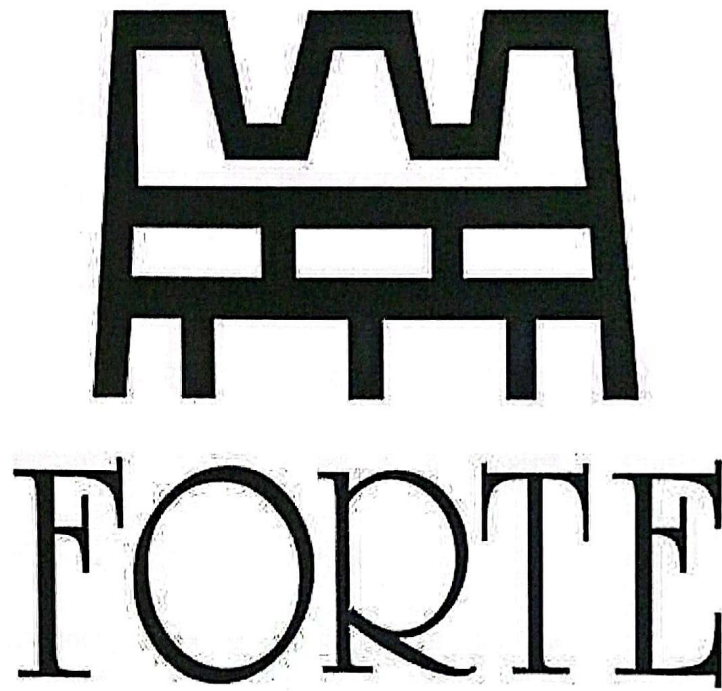


FRONTIER CERAMICS LIMITED



**Financial Statements**

For the Third Quarter & Nine Months Period Ended  
March 31, 2023

(UN-AUDITED)

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## VISION AND MISSION STATEMENT

### **VISION STATEMENT**

To become industry leader by instilling ethical and moral values, honest practices according to the Principles of Islam, offering the best innovative, competitive and quality products, ensuring direct benefit for all stake holders.

### **MISSION STATEMENT**

- Deliver un-paralleled value to customers by continuous striving and to exceed their expectations;
- Under the guiding principles of Islam, to inculcate the culture of honest practices, ethical and moral values in our employees;
- Special emphasis on workforce, health, safety, environment. Constant motivation of employees by fair benevolence;
- To ensure reasonable growth and profits of the Group, to the shareholders on their investment; and
- The Group will assert efforts towards the social development of society and be instrumental in the industrial growth of Pakistan.

## COMPANY INFORMATION

### BOARD OF DIRECTORS

Ms. Shabina Anjum Independent	Director & Chairperson
Mr. Omer Khalid	Non-Executive Director
Mr. Javid Khalid	Non-Executive Director
Mr. Zia Khalid	Executive Director
Ms. Numrah Khalid Executive	Director
Mr. Muhammad Riaz Khan	Independent Director
Mrs. Shazia Khalid	Non-Executive Director

### Audit Committee

Mr. Muhammad Riaz Khan	Chairman
Mr. Omer Khalid	Member
Mr. Javid Khalid	Member

### Human Resource & Remuneration Committee

Ms. Shabina Anjum	Chairperson
Ms. Numrah Khalid	Member
Mr. Javid Khalid	Member

### Chief Executive Officer

Mr. Nadeem Khalid

### Chief Financial Officer

Khawaja Mushtaq Ahmed FCA, ACIS  
[khawaja.mushtaq@forte.com.pk](mailto:khawaja.mushtaq@forte.com.pk)

### Company Secretary

Mr. Rehman Khan Sherwani  
[rehman.khan@forte.com.pk](mailto:rehman.khan@forte.com.pk)

### Head of Internal Audit

Mr. Wasif Naeem  
[wasif.naeem@forte.com.pk](mailto:wasif.naeem@forte.com.pk)

### Bankers

### Conventional Banks

Allied Bank Limited  
Bank Al Habib Limited  
Bank Alfiah Limited  
Faysal Bank Limited  
Habib Metropolitan Bank Limited

### Islamic Banks

Bank Al Habib Islamic Limited  
Bank Alfiah Islamic Limited  
Silk Emaan Islamic Bank Limited  
UBL Ameen Limited  
First Habib Islamic Income Fund

### Auditors

M/S BDO Ebrahim & Co Chartered Accountants  
4th Floor, Saeed Plaza, 22 East, Jinnah Avenue,  
Blue Area, Islamabad.

### Legal Advisor

Mr. Ishtiaq Ahmed  
Advocate & Legal Consultant  
Flat No. 42, Block C, 2<sup>nd</sup> Floor, Cantonment Plaza,  
Saddar Road, Peshawar Cantt.

