COMPANY INFORMATION

Board of Directors

Mr. Shahab Mahboob Vora	Director/ Chairman
Mr. Jamal Iftakhar	Director/CEO
Mr. Zahid Iftakhar	Director
Mrs. Mona Zahid	Director
Mr. Saad Zahid	Director
Mr. Mustafa Jamal Iftakhar	Director
Mr. Bilal Jamal Iftakhar	Director
Mr. Muhammad Shakeel Nominated by NBP	Director
Mr. Asim Jilani Nominated by FBL	Director

Audit Committee

Mr. Bilal Jamal Iftakhar	Chairman
Mr. Shahab Mahboob Vora	Member
Mr. Mustafa Jamal Iftakhar	Member

Human resource & Remuneration Committee

Mr. Shahab Mahboob Vora	Chairman
Mr. Jamal Iftakhar	Member
Mr. Bilal Jamal Iftakhar	Member

Chief Financial Officer
Mr. Shahid Ali

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

Shares Registrar

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

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

Auditors

Rahman Sarfaraz Rahim Iqbal Rafiq
Chartered Accountants

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

Plant Address
52 Km Lahore Multan Road
Phool Nagar, Distt Kasur Punjab

Web Presence
www.doststeels.com
e mail: info@dosteels.com

Independent Auditor's Review Report

To the members of Dost Steels Limited

Report on review of Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **Dost Steels Limited** as at December 31, 2020 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the condensed interim financial statements for the half year then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Adverse Conclusion

Based on information provided to us by the management, we report that;

1. The Company, as stated in note 1.1, has incurred a net loss of Rs. 95.602 m (December 2019: Rs. 132.551 m) and its accumulated losses are Rs. 1,336.039 m (June 2020: Rs. 1,240.436 m). The current liabilities of the company exceeds its current assets by Rs. 537.222 m and liquid assets by Rs. 572.950 m. The company has also been facing long overdue receivables, 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 as it could not pay installments totaling to Rs. 82.652 m till December 2020 and was unable to obtain additional finance. It has stopped its commercial production since year 2019 and lost its key management staff without replacement due to working capital deficiency; number of employees at 31 December 2020 were dropped to 31 as compared to 131 in year 2019. There are also banking litigations against the company. Management of the company has also not shared any future plans to revive its business. These conditions indicate the existence of significant material uncertainties which may cast significant doubt on ability of the company to continue as going concern, to realize its assets and to

discharge its liabilities in normal course of business. However, these interim financial statements do not include any adjustment relating to the recoverability and classification of recorded assets and classifications of liabilities that might be necessary should the company be unable to continue as going concern. Under the circumstances use of going concern assumption is not appropriate;

2. The syndicate long term finance (LTF) of Rs. 793.815 m, mark up accrued (freezed) thereon of Rs. 614.940 m, accrued mark up on overdue portion of LTF of Rs. 139.446 m and mark up charged during the period of Rs. 29.605 m as disclosed in interim financial statements which remained unconfirmed. The syndicate agent provided incomplete confirmation pertaining to amounts due to the agent only which confirmed amount of LTF of Rs. 162.316 m and mark up charged during the period of Rs. 14.733 m but is silent in respect of other amounts. The figure of markup charged by agent is in access by Rs. 8.765 m as compared to Rs. 5.968 m recorded by the company on the basis of 3 months KIBOR. Further the company have discontinued payments of installments however no information regarding consequent default penalty or additional markup not incorporated in the interim financial statements is available. Therefore, accuracy of the figures and related disclosures could not be ascertained.

3. Balance confirmation requests remained un-responded in respect of 'trade creditors', 'trade debtors' and 'advances for supplies/services' amounting to Rs. 37.825 m, Rs. 34.856 m and Rs. 1.777 m respectively. We were unable to satisfy ourselves by alternative means.

4. Confirmation from Legal Advisors and consultants, of the company regarding pending litigations and contingencies as on 31 December 2020 were not received therefore completeness of contingencies as disclosed in note 15 cannot be commented upon.

5. The audit report for the financial year ended on 30 June 2020 was modified as follows;

   "Management could not arrange for us to observe the physical verification of 'stock in trade' and 'stores and spares' totaling Rs. 58.562 milion at the end of the year due to COVID-19 lock down. We were unable to satisfy ourselves by alternative means concerning the inventory held at 30 June 2020. Since closing inventories enter into determination of state of the company's affairs, financial performance and cash flows, we were unable to determine whether any adjustments might have been necessary in respect of the company's financial statements for the year ended on 30 June 2020."

   Our conclusion on the current period's interim financial statements is modified because of the possible effect of this matter on the accuracy of the current period's figures.

6. The Company had not followed the IAS-19 "Employee Benefits" for determining gratuity payable under Industrial & Commercial Employment (Standing Orders) Ordinance, 1968, as explained in note 14.1 to the interim financial statements for the half year ended 31 December 2020 and the impact of the non-compliance of IAS 19 on interim financial statements was not quantified.

