



Drekkar Kingsway Limited

**Annual Report
2014 - 2015**

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

ANNUAL REPORT
2015

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VISION STATEMENT

We aspire to be known for the quality of our management and develop relationships with our stakeholders based on cooperation and ethical values.

MISSION STATEMENT

We strive to achieve excellence by meeting expectations of stakeholders through efficient, effective and organized management keeping constant high quality standards.

Company Information

Drekkar Kingsway Limited (Formerly Gauhar Engineering Limited) was registered on June 28, 1993 under Companies Ordinance 1984 as Private Limited Company and subsequently converted into Public Limited Company as on June 29, 1994. The shares of the Company are quoted on Karachi Stock exchange. The primary business of company was manufacturing of all type of electrical appliances, cosmetics, toiletries, leather goods, machinery, components and parts. In 1996 the company sold its plant and machinery. The Company is currently engaged in making equity investments in undervalued and special situations.

We are able to bring highest potential cogs who have demonstrated their skills to compete and sustain at local and international avenues, with those business visionaries, investors and experts that will enable opportunities and potential for all the stakeholders rather than provide a mere assessment.

Board of Directors	Mr. Humayun Gauhar	Chairman & CEO
	Mr. Muhammad Ali Gauhar	Director
	Mr. Rais Umair Habib Ahmed	Director
	Mr. Muhammad Ubaid	Director
	Mr. Aurangzeb Noor	Director
	Mr. Danish Kaiser Monnoo	Director
	Mr. Sheraz J. Monnoo	Director
Board Audit Committee	Mr. Rais Umair Habib Ahmed	Chairman
	Mr. Muhammad Ubaid	Member
	Mr. Muhammad Ali Gauhar	Member
Risk Management Committee	Mr. Sheraz J. Monnoo	Chairman
	Mr. Aurangzeb Noor	Member
	Mr. Muhammad Ali Gauhar	Member

Procurement Committee	Mr. Danish Kaiser Monnoo	Chairman
	Mr. Muhammad Ubaid	Member
	Mr. Sheraz J. Monnoo	Member

Board HR & Remuneration Committee	Mr. Aurangzeb Noor	Chairman
	Mr. Rais Umair Habib Ahmed	Member
	Mr. Sheraz J. Monnoo	Member

Company Secretary & CFO	Mr. Zafar Iqbal
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Registered Office	Office No 17, 2nd Floor, Anique Arcade,
	I-8 Markaz, Islamabad
	Phone: +92 (51) 4862331
	Fax : +92 (51) 4862330

Auditors	Horwath Hussain Chaudhry
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Legal Advisor	Ch. Abdul Khaliq
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Bankers	Faysal Bank Limited (Islamic Banking)
Share Registrar	F. D. Registrar Services (SMC-Pvt) Limited.
	1705, 17th Floor, Saima Trade Tower A,
	I.I Chundrigar Road Karachi.
	Phone: (+92-21) 35478192-93, 32271906
	Fax : (+92-21) 32621233

Our Values

1. The Company's Policy is to conduct business with honesty and integrity and to be ethical in all its dealings showing respect for the interest of those with whom it has relationships.
2. The Company complies with all laws and regulations. All employees are expected to familiarize themselves with laws and regulations governing their individual areas of responsibility, and not to transgress them. In case of any doubt the employees are expected to seek necessary advice. The Company believes in fair competition and supports appropriate competition laws.
3. The Company does not support any political party nor contribute to the funds of groups whose activities promote party interests.
4. The Company is committed to run its business in an environment that is sound and sustainable. As a good corporate entity, the Company recognizes its social responsibilities and will endeavor to contribute to community activities as a whole.
5. The Company believes in and fully adheres to the principles of reliability and credibility in its financial reporting and in transparency of business transactions.
6. The Company is an equal opportunity employer. Its employee recruitment and promotional policies are free of any gender bias and are merit and excellence oriented. It believes in providing its employees safe and healthy working conditions and in maintaining good channels of communications.
7. The Company expects its employees to abide by certain personal ethics whereby Company information and assets are not used for any personal advantage or gain. Any conflict of interest should be avoided, where it exists it should be disclosed and guidance sought.

The Board of Directors has constituted the 'Board Audit & Risk Management Committee' to ensure Compliance of above principles.

Notice of Annual General Meeting

Notice is hereby given that the 22nd Annual General Meeting of Drekkar Kingsway Limited will be held on Friday, 30 October, 2015 at 11.00 am at Islamabad Club, to transact the following business: -

1. To confirm the minutes of 21st Annual General Meeting held on Thursday 31, October 2014.
2. To receive, consider and adopt the Audited Accounts of the Company for the year ended June 30, 2015 together with Report of the Director's and Auditor's thereon.
3. To appoint Auditors for the year ending on 30th June 2016 and fix their remuneration. The retiring Auditors Horwath Hussain Chaudhry, Chartered Accountants, being eligible, have offered themselves for re-appointment.
4. To approve payment of final Cash Dividend of Rs. 2/- per share, i.e. 20 % to those who are Shareholders as at close of business on October 23, 2015.
5. To elect 7 Directors of the Company, as fixed by the Board of Directors in their meeting held on September 30, 2015 under the provisions of section 178 of the Companies Ordinance 1984, for a period of 3 years commencing from November 01, 2015. The Retiring Directors are:

1. Mr. Humayun Gauhar
3. Mr. Rais Umair Habib Ahmed
5. Mr. Aurangzeb Noor
7. Mr. Sheraz J. Monnoo

2. Mr. Muhammad Ali Gauhar
4. Mr. Muhammad Ubaid
6. Mr. Danish Kaiser Monnoo

6. To consider any other business with the permission of the Chair.

By order of the Board

Islamabad
October 08, 2015

Zafar Iqbal
Company Secretary

Note:

The Individual Members who have not yet submitted photocopy of their valid Computerized National Identity Card (CNIC) to the Company/Share Registrar, are reminded to send the same at the earliest directly to Company's Share Registrar, M/s F.D. Registrar Service (SMC - Pvt) Ltd 1705, 17th Floor, Saima Trade Tower-A, I.I. Chundrigar Road, Karachi. The Corporate Entities are requested to provide their National Tax Number (NTN). Please give Folio Number with the copy of valid CNIC / NTN details. Reference is also made to the Securities and Exchange Commission of Pakistan (SECP) Notifications SRO 779 (I) dated August 18, 2011, and SRO 831(I) 2012 dated July 05, 2012, which mandates that the dividend warrants should bear CNIC number of the registered member or the authorized person, except in case of minor(s) and corporate members:-