### Registrar and Share Transfer Office

Central Depository Company of Pakistan Ltd  
CDC House, 99-B, Block B, S.M.C.H.S,  
Main Sharah-e-Faisal, Karachi. Ph: 021-111-111-500

### Head Office/Registered Office

29-Industrial Estate, Jamrud Road, Peshawar  
Ph: 091-5891470-79, Fax: 091-5830290.

### Website

[www.forte.com.pk](http://www.forte.com.pk)

or scan QR code





**FRONTIER CERAMICS LIMITED**  
**DIRECTORS' REPORT TO THE SHAREHOLDERS**  
**FOR THE THIRD QUARTER AND NINE MONTHS PERIOD ENDED MARCH 31, 2023**

The Board of Directors of Frontier Ceramics Limited takes pleasure in presenting its review of the financial performance and affair of the company for third quarter and nine months period ended March 31, 2023.

**FINANCIAL OVERVIEW AND HIGHLIGHTS**

				March 31, 2023	March 31, 2022
				(Rupees in Million)	
Sales Revenue (Net)	Increased by	10.80%	to	3,126.51	from 2,821.73
Gross Profit	decreased by	8.41%	to	387.04	from 422.57
Operating Profit	decreased by	35.66%	to	225.46	from 350.40
Profit before taxation	decreased by	45.86%	to	117.14	from 327.22
Profit after taxation	decreased by	62.00%	to	114.43	from 301.12
Earing per Share	decreased by	62.00%	to	3.02	from 7.95

During the period company sold 4,220,119 Sqm tiles vs. 4,090,050 Sqm tiles, of corresponding period.

During the period, net turnover increased by 10.80% due to increase in sales volume and sales price, the gross margins decreased to 12.38% as against 14.98%, due to rupee devaluation, raw material costs and freight and energy costs. Exchange loss of Rs 67.7M further reduced the bottom-line profitability of the Company. Besides all these challenges, your Company ended up at a positive bottom line of Rs. 114.43 million after tax as against profit of Rs. 301.12 million in the last year corresponding period.

**SPECIAL NOTE**

The Board of Directors of the Company did not recommend any dividend for the year ended June 30, 2022 mainly due to the liquidity reasons as in the first half for the year ending June 30, 2023, Company was committed to pay/settle significant amount of Rs.234.86 million towards deferred LC's payments for plant, machinery and raw material besides some other obligations

The above-mentioned reason for not declaring dividend in the Directors' report for the year ended June 30, 2022 were unfortunately erroneously missed to state in the Directors' Report.

**APPRECIATION**

We would like to thank our stakeholders for their continued support and our shareholders for their confidence in the leadership of the Board and management team of the Company. With your continuous support and by the grace of the Almighty, we remain committed to deliver good performance.

On behalf of the Board of Directors

Nadeem Khalid  
Chief Executive Officer

Numrah Khalid  
Director

Peshawar  
Dated: April 29, 2023

## فرنٹیر سرائکس لمیٹڈ

### حصص یافتگان کے لئے ڈائریکٹر رپورٹ

برائے تیسری سہ ماہی اور نو ماہ اختتامیہ 31 مارچ 2023

ڈائریکٹرز آپ کی کمپنی کی تیسری سہ ماہی اور نو ماہ اختتامیہ 31 مارچ 2023 کے مالیاتی نتائج پیش کرتے ہوئے خوش محسوس کرتے ہیں۔

### مالیاتی کارکردگی:

روپے ملین

3126.51 سے 2821.73	اضافہ 10.80%	محصولات فروخت (خالص)
387.04 سے 422.57	کی 8.41%	مجموعی منافع جات
225.46 سے 350.40	کی 35.66%	آپریٹنگ منافع
117.14 سے 327.22	کی 45.86%	منافع از ٹیکس
114.43 سے 301.12	کی 62%	منافع بعد ٹیکس
3.02 سے 7.95	کی 62%	آمدن فی حصص

اس دورانیہ میں کمپنی نے 4,220,119 مربع میٹر ٹرانزیکشن کی فروخت کی جو کہ پچھلے عرصے میں 4,090,050 مربع میٹر تھی۔

اس عرصے کے دوران، حجم اور قیمت میں اضافے کی وجہ سے خالص کاروبار میں 10.80 فیصد اضافہ ہوا، مجموعی مارجن 14.98 فیصد کے مقابلے میں کم ہو کر 12.38 فیصد ہو گیا۔ جس کی وجہ روپے کی قدر میں کمی، خام مال کی لاگت اور مال برداری اور توانائی کی لاگت میں نمایاں اضافہ ہے۔ M67.7 روپے کے ایکسیجنگ نقصان نے کمپنی کے منافع کو مزید کم کر دیا۔ ان تمام چیلنجوں کے باوجود آپ کی کمپنی نے بعد از ٹیکس منافع پچھلے سال کے 301.12 ملین منافع کے مقابلے میں 114.43 ملین کا منافع کمایا ہے۔