Adverse Conclusion

Based on our review, due to significance of the matters described in *Basis for Adverse Conclusion* paragraph, the interim financial statements do not give a true and fair view of the financial position of the company as at December 31, 2020 and of its financial performance, its cash flows and of its changes in equity for the half year then ended in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Emphasis of Matter

Without qualifying our conclusion on these points, we draw attention to:

a) Advance for issuance of shares – unsecured Rs. 354.279 m have been disclosed in note 12. The amount was due to Crescent Star Insurance Limited (CSIL). In the year 2019, with the approval of the board of Dost Steels Limited, out of this amount CSIL assigned Rs. 247.995 m to Dynasty Trading (Private) Limited (DTPL) and Rs. 57.768 m to Din Corporation (Private) Limited (DCPL). In year 2020, however, CSIL initially confirmed the whole amount as due to it inclusive of disputed markup. Subsequently, CSIL revised its confirmation admitting assignment of Rs. 57.768 m to DCPL and denying an assignment to DTPL and stated that they have filed a civil suit against DSL praying reversal of this entry. Whereas both DTPL and DCPL confirmed as at 30 June 2020 the amount of Rs. 247.995 m and Rs. 57.768 m assigned to them respectively. According to management of Dost Steels Limited there is no change from the last year in the status of the amounts due. In view of the CSIL's confirmation received in year 2020, ownership of the amounts due has become controversial. (Please refer para (c) of this section also);

b) Note 13 to the interim financial statements which describes the Company's arrangement of Restructured Term Finance Facilities as Syndicated Loan. All the syndicate banks except Pak Kuwait Investment Company (Private) Limited have signed the rescheduling and restructuring agreement; and

c) Note 15 to the interim financial statements regarding markup amounting to Rs. 187,474,579/- claimed unilaterally by Crescent Star Insurance Limited (CSIL) on advance against issuance of shares till 30 June 2020. The company does not accept as being against the agreed terms.

Other Matter

The figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the quarters ended 31 December 2020 and 2019 have not been reviewed, as we are required to review only the cumulative figures for the half year ended 31 December 2020.

The engagement partner on the review resulting in this independent auditor's report is Mr. Rashid Rahman Mir.

Rahman Sarfaraz Rahim Iqbal Rafiq
CHARTERED ACCOUNTANTS
Lahore:

DIRECTORS' REPORT

Dear Members Assalam-o-Alaikum

The Directors of Dost Steels Limited ("DSL" or the "Company") are pleased to present their review on the financial performance of the Company for the six months period ended December 31, 2020.

The COVID-19 pandemic that rapidly spread all across the world has not only endangered human lives but has also adversely impacted the global economy. Alhamdulillah, the 1st wave of COVID-19 pandemic situation was effectively controlled in Pakistan. In order to minimize the impact of 2nd wave of COVID-19 pandemic the Government has already taken measures which hopefully will trigger the economic and social activities in the country.

In the COVID-19 pandemic phases, the Company has implemented the various controls at all locations to manage the impact of this pandemic. Mandatory SOPs include, wearing of facemasks for all employees and service providers, maintenance of social distance of 6 feet at all times when they are on Company premises, mandatory temperature checks, routine disinfection of office premises and vehicles, frequent hand washing & sanitizing, limiting face to face meetings and work from home policies during lock down phase.

The DSL management committed to restart its operations and as such we are still is in the process of is making all its efforts for potential investment, joint venture strategic alliance / partnership to overcome the working capital crisis being faced by the Company. The Company is hopeful that their efforts would be successful in the near future and the Company will be able to resume its operations to earn profits in coming financial years and to fulfill all its obligations to pay back all loans and payables in normal course of the business arrange working capital financings.

Financial performance of the Company for the six months period ended December 31, 2020 was as under:

Description	December 31, 2019 (PKR)	December 31, 2019 (PKR)
Sales	**3,021,528**	**11,270,030**
Cost of sales	**(40,127,0480**	**(41,385,853)**
Gross Loss	**(37,105,520)**	**(30,115,823)**
Administrative and selling expenses	**(29,650,100)**	**(47,840,135)**
Finance costs	**(29,625,655)**	**(54,988,222)**
Other operating income	**824,268**	**534,436**
Loss before taxation	**(96,557,007)**	**(132,409,744)**
Taxation	**(45,323)**	**(140,875)**
Loss after taxation	**(995,602,330)**	**(132,550,619)**
Loss per share	**(0.30)**	**(0.42)**

Loss per share for the six months period was Rupees 0.30 as compared to Rupees 0.42 in corresponding period last year. Loss after tax for the period was Rupees 95,602 million as compared to Rupees 132.55 million in corresponding period last year. The losses are inevitable owing to non-production during the period under review and lower level of sales in last six months period from available stock. So far, the Company has not been able to restart production activities due to shortage of working capital.

The Board is still making all its efforts to finalie 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. in order to restart commercial operations.