1. Share Transfer Books will be closed from October 24, 2015 to October 30, 2015 (both days inclusive) when no transfer of shares will be accepted for registration. Transfers in good order, received at the office of Company's Share Registrar M/s M/s F.D. Registrar Service (SMC - Pvt) Ltd 1705, 17th Floor, Saima Trade Tower-A, I.I. Chundrigar Road, Karachi by the close of the Business on October 15, 2015 will be treated in time for the purpose of payment of Final Dividend to the transferees.
2. All Members/Shareholders (whether holding Preference or Ordinary Shares) are entitled to attend and vote at the meeting. A Member may appoint a proxy who need not be a Member of the Company.
3. Duly completed instrument of proxy, and the other authority under which it is signed, or a notarially certified copy thereof, must be lodged with the Company Secretary at the Company's Registered Office (Office No 17, 2nd Floor, Anique Arcade, I-8 Markaz, Islamabad) at least 48 hours before the time of the Meeting.
4. Any change of address of Members should be immediately notified to the Company's Share Registrars, M/s F.D. Registrar Service (SMC - Pvt) Ltd 1705, 17th Floor, Saima Trade Tower-A, I.I. Chundrigar Road, Karachi . Account Holders will further have to follow the under mentioned guidelines as laid down by the Securities and Exchange Commission of Pakistan:

A. For Attending the Meeting:

- i) In case of individuals, the account holder or sub-account holder and / or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall authenticate his/her identity by showing his/her original valid Computerized National Identity Card (CNIC) or original passport at the time of attending the Meeting.
- ii) In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the Meeting.

B. For Appointing Proxies:

- i) In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall submit the proxy form accordingly.
- ii) The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- iii) Attested copies of valid CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- iv) The proxy shall produce his/her original valid CNIC or original passport at the time of Meeting.
- v) In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature of the person nominated to represent and vote on behalf of the corporate entity, shall be submitted along with proxy form to the Company.

C. Election of Directors:

The number of Directors to be elected at the Annual General Meeting has been fixed at SEVEN (07), by the Board of Directors at its meeting held September 30, 2015. Any person (including a retiring Director) who seeks to contest election for directorship of the Company shall, not later than 14 days before the date of the above said Annual General Meeting, file with the Company at its registered office:-

- i) Notice of his/her intention to stand for election, along with duly completed and signed Form 28 giving his/her consent to act as Director of the Company if elected, and certify that he is not ineligible to become a Director under the provisions of the Companies Ordinance 1984 and that he/she holds the qualification shares as per Article 71 of the Articles of Association of the Company.
- ii) Attested copy of valid CNIC and NTN.

Procedure for Election of Directors:

According to the Company's Articles of Association and the Companies Ordinance 1984, the following procedure is to be followed for nomination and election of Directors:

1. The election of seven (07) Directors will be for a term of three years, commencing from October 01, 2015.
2. The Directors shall be elected from persons who offer themselves for election and are not ineligible under Section 187 of the Companies Ordinance 1984.
3. The Company will at least seven (7) days prior to the general meeting, circulate the names of the candidates offering themselves for elections.
4. A person may withdraw his candidature any time before the election is held.
5. If the number of candidates equals the number of vacancies, no voting will take place and all the candidates will be deemed to have been elected.
6. In case of voting, a Member shall have votes equal to the number of shares held by him multiplied by seven (i.e. the number of Directors to be elected).
7. A Member may cast vote/s in favour of a single candidate or for as many of the candidates and in such proportion as the Member may choose.
8. The person receiving the highest number of votes will be declared elected, followed by the next highest, and so on, till all the vacancies are filled.

DIRECTOR'S REPORT

Dear Members,

On behalf of my colleagues on the board, I welcome to the twenty Second annual General Meeting of the Company and present before you the annual report, along with the audited financial statements of the Company, for the year ended June 30, 2015.

FINANCIAL PERFORMANCE

During the year, we directed all our efforts to improve the financial and operational condition of the company to create a fair value for our shareholders. Company is making all its best efforts for turning around its operations. In period under review, company invested its available funds in equity investments. To this effect, sizeable investments were made in oil, energy, cements, pharmaceuticals and FMCG. The company made gain on investment amounting to Rs. 43.490 million. Company's after tax profit was 41.473, resulting earnings per share – basic of Re.18.52, as shown in the accompanying financial statements.

Rupees in Thousand

Year Ended 30.06.2015	Year Ended 30.06.2014
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FINANCIAL RESULTS AND APPROPRIATIONS

Profit before Taxation for the year	41,473,176	6,313,590
Taxation	-	-
Profit after Tax	41,473,176	6,313,590

BOARD OF DIRECTORS

The Board comprises of one Executive, four non executive and two independent directors.

BOARD OF DIRECTORS MEETINGS

During the year 2014-15, Five meetings of the Board were held. The attendance of the Board members was as follows:

Mr. Humayun Gauhar	05
Mr. Sheraz J. Monnoo	05
Mr. Muhammad Ali Gauhar	04
Mr. Aurangzeb Noor	05
Mr. Danish Kaisar Monnoo	04
Mr. Rais Umair Habib Ahmed	05
Mr. Muhammad Ubaid	05

Those Directors, who have not attended the required number of meetings, have applied for leave of absence which was duly granted by the Board.

PATTERN OF SHAREHOLDING AND SHARES TRADED

The pattern of shareholding and additional information regarding pattern of shareholding is attached separately.

No trading in the shares of the Company was carried out by the Directors, the Chief Executive Officer and the Company Secretary and their spouses and minor children during the year under review.

EARNING / LOSS PER SHARE

Profit per share for the year ended 30 June 2015 was Rs. 18.52 as compared to loss per Share of Rs. 2.82 of the last year.

AUDITORS

The Audit Committee and the Board of Directors have recommended appointing M/s Horwath Hussain Chaudury & Co. Chartered Accountants as the Auditor for the year 2015-2016.

COMMENTS ON AUDITOR'S REPORT**1. GOING CONCERN ISSUE**

Company was not doing any business since the past years. Fixed Assets of the company were sold in 1996. Company arranged funds and same funds were invested in marketable securities. Company intends to re-invest these funds to acquire plant and machinery. In last two years company has made profit amounting Rs.41,473,176/- and 6,313,590. Management of the company is quite hopeful to revive operations in near future.

2. LOAN FROM DIRECTORS

Director lo Loan was paid in cash to meet company day to day operations. It was not paid on any single day. As company was not doing any business, all the operational expenses whenever incurred were paid expenses by directors. IAS-39 was not applicable in earlier periods. Company started compliance onwards.

