Audited) March 31, 2020	(Audited) June 30, 2019
Rupees		Rupees
16,062,967	26,088,540	
519,896	718,705	
16,582,863	26,807,245	

6.1.2 Free-hold land includes land, comprise of 326 kanal and 12 morla, situated at 52 Km, Multon Road, Phoolnagar. Building is constructed on this land. Free-hold land also includes open free-hold land having area of 206 acres 68 sq-yards situated at Karachi.

6.1.3 No depreciation returned in plant and machinery due to no residual value at the end of the period.

		(Un-Audited) March 31, 2020 Rupees	(Audited) June 30, 2019 Rupees
	Note		
6.2 Capital work in progress			
Plant and machinery			
Opening balance		-	4,022,467
Additions		-	6,330,893
Transfer to Advances		-	(16,500)
Transfer to Stores and spares		-	(10,336,860)
Advances for plant and machinery - net	6.2.1	-	-
		-	-
		-	-
		-	-
6.2.1 Advances for plant and machinery - net			
Advances for plant and machinery		17,913,835	17,913,835
Provision against doubtful advances		(17,913,835)	(17,913,835)
		-	-

Provision of Rs. 17,913,835/- had been made against unrecoverable advances paid for purchase of plant & machinery in the previous period. The company had recovered and adjusted advances of Rs. 213,184,150/- from suppliers against advances paid for purchase of plant and machinery due to quality issues in the year 2016. The management had decided to create provision for doubtful advances in respect of the remaining amount of Rs. 17,913,835/- .

7 INTANGIBLE ASSETS

Computer Software

COST

As at July 01,

Addition during the period

Balance as at March 31,

1,111,350	-
-	1,111,350
1,111,350	1,111,350

ACCUMULATED AMORTIZATION

As at July 01,

Amortization charge for the period

Balance as at March 31,

Written down value as at March 31,

(111,135)	-
(250,054)	(111,135)
(361,189)	(111,135)
750,161	1,000,215

The Company amortizes intangible asset on straight line basis over the period of useful life @ 30%.

8 STOCK IN TRADE

Raw material

Work in process

Finished goods

4,086,517	4,781,225
13,629,736	18,909,792
9,148,441	23,844,853
26,864,694	47,535,870

9 OTHER RECEIVABLES

Receivable against trading

Provision against doubtful receivable

-	506,560
-	(506,560)
-	-

9.1 Provision against doubtful receivable

Opening balance

Charged for the period

Provision reversed during the period

506,560	506,560
-	-
(506,560)	-
-	506,560

10 CASH AND BANK BALANCES

Cash in hand

Cash at banks:

- current accounts

- deposit accounts

22,761	32,670
1,707,932	1,346,562
523,037	507,983
2,230,969	1,854,545
2,253,730	1,887,215

- 10.1 It includes balances pertaining to repayment account for long term loans amounting to Rs. 513,742/- (30 June 2019: Rs. 488,688/-). Management of the company as per arrangement can't withdraw amounts once deposited in this bank account.

11 SHARE CAPITAL

(Un-Audited)		(Audited)		(Un-Audited)		(Audited)					
March 31, 2020		June 30, 2019		March 31, 2020		June 30, 2019					
Number of shares				Rupees							
AUTHORIZED SHARE CAPITAL											
<u>360,000,000</u>		<u>360,000,000</u>		Authorized share capital		<u>3,600,000,000</u>		<u>3,600,000,000</u>			
ISSUED, SUBSCRIBED AND PAIDUP CAPITAL											
		Ordinary share of Rs.10 each									
<u>315,733,860</u>		<u>315,733,860</u>		fully paid in cash		11.1		<u>3,157,338,600</u>		<u>3,157,338,600</u>	

- 11.1 It includes 84,197,705 ordinary shares of Rs.10 each amounting to Rs. 841,977,050/- held by related parties.
- 11.2 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.
- 11.3 The company has not reserved shares for issue under options or sale contracts.

Note	(Un-Audited)	(Audited)
	March 31, 2020 Rupees	June 30, 2019 Rupees
12 DISCOUNT ON ISSUE OF RIGHT SHARES	<u>1,365,481,480</u>	<u>1,365,481,480</u>

The Company has issued right shares with the approval of board of directors, SECP and PSX with face value of Rs. 2,482,693,600/- comprising of 248,269,360/- ordinary shares of Rs. 10/- each at a discount of Rs. 5.5/- per share in year 2017.

13 ADVANCE FOR ISSUANCE OF SHARES-UNSECURED

From Crescent Star Insurance Limited and its assignees	<u>354,279,066</u>	354,279,066
From directors	<u>3,820,953</u>	3,820,953
	<u>358,100,019</u>	<u>358,100,019</u>

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 un-secured and interest free. During the previous year, CSIL has 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 and notice of assignment dated February 08, 2019 respectively which was approved by the board on February 27, 2019 with the same understanding. The confirmation received, on balances as on 30 June 2019, from CSIL in this respect, however confirms conditional assignment of amount of Rs. 247,995,000/- to Dynasty Trading (Private) Limited and is silent about assignment to Din Corporation (Private) Limited. The confirmation from Din Corporation (Private) Limited has not been received. Refer note 15.1.2 also on contingencies.

14 LONG TERM FINANCING - SECURED

Term Finance - Restructured Facilities

14.1

From banking companies and financial institutions

Opening balance

Additions during the period

Paid during the period

Less: Current portion

Less: Overdue portion

<u>794,341,078</u>	824,469,897
-	-
<u>794,341,078</u>	824,469,897
-	(30,128,819)
<u>794,341,078</u>	<u>794,341,078</u>
<u>(58,219,352)</u>	(46,575,480)
<u>(48,246,890)</u>	(13,315,280)
<u>(106,466,242)</u>	(59,890,760)
<u>687,874,836</u>	<u>734,450,318</u>

- 14.1 The Company has arranged Restructured Term Finance facilities of Rs. 931,509,627/- from National Bank of Pakistan, Askari Bank Limited, NIB Bank Limited, 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 non-commissioning of the project, DSL was and is unable to meet its repayment obligations towards the Financiers. All the syndicate banks have given their in-principle 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. Pak Kuwait is expected to sign this agreements in due course.