The interim financial statements of the Company have been reviewed by the auditors of the Company, M/s Rahman Sarfaraz Rahim Iqbal Rafiq, Chartered Accountants (the "Auditors") and their review report is attached with the interim financial statements. The Auditors of the Company have expressed certain reservations in their review report for the period ended 31 December 2020. Our para wise comments on these reservations are as follows:

Sr. No.	Reservation / Qualification	Responses
1	The Company, as stated in note 1.1, has incurred a net loss of Rs. 95.602 m (December 2019: Rs. 132.551 m) and its accumulated losses are Rs. 1,336.039 m (June 2020: Rs. 1,240.436 m). The current liabilities of the company exceeds its current assets by Rs. 537.222 m and liquid assets by Rs. 572.950 m. The company has also been facing long overdue receivables, 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 as it could not pay installments totaling to Rs. 82.652 m till December 2020 and was unable to obtain additional finance. It has stopped its commercial production since year 2019 and lost its key management staff without replacement due to working capital deficiency; number of employees at 31 December 2020 were dropped to 31 as compared to 131 in year 2019. There are also banking litigations against the company. Management of the company has also not shared any future plans to revive its business. These conditions indicate the existence of significant material uncertainties which may cast significant doubt on ability of the company to continue as going concern, to realize its assets and to discharge its liabilities in normal course of business. However, these interim financial statements do not include any adjustment relating to the recoverability and classification of recorded assets and classifications of liabilities that might be necessary should the company be unable to continue as going concern. Under the circumstances use of going concern assumption is not appropriate; The syndicate long term finance (LTF) of Rs. 793.815 m, mark up accrued (freezed) thereon of Rs. 614.940 m, accrued mark up on overdue portion of LTF of Rs. 139.446 m and mark up charged during the period of Rs. 29.605 m as disclosed in interim financial statements which remained unconfirmed. The syndicate agent provided incomplete confirmation pertaining to	The Company is making all its efforts for potential investment, joint venture strategic alliance / partnership to overcome the working capital crisis being faced by the Company. The Company is hopeful that our efforts will be successful in near future and the Company will be able to resume its operations and will earn profits in coming financial year and it will be able to mitigate all its losses and fulfill all its obligations and pay back all loans and payables in normal course of the business.

	amounts due to the agent only which confirmed amount of LTF of Rs. 162.316 m and mark up charged during the period of Rs. 14.733 m but is silent in respect of other amounts. The figure of markup charged by agent is in access by Rs. 8.765 m as compared to Rs. 5.968 m recorded by the company on the basis of 3 months KIBOR. Further the company have discontinued payments of installments however no information regarding consequent default penalty or additional markup not incorporated in the interim financial statements is available. Therefore, accuracy of the figures and related disclosures could not be ascertained.	
3.	Balance confirmation requests remained un-responded in respect of 'trade creditors', 'trade debtors' and 'advances for supplies/services' amounting to Rs. 37.825 m, Rs. 34.856 m and Rs. 1.777 m respectively. We were unable to satisfy ourselves by alternative means.	Due to the unorganized nature of the trade creditors and the onset of the covid pandemic, most of these could not be reached and organized.
4.	Confirmation from Legal Advisors and consultants, of the company regarding pending litigations and contingencies as on 31 December 2020 were not received therefore completeness of contingencies as disclosed in note 15 cannot be commented upon.	Due to the onset of the covid pandemic, lawyers from the rural part of the province could not be organized to provide the confirmations in time.
5.	The audit report for the financial year ended on 30 June 2020 was modified as follows; "Management could not arrange for us to observe the physical verification of 'stock in trade' and 'stores and spares' totaling Rs. 58.562 milion at the end of the year due to COVID-19 lock down. We were unable to satisfy ourselves by alternative means concerning the inventory held at 30 June 2020. Since closing inventories enter into determination of state of the company's affairs, financial performance and cash flows, we were unable to determine whether any adjustments might have been necessary in respect of the company's financial statements for the year ended on 30 June 2020." Our conclusion on the current period's interim financial statements is modified because of the possible effect of this matter on the accuracy of the current period's figures.	Due to the pandemic, the teams on behalf of the management as well as the external auditors could not coordinate in time.
6.	The audit report for the financial year ended on 30 June 2020 was modified as follows; "Management could not arrange for us to observe the physical verification of 'stock in trade' and 'stores and spares' totaling Rs. 58.562 milion at the end of the year due to COVID-19 lock down. We were unable to satisfy ourselves	Due to the onset of COVID-19, the management was unable to organize the determination for the Employee Benefits under ordinance, 1968.