3. INVESTMENT IN SECURITIES

Memorandum of Association allows investment of idle funds which means the funds not invested in principle line of business. Since company was not doing principle line of business so the idle funds were invested in allowed marketable securities

4. SHARES OF PAKISTAN REFINERY LIMITED

Noor Capital (Pvt.) Ltd. acquired shares from Pakistan Refinery Limited under brokerage arrangement at Rs.10. The Share was sold to company on same rate in the best interest of the company. Since it was sold at the purchase price so it cannot be considered that the principle of arm's length transaction was violated.

STATEMENT ON CORPORATE FINANCIAL REPORTING FRAME WORK

The Company has complied with all the requirements of the Code of Corporate Governance by the listing regulations.

Accordingly the Directors are pleased to confirm the following:

- i) The financial statements together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984. These statements present fairly the Company's state of affairs, the results of its operations, cash flow and changes in equity.
- ii) Proper books of accounts of the Company have been maintained.
- iii) Appropriate accounting policies have been consistently applied in the preparation of financial statements which conform to the International Accounting Standards as applicable in Pakistan. The accounting estimates, wherever required are based on reasonable and prudent judgment.
- iv) The International Financial Reporting Standards, as applicable in Pakistan, have been followed in the preparation of financial statements.
- v) The system of Internal Control is sound in design and has been effectively implemented and monitored.
- vi) There are no significant doubts upon the Company's ability to continue as a going concern.

- There has been no material departure from the best practices of Corporate Governance, as
- vii) required by the listing regulations.

AUDIT AND RISK MANAGEMENT COMMITTEE

Audit and Risk Management Committee were established by the Board to assist the directors in discharging their responsibilities, Corporate Governance, Financial Reporting and Corporate Control. The Committee consists of three members.

The Board Audit and Risk Management Committee is responsible for reviewing reports of the company's financial results, audit and adherence to standards of the system of management controls. The Committee reviews the procedures, ensures their independence with respect to the services performed for the Company and makes recommendations to the Board of Directors.

The Audit and Risk Management Committee held five meetings during the year under review, each before the Board of Directors meeting to review the financial statements, internal audit reports and compliance of the Corporate Governance requirements. These meetings included meeting with external auditors before and after completion of audit and other statutory meetings as required by the Code of Corporate Governance.

The present constitution of the Committee is as under:

Mr. Muhammad Ubaid	Chairman
Mr. Rais Umair Habib Ahmed	Member
Mr. Muhammad Ali Gauhar	Member

CODE OF CONDUCT

In order to put in place professional standards and corporate values for promotion of integrity of the Board, senior management and other employees, the Board has approved and disseminated a Code of Conduct, defining therein acceptable and unacceptable behaviors. The same has been placed on the Company's Website.

NUMBER OF EMPOLYES

The numbers of employees as on 30 June 2015 were 10 compared to 9 of last year.

HUMAN RESOURCE AND REMUNERATION COMMITTEE

Human Resource and Remuneration Committee was established by the Board to assist the Directors in discharging their responsibilities with regard to selection, evaluation, compensation and carrier planning of key management personnel. It is also involved in recommending improvements in Company's human resource policies and procedures and their periodic review. The Committee consists of three members. Two members of the Committee are Independent and one is non executive director.

RELATED PARTY TRANSACTIONS

All transactions with related parties are reviewed and approved by the Board. The Board approved pricing policy for related party transactions as disclosed in the notes to the accounts.

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

The requirements of the Code of Corporate Governance set out by the Stock Exchanges in their Listing Regulations, relevant for the year ended 30 June 2015 have been duly complied with. A statement to this effect is annexed with the report.

WEB PRESENCE

Company's periodic financial statements for the current financial year including annual reports for the last three years are available on the Company's website www.drekkarkingsway.com for information of the investors.

SAFETY AND ENVIRONMENTS

The company strictly complies with the standards of the safety rules & regulations. It also follows environmental friendly policies.

BUSINESS PLANS & ACHIEVEMENT OF TARGETS

Short medium and long term targets are set by the Board. Management endeavors to achieve those through better planning, concerted efforts and hard work. Each year a comprehensive business plan is chalked out and duly approved by the Board. The management believes that based on orders in hand and expansion in production and marketing facilities, the Company will operate as a "Going Concern" till indefinite period.

COMMUNICATION

Communication with the shareholders is given high priority. Annual, Half Yearly and Quarterly Accounts are circulated to them within the time specified in the Companies Ordinance, 1984. The Company also has a web site, which contains up to date information on Company's activities and financial reports. Every opportunity is given to the individual shareholders to attend and ask freely the questions about the Company's affairs at the Annual General Meeting.

ACKNOWLEDGMENT

The Board would like to thank all of their stakeholders and customers and suppliers of the Company for their valuable support and sheer confidence. Such confidence has allowed the Company to perform well in a difficult business environment.

The Board would like to thank executives, staff members and workers of the Company for their commitment, dedication and hard work. We continue to pray to Allah for the continued success of your Company and for the benefit of all stakeholders, and the country in general.

Dated: 08 October 2015
Islamabad

For and on Behalf of the Board
(Humayun Gauhar)
CEO

**STATEMENT OF COMPLIANCE
WITH THE CODE OF CORPORATE GOVERNANCE**
SCHEDULE I

[See paragraph 2(1)]

**Statement of Compliance with the
Public Sector Companies (Corporate Governance) Rules, 2013**

Name of company: **Drekkar Kingsway Limited**
(Formerly Gauhar Engineering Limited)
For the year ended: **6/30/2015**

- I. This statement is being presented to comply with the Code of Corporate Governance (CCG) contained in Regulation 35 of the listing Regulations of the Karachi Stock Exchange Limited for the purpose of establishing a framework of the good governance, whereby a listed company is managed in compliance with the best practices of the corporate governance.
- II. The company has complied with the provisions of the Rules in the following manner:

S.NO.	PROVISION OF THE RULES	RULE NO.	YES/ NO	REMARKS
1	The Independent Directors meet the criteria of independence as directed under the rules	2(d)	yes	
2	The Board has the requisite percentage of independent directors. At present the board includes :	3(2)	yes	
	Category	Names	Date of Appointment	
	Independent Directors	Humayun Gauhar	31-10-2012	
		Rais Umair Habib Ahmed	11-11-2014	
		Sheraz J. Monnoo	18-7-2014	
	Executive Directors	Muhammad Ubaid		
	Chairperson/ Non-Executive Director	Humayun Gauhar	31-10-2012	
	Non- Executive Directors	Danish Kaiser Monnoo	11-11-2014	
		Aurangzeb Noor	18-07-2014	
		M. Ali Gauhar		
3	A casual vacancy occurring on the board was filled up by the directors within ninety days.	3(4)	yes	
4	The Directors have confirmed that none of them is serving as a Director on more than five public sectors companies and listed companies simultaneously except their subsidiaries.	3(5)	yes	
5	The appointing authorities have applied the fit and proper criteria given in the Annexure in making nominations of the persons for election as board members under the provisions of the ordinance.	3(7)	yes	

