

FRONTIER CERAMICS LIMITED



Financial Statements

For the Third Quarter & Nine Months Ended
March 31, 2020

(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

Mrs. Pervez Aslam	Independent Director & Chairperson
Mr. Omer Khalid	Non-Executive Director
Mr. Javid Khalid	Non-Executive Director
Mr. Zia Khalid	Executive Director
Ms. Numrah Khalid	Non-Executive Director
Mrs. Sana Khalid	Non-Executive Director
Mrs. Shazia Khalid	Non-Executive Director

Audit Committee

Mrs. Sana Khalid	Chairperson
Ms. Numrah Khalid	Member
Mrs. Shazia Khalid	Member

Human Resource & Remuneration Committee

Mr. Omer Khalid	Chairperson
Mr. Zia Khalid	Member
Mr. Javid Khalid	Member

Chief Executive Officer

Mr. Nadeem Khalid

Chief Financial Officer

Mr. Muhammad Ali
muhammad.ali@forte.com.pk

Company Secretary

Mr. Rehman Khan Sherwani
rehman.khan@forte.com.pk

Head of Internal Audit

Mr. Wasif Naeem
wasif.naeem@forte.com.pk

Bankers

Conventional Banks

Allied Bank Limited
Bank Al Habib Limited
Bank Alflah Limited
Faysal Bank Limited
Habib Metropolitan Bank Limited
MCB Bank Limited
Silk Bank Limited
Standard Chartered Bank Limited
United Bank Limited

Islamic Banks

Bank Al Habib Islamic Limited
Bank Alflah Islamic Limited
Silk Emaan Islamic Bank Limited
UBL Ameen Limited

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, 2nd 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.

Lahore Sales Office

VIP Estate, Pearl Plaza, Shahjamal Morh,
174-Ferozpur Road, Lahore, Ph. 042-37525277

Website

www.forte.com.pk

or scan QR code



DIRECTORS' REPORT TO THE SHAREHOLDERS
FOR THE THIRD QUARTER & NINE MONTHS ENDED MARCH 31, 2020

The Directors of your Company have the pleasure in presenting to you the financial results of your Company, for third quarter and nine months period ended March 31, 2020.

Financial performance

The Financial performance of the said period is summarized below:

(Rupees in Millions)		
Particulars	Mar 31, 2020	March 31, 2019
Sales-Net	794.29	664.02
Gross Profit	104.64	64.61
Operating Profit	73.23	36.30
Profit before Tax	47.16	11.15
Profit after Tax	44.18	1.74
Earning per Share (Rs./ share)	1.17	0.05

The quarter started well and was looking promising when the spread of covid-19 eventually led to a nationwide Lockdown. This unprecedented Corona outbreak resulted in closure of markets and cessation of plant operation since last week of March. The pressure of unabsorbed fix cost remain a challenge through, which in case of extended lockdown period can become a significant problem.

During the period company sold 1,427,294 Sqm tiles vs. 1,549,550 Sqm tiles, of corresponding period. Company increase sales prices by 30% which is main reason for increase in sale value to corresponding period.

During the nine months period despite increase in gas tariff, rupee devaluation, axle load restriction and documentation drive of economy, your company manage to adjust with economic situation with profit before taxation 47 million for nine months.

Predicting future outlook in these difficult time remaining challenging. However in view of recent stimulus given by Prime Minister to construction industry will not only grow construction industry and allied industries associated with construction but also create more job opportunities in medium to the long term.

Efforts are being made to curtail the costs wherever possible and create a price efficient sales mix to maximize profitability, mitigate market risks, meet future challenges and maintain business growth.

We take this opportunity to thank all stakeholders for their continued support. On behalf of the Board of Directors.



Nadeem Khalid
Chief Executive Officer



Numrah Khalid
Director
Peshawar:

Dated: June 12, 2020

فرنٹیئر سیرامکس لمیٹڈ

حصص یافتگان کے لئے ڈائریکٹرز کی رپورٹ

برائے تیسری سہ ماہی اور نو ماہی اختتامیہ ۳۱ مارچ، ۲۰۲۰

آپ کی کمپنی کے ڈائریکٹرز کو خوشی ہے کہ وہ آپ کو 31 مارچ، 2020 کو ختم ہونے والی تیسری سہ ماہی اور نو ماہ کی مدت کے لئے، آپ کو اپنی کمپنی کے مالی نتائج پیش کریں۔