	by alternative means concerning the inventory held at 30 June 2020. Since closing inventories enter into determination of state of the company's affairs, financial performance and cash flows, we were unable to determine whether any adjustments might have been necessary in respect of the company's financial statements for the year ended on 30 June 2020." Our conclusion on the current period's interim financial statements is modified because of the possible effect of this matter on the accuracy of the current period's figures.	
a)	Advance for issuance of shares – unsecured Rs. 354.279 m have been disclosed in note 12. The amount was due to Crescent Star Insurance Limited (CSIL). In the year 2019, with the approval of the board of Dost Steels Limited, out of this amount CSIL assigned Rs. 247.995 m to Dynasty Trading (Private) Limited (DTPL) and Rs. 57.768 m to Din Corporation (Private) Limited (DCPL). In year 2020, however, CSIL initially confirmed the whole amount as due to it inclusive of disputed markup. Subsequently, CSIL revised its confirmation admitting assignment of Rs. 57.768 m to DCPL and denying an assignment to DTPL and stated that they have filed a civil suit against DSL praying reversal of this entry. Whereas both DTPL and DCPL confirmed as at 30 June 2020 the amount of Rs. 247.995 m and Rs. 57.768 m assigned to them respectively. According to management of Dost Steels Limited there is no change from the last year in the status of the amounts due. In view of the CSIL's confirmation received in year 2020, ownership of the amounts due has become controversial. (Please refer para (c) of this section also).	The CSIL assigned the amount of advance against issuance of shares to Dynasty Trading (Private) Limited and Din Corporation (Private) Limited. All legal obligations and matters were complied with and advance was assigned with the mutual consent of CSIL, the Company, Dynasty Trading (Private) Limited and Din Corporation (Private) Limited. The assignment was duly approved by the Board of the Company. All the Parties involved have signed the necessary legal documentation pertaining to the assignment.
b)	Note 13 to the interim financial statements which describes the Company's arrangement of Restructured Term Finance Facilities as Syndicated Loan. All the syndicate banks except Pak Kuwait Investment Company (Private) Limited have signed the rescheduling and restructuring agreement; and	The Company is currently negotiating with Pak Kuwait Investment Company Limited for amicably resolution of the issue to align the conditions agreed with the other banking partner in Syndicate and it is hoped that matter shall be settled in current fiscal year.
c)	Note 15 to the interim financial statements regarding markup amounting to Rs. 187,474,579/- claimed unilaterally by Crescent Star Insurance Limited (CSIL) on advance	Crescent Star Insurance Limited has unilaterally claimed mark on "advance for issuance of shares" received by the

	against issuance of shares till 30 June 2020. The company does not accept as being against the agreed terms.	Company in 2016 which has not been accepted by the Company. As explained above, the CSIL has assigned the amount of advance against issuance of shares to Dynasty Trading (Private) Limited and Din Corporation (Private) Limited under an assignment arrangement as per specific request / instruction of CSIL. We are of the view that all legal obligations have been complied with and advance was assigned with the mutual consent of the parties. The Board has further resolved that no profit/markup or any other compensation by whatsoever name called is payable to CSIL and/or its assignees by the Company whether related to the past, present or future.

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
Dated:- 27 February 2021

Saad Zahid
Director

DOST STEELS LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION- Un-Audited
AS AT DECEMBER 31, 2020

	Note	(Un-Audited) December 31, 2020 Rupees	(Audited) June 30, 2020 Rupees
ASSETS			
Non-Current Assets			
Property, plant and equipment	6	2,564,461,957	2,574,801,963
Intangible Assets	7	500,107	666,810
Long term security deposits		40,521,445	40,521,445
Deferred tax assets		-	-
		2,605,483,509	2,615,990,218
Current Assets			
Stores and spares		26,853,768	26,853,768
Stock in trade	8	8,873,954	31,708,408
Trade debtors		9,088,885	6,417,487
Advances		2,013,763	2,035,120
Taxes refundable/adjustable		8,183,452	8,101,398
Cash and bank balances	9	767,578	903,290
		55,781,400	76,019,471
TOTAL ASSETS		2,661,264,909	2,692,009,689
EQUITY			
Share Capital and Reserves			
Authorized Share Capital	10	3,600,000,000	3,600,000,000
Issued, subscribed and paid up capital	10	3,157,338,600	3,157,338,600
Discount on issue of right shares	11	(1,365,481,480)	(1,365,481,480)
Accumulated losses		(1,336,038,749)	(1,240,436,419)
Total Equity		455,818,371	551,420,701
LIABILITIES			
Non-Current Liabilities			
Advance for issuance of shares-unsecured	12	358,100,019	358,100,019
Long term financing - secured	13	618,011,614	664,587,096
Markup accrued on secured loans		614,940,264	614,940,264
Deferred Liabilities	14	21,390,973	19,141,845
		1,612,442,870	1,656,769,224
Current Liabilities			
Trade & other payables		85,531,252	84,706,581
Accrued Markup		139,445,543	109,840,953
Short term borrowings - unsecured		192,178,461	159,349,198
Current and overdue portion of long term borrowings		175,803,089	129,753,982
Provision for Taxation		45,323	169,050
		593,003,668	483,819,764
Contingencies and Commitments	15		
Total Liabilities		2,205,446,538	2,140,588,988
TOTAL EQUITY AND LIABILITIES		2,661,264,909	2,692,009,689

The annexed notes 01 to 24 form an integral part of these condensed interim financial statements.