Terms of rescheduled and restructured agreement are as follows:

- a) For the repayment of the unpaid markup, mark up 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. 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).

- b) The Mark-up rate effective from the date of Commissioning is 3 Month KIBOR payable in quarterly 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.

15 CONTINGENCIES AND COMMITMENTS

15.1 Contingencies

- 15.1.1 The company is not exposed to any contingent liability in respect of syndicated loan at the Statement of Financial Position date, in view of restructuring agreement - Note 14.

In the year ended June 30, 2015, two suits were pending against company in the High Court for the recovery of Rs. 1,299,588,534/- and Rs. 122,197,136/- respectively filed by Faysal bank and others and Pakistan Kuwait Investment Company (Private) Limited.

- 15.1.2 The company has received advance against issuance of shares from the Crescent Star Insurance Limited (CSIL) as described in note 13. The advance was interest free and the fact was confirmed in the confirmation for the year ended 30 June 2016. The CSIL after the right issue unilaterally started claiming mark up @ 1 year KIBOR + 3% which directors of the company don't accept being against the agreed terms and is apparently illegal demand. The amount of disputed markup as on 30 June 2019 calculates to Rs. 133,286,557/-.

	(Un-Audited) March 31, 2020 Rupees	(Audited) June 30, 2019 Rupees
Note		
15.2 Commitments		
Non-capital commitments - Post dated cheques	3,953,129	4,477,348

There are no any other contingencies or commitments of the company except as described above.

			(Un-Audited) March 31, 2020 Rupees	(Un-Audited) March 31, 2019 Rupees
	Note			
16 SALES				
Bar sales			8,551,946	495,190,653
End cut			4,954,374	18,925,179
			13,506,320	514,115,832
Less : Sales tax			(2,236,290)	-
			11,270,030	514,115,832
17 COST OF SALES				
Raw material consumed				
Add: Opening stock of raw material			4,781,225	120,912,804
Purchased during the period			-	326,965,675
Less: input sales tax adjustment			(694,707)	-
Less: closing stock of raw material			(4,086,518)	(5,537,471)
			-	442,341,008
Manufacturing overheads				
Salaries, Wages and other benefits			14,858,669	39,099,521
Stores and spares consumed			-	2,441,057
Fuel, power and water			5,305,204	26,027,835
Travelling and conveyance			11,030	1,996,550
Rent, rates and taxes			201,353	188,203
Mess expenses			23,917	186,886
Entertainment			17,202	147,283
Repair and maintenance			176,218	4,497,855
Printing and stationery			600	32,020
Internet charges			66,621	143,950
Insurance			794,708	966,864
Depreciation	6.1.1		16,062,967	14,038,503
Others			8,721	30,501
			37,527,210	89,797,028
Add: Opening stock- work in process			18,909,792	19,428,785
Less: input sales tax adjustment			(2,262,536)	-
Less: Closing stock- work in process			(13,629,736)	(16,889,410)
			3,017,520	2,539,375
Cost of goods manufactured			40,544,730	534,677,411
Add: opening stock of finished goods			23,844,853	116,160,381
Less: input sales tax adjustment			(4,113,056)	-
Less: Closing stock of finished goods			(9,148,441)	(67,211,130)
			10,583,356	48,949,251
			51,128,086	583,626,662
18 OTHER OPERATING INCOME				
Income from financial assets				
Interest on security deposits			-	8,848
Profit on Bank Deposit Accounts			27,876	648,566
			27,876	657,414
Income from non financial assets				
Miscellaneous income			-	2,458
Provision reversed during the period	9.1		506,560	-
			506,560	2,458
			534,436	659,872
19 LOSS PER SHARE - BASIC & DILUTED				
Loss attributable to ordinary shareholders		Rupees	(169,970,740)	(218,729,692)
Weighted average number of ordinary shares in issue			315,733,860	315,733,860
Loss per share - basic and diluted		Rupees	(0.54)	(0.69)

20 TRANSACTIONS WITH RELATED AND ASSOCIATED PARTIES

Related parties include associated companies, directors of the company, companies where directors also hold directorship, related group companies, key management personnel, staff retirement funds and entities over which directors are able to exercise influence. All transactions involving related parties arising in the normal course of business are conducted at commercial terms and conditions, and at prices agreed based on inter company prices using admissible valuation modes, i.e. comparable uncontrolled price method except short term loan which are unsecured and interest free. There are no transactions with the key management personnel other than under their terms of employment / entitlements.

Transactions with related parties and associated undertakings, other than those disclosed elsewhere in these financial statements, are follows: -

	(Un-Audited) March 31, 2020	(Un-Audited) March 31, 2019
Note	Rupees	Rupees
Key management personnel:		
Short term borrowings - Unsecured/Interest free		
Loan obtained from Sponsors - Net	1,751,560	-
Salaries & benefits paid		
Remuneration of Chief Executive & directors	20,106,666	21,512,904
Meeting Fee Paid	-	130,000

21 SUBSEQUENT MATERIAL EVENTS

There are no significant activities since March 31, 2020 affecting the condensed interim financial information apart from those disclosed in the condensed interim information.

22 DATE OF AUTHORIZATION FOR ISSUE

The financial statements were authorized for issue on 27-4-2020 by the board of directors of the company.

23 GENERAL

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



Chief Executive

Chief Financial Officer



Director