مالیاتی کارکردگی

مذکورہ مدت کی مالی کارکردگی کا خلاصہ ذیل میں کیا گیا ہے:

تفصیلات	۳۱ مارچ، ۲۰۲۰	۳۱ مارچ، ۲۰۱۹
	(روپے ملین میں)	
خالص فروخت	794.29	664.02
مجموعی منافع	104.64	64.61
کاروباری منافع	73.23	36.30
□ منافع قبل از ٹیکس	47.16	11.15
منافع بعد □ از ٹیکس	44.18	1.74
فی حصص آمدن (حصص / روپیہ)	1.17	0.05

سہ ماہی کا آغاز اچھی طرح سے ہوا تھا اور اور کمپنی کو مستقبل میں امید افزاء نتائج کی توقع تھی لیکن کووڈ -۱۹ کی وجہ سے ملک میں لاک ڈاؤن لگا دیا گیا۔ اس عالمی وباء کورونا کے نتیجے میں مارچ کے آخری ہفتے سے مارکیٹیں بند ہو گئیں اور پیداواری عمل بند ہوا۔ غیر محفوظ شدہ طے شدہ لاگت کا دباؤ ایک چیلنج بنی ہوئی ہے، اور لاک ڈاؤن کی مدت میں توسیع کی صورت میں ایک اہم مسئلہ بن سکتا ہے۔

اس مدت کے دوران کمپنی نے 1,427,294 مربع میٹر ٹائل بمقابلہ 1,549,550 مربع میٹر ٹائل گزشتہ مدت کے فروخت کیں۔ کمپنی نے قیمت فروخت میں 30 فیصد اضافہ کیا جو اسی عرصے کے دوران کل فروخت قیمت میں اضافے کی سب سے بڑی وجہ ہے۔

گیس ٹیرف میں اضافے ، روپے کی قدر میں کمی ، ایکسل لوڈ کی پابندی اور دستاویزی معیشت کی ڈرائیو کے باوجود نو ماہ کے عرصے کے دوران ، آپ کی کمپنی نے قبل از ٹیکس منافع کی مدمیں 47 ملین روپے کما کر اس مشکل معاشی صورتحال میں بہترین کارکردگی کا مظاہرہ کیا ہے ۔

اس مشکل وقت میں مستقبل کے حالات کی پیش گوئی کرنا انتہائی مشکل ہے۔ تاہم وزیر اعظم کی جانب سے تعمیراتی صنعت کو دیئے گئے حالیہ محرک کے پیش نظر نہ صرف تعمیراتی صنعت اور اس سے منسلک صنعتوں میں اضافہ ہوگا بلکہ درمیانی مدت سے طویل مدت تک ملازمت کے مزید مواقع پیدا ہوں گے۔

زیادہ سے زیادہ منافع ، مارکیٹ کے خطرات کو کم کرنے ، مستقبل کے چیلنجوں کا مقابلہ کرنے اور کاروباری نمو کو برقرار رکھنے کے لئے قیمتوں کو کم کرنے اور قیمتوں میں موثر سیل مکس بنانے کی کوشش کی جارہی ہے۔

ہم اس موقع پر بورڈ آف ڈائریکٹرز کی جانب سے تمام اسٹیک ہولڈرز کو ان کی مسلسل حمایت کے لئے شکریہ ادا کرتے ہیں۔



نمرہ خالد
(ڈائریکٹر)



ندیم خالد
(چیف ایگزیکٹو افسر)