Chief Executive Officer **Chief Financial Officer** **Director**

DOST STEELS LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS- Un-AUDITED
FOR THE HALF YEAR ENDED DECEMBER 31, 2020

	Note	(Un-Audited) Half Year Ended		(Un-Audited) Quarter Ended	
		December 31, 2020 Rupees	December 31, 2019 Rupees	**December 31, 2020 Rupees**	December 31, 2019 Rupees
Sales	**16**	**3,021,528**	11,270,030	**-**	3,262,362
Cost of sales	**17**	**(40,127,048)**	(41,385,853)	**(8,571,452)**	(43,534)
Gross loss		**(37,105,520)**	(30,115,823)	(8,571,452)	3,218,828
Administrative and selling expenses		**(29,650,100)**	(47,840,135)	**(14,924,212)**	(17,291,472)
Finance cost		**(29,625,655)**	(54,988,222)	**(15,095,851)**	(29,749,850)
Other operating income	**18**	**824,268**	534,436	**-**	534,436
Loss before taxation		**(95,557,007)**	(132,409,744)	**(38,591,515)**	(43,288,058)
Taxation		**(45,323)**	(140,875)	**-**	(40,779)
Loss after taxation		**(95,602,330)**	(132,550,619)	**(38,591,515)**	(43,328,837)
Loss per share - basic & diluted	**19**	**(0.30)**	(0.42)	**(0.12)**	(0.12)

The annexed notes 01 to 24 form an integral part of these condensed interim financial statements.

Chief Executive Officer **Chief Financial Officer** **Director**

DOST STEELS LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME - Un-AUDITED
FOR THE HALF YEAR ENDED DECEMBER 31, 2020

	Half Yearly Ended		**Quarter Ended**	
	December 31, 2020 Rupees	December 31, 2019 Rupees	**December 31, 2020 Rupees**	December 31, 2019 Rupees
Loss after taxation	**(95,602,330)**	(132,550,619)	**(38,591,515)**	(43,328,837)
Other comprehensive income for the period				
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	**(95,602,330)**	(132,550,619)	**(38,591,515)**	(43,328,837)

The annexed notes 01 to 24 form an integral part of these condensed interim financial statements.

Chief Executive Officer **Chief Financial Officer** **Director**

DOST STEELS LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY - Un-AUDITED
FOR THE HALF YEAR ENDED DECEMBER 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, 2019	3,157,338,600	(1,365,481,480)	(999,330,055)	792,527,065
Total Comprehensive Loss for the Half Year Ended June 30, 2019	-	-	(132,550,619)	(132,550,619)
Balance as at December 31, 2019	**3,157,338,600**	**(1,365,481,480)**	**(1,131,880,674)**	**659,976,446**
Total Comprehensive Loss for the Half Year Ended June 30, 2020	-	-	(108,555,745)	(108,555,745)
Balance as at July 01, 2020	**3,157,338,600**	**(1,365,481,480)**	**(1,240,436,419)**	**551,420,701**
Total Comprehensive Loss for the Half Year Ended December 31, 2020	-	-	**(95,602,330)**	**(95,602,330)**
Balance as at December 31, 2020	**3,157,338,600**	**(1,365,481,480)**	**(1,336,038,749)**	**455,818,371**

The annexed notes 01 to 24 form an integral part of these condensed interim financial statements.

Chief Executive Officer **Chief Financial Officer** **Director**

DOST STEELS LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS - Un-AUDITED
FOR THE HALF YEAR ENDED DECEMBER 31, 2020

	Note	(Un-Audited) December 31, 2020 Rupees	(Un-Audited) December 31, 2019 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before taxation		**(95,557,007)**	(132,409,744)
Adjustments for non cash items:			
Depreciation		**9,825,245**	11,055,240
Amortization		**166,703**	166,703
Finance cost		**29,625,655**	54,988,222
Provision for gratuity		**2,249,128**	886,000
Provision reversed during the period		**-**	(506,560)
Interest Income		**(17,278)**	(27,876)
		41,849,453	66,561,729
Operating cash flow before working capital changes		**(53,707,554)**	(65,848,015)
Working capital changes:			
(Increase)/decrease in current assets:			
Stores and spares		**-**	-
Stock in trade		**22,834,454**	20,671,176
Trade debtors		**(2,671,398)**	16,742,393
Advances		**21,357**	626,013
Short term prepayments		**-**	815,670
Other receivables		**-**	506,560
Tax refund due from government		**(82,054)**	(1,092,987)
Increase/(decrease) in current liabilities:			
Trade and other payables		**824,671**	32,436,870
Cash Inflow from working capital		**20,927,030**	70,705,695
Cash generated from/ (used in) operations		**(32,780,524)**	4,857,680
Gratuity Paid		**-**	-
Finance cost paid		**(21,065)**	(583,671)
Taxes Paid		**(169,050)**	(7,208,225)
Net cash used in operating activities		**(32,970,639)**	(2,934,216)
CASH FLOW FROM INVESTING ACTIVITIES			
Interest received		**17,278**	27,876
Net cash generated from investing activities		**17,278**	27,876
CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of long term financing - secured		**(526,375)**	-
Receipt/ (Repayment) of short term borrowings- unsecured		**33,344,024**	1,751,560
Net cash generated from/(used in) financing activities		**32,817,649**	1,751,560
Net increase/(decrease) in cash and cash equivalents during the period		**(135,712)**	(1,154,780)
Cash and cash equivalents at beginning of the period		**903,290**	1,887,215
Cash and cash equivalents at the end of the period	9	**767,578**	732,435

The annexed notes 01 to 24 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 HALF YEAR ENDED DECEMBER 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

Description	Location	Address
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.