### خصوصی نوٹ:

کمپنی کے بورڈ آف ڈائریکٹرز نے 30 جون 2022 کو ختم ہونے والے سال کے لیے کسی بھی ڈیویڈنڈ کی سفارش نہیں جس کی بنیادی وجہ 30 جون 2023 کو ختم ہونے والے سال کی پہلی ششماہی میں لیکویڈیٹی تھی۔ کمپنی کچھ دیگر ذمہ داریوں کے علاوہ پلانٹ، مشینری اور خام مال کے لیے موخر ایل سی کی ادائیگیوں کے لیے 234.86 ملین روپے کی اہم رقم ادا کرنے کے لیے پر عزم تھی۔ ڈیویڈنڈ کا اعلان نہ کرنے کی مذکورہ وجہ 30 جون 2022 کو ختم ہونے والے سال کی ڈائریکٹرز کی رپورٹ میں نہیں بتائی گئی۔

### خدمات کا اعتراف:

ہم اپنے اسٹیک ہولڈرز کا ان کی مسلسل حمایت اور اپنے شیئر ہولڈرز کا کمپنی کے بورڈ اور انتظامی ٹیم کی قیادت پر اعتماد کے لیے شکریہ ادا کرنا چاہیں گے۔ آپ کے مسلسل تعاون اور اللہ تعالیٰ کے فضل و کرم سے ہم اچھی کارکردگی پیش کرنے کے لیے پر عزم ہیں۔

نعمت محمد خالد  
ڈائریکٹر

نعمت محمد خالد  
چیف ایگزیکٹو آفیسر

پشاور

مورخہ: 29 اپریل 2023

**FRONTIER CERAMICS LIMITED**  
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)**  
**AS AT MARCH 31, 2023**

		March 31, 2023 Rupees Un-audited	June 30, 2022 Rupees Audited
	Note		
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment			
Operating fixed assets	6	2,598,721,657	2,776,401,412
Investment property	7	549,517	570,743
		<u>2,599,271,174</u>	<u>2,776,972,155</u>
Long term deposits		5,925,450	5,925,450
Long term advances	8	549,837,419	555,531,060
		<u>3,155,034,043</u>	<u>3,338,428,665</u>
<b>CURRENT ASSETS</b>			
Stores, spares and loose tools		233,745,575	180,764,782
Stock in trade		429,783,123	234,628,441
Trade debts		-	298,130
Other receivables		1,451,520	29,683,470
Short term lending	9	76,494,568	28,287,075
Advances	10	222,988,268	81,576,719
Tax refunds due from Government		63,962,052	63,962,052
Taxation - net	11	28,738,748	49,859,070
Cash and bank balances	12	151,886,487	35,876,208
		<u>1,209,050,341</u>	<u>704,935,947</u>
<b>TOTAL ASSETS</b>		<u><b>4,364,084,384</b></u>	<u><b>4,043,364,612</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Share capital	13	378,738,210	378,738,210
Discount on issue of right shares	14	(180,795,726)	(180,795,726)
		<u>197,942,484</u>	<u>197,942,484</u>
Revaluation surplus on property, plant and equipment		1,183,967,354	1,205,963,178
Unappropriated profit		488,074,372	351,650,169
		<u>1,869,984,210</u>	<u>1,755,555,831</u>
<b>NON CURRENT LIABILITIES</b>			
Long term financing	15	20,852,127	43,789,513
Loan from related parties	16	622,295,431	314,611,937
Gas Infrastructure development cess	17	20,895,480	34,679,727
Liability under finance lease	18	11,828,002	22,458,745
Payable to SNGPL	19	680,764,014	-
Deferred liability		25,393,458	25,393,458
Deferred taxation		358,533,214	377,150,527
		<u>1,740,561,726</u>	<u>818,083,907</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		603,175,399	1,336,065,951
Unclaimed dividend		3,189,224	3,189,224
Current portion of non-current liabilities	20	147,173,825	130,469,699
		<u>753,538,448</u>	<u>1,469,724,874</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><b>4,364,084,384</b></u>	<u><b>4,043,364,612</b></u>

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The annexed notes from 1 to 25 form an integral part of these condensed interim financial statements

CHIEF FINANCIAL OFFICER

CHIEF EXECUTIVE OFFICER

DIRECTOR



**FRONTIER CERAMICS LIMITED**  
**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)**  
**FOR THE THIRD QUARTER AND NINE MONTHS PERIOD ENDED MARCH 31, 2023**