راولپنڈی، ۱۲ جون، ۲۰۲۰

FRONTIER CERAMICS LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2020

	Notes	Un-audited 31-Mar-20 Rupees	Audited 30-Jun-19 Rupees
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	6	1,498,562,144	1,580,069,122
Operating fixed assets	7	34,710,151	-
Capital work in progress		640,932	665,686
Investment property		1,533,913,226	1,580,734,808
Long term deposit		1,513,450	2,378,450
Long term advances		8,976,405	6,909,923
		10,489,855	9,288,373
		1,544,403,081	1,590,023,181
CURRENT ASSETS			
Store, Spare and loose tools		79,649,623	53,408,954
Stock in trade		253,614,373	173,719,049
Trade debts		3,421,010	981,379
Short Term Lending		5,237,000	-
Advances		103,067,014	51,491,690
Tax refunds due from government		63,728,208	40,736,013
Taxation-net		17,306,320	23,226,037
Cash and Bank Balances	8	22,674,563	1,499,912
		548,698,110	345,063,034
TOTAL ASSETS		2,093,101,191	1,935,086,215
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
37,878,821 ordinary shares of Rs. 10 each.		378,738,210	378,738,210
Discount on issue of right shares		(180,795,726)	(180,795,726)
Revaluation surplus on property, plant and equipment		891,804,044	898,965,921
Unappropriated profit/Accumulated loss		81,497,325	30,195,264
		1,171,243,853	1,127,103,669
NON CURRENT LIABILITIES			
Long term financing	9	195,708,119	210,078,077
Deferred taxation		223,236,219	226,657,236
Deferred income		-	48,522
		418,944,338	436,783,835
CURRENT LIABILITIES			
Trade and other payables		365,739,712	250,099,689
Mark up accrued		74,134,625	50,116,609
Short term borrowings	10	62,279,867	63,479,867
Current portion of liability against assets subject to finance		-	1,772,525
Current portion of long term financing		758,797	4,455,708
Temporary bank overdraft		-	1,274,313
TOTAL EQUITY AND LIABILITIES		502,913,001	371,198,711
CONTINGENCIES AND COMMITMENTS			
	11		
		2,093,101,191	1,935,086,215

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR

FRONTIER CERAMICS LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE THIRD QUARTER AND NINE MONTHS ENDED MARCH 31, 2020

	Quarter Ended		Nine Months Ended	
	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
Rupees.....			
Sales - net	372,398,440	220,256,991	794,291,842	664,023,921
Cost of sales	(324,789,363)	(201,430,629)	(689,653,547)	(599,414,387)
Gross Profit	47,609,077	18,826,362	104,638,295	64,609,534
Distribution cost	(3,562,532)	(3,151,380)	(10,202,974)	(9,652,727)
Administrative expenses	(6,569,525)	(5,566,688)	(19,856,635)	(17,479,449)
Other operating expenses	(266,906)	(167,050)	(1,344,987)	(1,178,075)
Operating profit	37,210,113	9,941,244	73,233,699	36,299,283
Finance cost	(8,620,440)	(9,222,559)	(28,354,634)	(26,342,625)
Other operating income	383,506	362,880	2,282,570	1,193,771
Profit before taxation	28,973,179	1,081,565	47,161,635	11,150,429
Taxation:				
-current	(4,654,980)	(2,753,212)	(6,399,424)	(8,300,299)
-Prior	-	-	-	(8,188,677)
-deferred	-	2,361,154	3,417,344	7,083,461
Profit after taxation	24,318,199	689,506	44,179,556	1,744,914
Earnings per share - basic and diluted	0.64	0.02	1.17	0.05

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR

FRONTIER CERAMICS LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE THIRD QUARTER AND NINE MONTHS ENDED MARCH 31, 2020

	Quarter Ended		Nine Months Ended	
	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
Rupees.....			
Profit after taxation	24,318,199	689,506	44,179,556	1,744,914
Other comprehensive income for the Period	-	-	-	-
Total comprehensive income for the Period	<u>24,318,199</u>	<u>689,506</u>	<u>44,179,556</u>	<u>1,744,914</u>

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR

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

	Rupees	
	31-Mar-20	31-Mar-19
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	47,161,635	11,150,429
Adjustment for:		
Depreciation	85,386,438	38,916,394
Profit before working capital changes	132,548,073	50,066,823
Changes in working capital:		
Decrease / (increase) in current assets		
Stores, spares and loose tools	(26,240,669)	(22,525,218)
Stock in trade	(79,895,324)	(71,194,659)
Trade debts	(2,439,631)	9,344,465
Short Term Lending	(5,237,000)	
Advances	(51,575,324)	180,985
Increase / (decrease) in current liabilities		
Trade and other payables	115,640,023	31,566,366
Mark up accrued	24,018,016	23,767,676
Current portion of liability against assets subject to finance	(1,772,525)	2,800,894
Current portion of long term financing	(3,696,911)	(24,100,000)
Short term borrowings	(2,474,313)	9,529,904
	(33,673,657)	(40,629,588)
Cash generated from operations	98,874,416	9,437,235
Taxes paid	(18,094,037)	(17,862,942)
Net cash generated / (Used in) from operating activities	80,780,379	(8,425,707)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of operating fixed assets	(3,854,701)	(15,510,082)
Increase in long term advances	(2,066,482)	396,476
Increase in long term deposits	865,000	-
Additions to capital work in progress	(34,710,151)	(7,301,308)
Net cash used in investing activities	(39,766,334)	(22,414,914)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term financing - net	(18,066,869)	37,113,903
Increase in deferred income	-	(105,132)
Liability against assets subject to finance lease	(1,772,525)	(1,344,866)
Net cash used in financing activities	(19,839,394)	35,663,906
Net (decrease) / increase in cash and cash equivalents	21,174,651	4,823,284
Cash and cash equivalents at the beginning of the period	1,499,912	4,119,880
Cash and cash equivalents at the end of the period	22,674,563	8,943,164