1.1 GOING CONCERN ASSUMPTION

The Company has incurred a net loss of Rs. 95.602 million (2019: Rs. 132.551 million) and its accumulated losses are Rs. 1,336.039 million (2020: Rs. 1,240.436 million). The current liabilities of the company exceeds its current assets by Rs. 537.222 million and liquid assets by Rs. 572.95 million. The company has also been facing long overdue receivables, 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 (note 15).

Further, the Company is in process of negotiating with syndicate consortium to arrange for working capital need to resume commercial production. The management is also working on other option to induct a strategic investor to provide the required working capital. The Company is expected to earn net 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, 2020 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, 2020, 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, 2020.

2.4 The comparative Statement of Financial Position presented in these condensed interim financial statements as at December 31, 2020 has been extracted from the audited Financial Statements of the Company for the year ended June 30, 2020, 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, 2020 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, 2020.

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, 2020, 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 ending June 30, 2021.**

  There are certain amendments to approved accounting standards which are mandatory for accounting periods beginning on or after July 1, 2020 but are considered not to be relevant or have any significant effect on the Company$ 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, 2021**

  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, 2021 but are considered not to be relevant or expected to have any significant effect on the Company$ financial reporting.

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, 2020.

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, 2020.

	Note	(Un-Audited) December 31, 2020 Rupees	(Audited) June 30, 2020 Rupees
6 PROPERTY, PLANT AND EQUIPMENT			
Operating assets	6.1	**2,564,461,957**	2,591,489,300
		2,564,461,957	2,591,489,300

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 December 31, 2020									
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	**-**	**(59,547,331)**	**(4,481,784)**	**(3,001,731)**	**(668,349)**	**(822,282)**	**(6,006,163)**	**(4,095,373)**	**(78,623,013)**
	157,876,220	**172,999,271**	**2,226,268,945**	**807,568**	**169,151**	**1,106,020**	**4,258,611**	**976,171**	**2,564,461,957**
As at June 30, 2020									
Cost	157,876,220	232,546,602	2,230,750,729	3,809,299	3,108,500	1,928,302	10,264,774	5,071,544	2,645,355,970
Accumulated depreciation	-	(50,442,106)	(4,481,784)	(2,936,252)	(2,378,701)	(731,187)	(5,660,869)	(3,923,108)	(70,554,007)
	157,876,220	182,104,496	2,226,268,945	873,047	729,799	1,197,115	4,603,905	1,148,436	2,574,801,963
Period ended December 31, 2020									
Opening net book value	**157,876,220**	**182,104,496**	**2,226,268,945**	**873,047**	**729,799**	**1,197,115**	**4,603,905**	**1,148,436**	**2,574,801,963**
Additions	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Deletion	**-**	**-**	**-**	**-**	**(514,761)**	**-**	**-**	**-**	**(514,761)**
Depreciation charged	**-**	**(9,105,225)**	**-**	**(65,479)**	**(45,887)**	**(91,095)**	**(345,294)**	**(172,265)**	**(9,825,245)**
Net book value as at December 31, 2020	**157,876,220**	**172,999,271**	**2,226,268,945**	**807,568**	**169,151**	**1,106,020**	**4,258,611**	**976,171**	**2,564,461,957**
Year ended June 30, 2020									
Opening 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	-	-	-	(17,728)	(41,538)	-	(53,701)	-	(112,967)
Depreciation charged	-	(20,233,833)	-	(155,505)	(187,066)	(214,340)	(819,060)	(492,186)	(22,101,990)
Net book value as at June 30, 2020	157,876,220	182,104,496	2,226,268,945	873,047	729,799	1,197,115	4,603,905	1,148,436	2,574,801,963
Rate of Depreciation	**-**	**10%**	**Units of production**	**15%**	**20%**	**15%**	**15%**	**30%**	

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

	December 31, 2020 Rupees	June 30, 2020 Rupees
Cost of sales	**9,563,795**	26,088,540
Administrative and selling expenses	**261,450**	718,705
	9,825,245	26,807,245

6.1.2 Free-hold land includes land, comprise of 326 kanal and 12 marla, situated at 52 Km, Multan 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 charged to plant and machinery as number of units produced were nil during the period as per company's policy.

	Note	(Un-Audited) December 31, 2020 Rupees	(Audited) June 30, 2020 Rupees
7 INTANGIBLE ASSETS			
Computer Software			
COST			
As at July 01,		**1,111,350**	1,111,350
Addition during the period		**-**	-
Balance as at December 31,		**1,111,350**	1,111,350
ACCUMULATED AMORTIZATION			
As at July 01,		**(444,540)**	(111,135)
Amortization charge for the period		**(166,703)**	(333,405)
Balance as at December 31,		**(611,243)**	(444,540)
Written down value as at Decemebr 31,		**500,107**	666,810

The Company amortizes intangible asset on straight line basis over the period of useful life. The remaining useful life of intangible asset as on 31 December 2020 would be 1.5 years.

	Note	(Un-Audited) December 31, 2020 Rupees	(Audited) June 30, 2020 Rupees
8 STOCK IN TRADE			
Raw material		**4,781,225**	4,781,225
Work in process		**2,651,760**	17,955,072
Finished goods		**1,440,969**	8,972,111
		8,873,954	31,708,408

	Note	(Un-Audited) December 31, 2020 Rupees	(Audited) June 30, 2020 Rupees
9 CASH AND BANK BALANCES			
Cash in hand		**3,787**	8,982
Cash at banks:			
- current accounts		**742,259**	361,969
- deposit accounts	9.1	**21,532**	532,339
		763,791	894,308
		767,578	903,290

9.1 It includes balances pertaining to repayment account for long term loans amounting to Rs. 2,757/- (30 June 2020: Rs. 513,247/-). Management of the company as per arrangement can't withdraw amounts once deposited in this bank account.

10 SHARE CAPITAL

(Un-Audited) December 31, 2020 Number of shares	(Audited) June 30, 2020 Number of shares		Note	(Un-Audited) December 31, 2020 Rupees	(Audited) June 30, 2020 Rupees
AUTHORIZED SHARE CAPITAL					
360,000,000	360,000,000	Authorized share capital of Rs. 10 each		**3,600,000,000**	3,600,000,000
ISSUED, SUBSCRIBED AND PAIDUP CAPITAL					
315,733,860	315,733,860	Ordinary share of Rs.10 each fully paid in cash	10.1	**3,157,338,600**	3,157,338,600

10.1 It includes 84,166,705 (June 2020: 84,166,705) ordinary shares of Rs.10/- each amounting to Rs. 841,667,050/- (June 2020: Rs. 841,667,050/-) held by related parties.

10.2 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.

10.3 The company has not reserved shares for issue under options or sale contracts.

10.4 Reconciliation of shares is not required in view of no change.

	Note	(Un-Audited) December 31, 2020 Rupees	(Audited) June 30, 2020 Rupees
11 DISCOUNT ON ISSUE OF RIGHT SHARES		**1,365,481,480**	1,365,481,480

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

12 ADVANCE FOR ISSUANCE OF SHARES-UNSECURED

From Crescent Star Insurance Limited and its assignees		**354,279,066**	354,279,066
From directors		**3,820,953**	3,820,953
		358,100,019	358,100,019

The Company has received advance against issuance of shares from the Crescent Star Insurance Limited (CSIL), associated company, and directors of the company which will be adjusted against shares in capital of the company whenever there is next issue. These amounts are un-secured and interest free. In the previous year, 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 and notice of assignment dated February 08, 2019 respectively which was approved by the board on February 27, 2019 with the same understanding. At that time CEO of CSIL was also chairman and director of Dost Steels Limited. Refer note 14 also on contingencies.

13 LONG TERM FINANCING - SECURED

From banking companies and financial institutions

Term Finance - Restructured Facilities	13.1		
Opening balance		**794,341,078**	794,341,078
Paid during the year		**(526,375)**	-
		793,814,703	794,341,078
Less: Current portion		**(93,150,964)**	(69,863,222)
Less: Overdue portion	13.1.1	**(82,652,125)**	(59,890,760)
		(175,803,089)	(129,753,982)
		618,011,614	664,587,096

13.1 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-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 has not signed this agreement so far.

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.

13.1.1 Overdue portion of liability represents full amount due upto 31 December 2020 including the partial installment of fourth quarter of year 2019, all four installments of the year ended June 30, 2020, two installments of half year ended December 31, 2020 and full portion of Pak Kuwait Investment Company (Private) Limited. Pak Kuwait Investment Company (Private) Limited has neither signed the restructuring agreement nor accepted the payment.

	Note	**(Un-Audited) December 31, 2020 Rupees**	(Audited) June 30, 2020 Rupees
14 DEFERRED LIABILITIES			
Deferred Taxation		**-**	-
Staff gratuity	**14.1**	**21,390,973**	19,141,845
		21,390,973	19,141,845

14.1 Staff gratuity

Movement in net defined benefit obligation recognized in statement of financial position:

Opening balance		**19,141,845**	14,643,590
Provision for the period/year	**14.1.1**	**2,249,128**	4,498,255
		21,390,973	19,141,845
Less: Payments made during the year		**-**	-
		21,390,973	19,141,845

14.1.1 The Company operates a non-funded gratuity scheme for all its permanent employees subject to completion of a prescribed qualifying period of service. Actuarial valuation of the gratuity scheme undertaken at appropriate regular intervals and the latest valuation was carried out at 30 June 2019, using the "Projected Unit Credit Method". However, the amount is charged on the basis of last drawn salary of eligible employees with the company since 30 June 2020.

Provision of gratuity for the year has been allocated as follows:

Cost of sales	**17**	**304,692**	608,505
Administrative and selling expenses		**1,944,436**	3,889,750
		2,249,128	4,498,255

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 13 and are not following up the earlier suits.

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 12. 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 the company does not accept being against the agreed terms and is apparently illegal demand. The amount of disputed markup till 30 June 2020 calculates to Rs. 187,474,579/-.

15.2 Commitments

Non-capital commitments - Post dated cheques	**2,951,566**	3,444,535

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

	Note	(Un-Audited) December 31, 2020 Rupees	(Un-Audited) December 31, 2019 Rupees
16 SALES			
Bar sales		**-**	8,551,946
End cut		**3,625,834**	4,954,374
		3,625,834	13,506,320
Less : Sales tax		**(604,306)**	(2,236,290)
		3,021,528	11,270,030
17 COST OF SALES			
Raw material consumed			
Add: Opening stock of raw material		**4,781,225**	4,781,225
Purchased during the period		**-**	-
Less: input sales tax adjustment		**-**	(694,708)
Less: closing stock of raw material		**(4,781,225)**	(4,086,517)
		-	-
Manufacturing overheads			
Salaries, Wages and other benefits		**4,398,868**	12,210,175
Stores and spares consumed		**-**	-
Fuel, power and water		**3,193,950**	3,503,242
Travelling and conveyance		**1,050**	11,030
Rent, rates and taxes		**-**	241,931
Mess expenses		**-**	23,767
Entertainment		**14,000**	11,412
Repair and maintenance		**116,978**	208,304
Printing and stationery		**1,265**	600
Internet charges		**2,688**	63,933
Insurance		**-**	794,708
Depreciation	**6.1.1**	**9,563,795**	10,708,645
Others		**-**	7,230
		17,292,594	27,784,977
Add: Opening stock- work in process		**17,955,072**	18,909,792
Less: input sales tax adjustment		**-**	(2,262,536)
Less: Closing stock- work in process		**(2,651,760)**	(13,629,736)
		15,303,312	3,017,520
Cost of goods manufactured		**32,595,906**	30,802,497
Add: opening stock of finished goods		**8,972,111**	23,844,853
			(4,113,056)
Less: Closing stock of finished goods		**(1,440,969)**	(9,148,441)
		7,531,142	10,583,356
		40,127,048	41,385,853
18 OTHER OPERATING INCOME			
Income from financial instruments			
Profit on Bank Deposit Accounts		**17,278**	27,876
Provision reversed during the period		**-**	506,560
Exchange Gain		**806,990**	-
		824,268	534,436
Income from non financial instruments			
		-	-
		824,268	534,436

	Note	(Un-Audited) December 31, 2020 Rupees	(Un-Audited) December 31, 2019 Rupees

19 LOSS PER SHARE - BASIC & DILUTED

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

Loss attributable to ordinary shareholders	Rupees	**(95,602,330)**	(132,550,619)
Weighted average number of ordinary shares in issue		**315,733,860**	315,733,860
Loss per share - basic and diluted	Rupees	**(0.30)**	(0.42)

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

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.

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

Key management personnel:

Short term borrowings - Unsecured/Interest free

Adjustment against sale of vehicle at WDV	**514,761**	-
Loan obtained from Sponsers - Net	**33,344,025**	1,751,560

Salaries & benefits charged

Remuneration of Chief Executive & directors	**19,104,000**	20,106,666
Meeting Fee Paid	**-**	-

Advance for issuance of shares - unsecured of Rs. 358,100,019/- (June 30, 2020: Rs. 358,100,019/-) and Short term borrowings - unsecured of Rs. 192,178,461/- (June 30, 2020: Rs. 159,349,198/-) is due to associated undertakings and related parties. Shares held by related parties are disclosed in note 10.1. Refer note 12 and 15.1.2 also.

21 *IMPACTS OF COVID-19 ON THE CONDENSED INTERIM FINANCIAL STATEMENTS*

A novel strain of corona virus (COVID-19) that was classified as a pandemic by the World Health Organization in March 2020, impacting countries globally. This pandemic has significantly affected all segments of economy. The fair value determination at the measurement date has become more challenging due to the uncertainty of the economic impact of COVID-19. The Company expects that going forward these uncertainties would reduce as the impact of COVID-19 on overall economy subsides and management have evaluated and concluded that there is additional uncertainty other than those disclosed at note 1.1 and there are no material implications of COVID-19 impacts that requires disclosures/ adjustments in these condensed interim financial statements.

22 SUBSEQUENT MATERIAL EVENTS

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

23 DATE OF AUTHORIZATION FOR ISSUE

The condensed interim financial statements were authorized for issue on __________ by the board of directors of the company.

24 GENERAL

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

Chief Executive Officer | **Chief Financial Officer** | **Director**