	Nine Months Ended March 31,		Quarter Ended March 31,	
	2023	2022	2023	2022
	.....Rupees.....			
Sales - net	3,126,505,274	2,821,730,627	1,090,548,189	1,015,414,754
Cost of sales	(2,739,466,349)	(2,399,162,636)	(929,074,774)	(961,657,992)
Gross Profit	<b>387,038,925</b>	<b>422,567,991</b>	<b>161,473,415</b>	<b>53,756,762</b>
Distribution cost	(11,250,376)	(7,939,715)	(3,688,463)	(2,989,052)
Administrative expenses	(50,313,645)	(32,633,967)	(17,952,433)	(11,009,993)
Other operating expenses	(100,013,071)	(31,592,610)	(11,931,153)	(3,995,864)
Operating profit	<b>225,461,833</b>	<b>350,401,699</b>	<b>127,901,366</b>	<b>35,761,853</b>
Finance cost	(60,126,408)	(26,620,030)	(23,355,800)	(6,023,172)
Other operating income	11,806,414	3,433,703	3,312,663	1,098,933
Profit before taxation	<b>177,141,839</b>	<b>327,215,372</b>	<b>107,858,229</b>	<b>30,837,614</b>
Taxation:				
-current	(81,330,778)	(58,795,006)	(43,795,993)	30,588,100
-deferred	18,617,318	32,704,596	(3,277,602)	-
Profit after taxation	<b>114,428,379</b>	<b>301,124,962</b>	<b>60,784,634</b>	<b>61,425,714</b>
Earnings per share - basic and diluted	<b>3.02</b>	<b>7.95</b>	<b>1.60</b>	<b>1.62</b>

The annexed notes from 1 to 25 form an integral part of these condensed interim financial statements.

  
**CHIEF FINANCIAL OFFICER**

  
**CHIEF EXECUTIVE OFFICER**

  
**DIRECTOR**

FRONTIER CERAMICS LIMITED  
 CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)  
 FOR THE THIRD QUARTER AND NINE MONTHS PERIOD ENDED MARCH 31, 2023

Profit after taxation

Other comprehensive income for the Period

Total comprehensive income for the Period

Nine Months Ended March 31,		Quarter Ended March 31,	
2023	2022	2023	2022
.....Rupees.....			
114,428,379	301,124,962	60,784,634	61,425,714
-	-	-	-
114,428,379	301,124,962	60,784,634	61,425,714

The annexed notes from 1 to 25 form an integral part of these condensed interim financial statements.

CHIEF FINANCIAL OFFICER

CHIEF EXECUTIVE OFFICER

DIRECTOR



**FRONTIER CERAMICS LIMITED**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY**  
**FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023 (UN-AUDITED)**

	Issued, subscribed and paid up capital	Discount Issue of Right Shares	Revaluation surplus on property, plant and equipment .....Rupees.....	Unappropriated Profit	Total
Balance as at July 01, 2021 - restated	378,738,210	(180,795,726)	1,255,151,894	260,480,955	1,713,575,333
<u>Impact of ratification of error</u>					
comprehensive income for the period ended March 31, 2022			(27,406,380)	27,406,380	-
Transfer from surplus on revaluation of fixed assets incremental depreciation - net of deferred tax				301,124,962	301,124,962
Balance as at March 31, 2022 - restated	378,738,210	(180,795,726)	1,227,745,514	589,012,297	2,014,700,295
Balance as at July 01, 2022 - restated	378,738,210	(180,795,726)	1,205,963,178	351,650,169	1,755,555,831
comprehensive for the Period ended Mar 31, 2023				114,428,379	114,428,379
Transfer from surplus on revaluation of fixed assets incremental depreciation - net of deferred tax			(21,995,824)	21,995,824	-
Balance as at March 31, 2023	378,738,210	(180,795,726)	1,183,967,354	488,074,372	1,869,984,210

The annexed notes from 1 to 25 form an integral part of these condensed interim financial statements