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR

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

	Issued, subscribed and paid up capital	Discount Issue of Right Shares	Revaluation surplus on property, plant and equipment	Unappropriated Profit	Total
Rupees.....				
Balance as at July 01, 2018	378,738,210	(180,795,726)	396,468,306	102,723,976	697,134,766
comprehensive income for the period ended March 31, 2019				1,744,914	1,744,914
Transfer from surplus on revaluation of fixed assets incremental depreciation - net of deferred tax			11,201,593	11,201,593	22,403,185
				-	-
Balance as at March 31, 2019	378,738,210	(180,795,726)	385,266,713	115,670,483	698,879,680
Balance as at July 01, 2019	378,738,210	(180,795,726)	898,965,921	30,155,892	1,127,064,297
comprehensive for the Period ended Mar 31, 2020				44,179,556	44,179,556
Transfer from surplus on revaluation of fixed assets incremental depreciation - net of deferred tax			(7,161,877)	7,161,877	-
					-
Balance as at March 31, 2020	378,738,210	(180,795,726)	891,804,044	81,497,325	1,171,243,853

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR

FRONTIER CERAMICS LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2020 (UN-AUDITED)

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.

2 STATEMENT OF COMPLIANCE

This condensed interim financial information has 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.

3 BASIS OF PREPARATION

This condensed interim financial information does 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, 2019.

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

4 ACCOUNTING POLICIES

- 4.1 The accounting policies adopted and methods of computation followed in the preparation of these interim financial statements are same as those applied in the preparation of financial statements for the year ended June 30, 2019.
- 4.2 The preparation of these 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.

4.3 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, 2019.

4.4 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, 2018. 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.

4.5 **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.

5 **TAXATION**

The provision for taxation for the nine months and quarter ended March 31, 2020 has been made using the estimated effective tax rate applicable to expected total annual earnings.

	Note	Un-audited 31-Mar-20 Rupees	Audited 30-Jun-19 Rupees
6 OPERATING FIXED ASSETS			
Opening written down value (WDV)		1,580,069,122	724,871,199
Add:			
Additions	6.1	3,854,701	25,096,668
Transferred from CWIP		-	249,993,269
Revaluation surplus		-	643,554,757
		<u>1,583,923,823</u>	<u>1,643,515,893</u>
Less:			
Disposals		-	(8,675,214)
Depreciation charge		<u>(85,361,680)</u>	<u>(54,771,557)</u>
Closing written down value (WDV)		<u>1,498,562,143</u>	<u>1,580,069,122</u>
6.1 Detail of additions (at cost) during the period / year are as follows:			
Computer accessories		-	72,390
Plant and machinery - imported		-	1,858,967
Vehicles		-	8,974,359
Generator		<u>3,854,701</u>	<u>-</u>
		<u>3,854,701</u>	<u>10,905,716</u>
7 CAPITAL WORK IN PROGRESS	7.1	<u>34,710,151</u>	<u>-</u>

7.1 It represents capital work in progress in respect of plant and machinery which is being installed in Peshawar. The current amount represents different set of dryers which have been imported from China.

		Un-audited 31-Mar-20 Rupees	Audited 30-Jun-19 Rupees
8	CASH AND BANK BALANCES		
	Cash in hand	413,054	64,760
	Cash at bank - current accounts	22,261,509	1,435,152
		<u>22,674,563</u>	<u>1,499,912</u>
		March 31, 2020 Rupees	June 30, 2019 Rupees

	Note	Unaudited	Audited
9	LONG TERM FINANCING		
	From associated person - unsecured	9.1 39,036,926	70,012,723
	From associated company- unsecured	9.2 156,671,193	140,896,193
	From Musharaka finance facility-secured	9.3 -	3,125,001
		195,708,119	214,033,917
	Less: Current portion associated person	(758,797)	(1,330,707)
	Less: Current portion Musharaka finance facility	-	(3,125,001)
		<u>(758,797)</u>	<u>(4,455,708)</u>
		<u>194,949,322</u>	<u>209,578,209</u>

9.1 This represents interest bearing unsecured loan received from Director of the Company for working capital of the Company. The loan carries mark up at the rate at KIBOR plus 2 % per annum.