S.NO.	PROVISION OF THE RULES	RULE NO.	YES/ NO	REMARKS
6	The chairman/chairperson of the board is working separately from the chief executive of the company.	4(1)	No	Company intends to appoints to separate official each position.
7	The chairman has been elected from amongst the independent directors.	4(4)	yes	
8	The board has evaluated the candidates for the position of the chief executive on the basis of the fit and proper criteria as well as the guidelines specified by the commission.	5(2)	yes	
9(a)	The company has prepared a "Code of Conduct" and has ensure that appropriate steps have been taken to dessiminate it throughout the company along with its supporting policies & procedures, including posting the same on the company's website. (Address of the Website to be indicted Drakkerkingsway.com)	5(4)	No	Although company has prepared code of conduct but same is available on Website of the Company
9(b)	The board has set in place adequate systems and controls for the identification & redressal of grievances arising from unethical practices.		yes	
10	The board has established a system of sound internal control to ensure compliance with the fundamental principles of probity and propriety ; objectivity, integrity and honesty; and relationship with the stakeholders , in the manner prescribed in the Rules.	5(5)	No	Company intends to comply with this requirement in future.
11	The board has developed and enforced an appropriate conflict of interest policy to lay down circumstances or considerations when a person may be deemed to have actual or potential conflict of interests, and the procedure for disclosing such interest.	5(5)(b) (ii)	yes	
12	The board has developed and implemented a policy on anti-corruption to minimize actual or percieved corruption in the company.	5(5)(b) (vi)	yes	
13(a)	The board has ensured equality of opportunity by establishing open and fair procedures for making appointments and for determining terms and conditions of service.	5(5)(c) (ii)	yes	
13(b)	A committee has been formed to investigating deviations from the company's Code of Conduct.		Yes	
14	The board has ensured compliance with the law as well as the company's internal rules and procedures relating to public procurement, tender regulations and purchasing and technical standards, when dealing with suppliers with goods and services in accordance with the PPRA Rules	5(5)(c) (iii)	yes	

S.NO.	PROVISION OF THE RULES	RULE NO.	YES/ NO	REMARKS
15	The board has developed a vision or mission statement, corporate strategy and significant policies of the company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.	5(6)	yes	
16	The board has quantified the outlay of any action in respect of service delivered or goods sold by the company as a public service obligation, and has submitted its request for appropriate compensation to the Government for consideration.	5(8)	yes	
17(a)	The board has met at least four times during the year.	6(1)	yes	
17(b)	Written notices of the board meeting, along with agenda and working papers, were circulated at least 7 days before the meetings.	6(2)	yes	
17(c)	The minutes of the meetings were appropriately recorded and circulated.	6(3)	yes	
18	The board has carried out performance evaluation of its members, including the chairman/chairperson and chief executive, on the basis of a process, based on specified criteria, developed by it. The board has also monitored and assessed the performance of senior management on annual/half-yearly/quarterly basis.	8	NO	Company intends to comply with this requirement in future.
19	The board has reviewed and approved the related party transactions placed before it after recommendations of the audit committee. A party wise record of transactions entered into with the related parties during the year has been maintained.	9	yes	
20	The board has approved the profit/loss account for, and balance sheet as at the end of, the first, second and third quarter of the year as well as the financial year end, and has placed the annual financial statements on the company's website. Monthly accounts were also prepared and circulated amongst the board members.	10	yes	
21	All the board members underwent an orientation course arranged by the company to apprise them of the material development and information as specified in the Rules.	11	NO	Company intends to comply with this requirement in future.
22(a)	The board has formed the requisite committees, as specified in the Rules.	12	NO	Company intends to comply with this requirement in future.
22(b)	The Committees were provided with written term of reference defining their duties, authority and composition.		yes	
22(c)	The minutes of the meetings of the committees were circulated to all the board members.		yes	
22(d)	The committees were chaired by the following non-executive directors:			

S.NO.	PROVISION OF THE RULES			RULE NO.	YES/ NO	REMARKS																		
	<table><tr><th>Committee</th><th>Number of Members</th><th>Name of Chair</th></tr><tr><td>Audit Committee</td><td>3</td><td>Rais Umair Habib Ahmed</td></tr><tr><td>Risk Management Committee</td><td>3</td><td>Sheraz J. Monnoo</td></tr><tr><td>Human Resources Committee</td><td>3</td><td>Aurangzeb Noor</td></tr><tr><td>Procurement Committee</td><td>3</td><td>Danish Kaiser Monnoo</td></tr><tr><td>Nomination Committee</td><td>-</td><td>-</td></tr></table>			Committee	Number of Members	Name of Chair	Audit Committee	3	Rais Umair Habib Ahmed	Risk Management Committee	3	Sheraz J. Monnoo	Human Resources Committee	3	Aurangzeb Noor	Procurement Committee	3	Danish Kaiser Monnoo	Nomination Committee	-	-			
Committee	Number of Members	Name of Chair																						
Audit Committee	3	Rais Umair Habib Ahmed																						
Risk Management Committee	3	Sheraz J. Monnoo																						
Human Resources Committee	3	Aurangzeb Noor																						
Procurement Committee	3	Danish Kaiser Monnoo																						
Nomination Committee	-	-																						
23	The board has approved appointment of chief financial officer, company secretary and chief internal auditor, with their remuneration and terms & conditions of employment, and as per their prescribed qualifications.			13/14	yes																			
24	The company has adopted IFRS notified by the commission under clause(i) of sub-section (3) of section 234 of the Ordinance.			16	yes																			
25	The directors' report for this year has been prepared in compliance with the requirements of the Ordinance and the Rules and fully describes the salient matters required to be disclosed.			17	yes																			
26	The directors, CEO and executives do not hold any interest in the shares of the company other than that disclosed in the pattern of shareholding			18	yes																			
27	A formal and transparent procedure for fixing the remuneration packages of individual directors has been set in place. The annual report of the company contains criteria and details of remuneration of each director.			19	yes																			
28	The financial statements of the company were duly endorsed by the chief executive and chief financial officer, before approval of the board.			20	yes																			
29	The board has formed an audit committee, with defined and written terms of reference, and having the following members :			21	yes																			
	<table><tr><th>Name of Member</th><th>Category</th><th>Professional background</th></tr><tr><td>Rais Umair Habib Ahmed</td><td></td><td>MBA</td></tr><tr><td>M.Ubaid</td><td></td><td>MBA</td></tr><tr><td>M.Ali Gauhar</td><td></td><td>BBA</td></tr><tr><td></td><td></td><td></td></tr></table>			Name of Member	Category	Professional background	Rais Umair Habib Ahmed		MBA	M.Ubaid		MBA	M.Ali Gauhar		BBA									
Name of Member	Category	Professional background																						
Rais Umair Habib Ahmed		MBA																						
M.Ubaid		MBA																						
M.Ali Gauhar		BBA																						
	The chief executive and chairman/chairperson of the board are not members of the audit committee.				Yes																			