CHIEF FINANCIAL OFFICER

CHIEF EXECUTIVE OFFICER

DIRECTOR

**CONDENSED INTERIM STATEMENT OF CASH FLOWS  
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023 (UN-AUDITED)**

	Rupees	
	31-Mar-23 Un-Audited	31-Mar-22 Un-Audited
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	177,141,839	327,215,373
Adjustment for:		
Depreciation	180,222,245	136,762,420
Finance Cost	60,126,408	26,620,030
Profit before working capital changes	417,490,492	490,597,822
Changes in working capital:		
Decrease / ( increase) in current assets		
Stores, spares and loose tools	(52,980,793)	(72,189,094)
Stock in trade	(195,154,682)	(131,336,841)
Trade debts	298,130	(444,275)
Other receivables	28,231,950	-
Short Term Lending	(48,207,493)	-
Advances	(141,411,549)	(25,080,158)
Increase / (decrease) in current liabilities		
Trade and other payables	(450,291,133)	616,458,130
Payable to SNGPL	398,164,595	-
Current portion of liability against assets subject to finance	123,934	10,645,716
Current portion of long term financing	812,581	-
Current portion of GIDC payable	15,767,611	2,940,073
	(444,646,849)	400,993,550
Cash generated from operations	(27,156,357)	891,591,373
Taxes paid	(60,210,453)	(72,747,508)
Finance Cost Paid	(60,126,408)	(26,620,030)
Net cash generated / (Used in) from operating activities	(147,493,218)	792,223,835
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of operating fixed assets	(2,521,264)	(1,086,486,076)
Increase in long term advances	5,693,641	2,817,289
Advance for Land Purchase	-	(239,672,419)
Deletion/(Additions) to capital work in progress	-	417,619,452
Net cash used in investing activities	3,172,377	(905,721,754)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Long term financing - net	284,746,108	50,598,477
Gas Infrastructure Development Cess	(13,784,247)	-
Liability against assets subject to finance lease	(10,630,743)	45,727,530
Net cash used in financing activities	260,331,118	96,326,007
Net (decrease) / increase in cash and cash equivalents	116,010,278	(17,171,912)
Cash and cash equivalents at the beginning of the period	35,876,208	43,950,002
Cash and cash equivalents at the end of the period	151,886,487	26,778,089

The annexed notes from 1 to 25 form an integral part of these condensed interim financial statements

CHIEF FINANCIAL OFFICER

CHIEF EXECUTIVE OFFICER

DIRECTOR



**FRONTIER CERAMICS LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023**

**1 STATUS AND NATURE OF BUSINESS**

Frontier Ceramics Limited (the Company) was incorporated in July 1982 as a Public Limited Company with its shares quoted on Pakistan Stock Exchange Limited (formerly Karachi Stock Exchange Limited in which Lahore and Islamabad Stock Exchanges have merged). The principal activities of the Company are manufacturing of ceramic tiles, sanitary wares and related ceramic products.

The registered office and manufacturing unit of the Company is situated at 29-Industrial Estate, Jamrud Road, Peshawar Pakistan.

Sale offices of the Company are located at situated at 29-Industrial Estate, Jamrud Road, Peshawar and Toyota Rawal Motors Building near Sawan Camp, GT road Rawalpindi.

**2 BASIS OF PREPARATION**

**2.1 Statement of compliance**

These condensed interim financial statements are unaudited and being submitted to the shareholders as required under section 237 of the Companies Act, 2017.

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 (IAS) 34, Interim Financial Reporting, 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.

These condensed interim financial statements do not include all the information and disclosures required for full annual financial statements and should be read in conjunction with the annual financial statements of the Company as at and for the year ended June 30, 2022, which have been prepared in accordance with approved accounting standards as applicable in Pakistan. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last declared financial statements.

The comparative statement of financial position presented in these condensed interim financial statements have been extracted from the annual audited financial statements of the Company for the year ended June 30, 2022, whereas the comparative condensed interim profit and loss accounts, condensed interim statement of comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity are extracted from the unaudited condensed interim financial statements for the period ended March 31, 2022.

2.2

## **Basis of measurement**

This condensed interim financial information has been prepared under the historical cost convention except for certain fixed assets which have been stated at revalued amount. This condensed interim financial information has been prepared following accrual basis of accounting except for cash flow information.

2.3

## **Functional and presentation currency**

This condensed interim financial information has been presented in Pak Rupees, which is the functional and presentation currency of the Company.

3

## **ACCOUNTING POLICIES**

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

3.2 The preparation of these condensed interim financial statements in conformity with approved accounting standards require management to make estimates, assumptions and use judgements that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

3.3 The significant estimates, judgments and assumptions made by the management in applying the accounting policies and the key sources of estimation uncertainty are the same as those applied to the annual audited financial statements as at and for the year ended June 30, 2022.

3.4 There are certain standards, interpretations and amendments to approved accounting standards which have been published and are mandatory for the Company's accounting period beginning on or after July 01, 2022. These standards, interpretations and amendments are either not relevant to the Company's operations or are not expected to have a significant effect on these interim financial statements.

## **IJARAH**

The Company accounts for assets under ijarah arrangements in accordance with Islamic Financial Accounting Standard (IFAS) 2 - Ijarah whereby rental payments due under these arrangements are recognized as an expense in the statement of profit or loss on a straight line basis over the ijarah (lease) term.

## **RIGHT OF USE ASSET AND LEASE LIABILITY UNDER DIMINISHING MUSHARAKA**

The Company accounts for assets under diminishing musharaka as right of use asset representing its right to use the underlying asset and lease liability representing its obligations to make lease payments.

Right-of-use assets are initially measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received. The right-of-use assets are depreciated on a reducing balance method as this method most closely reflects the expected pattern of consumption of future economic benefits.

The lease liability under diminishing musharaka is initially measured at the present value of the remaining lease payments at the commencement date, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Company's incremental borrowing rate. Amortization of the lease liability is charged to statement of profit or loss.



## 6 OPERATING FIXED ASSETS

Opening written down value (WDV)

Add:

Additions

Transferred from CWIP

Less:

Depreciation charge

Closing written down value (WDV)

Note

March 31,  
2023  
Rupees  
Unaudited

June 30,  
2022  
Rupees  
Audited

2,776,401,412

1,899,403,438

6.1

2,521,264

143,818,583

-

939,829,804

2,778,922,676

2,983,051,825

(180,201,019)

(206,650,413)

2,598,721,657

2,776,401,412

6.1 Detail of additions (at cost) during the period are as follows:

Vehicles

Electrification

Generators

Plant and machinery - imported

-

74,364,085

-

4,640,000

-

64,814,498

2,521,264

-

2,521,264

143,818,583

## 7 INVESTMENT PROPERTY

Opening written down value (WDV)

Depreciation charge

Closing written down value (WDV)

570,743

600,782

(21,226)

(30,039)

549,517

570,743

7.1 This represents a two offices bearing no. 102 and 103 measuring 1200 Sqft each, situated at 1st floor, Kashif centre, Shahrah e Faisal, Karachi owned by the Company. This has been held to earn rental income by letting out its office and disclosed in the financial statements as an investment property applying cost model in accordance with IAS 40 "Investment Property". Fair value of the investment property assessed by the management amounts to Rs 7,000,000 (June 2022: Rs. 7,000,000) at period end.

## 8 LONG TERM ADVANCES

Advance against land

Others

Note

March 31,  
2023  
Rupees  
Unaudited

June 30,  
2022  
Rupees  
Audited

8.1

549,837,419

549,837,419

-

5,693,641

549,837,419

555,531,060



8.1 The Board of Directors of the Company in their meeting held on January 07, 2021 decided in principal to avail the opportunity of initially acquiring 1,031 kanals of land off CPEC highway near Mianwali from a related party Mr. Nadeem Khalid ( Chief Executive) at payment terms over the period of five years. Keeping in view conducive business environment, directors feel that if the environment remains stable then in next ten years Company will establish a large ceramic factory at said proposed location.

## 9 SHORT TERM LENDINGS

This represents amount advanced to Khalid and Khalid Holdings Private Limited, a related party due to common directorship. The advance is considered unsecured and is payable on demand. The maximum aggregate amount outstanding at any time during the period is same as the above carrying amount of advance. Interest rate is KIBOR plus 2%.

	March 31, 2023 Rupees Unaudited	June 30, 2022 Rupees Audited
10 <b>ADVANCES</b>		
Opening balance	81,576,719	140,948,639
Additions during the period	959,463,829	1,990,128,115
Deletion during the period	(818,052,280)	(2,049,500,035)
Closing balance	<u>222,988,268</u>	<u>81,576,719</u>
11 <b>TAXATION - NET</b>		
Balance as at July 01,	49,859,070	4,228,407
Provision for taxation	(81,330,778)	(46,977,025)
Advance income tax	60,210,456	92,607,688
	<u>28,738,748</u>	<u>49,859,070</u>
12 <b>CASH AND BANK BALANCES</b>		
Cash in hand	3,625,940	35,730
Cash at bank - current accounts - local currency	148,260,547	35,840,478
	<u>151,886,487</u>	<u>35,876,208</u>
13 <b>SHARE CAPITAL</b>		
13.1 <b>Authorized share capital</b>		
	<u>Number of shares</u>	
	<u>Dec 31, 2022</u>	<u>Jun 30, 2022</u>
	<u>75,000,000</u>	<u>75,000,000</u>
Ordinary shares of Rs. 10 each	<u>750,000,000</u>	<u>750,000,000</u>

13.2

## Issued, subscribed and paid up capital

March 31,  
2023  
Rupees  
Unaudited

June 30,  
2022  
Rupees  
Audited

Number of shares	
Dec 31, 2022	Jun 30, 2022

37,873,821	37,873,821	Ordinary shares of Rs. 10 each fully paid in cash
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378,738,210	378,738,210
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14

## DISCOUNT ON ISSUE OF RIGHT SHARES

This represents discount on issue of right shares upon exercising the option given to members in Board of Directors meeting held on February 18, 2014 to subscribe for the right shares issue which has allotted on August 08, 2014 at a discount of Rs. 6 per share with the entitlement of 389.25% shares against SECP approval vide letter No. EMD/233/584/02 dated February 07, 2014 for the total right issue of 30.133 million shares at Rs. 4 per share (discount of Rs. 6 per share) by way of right issue. All the relevant legal formalities were completed by the Company before issuance of the right shares.

March 31,  
2023  
Rupees  
Unaudited

June 30,  
2022  
Rupees  
Audited

15

## LONG TERM FINANCING

From Financial Institutions - secured  
Less: current portion of loan

15.1

51,138,118	73,262,923
(30,285,991)	(29,473,410)
20,852,127	43,789,513

15.1

This represents an amount received from Bank Al-Habib Islamic in respect of three years Musharka agreement for purchase of generator. The repayment of the loan would be paid in 31 installements starting from May 18, 2022. The rental will be calculated on principal amount using three months kibar + 3.25% per anum.

March 31,  
2023  
Rupees  
Unaudited

June 30,  
2022  
Rupees  
Audited

16

## LOAN FROM RELATED PARTIES

From associated person - unsecured  
From associated company - unsecured  
- Rawal Industrial Equipment (Pvt.) Ltd  
- Toyota Rawal Motors (Pvt.) Ltd

16.1	393,668,635	108,010,610
16.2	103,240,300	107,788,764
16.2	125,386,496	98,812,563
	622,295,431	314,611,937

16.1 This represents interest bearing unsecured loan and accumulated markup thereon received from Chief Executive of the Company for working capital requirements. The loan carries mark up at the rate at KIBOR plus 2 % per annum. The loan was restructured during the last year on June 30, 2021. As per the revised terms, the Company is accruing interest over the loan amount while interest is payable after the final payment of principal amount.

16.2 This represents interest bearing unsecured loans and accumulated markup thereon received from related parties, Rawal Industrial Equipment (Private) Limited and Toyota Rawal Motors (Private) Limited for working capital of the Company and acquisition of the equipment. The loan was restructured on June 30, 2021. It carries mark up at the rate at KIBOR plus 2 % per annum. As per the revised terms, the Company is accruing interest over the loan amount while interest is payable after the final payment of principal amount.

		March 31, 2023 Rupees Unaudited	June 30, 2022 Rupees Audited
17	<b>GAS INFRASTRUTURE DEVELOPMENT CESS</b>		
	Accumulated present value of GIDC	126,525,534	124,542,170
	Less: current portion of GIDC	(105,630,054)	(89,862,443)
		<u>20,895,480</u>	<u>34,679,727</u>
	17.1		

17.1 In 2011, GIDC was imposed on natural gas consumers including companies with effect from January 01, 2012 to finance the cost of laying the overland gas pipeline. In 2013, the Peshawar High Court declared the GIDC Act 2011 as ultra vires the constitution and struck down the GIDC Act 2011. In August 2014, Supreme Court of Pakistan dismisses the appeal filed by the Federal Government of Pakistan deciding that GIDC is a fee and not a tax and could not be imposed by money bill. In September 2014, the GIDC Ordinance was promulgated by the President of Pakistan with retrospective effect with original imposition. In October 2016, the Sindh High Court declared the levy to be un-constitutional. In August 2020, the Supreme Court of Pakistan held that GIDC is validly levied and allowed the government to collect the amount in 24 equal installments. Further, in November 2020, the Supreme Court dismissed the review petition seeking review of its order (issued in August 2020). Supreme Court in its judgement on the review petitions noted that government is agreeing to recover the arrears for GIDC in 48 monthly installments (instead of 24 months, as mentioned in August 2020 order of the Supreme Court). The Federal Government has started the recovery of this fee and the Company has booked the liability amounting to Rs. 119.132 million in this regard after receiving bill from the SNGPL at fair value in accordance with IFRS 9 by discounting the future cash payments required to be made in 48 installments, to settle the liability for GIDC.



	Note	March 31, 2023 Rupees Unaudited	June 30, 2022 Rupees Audited
<b>LEASE LIABILITY UNDER DIMINISHING MUSHARAKA</b>			
Lease liability		23,085,782	33,592,591
Less: current portion of lease liability		(11,257,780)	(11,133,846)
	18.1	<u>11,828,002</u>	<u>22,458,745</u>

18.1 This represents outstanding balance of diminishing musharaka facility from First Habib Modaraba and carries 3 months KIBOR plus 2.50%. Repayment shall be made in 36 equal monthly instalments commencing from December 30, 2021 and ending in November 28, 2024. This is secured by way of ownership of leased asset.

#### 19 PAYABLE TO SNGPL

This represents the demand of Sui Northern Gas Pipes Limited (SNGPL) against extra tariff charges. The Company challenged it in court along with the application for grant of temporary injunction against the SNGPL and the status quo was granted in our favour but later on the learned trial court (Gas Utility Court, Peshawar) rejected the suit on the ground of jurisdiction. The said order was then challenged in appeal which is still pending / sub-judice before the Honorable Peshawar High Court, Peshawar as there are conflicting judgements on the point of jurisdiction passed by the Honorable High Courts and Supreme Court of Pakistan, hence the Company has moved an application in the present case as well as in the other connected cases pending in the high court for constitution of larger bench on the issue of jurisdiction the matter will take time and there is no probability of final decision in near future. however, the Company is hopeful for favourable decision. Subject to these conditions Company will not be required to pay this amount within next 12 months. These are reclassified from current liability in current period based upon the above said assessment.

	March 31, 2023 Rupees Unaudited	June 30, 2022 Rupees Audited
<b>CURRENT PORTION OF NON- CURRENT LIABILITIES</b>		
Current portion of liability under finance lease	11,257,780	11,133,846
Current portion of GIDC payable	105,630,054	89,862,443
Current portion of long term financing	30,285,991	29,473,410
	<u>147,173,825</u>	<u>130,469,699</u>

**COMMITMENTS**

The Company has following commitments:

in respect of purchase of land

- in respect of letter of credit

- against import of raw materials

- against import of stores and spares

Note	March 31, 2023 Rupees Unaudited	June 30, 2022 Rupees Audited
	584,262,581	584,262,581
	339,176,836	1,256,092
	35,626,521	13,978,760
21.1	<u>959,065,939</u>	<u>599,497,433</u>

**Commitments for Ijarah arrangements**

Not later than one year

Later than one year and not later than five years

9,173,942	10,645,716
<u>6,777,428</u>	<u>15,081,431</u>
<u>15,951,370</u>	<u>25,727,147</u>

21.1 This amount represents future letter of credit commitments which will be fulfilled in respect of import of raw material, stores and spares.

## 22 TRANSACTION WITH RELATED PARTIES

The related parties and associated undertakings of the Company comprise of group companies, other associate companies, directors and key management personnel. Transactions with related parties and associated undertakings during the period are as follows :

Name of the related party	Relationship	Transactions during the period	Nine Months Ended March 31,		Quarter Ended March 31,	
			2023	2022	2023	2022
			Rupées			
Toyota Rawal Motors (Private) Limited	Associated company by virtue of common directorship	Interest on short term borrowings	-	-	-	-
		Rental for building	847,380	513,564	282,460	256,782
		Utilities	90,000	60,000	30,000	30,000
		Long term financing - received	39,400,000	114,840,000	5,000,000	66,450,000
		Long term financing - repayment	25,100,000	55,991,500	14,600,000	42,991,500
		Interest on long term financing	12,273,933	9,840,630	4,687,444	4,417,097
Rawal Industrial Equipment (Private) Limited	Associated company by virtue of common directorship	Long term financing - repayment	60,495,102	118,344,341	3,328,542	33,024,402
		Long term financing - received	51,600,000	-	3,000,000	-
		Interest on long term financing	4,346,638	6,877,057	2,035,425	984,146
Mr. Nadem Khalid	Chief Executive	Long term financing - loan repaid	179,417,892	10,448,900	23,202,000	10,448,900
		Long term financing - received	447,885,431	32,579,000	324,851,431	31,579,000
		Interest on long term financing	17,190,486	422,328	9,776,782	393,779
		Advance for land purchase	-	239,672,419	-	64,262,419
Khalid & Khalid Holdings	Associated company by virtue of common directorship	Short term Lending - Paid	90,445,311	400,000	60,106,991	-
		Short term Lending - Received	46,800,000	400,000	2,000,000	-
		Interest on short term Lending	4,562,182	766,258	2,388,208	283,333
Chief Executive, Directors, Executives	Key management personnel	Remuneration and other benefits	17,648,193	17,828,734	5,882,731	5,914,991

16 Balances receivable/payable to related parties are disclosed in respective notes.



23 **CORRESPONDING FIGURES**

Corresponding figures have been rearranged and reclassified, wherever necessary for the purposes of comparison and for better presentation. However, no significant reclassification has been made during the period.

24 **DATE OF AUTHORIZATION**

These condensed interim financial statements were authorized for issue on April 29, 2023 by the Board of Directors of the Company.

25 **GENERAL**

Figures have been rounded off to the nearest rupee.



CHIEF FINANCIAL OFFICER



CHIEF EXECUTIVE OFFICER



DIRECTOR



PRINTED MATTER

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