9.2 This represents interest bearing unsecured loan received from Rawal Industrial Equipment (Private) Limited for working capital of the Company and acquisition of the equipment. The loan carries mark up at the rate at KIBOR plus 2 % per annum.

9.3 This represents Diminishing Musharaka facility obtained up to a limit of Rs. 50 million from Silk Bank Limited during the year. The facility carries mark up at the rate at three month KIBOR plus 3% per annum to be reset on quarterly basis. Repayment shall be made in eight equal quarterly installments commencing after the grace period of one year starting from August 2017 and ending in August 2019. This facility has been fully repaid during the period.

		March 31, 2020 Rupees	June 30, 2019 Rupees
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	Note	Unaudited	Audited
10	SHORT TERM BORROWINGS		
	Financial institution - secured	10.1 1,910,000	1,910,000
	Related parties - unsecured		
	- Due to associated companies	10.2 60,369,867	61,569,867
		<u>62,279,867</u>	<u>63,479,867</u>

10.1 This represents interest bearing loan received from Innovative Investment Bank Limited for working capital on musharika sharing basis in 2003. The loan carries mark up at the rate of 15% per annum.

Loan is secured by way of demand promissory note, registered mortgage on residential property, registered charge on current and fixed assets of the Company.

However, the bank is under liquidation due to its default as per Lahore High Court order of winding up dated May 12, 2013 and two joint liquidators have been appointed for the purpose.

- 10.2 This represents interest bearing unsecured loan received from Toyota Rawal Motors (Private) Limited for working capital of the Company and acquisition of the equipment.

11 CONTINGENCIES AND COMMITMENTS

		Marc 31, 2020 Rupees	June 30, 2019 Rupees
	Note	Unaudited	Audited
11.1 COMMITMENTS			
The Company has following commitments:			
- in respect of letter of credit			
- against import of raw materials		59,880,983	7,246,004
- against import of stores and spares		29,386,743	8,779,859
- against import of plant and machinery		279,840,889	17,844,842
		<u>369,108,616</u>	<u>33,870,705</u>
- in respect of leased asset		-	1,772,525
		<u>369,108,616</u>	<u>35,643,230</u>
Commitments for Ijarah arrangements			
Not later than one year		3,421,656	3,421,656
Later than one year and not later than five years		2,566,228	5,132,484
		<u>5,987,884</u>	<u>8,554,140</u>

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

12 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

Name of the related party	Relationship	Transactions during the period	Nine Months Ended March 31,	
			2020	2019
			(Rupees)	
Toyota Rawal Motors (Private) Limited	Associated company by virtue of common directorship	Interest on short term borrowings	7,180,091	3,436,178
		Rental for building	424,433	385,848
		Short term borrowing received	2,300,000	15,064,260
		Short term borrowing	-	8,299,640
		Utilities	90,000	90,000
Rawal Industrial Equipment (Private) Limited	Associated company by virtue of common directorship	Purchase of fixed assets	-	8,974,359
		Short term borrowing received	18,700,000	78,035,604
		Interest on short term borrowings	16,807,079	13,053,461
		Short term loan repaid	2,925,000	43,796,285
		Payment against purchases	500,000	34,399,359
Mr. Nadem Khalid	Chief Executive	Long term financing - Loan repaid	30,545,797	6,145,991
		Long term financing - Received	-	7,319,868
		Mark-up on long term loan	-	7,550,507
Khalid & Khalid Holdings	Associated company by virtue of common directorship	Short term borrowing received	9,258,930	3,500,000
		Interest on short term borrowings	33,446	14,277
		Short term loan repaid	21,865,930	-
Chief Executive, Directors, Executives	Key management personnel	Remuneration and other	12,322,473	12,176,723

13 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.

14 DATE OF AUTHORIZATION

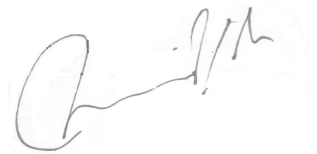
These condensed interim financial information were authorized for issue on **June 12, 2020** by the Board of Directors of the Company.

15 GENERAL

Figures have been rounded off to the nearest rupee.



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR