

**DOST STEELS LIMITED**  
**FINANCIAL STATEMENTS UN-AUDITED**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2022**

## DIRECTORS' REPORT

Dear Members Assalam-o-Alaikum

The Directors of Dost Steels Limited present their review on the financial performance of the Company for the quarter ended September 30, 2022.

Financial performance of the Company for the quarter ending September 30, 2022 along with corresponding period was as under:

Description	September 30, 2022 (PKR)	September 30, 2021 (PKR)
Sales	-	-
Cost of sales	(14,376,629)	(8,302,119)
Gross Loss	(14,376,629)	(8,302,119)
Administrative and selling expenses	(3,709,402)	(14,184,985)
Finance costs	(31,553,373)	(15,576,690)
Loss before taxation	(49,639,404)	(38,063,794)
Taxation	-	-
Loss after taxation	(49,639,404)	(38,063,794)
Loss per share	(0.16)	(0.12)

Loss per share for the nine months was Rupees 0.16 as compared to Rupees 0.12 in corresponding period last year. Loss after tax for the period was Rupees 49.369 million as compared to Rupees 38.064 million in corresponding period last year.

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

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

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

On behalf of the Board of Directors



Jamal Iftakhar  
Chief Executive Officer



Zahid Iftakhar  
Director



**DOST STEELS LIMITED**  
**STATEMENT OF FINANCIAL POSITION UN-AUDITED**  
**AS AT SEPTEMBER 30, 2022**

		(Un-Audited) September 30, 2022 <u>Rupees</u>	(Audited) June 30, 2022 <u>Rupees</u>
	Note		
<b><u>ASSETS</u></b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	6	2,533,232,851	2,537,149,985
Intangible assets	7	1,000	1,000
Long term security deposits	8	40,521,445	40,521,445
		<b>2,573,755,296</b>	<b>2,577,672,430</b>
<b>CURRENT ASSETS</b>			
Stores and spares		26,845,775	26,845,775
Stock in trade	9	-	-
Trade debtors	10	-	-
Advances	11	1,241,739	1,241,739
Taxes refundable/ adjustable	12	11,927,837	10,056,682
Cash and bank balances	13	103,734	117,743
		<b>40,119,085</b>	<b>38,261,939</b>
<b>TOTAL ASSETS</b>		<b>2,613,874,381</b>	<b>2,615,934,369</b>
<b><u>EQUITY</u></b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorized Share Capital	14	3,600,000,000	3,600,000,000
Issued, subscribed and paid up share capital	14	3,157,338,600	3,157,338,600
Discount on issue of right shares	15	(1,365,481,480)	(1,365,481,480)
Accumulated losses		(1,599,918,997)	(1,550,279,593)
<b>TOTAL EQUITY</b>		<b>191,938,123</b>	<b>241,577,527</b>
<b><u>LIABILITIES</u></b>			
<b>NON-CURRENT LIABILITIES</b>			
Advance for issuance of shares - unsecured	16	358,100,019	358,100,019
Long term financing - secured	17	411,800,185	454,997,428
Markup accrued on secured loans	18	614,940,264	614,940,264
Employees benefit obligations	19	24,753,909	24,480,355
		<b>1,409,594,377</b>	<b>1,452,518,066</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	20	46,221,785	49,169,296
Accrued markup	21	291,470,282	259,916,909
Short term borrowings - unsecured	22	292,635,296	273,935,296
Current and overdue portion of long term financing		382,014,518	338,817,275
Provision for taxation		-	-
		<b>1,012,341,881</b>	<b>921,838,776</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	23		
<b>TOTAL LIABILITIES</b>		<b>2,421,936,258</b>	<b>2,374,356,842</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,613,874,381</b>	<b>2,615,934,369</b>