S.NO.	PROVISION OF THE RULES	RULE NO.	YES/ NO	REMARKS
30	The board has setup an effective internal audit function, which has an audit charter, duly approved by the audit committee, and which worked in accordance with the applicable standards.	22	yes	
31	The company has appointed its external auditors in line with the requirements envisaged under the Rules.	23	yes	
32	The external auditors of the company have confirmed that the firm and all its partners are in compliance with IFAC guidelines on code of ethics as applicable in Pakistan.	23(4)	yes	
33	The external auditors have not been appointed to provide non-audit services and the auditors have confirmed that they have observed applicable guidelines issued by IFAC in this regard.	23(5)	yes	
34	The company has complied with all the corporate and financial reporting requirements of the Rules.		Yes	

Chief Executive Officer
Director

SCHEDULE II
[See paragraph 2(3)]**Explanation for Non-Compliance with the
Public Sector Companies (Corporate Governance) Rules, 2013**

We confirm that all other material requirements envisaged in the Rules have been complied with [except for the following, towards which reasonable progress is being made by the company to seek compliance by the end of next accounting year]:"

Sr. No.	Rules/Sub Rules No.	Reasons for Non-Compliance	Future Course of Action
1	4(1)	Mechanism under preparation and adoption of methods	Will be complied gradually while seeking BOD Approvals etc in accordance with the Rules
2	5(4)	Mechanism under preparation and adoption of methods	Do
3	5 (5)	Mechanism under preparation and adoption of methods	Do
4	8	Mechanism under preparation and adoption of methods	Do
5	11	Mechanism under preparation and adoption of methods	Do
6	12	Mechanism under preparation and adoption of methods	Do

Chief Executive Officer**Director**

AUDITOR'S REVIEW REPORT TO THE MEMBERS**ON THE STATEMENT OF COMPLIANCE WITH THE BEST PRACTICES OF CODE OF THE CORPORATE GOVERNANCE**

We have reviewed the Statement of Compliance with the best practices contained in the Code of Corporate Governance prepared by the board of Directors of the **DREKKAR KINGSWAY LIMITED**, (Formerly Gauhar Engineering Limited) to comply with the requirements of chapter XI of the Listing Regulations of the Karachi, Lahore and Islamabad stock exchange where the company is listed.

The responsibility for compliance with the Code of Corporate Governance is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code of Corporate Governance and report if it does. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Codes.

As part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We have not carried out any special review of the control system to enable us to express an opinion as to whether the Board's statement on internal control covers all controls and the effectiveness of such internal controls.

Regulation 35(x) of the Listing regulations requires the company to place before the Board of Directors for their consideration and approval related party transactions distinguishing between transactions carried out on terms equivalent to those that prevails in arm's length transactions and transactions which are not executed at arm's length prices recording proper justification for using such alternate pricing mechanism. All such transactions are also required to be separately placed before the Audit Committee. We are only required and have ensured compliance of the requirement to the extent of approval of the related party transactions by the Board of Directors and placement of such transactions before the Audit Committee. We have not carried out any procedure to determine whether the related party transactions were undertaken at arm's length prices or not.

Based on our review nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices in the Code of Corporate Governance as applicable to the Company for the year ended 30 June 2015.

Further, we highlight instances of non-compliance with the requirements of the Codes as reflected in Schedule II to the Statement of Compliance.

HORWATH HUSSAIN CHAUDHURY & CO.
Chartered Accountants
Shahzad Qazi (FCA).

Dated: 21 September, 2015
Islamabad

AUDITOR'S REPORT TO THE MEMBERS

We have audited the annexed statement of financial position of DREKKAR KINGSWAY LIMITED, (Formerly Gauhar Engineering Limited) as at June 30, 2015 and related statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended, we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

It is the responsibility of the company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that: -

1. As stated in the note 3.1.2 to the financial statements, the company has accumulated loss of Rs. 9,666,395/- (June 30, 2014: Rs. 51,139,571/-) as at June 30, 2015 against issued, subscribed and paid up capital of Rs 22,392,000 /- (June 30, 2014: Rs. 22,392,000 /-) Further the company does not held enough finance to revive its operations. These circumstances give rise to significant uncertainty as to the ability of the company to continue operations as going concern in the foreseeable future. However, these financial statements do not include any adjustment relating to the recover ability and classification of recorded assets and classification of liabilities that might be necessary should the company be unable to continue as going concern.
2. Loan from director amounting to Rs. 28,672,571/- appearing in annexed financial statement was not in compliance with the requirement of applicable international financial reporting standard.
3. As stated in note 1, the company was initially doing business as a manufacturing unit. It has disposed off all its plant and machinery and is now involved in sale purchase of shares.

4. During the year, the company purchased shares of Pakistan Refinery Limited (right issue) on 29-6-2015 at a price of Rs. 10/- per share from an associated company Noor Capital (Private) Limited. The market value at the time of purchase was Rs. 58.87/-. The purchase price is also payable as given in note 5. Profit accounted for on this transaction on the basis of value on 30-6-2015 (Rs. 60.93) amounts to Rs. 43,490,700/-. The reasons for sale at lower rate than market value is not given and does not seem to be an arms' length transaction.

a. Except for the effects of the matter stated above, in our opinion, proper books of accounts have been kept by the company as required by the Companies Ordinance, 1984;

b. In our opinion:-

- i. except for the matters referred in stated above the statement of financial position and statement of comprehensive income account together with the notes thereon have been drawn in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied,
 - ii. The expenditure incurred during the year was for the purpose of the company's business; and
 - iii. The business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the company;
- c. In our opinion because of the effects of the matters discussed in the paragraph 1 to 4 the financial statements do not give a true and fair view of the statement of financial position of Drekkar Kingsway Limited as of June 30, 2015 and of its statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, given the information required by the Companies Ordinance, 1984,
- d. In our opinion no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980

HORWATH HUSSAIN CHAUDHURY & CO.

Chartered accountants

Shahzad Qazi (FCA)

Dated: 21 September, 2015

Islamabad

STATEMENT OF FINANCIAL POSITION
 AS AT JUNE 30, 2015

	Note	2015 (Rupees)	2014 (Rupees)
EQUITY			
SHARE CAPITAL			
AUTHORISED CAPITAL			
10,000,000 (2014: 5,000,000) Ordinary Shares of Rs.10/- each		100,000,000	50,000,000
ISSUED, SUBSCRIBED AND PAID UP			
2,239,200 (2014: 22,392,000) Ordinary Shares of Rs.10/- each fully paid		22,392,000	22,392,000
Un-appropriated (Loss)		(9,666,395)	(51,139,571)
		12,725,605	(28,747,571)
LONG TERM LIABILITIES			
Loan from Directors	4	38,484,683	28,672,571
Loan from Associated Undertaking	5	9,726,962	-
CURRENT LIABILITIES			
Short term loan-unsecured	6	1,107,412	-
Accrued & Other Payable		1,516,604	75,000
Total Equity and Liabilities		63,561,267	-
ASSETS			
NON-CURRENT ASSETS			
Fixed Assets	7	81,647	-
CURRENT ASSETS			
Investment in Securities	8	63,409,170	-
Advance Rent		14,000	-
Cash at Bank		51,450	-
Cash in Hand		5,000	-
Total Assets		63,561,267	-

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

CHIEF EXECUTIVE

DIRECTOR

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2015**

		2015 (Rupees)	2014 (Rupees)
Sales		-	-
Cost of sales and services		-	-
Gross profit		-	-
Gain on Investments in Shares of other companies		43,490,700	-
Deferred Other Income		653,487	-
Other Income - Director Loan Written off		-	6,750,000
		44,144,186	6,750,000
Administrative Expenses	9	(1,938,645)	(361,410)
Other Operating Expenses	10	(125,000)	(75,000)
Finance cost		(607,365)	
Profit Before Taxtion		41,473,176	6,313,590
Taxtion	11	-	-
Profit after taxtion		41,473,176	6,313,590
Other Comprehensive Income		-	-
Total Comprehensive Income		41,473,176	6,313,590
BASIC EARNING PER SHARE	17	18.52	2.82
DILUTED EARNING PER SHARE	17	4.15	0.63

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

CHIEF EXECUTIVE

DIRECTOR

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2015**

	2015 (Rupees)	2014 (Rupees)
CASH FLOWS FROM OPERATING ACTIVITIES:		
Profit for the year	41,473,176	6,313,590
Adjustment for non-cash items:	-	-
Gain on Investments	(43,490,700)	-
Director Loan Written off	-	(6,750,000)
Depreciation	5,353	-
Working Capital Changes		
Increase/(Decrease) in current liabilities	1,441,604	45,000
(Increase)/Decrease in current Assets	(14,000)	-
Net Cash Flow From Operating Activities	(584,566)	(391,410)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Investment in Marketable Securities	(63,409,170)	-
Capital Expenditure on Purchase Fixed Assets	(87,000)	-
Net Cash Flows From Investing Activities	(63,496,170)	-
CASH FLOWS FROM FINANCING ACTIVITIES:		
Director Loan	9,812,112	391,410
Long Term Loan	9,726,962	-
Short term loan-unsecured	1,107,412	-
Gain on Investments	43,490,700	-
Net Cash Flow From Financing Activities	64,137,186	391,410
Net Increase / (Decrease) in Cash and Cash Equivalent	56,450	-
Cash and Cash Equivalents at the beginning of the Year	-	-
18	56,450	-

The annexed notes form an integral part of these financial statements

CHIEF EXECUTIVE
DIRECTOR

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2015**

	Share capital	Unappropriate Profit/ (Loss)	Total
	(Rupees)	(Rupees)	(Rupees)
Balance as at July 01, 2013	22,392,000	(57,453,161)	(35,061,161)
Total Comprehensive Income for the year	-	6,313,590	6,313,590
Balance as at June 30, 2014	22,392,000	(51,139,571)	(28,747,571)
Total Comprehensive Income for the year	-	41,473,176	41,473,176
Balance as at June 30, 2015	22,392,000	(9,666,395)	12,725,605

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

CHIEF EXECUTIVE

DIRECTOR

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015****1 THE COMPANY AND ITS OPERATIONS**

Drekkar Kingsway Limited (Formerly Gauhar Engineering Limited) was registered on June 28, 1993 under Companies Ordinance 1984 as Private Limited Company and subsequently converted into Public Limited Company as on June 29, 1994. The shares of the Company are quoted on Karachi Stock exchange. The primary business of company was manufacturing of all type of electrical appliances, cosmetics, toiletries, leather goods, machinery, components and parts. In 1996 the company sold its plant and machinery. The Company is currently engaged in making equity investments in undervalued and special situations.

The registered office of the Company is situated at Office No. 17, 2nd Floor, Anique Arcade, 1-8 Markaz, Islamabad.

2 STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by International Accounting Standards Board as are notified under the provisions of companies ordinance 1984, and the requirements of companies ordinance, 1984 and the directives issued by the Securities and Exchange Commission of Pakistan (SECP). Where the requirements of the Companies Ordinance, 1984 or the directives issued by the SECP differ with the requirements of IFRS, the requirements of Companies Ordinance, 1984 or the directives issued by the SECP prevails.

3 SIGNIFICANT ACCOUNTING POLICIES**3.1 Basis of Preparation****3.1.1 New Standards, Interpretations and Amendments to Published Approved Accounting**

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

- IAS 27 - Separate financial statements (Amendments) - (effective for annual periods beginning on or after 01 January 2015).
- IAS 39 - Financial instruments: Recognition and measurements (Amendments) - (effective for annual periods beginning on or after 01 January 2015)
- IFRS 11 - Joint Arrangements - (effective for annual periods beginning on or after 01 January 2015)
- IFRS 13 - Fair value measurements - (effective for annual periods beginning on or after 01 January 2015)
- IAS 38 - Amendment to IAS 38 'Intangible Assets' - (effective for annual period beginning on or after 01 January 2016)
- IAS 16 - Amendment to IAS 16 'Property plant and Equipment' (effective for annual periods beginning on or after 01 January 2016)
- IFRS 14 - Regulatory Deferral Accounts - (effective for annual periods beginning on or after 01 January 2016)
- IFRS 15 - Revenue from contracts with customer - (effective for annual periods beginning on or after 01 January 2017)

3.1.2 Basis of Measurement

These financial statements have been prepared on the historical cost convention, except for certain investments which are measure at fair value as described in note 8. Although the company has profit for the year amounting to Rs. 41,473,176/- resulting the accumulated losses were reduced to Rs. 9,666,395/- (June 30, 2014: Rs. 51,139,571/-) as at June 30, 2015 against issued, subscribed and paid up capital of Rs. 22,392,000/- (June 30, 2014: Rs. 22,392,000/-). Further the company does not held enough finance to revive its operations. These circumstance give rise to significant uncertainty as to the ability of the company to continue operations as going concern in the foreseeable future. However these financial statements do not include any adjustment relating to the recoverability and classification of recorded assets and classification of liabilities that might be necessary should the company be unable to continue as going concern.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

The preparation of financial statements in conformity with approved accounting standards requires management to make judgments, estimates and assumptions that effect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience, industry trends, legal and technical pronouncements and various other factors that are believed to be reasonable under the circumstances. The estimates and underlying assumptions are reviewed on an on going basis. Revisions to accounting estimates are recognize in the period in which the estimates are revised. Significant areas involving high degree of judgments or complexity are areas where assumptions and estimates are significant to the financial statements are as follows:

(i) Useful lives of property, plant & equipment (notes 7)

The company reviews the useful lives of property, plant and equipment on a regular basis. Any change in estimates in future years might affect the carrying amounts of respective items of property, plant and equipment with a corresponding effect on the depreciation charge and impairment.

(ii) Classification and valuation of investments (note 3.4)

The company takes into accounts its intention for classification for investment as mentioned in note 3.4 at the time of purchase. The valuation of investments is done based on the criteria mentioned in the note 3.4

(iii) Income taxes

The company takes into accounts the current income tax law and the decisions taken by the appellate authorities. Instances where the company's view differs from the view taken by the income tax department at the assessment stage and where the company considers that its views on the terms of material nature is in accordance with the law, the amount is shown as contingent liability.

3.1.3 Functional and Presentation Currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates. These financial statements are presented in Pak Rupees, which is the Company's functional currency.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015****3.2 Taxation**

Income tax expense comprises of current tax

Current Tax

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

3.3 Operating Fixed Assets

Operating fixed assets are stated at cost less accumulated depreciation and impairment. Depreciation on all operating fixed assets is charged using straight method at the rate specified in note 7 without taking in account the residual value. Depreciation on additions is charged from the month the asset is available for use in the year of addition and on deletion up to the month preceding the month of deletion. Maintenance and normal repairs are charged to revenue as and when incurred. Major renewals and improvements are capitalized and the assets so replaced, if any, are retired. Gains or losses on disposal of property and equipment are charged to profit and loss account.

3.4 Investments

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

All investments are initially recognized at cost, being the fair value of consideration given including transaction cost associated with the investment except in the case of fair value through profit or loss investments where transaction costs are charged to the profit and loss account when incurred. (See Not 8 for Investment in Securities)

3.4.1 Investment available for sale

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015****3.4.2 Investments at fair value through profit or loss**

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

3.5 Cash and Cash Equivalents

Cash and cash equivalents consist of cash in hand and cash at banks, deposits etc.

3.5 Cash and Cash Equivalents

Cash and cash equivalents consist of cash in hand and cash at banks, deposits etc.

3.6 Financial instruments

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015****3.7 Finance Income and Finance Cost**

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**
4 DIRECTOR LOAN

		2015 (Rupees)	2014 (Rupees)
Humayun Gauhar - Director		28,672,571	28,672,571
Sheraz J. Monnoo - Director	4.1	11,000,000	-
		39,672,571	28,672,571
Effect of Discounting at Market rate of Interest	4.1	(1,187,888)	-
		38,484,683	28,672,571

- 4.1 This represents interest free loan obtained from directors (a related party) repayable on October 15, 2015. Future cash flows of the loan were discounted at the market interest rate to arrive at the fair value.

5 LOAN FROM ASSOCIATED UNDERTAKING

	2015 (Rupees)	2014 (Rupees)
Loan From Noor Capital (Private) Limited	10,000,000	-
Effect of Discounting at Market rate of Interest	(880,403)	-
Unwinding of discount on loan	607,365	-
	9,726,962	-

This represents loan obtained from Noor Capital (Private) Limited (a related party) repayable on June 30, 2016. The loan has been discounted at market interest rate of 8.88% (One year KIBOR 2%) p.a. Future cash flows of the loan were discounted at the market interest rate to arrive at the fair value.

6 SHORT TERM LOAN - UNSECURED

This represents interest free loan from related parties and are payable on demand.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**
7. PROPERTY, PLANT AND EQUIPMENT

All figures in PKR

As July 01, 2014

Cost

Accumulated Depreciation

Net Book Value

Furniture and Fixture	Office Equipment	Computer and Accessories	Total
-	-	-	-
-	-	-	-
-	-	-	-

Year Ended June 30, 2015

Opening Book Value

Addition

Deletions

Depreciation for the year

Closing Net Book Value

-	-	-	-
50,600	15,400	21,000	87,000
-	-	-	-
3,748	556	1,050	5,353
46,853	14,844	19,950	81,647

At June 30, 2015

Cost

Accumulated Depreciation

Net Book Value

46,853	14,844	19,950	81,647
-	-	-	-
46,853	14,844	19,950	81,647

15

10

30

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**
8. INVESTMENT IN SECURITIES

Investment are carried at fair value through Profit and Loss account

	NO. OF SHARES	FAIR VALUE (RUPEES)
Askari Bank Limited	10,000	212,100
Bawany Air Products Limited	2,500	16,975
First U.D.L. Modarba	5,000	123,900
Hascol Petroleum Limited	1,000	114,510
Hum Network Limited	10,000	160,900
JS Bank Limited	125,000	922,500
Pakistan National Shipping Corporation	1,000	106,250
The Searl Company Limited	50	16,035
Treat Corporation Ltd -Unpaid Right	50,000	806,000
Pakistan Refinery Limited	1,000,000	60,930,000
8.1	1,204,550	63,409,170

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

	2015	2014
	(Rupees)	(Rupees)
9. ADMINISTRATIVE EXPENSES		
Commission	15,000	-
Communication	28,838	-
Entertainment - Meal	178,161	-
Fuel Expense	38,730	-
Hotel Accommodation	17,818	-
Janitorial Services	10,000	-
Legal Fee	544,095	121,410
Office Supplies	20,987	-
Postage & Courier	14,870	-
Printing & Stationery	46,420	-
Professional Fees	10,149	-
Repair and Maintenance	69,350	-
Salaries Expenses	706,000	240,000
Rent Expense	182,000	-
Travel Expense	19,280	-
Utilities	27,394	-
Bank Service Charges	350	-
Advertisement Expense	3,850	-
Depreciation	5,353	-
	<u>1,938,645</u>	<u>361,410</u>
10. Other Operating Expenses		
Audit Fee	125,000	75,000
	<u>125,000</u>	<u>75,000</u>
11. TAXATION FOR THE YEAR		
Company has not generated any taxable income as no plant is in operation. Therefore, no provision for taxation is charged		
12. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES		
The Chief Executive, Directors do not take any remuneration.		
13. TRANSACTIONS AND BALANCES WITH ASSOCIATED UNDERTAKINGS/RELATED PARTIES		
The associated undertakings / related parties comprise of associated companies, key management personnel. Transactions carried out with associated undertakings / related parties during the year are as follows:		
With associated undertakings / related parties		
Noor Capital (Private)) Limited	9,726,962	-
Short term loan	1,107,412	-
Purchase of share of Pakistan refinery Limited	10,000,000	-
With key management personnel		
Loan from Directors	38,484,683	28,672,571

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**
14. DISCLOSURE RELATING TO PROVIDENT FUND

No provident fund was maintained by the company.

15. NUMBER OF EMPLOYEES

Number of employees as at June 30

Average number of employees during the year

2015 (Rupees)	2014 (Rupees)
10	9
10	8

16. FINANCIAL INSTRUMENTS

All figures are in PKR

2015							Total
Interest / markup bearing			Non-Interest / Interest markup bearing				
Maturity up to one year	Maturity after one year	Sub Total	Maturity up to one year	Maturity after one year	Sub Total		
Investment in securities	-	-	63,409,170	-	63,409,170	63,409,170	
	-	-	14,000	-	14,000	14,000	
	-	-	56,450	-	56,450	56,450	
	-	-	63,479,620	-	63,479,620	63,479,620	
</							

16.1 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

16.2 RISK MANAGEMENT FRAMEWORK

The Board of Directors has the overall responsibility for establishment and overnight of the Company's risk management framework. The executive management team is responsible for developing and monitoring the Company's risk management policies. The team regularly meets and any changes and compliance issues are reported to the Board of Directors.

16.3 CREDIT RISK

Credit risk represents the risk of a loss if the counter parties fail to perform as contracted. The Company's credit risk mainly arises from deposits with banks, loan to employees, advances and trade and other receivables.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015****17. DILUTED EPS AND ISSUANCE OF RIGHT SHARES**

2015 (Rupees)	2014 (Rupees)
------------------	------------------

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

KSE has approved 346.59% of issuance of right shares of company which will be allotted to respective share holders on October 15, 2015 according to approved schedule. Consequently number of paid up shares will be increased from 2,239,200 to 10,000,000. For Diluted EPS 10,000,000 shares has been taken for calculation purposes.

18. CASH AND CASH EQUIVALENTS

Cash at Bank	51,450	-
Cash in Hand	5,000	-
	<u>56,450</u>	<u>-</u>

19. GENERAL

19.1 Figures have been rounded off to the nearest rupee.

19.2 Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of better presentation and comparison. There have been no significant re-arrangements or reclassifications to be disclosed in these financial statements.

20. DATE OF AUTHORIZATION

These financial statements were authorized for issue by the management on 21 September, 2015

CHIEF EXECUTIVE

DIRECTOR

F. D Registrar Services (SMC-Pvt) Limited
Drekkar Kingsway Limited
Pattern Of Share Holding - Form "34"
Shareholders Statistics As At June 30, 2015

Number Of Share Holders	Share Holding From	To	Total Shares Held
26	1	100	411
75	101	500	36,632
51	501	1000	51,000
81	1001	5000	237,949
26	5001	10000	206,000
6	10001	15000	82,000
3	15001	20000	55,008
4	20001	25000	99,000
2	25001	30000	53,000
1	30001	35000	35,000
2	65001	70000	135,500
2	70001	75000	145,500
1	90001	95000	91,500
2	100001	105000	204,800
1	105001	110000	107,900
1	120001	125000	124,000
1	220000	225000	224,000
1	345001	350000	350,000
286			2,239,200

S. No.	Categories Of Shareholders	Number Of Share Holders	Total Shares Held	Percentage
1	Individuals	277	1,734,600	77.47
2	Financial Institutions	1	107,900	4.82
3	Investment Companies	3	260,400	11.63
4	Joint Stock Companies	5	136,300	6.09
		286	2,239,200	100.00

Details Of Pattern Of Shareholdings As On June 30, 2015

S. No.	Categories Shareholders	Shares Held	% Age
1	Directors, CEO, Their Spouses And Minor Childern	352,000	15.72
1	Mr. Humayun Gauhar	500	
2	Mr. Aurangzeb Noor	500	
3	Mr. Sheraz J. Monnoo	175,000	
4	Mr. Danish Kaiser Monnoo	175,000	
5	Mr. Rais Umair Habib Ahmed	500	
6	Mr. Muhammad Ubaid	500	
7	Mr. Muhmmad Ali Gauhar	500	
2	Individuals	1,382,600	61.75
3	Banks, DFIS, NBFIS, Insurance Companies, Modarabas Joint Stock Companies, Mutual Funds And Others	504,600	22.53
Total		2,239,200	100

Shareholders Holding Five Percent Or More In The Company

Mohammad Tariq Nadeem	224,000	10
Mr. Sheraz J. Monnoo	175,000	7.82
Mr. Danish Kaiser Monnoo	175,000	7.82
Ram Chand	124,000	5.54



DREKKAR KINGSWAY LIMITED

(Formerly Gauhar Engineering Limited)

FORM OF PROXY

The Company Secretary,
Drekkar Kingsway Limited,
Formerly Gauhar Engineering Limited
17, Second Floor, Anique Arcade,
I – 8 Markaz,
ISLAMABAD

I/We _____ of _____
_____ being a member (s) of Drekkar Kingsway Limited and
holder of _____ ordinary shares as per Share Register Folio No. _____
(in case of Central Depository System Account Holder A/C no. _____)
hereby appoint Mr./ Ms. _____ of _____
(of failing him / her) Mr. / Ms. _____ of _____
as a proxy of vote on my / our behalf at the Annual General Meeting of the Company to be held
on Date: _____ at _____ Islamabad.
Signed this _____ day of _____ 2015.

WITNESS

Signature _____

Name _____

Address _____

Note:

1. A member entitled to attend and vote at the meeting may appoint any other person as his / her proxy to attend and vote instead of him / her. A Corporation being a member of the Company may appoint as its proxy any person authorized by the Directors of Corporation.
2. Proxies in order to be valid must be received at the company's Registered Office not less than 48 hours before the meeting duly stamped, signed and witnessed.
3. In case of Central Depository System Account Holder, an attested copy of identity card should be attached to this Proxy Form.

DREKKAR KINGSWAY LIMITED
(FORMERLY GAUHAR ENGINEERING LIMITED)

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