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

  
**Chief Executive Officer**

  
**Chief Financial Officer**


  
**Director**

**DOST STEELS LIMITED**  
**STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2022**

	Note	(Un-Audited) September 30, 2022 Rupees	(Un-Audited) September 30, 2021 Rupees
Sales		-	-
Cost of sales		(14,376,629)	(8,302,119)
<b>Gross loss</b>		<b>(14,376,629)</b>	<b>(8,302,119)</b>
Administrative and selling expenses		(3,709,402)	(14,184,985)
Finance cost		(31,553,373)	(15,576,690)
<b>Loss before taxation</b>		<b>(49,639,404)</b>	<b>(38,063,794)</b>
Taxation		-	-
<b>Loss after taxation</b>		<b>(49,639,404)</b>	<b>(38,063,794)</b>
<b><u>Other Comprehensive Income-Net of Tax</u></b>			
<b>Items that will never be reclassified to Profit or Loss</b>			
Remeasurement of Staff Gratuity (Loss)/gain		-	-
Related Impact on Deferred Tax		-	-
<b>Items that will be reclassified to Profit or Loss</b>			
<b>Total Comprehensive Loss for the period</b>		<b>(49,639,404)</b>	<b>(38,063,794)</b>
<b>Loss per share - Basic and diluted</b>	24	<b>(0.16)</b>	<b>(0.12)</b>

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

  
**Chief Executive Officer**

  
**Chief Financial Officer**

  
**Director**

**DOST STEELS LIMITED**  
**STATEMENT OF CHANGES IN EQUITY UN-AUDITED**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2022**

	Issued, subscribed and paid up share capital	Discount on issue of right shares	Revenue reserve Accumulated losses	Total
	----- Rupees -----			
Balance as at July 01, 2021	3,157,338,600	(1,365,481,480)	(1,415,438,292)	376,418,828
Total comprehensive loss for the year	-	-	(134,841,301)	(134,841,301)
Balance as at June 30, 2022	3,157,338,600	(1,365,481,480)	(1,550,279,593)	241,577,527
Total comprehensive loss for the period	-	-	(49,639,404)	(49,639,404)
Balance as at September 30, 2022	3,157,338,600	(1,365,481,480)	(1,599,918,997)	191,938,123

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

  
 Chief Executive Officer

  
 Chief Financial Officer

  
 Director




**DOST STEELS LIMITED**  
**STATEMENT OF CASH FLOWS UN-AUDITED**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2022**

	September 30, 2022	September 30, 2021
Note	Rupees	Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before taxation	(49,639,404)	(38,063,794)
<b>Adjustments for non-cash items:</b>		
Depreciation	3,917,134	4,378,457
Amortization	-	83,351
Finance cost	31,553,373	15,576,690
Provision for gratuity	273,554	1,069,200
	<b>35,744,061</b>	<b>21,107,698</b>
<b>Operating cash flow before working capital changes</b>	<b>(13,895,343)</b>	<b>(16,956,096)</b>
<b>Working capital changes:</b>		
(Increase)/ decrease in current assets:		
Trade debtors	-	630,000
Advances	-	(3,150)
Tax refundable/ adjustable	(1,871,155)	(383,144)
Increase/ (decrease) in current liabilities:		
Trade and other payables	(2,947,511)	2,228,329
	<b>(4,818,666)</b>	<b>2,472,035</b>
<b>Cash used in operations</b>	<b>(18,714,009)</b>	<b>(14,484,061)</b>
Finance cost paid	-	(10,092)
Taxes paid	-	-
<b>Net cash used in operating activities</b>	<b>(18,714,009)</b>	<b>(14,494,153)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
<b>Net cash generated from investing activities</b>	<b>-</b>	<b>-</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipt of short term borrowings - unsecured	18,700,000	14,612,627
<b>Net cash generated from financing activities</b>	<b>18,700,000</b>	<b>14,612,627</b>
Net increase/ (decrease) in cash and cash equivalents during the period	(14,009)	118,474
Cash and cash equivalents at the beginning of the period	117,743	93,497
<b>Cash and cash equivalents at the end of the period</b>	<b>103,734</b>	<b>211,971</b>

13

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

  
Chief Executive Officer

  
Chief Financial Officer

  
Director

**DOST STEELS LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS - UN-AUDITED**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2022**

**1 LEGAL STATUS AND NATURE OF BUSINESS**

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

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

Geographical location and address of business units/ plants

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

**2 BASIS OF PREPARATION**

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

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

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

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

**3 SIGNIFICANT ACCOUNTING POLICIES**

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

- **New standards, amendments to approved accounting standards and new interpretations**
- **Amendments to approved accounting standards which are effective during the year ended 30 June, 2023**

There are certain amendments to approved accounting standards which are mandatory for accounting periods beginning on or after July 1, 2021 but are considered not to be relevant or have any significant effect on the Company's financial reporting.

- **New standards and amendments to approved accounting standards that are effective for the Company's accounting periods beginning on or after July 1, 2022**

There is a new standard and certain amendments to approved accounting standards that will be mandatory for accounting periods beginning on or after July 1, 2022 but are considered not to be relevant or expected to have any significant effect on the Company's financial reporting.

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

**4 ESTIMATES**

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

**5 RISK MANAGEMENT**

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



September 30, 2022  
Rupees

June 30, 2022  
Rupees

Note

## 6 PROPERTY, PLANT AND EQUIPMENT

Operating assets

6.1

2,533,232,851  
2,533,232,851

6.1

2,533,232,851  
2,533,232,851

### 6.1 Operating Assets

Particulars	OWNED										Total
	Freehold land	Building on freehold land	Plant and machinery	Furniture and fittings	Vehicles	Office equipment	Electric equipment	Computers equipment			
<b>Period ended September 30, 2022</b>											
Cost	157,876,220	232,546,602	2,230,750,729	3,809,299	837,500	1,928,302	10,264,774	5,071,544			2,643,084,970
Accumulated depreciation	-	(88,729,577)	(4,481,784)	(3,202,177)	(723,230)	(1,101,146)	(7,063,191)	(4,551,014)			(109,852,119)
	157,876,220	143,817,025	2,226,268,945	607,122	114,270	827,156	3,201,583	520,530			2,533,232,851
<b>As at June 30, 2022</b>											
Cost	157,876,220	232,546,602	2,230,750,729	3,809,299	837,500	1,928,302	10,264,774	5,071,544			2,643,084,970
Accumulated depreciation	-	(85,041,961)	(4,481,784)	(3,178,523)	(717,215)	(1,068,238)	(6,938,454)	(4,508,810)			(105,934,985)
	157,876,220	147,504,641	2,226,268,945	630,776	120,285	860,064	3,326,320	562,734			2,537,149,985
<b>Period ended September 30, 2022</b>											
Opening net book value	157,876,220	147,504,641	2,226,268,945	630,776	120,285	860,064	3,326,320	562,734			2,537,149,985
Additions	-	-	-	-	-	-	-	-			-
Deletion	-	-	-	-	-	-	-	-			-
Depreciation charged	-	(3,687,616)	-	(23,654)	(6,015)	(32,908)	(124,737)	(42,204)			(3,917,134)
	157,876,220	143,817,025	2,226,268,945	607,122	114,270	827,156	3,201,583	520,530			2,533,232,851
<b>Net book value as at September 30, 2022</b>											
<b>Year ended June 30, 2022</b>											
Opening net book value	157,876,220	163,894,046	2,226,268,945	742,090	150,356	1,014,925	3,913,318	803,906			2,554,663,806
Additions	-	-	-	-	-	-	-	-			-
Deletion	-	-	-	-	-	-	-	-			-
Depreciation charged	-	(16,389,405)	-	(111,314)	(30,071)	(154,861)	(586,998)	(241,172)			(17,513,821)
	157,876,220	147,504,641	2,226,268,945	630,776	120,285	860,064	3,326,320	562,734			2,537,149,985
<b>Net book value as at June 30, 2022</b>											
<b>Rate of depreciation</b>		<b>10%</b>	<b>Units of production</b>	<b>15%</b>	<b>20%</b>	<b>15%</b>	<b>15%</b>	<b>30%</b>			

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

Cost of sales  
Administrative and selling expenses

September 30, 2022  
Rupees

June 30, 2022  
Rupees

18

3,837,659  
79,475  
3,917,134

19,101,570  
521,826  
19,623,396

6.1.2 Freehold land includes land, comprise of 326 kanal and 12 murla, situated at 52 km, Multan Road, Phoolnagar. Building is constructed on this land. Freehold land also includes open freehold land having area of 206 acres 68 sq-yards situated at Karachi.

6.1.3 No depreciation is charged to plant and machinery as per Company's policy as number of units produced were nil during the year.



7 INTANGIBLE ASSETS

Computer Software

**COST**

As at beginning of the period/ year

Addition

Balance as at end of the period/ year

**ACCUMULATED AMORTIZATION**

As at beginning of the period/ year

Amortization

Balance as at end of the period/ year

Written down value as at end of the period/ year

Intangible asset has been taken at notional value of Rs. 1000/- after amortising the asset over its estimated useful life i.e @30% p.a , as asset is still in use.

Note

September 30,  
2022  
Rupees

June 30,  
2022  
Rupees

8 LONG TERM SECURITY DEPOSITS

Against utilities

Against rent

Others

9 STOCK-IN-TRADE

Raw material

Less: Provision against raw material

10 TRADE DEBTS

Unsecured & considered good by the management

Trade debts

Remeasurement of Expected Credit Loss

10.1 Remeasurement of Expected Credit Loss

Opening Balance

Charged for the year

Closing Balance

11 ADVANCES

Unsecured & considered good by the management

Advances

To employees - against salary

To employees - against expenses

For supplies/services

Letter of credits

Margin against letter of credits

11.1 For supplies/services

Provision against doubtful advances

Opening Balance

Provision Adjusted

Closing Balance

11.2 Advance letter of credits

Provision against letter of credits

12 TAXES REFUNDABLE/ADJUSTABLE

Advance Income Tax

Input Sales Tax

10.1

11.1

11.2

1,111,350	1,111,350
-	-
1,111,350	1,111,350
(1,110,350)	(777,945)
-	(332,405)
(1,110,350)	(1,110,350)
1,000	1,000
40,251,445	40,251,445
210,000	210,000
60,000	60,000
40,521,445	40,521,445
4,781,225	4,781,225
(4,781,225)	(4,781,225)
-	-
45,218,980	45,218,980
(45,218,980)	(45,218,980)
-	-
45,218,980	37,735,982
-	7,482,998
45,218,980	45,218,980
-	-
24,400	24,400
1,208,110	1,208,110
-	-
9,229	9,229
1,241,739	1,241,739
1,958,110	1,958,110
750,000	2,318,392
-	(1,568,392)
(750,000)	(750,000)
1,208,110	1,208,110
3,631,900	3,631,900
(3,631,900)	(3,631,900)
-	-
9,698,473	8,310,587
2,229,364	1,746,095
11,927,837	10,056,682

	<u>Note</u>	September 30, 2022 <u>Rupees</u>	June 30, 2021 <u>Rupees</u>
<b>13 CASH AND BANK BALANCES</b>			
Cash in hand			
Cash at banks:		3,353	2,661
- current accounts			
- deposit accounts			
	13.1	76,502	91,203
		23,879	23,879
		100,381	115,082
		103,734	117,742
13.1 It includes balances pertaining to repayment account for long term loans amounting to Rs. 2,911/- (30 June 2022: Rs. 2,911/-). Management of the Company as per arrangement can't withdraw amounts once deposited in this bank account.			
<b>14 SHARE CAPITAL</b>			
		June 30, 2022	June 30, 2021
		Number of shares	
<b>AUTHORIZED SHARE CAPITAL</b>			
360,000,000      360,000,000 Authorized share capital of Rs. 10 each		3,600,000,000	3,600,000,000
<b>ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL</b>			
		Ordinary share of Rs.10 each	
315,733,860      315,733,860 fully paid in cash	14.1	3,157,338,600	3,157,338,600
14.1 It includes 84,166,705 (June 2022: 84,166,705) ordinary shares of Rs.10/- each, amounting to Rs. 841,667,050/- (June 2022: Rs. 841,667,050/-) held by related parties.			
14.2 The Company has only one class of ordinary shares. The holder of ordinary shares have equal right to receive dividend, bonus and right issue as declared, vote and block voting at meetings, board selection and right of first refusal of the Company.			
14.3 The Company has not reserved shares for issue under options or sale contracts.			
14.4 Reconciliation of shares is not required in view of no change.			
<b>15 DISCOUNT ON ISSUE OF RIGHT SHARES</b>		1,365,481,480	1,365,481,480
The Company issued right shares with the approval of board of directors, SECP and PSX with face value of Rs. 2,482,693,600/- comprising 248,269,360/- ordinary shares of Rs. 10/- each at a discount of Rs. 5.5/- per share in year 2017.			
<b>16 ADVANCE FOR ISSUANCE OF SHARES - UNSECURED</b>			
From Crescent Star Insurance Limited and its assignees		354,279,066	354,279,066
From directors		3,820,953	3,820,953
		358,100,019	358,100,019
The Company has received advance against issuance of shares from the Crescent Star Insurance Limited (CSIL), associated company, and directors of the Company which will be adjusted against shares in capital of the Company whenever there is next issue. These amounts are unsecured and interest free. In the previous years, CSIL assigned aggregate amount of Rs. 247,995,000/- and Rs. 57,768,000/- to Dynasty Trading (Private) Limited and Din Corporation (Private) Limited respectively under an assignment agreement executed on February 12, 2019. The notice of assignment was given on February 08, 2019 which was approved by the board on February 27, 2019. Subsequently CSIL has controverted/ disputed assignment in favour of Dynasty Trading (Private) Limited. Management is of the view that presently there is no dispute regarding total amount payable and dispute pertains to whom it is payable. At that time CEO of CSIL was also chairman and director of Dost Steels Limited. Refer note 16 also on contingencies.			
<b>17 LONG TERM FINANCING - SECURED</b>			
<b>From banking companies and financial institutions</b>			
Term finance - Restructured facilities	17.1		
Opening balance		793,814,703	793,814,703
Paid during the year			
		793,814,703	793,814,703
Less: Current portion		(128,082,574)	(116,438,704)
Less: Overdue portion		(253,931,944)	(222,378,571)
		(382,014,518)	(338,817,275)
		411,800,185	454,997,428
17.1 The Company has arranged Restructured Term Finance facilities of Rs. 931,509,627/- from National Bank of Pakistan, Askari Bank Limited, NIB Bank Limited( Now MCB Bank Limited), Bank of Khyber, Pak Kuwait Investment Company (Private) Limited, Saudi Pak Industrial and Agricultural Investment Company Limited and Faysal Bank Limited (former Royal Bank of Scotland Limited) as Syndicated loan, whereby Faysal Bank Limited is acting as agent of the syndicate. Due to absence of cash flow and delayed commissioning of the project and subsequent closure of the production, DSL was and is unable to meet its repayment obligations towards the Financiers. All the syndicate banks have given their in-principal approval to the rescheduling and restructuring of the debts and obligations. All the syndicate banks except Pak Kuwait Investment Company (Private) Limited have signed the rescheduling and restructuring agreement.			
Terms of rescheduled and restructured agreement are as follows:			



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

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

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

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

	Note	September 30, 2022 Rupees	June 30, 2021 Rupees
<b>18 MARKUP ACCRUED ON SECURED LOANS</b>			
On secured loans			
Refer note 17		<u>614,940,264</u>	<u>614,940,264</u>
<b>19 EMPLOYEES BENEFIT OBLIGATIONS</b>			
Staff gratuity	19.1	<u>24,753,909</u>	<u>24,480,355</u>
19.1 Staff gratuity		<u>24,753,909</u>	<u>24,480,355</u>
Movement in net defined benefit obligation recognized in the statement of financial position:			
Opening balance		24,480,355	23,418,350
Provision for the period/ year	19.1.1	<u>273,554</u>	<u>1,062,005</u>
		<u>24,753,909</u>	<u>24,480,355</u>
Less: Payments made during the year		<u>24,753,909</u>	<u>24,480,355</u>
19.1.1 Provision of gratuity for the period/ year has been allocated as follows:			
Cost of sales		151,929	575,505
Administrative and selling expenses		<u>121,625</u>	<u>486,500</u>
		<u>273,554</u>	<u>1,062,005</u>
<b>20 TRADE AND OTHER PAYABLES</b>			
Creditors		11,957,434	18,099,419
Contract liabilities		419,438	419,438
Accrued liabilities		30,833,572	27,639,098
Payable to old employees		<u>3,011,341</u>	<u>3,011,341</u>
		<u>46,221,785</u>	<u>49,169,296</u>
<b>21 ACCRUED MARKUP</b>			
Long term financing - secured		<u>291,470,282</u>	<u>259,916,909</u>
<b>22 SHORT TERM BORROWINGS</b>			
Unsecured & Interest Free			
Loan from directors		229,713,780	228,213,780
Loan from sponsors		<u>62,921,516</u>	<u>45,721,516</u>
		<u>292,635,296</u>	<u>273,935,296</u>

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

September 30, 2022	June 30, 2021
Rupees	Rupees

### Note

<b>1,625,000</b>	<b>1,625,000</b>
<b>September 30, 2022 Rupees</b>	<b>September 30, 2021 Rupees</b>

## Non-capital commitments - post dated cheques

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

(49,639,404)	(38,063,794)
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315,733,860	315,733,860
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(0.16) (0.12)

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

26 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were authorized for issue on 28-10-22 by the board of directors of the Company.

## 27 GENERAL

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

**Chief Executive Officer**

  
**Chief Financial Officer**

*Lahr*  
Director