

# FRONTIER CERAMICS LIMITED



## **Condensed Interim Financial Statements**

For the Half Yearly Ended December 31, 2024

(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
Mr. Muhammad Nehmatullah Toor	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 Alfalah Limited  
Faysal Bank Limited  
Habib Metropolitan Bank Limited

### Islamic Banks

Bank Al Habib Islamic Limited  
Bank Alfalah 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 HALF YEAR ENDED DECEMBER 31, 2024**

The Directors of your Company are pleased to present the financial statements for the half year ended December 31, 2024.

**BUSINESS CHALLENGES AND FINANCIAL PERFORMANCE**

The start of the new fiscal year has been promising, as Pakistan has embarked on a new IMF program that is expected to bring about significant enhancements to the country's macroeconomic landscape. The program will facilitate the release of both multilateral and bilateral funding, ultimately resulting in the augmentation of foreign reserves. This development has mitigated the immediate threat of default and the restrictions on imports are also expected to be eased out in the near future, which will lead to the normalization of trade and manufacturing operations.

The tile manufacturers continued to grapple with low demand while contending with soaring inflation, which resulted in either shut down of the operations or curtailed production. On the other hand, your Company demonstrated resilience during these difficult times, primarily due to its diversified product range and commitment to quality, making it the preferred choice among customers in the market.

The financial performance for the half year is summarized below:

	Dec 31,2024	Dec 31,2023
	(Rupees in Millions)	
Turnover – net	<b>2069.02</b>	1752.40
Gross profit	<b>110.46</b>	100.59
Operating Profit	<b>66.65</b>	60.18
Profit/ (Loss) before taxation	<b>48.12</b>	(2.43)
Profit/ (Loss) after taxation	<b>40.40</b>	(14.94)
Earnings/ (Loss) per share (Rs.)	<b>1.07</b>	(0.39)

During the period, net turnover increased by 18.07% due to increase in volume, the gross margins decreased to 5.34% as against 5.74%, because of increase in costs of raw material and freight and energy costs.

**FUTURE OUTLOOK**

The positive momentum in macroeconomic conditions points to encouraging growth prospects and an improvement in business sentiment. The implementation of the IMF program, along with a reduction in inflation and interest rates, is expected to provide stability and predictability for businesses and investors, thereby aiding economic recovery. This macroeconomic stability is likely to serve as a catalyst for growth in the construction industry. However, the benefits of these developments will take time to fully permeate through the broader market with timely stimulus from the government through favorable steps for the construction sector.

The Company remains committed to improving its operational performance and adapting to evolving conditions. Our focus will remain to increase operational cost efficiencies and mitigate the challenge of rising input costs. Similarly, we are also working aggressively on localization of raw materials, alternate sources of energy and improved modes of transportation.

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: February 28, 2025**

## فرنٹیر سیراکس لمیٹڈ

### شینئر ہولڈرز کو ڈائریکٹرز کی رپورٹ

برائے ششماہی مختتمہ 31 دسمبر 2024

آپ کی کمپنی کے ڈائریکٹرز 31 دسمبر 2024 کو ختم ہونے والے ششماہی کے مالیاتی گوشوارے پیش کرنے پر خوش ہیں۔ کاروباری چیلنجز اور مالیاتی کارکردگی:

رواں مالی سال کا آغاز امید افزا رہا ہے کیونکہ پاکستان نے آئی ایم ایف کے ایک نئے پروگرام کا آغاز کیا ہے جس سے ملک کی معیشت میں نمایاں اضافہ متوقع ہے یہ پروگرام کثیر جہتی اور دو طرفہ سرمایہ کاری کے اجراء میں سہولت فراہم کرے گا جس کے نتیجے میں غیر ملکی ذخائر میں اضافہ ہو گا اس پیشرفت نے ڈیفالٹ کے فوری خطرے کو کم کر دیا ہے اور مستقبل قریب میں درآمدات پر پابندیوں میں بھی نرمی کی توقع ہے جو تجارت اور صنعت و حرفت کو معمول پر لانے کا باعث بنے گی ٹائل کی صنعت کو مہنگائی کی وجہ سے ٹائل کی طلب میں کمی کا سامنا ہے جس کے نتیجے میں یا تو آپریشن بند ہو گے یا پیداوار میں کمی ہوئی ہے دوسری طرف آپ کی کمپنی نے اس مشکل وقت کے دوران اپنی مصنوعات ریج اور ٹائل کی کوالٹی میں اضافہ کیا ہے جس کی وجہ سے اسے مارکیٹ میں صارفین کی طرف سے ترجیح دی جا رہی ہے ششماہی کی مالی کارکردگی کا خلاصہ ذیل میں دیا گیا ہے۔

تفصیلات	31 دسمبر 2024	31 دسمبر 2023
(روپے ملین میں)		
خالص فروخت	2069.02	1752.40
مجموعی منافع	110.46	100.59
کاروباری منافع	66.65	60.18
منافع قبل از ٹیکس	48.12	(2.43)
منافع بعد از ٹیکس	40.40	(14.94)
فی حصص آمدنی	1.07	(0.39)

## مستقبل کا نقطہ نظر

معاشی حالات میں مثبت پیشرفت، ترقی کے حوصلہ افزا امکانات اور کاروبار میں بہتری کی طرف اشارہ کرتی ہے۔ مہنگائی اور شرح سود میں کمی کے ساتھ آئی ایم ایف پروگرام کے نفاذ سے کاروبار اور سرمایہ کاری میں استحکام کی توقع ہے اور اس سے معاشی بحالی میں مدد ملے گی۔ ممکنہ طور پر یہ معاشی حالات میں استحکام سے تعمیراتی صنعت میں ترقی کی راہ ہموار ہوگی۔ تاہم، حکومت کی جانب سے تعمیراتی شعبے کے لیے سازگار اقدامات کے نتائج کو وسیع تر مارکیٹ میں مکمل طور پر پہنچنے میں وقت لگے گا۔

کمپنی اپنی آپریشنل کارکردگی کو بہتر بنانے اور بدلتے ہوئے حالات کے مطابق خود کو ڈھالنے کے لیے پرعزم ہے۔ ہماری توجہ آپریشنل لاگت کی افادیت کو بڑھانے اور بڑھتی ہوئی مال کی لاگت کے چیلنج کو کم کرنے پر رہے گی۔ اس طرح ہم خام مال کی مقامی طور پر خریداری، توانائی کے متبادل ذرائع اور نقل و حمل کے بہتر طریقوں پر بھی جارحانہ انداز میں کام کر رہے ہیں۔

ہم اپنے اسٹیک ہولڈرز کا ان کی مسلسل حمایت اور اپنے شیئر ہولڈر کمپنی کے بورڈ انتظامیہ ٹیم کی قیادت پر اعتماد کے لئے شکریہ ادا کرنا چاہتے ہیں آپ کے مسلسل تعاون اور اللہ تعالیٰ کے فضل و کرم سے ہم اچھی کارکردگی پیش کرنے کے لیے پرعزم ہے

برائے اور منجانب بورڈ آف ڈائریکٹرز



نمرہ خالد

ڈائریکٹر



ندیم خالد

چیف ایگزیکٹو آفیسر

بتاریخ: 28 فروری 2025

## **INDEPENDENT AUDITORS' REVIEW REPORT TO THE MEMBERS OF FRONTIER CERAMICS LIMITED**

### **Report on review of Condensed Interim Financial Statements**

#### **Introduction**

We have reviewed the accompanying condensed interim statement of financial position of Frontier Ceramics Limited ("the Company") as at December 31, 2024 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows, and notes to the condensed interim financial statements for the six months period then ended (herein after referred to as the "condensed interim financial statements"). Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with International Financial Reporting Standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

#### **Scope of Review**

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

#### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with the International Financial Reporting Standards as applicable in Pakistan for interim financial reporting.

#### **Other Matter**

The figures for the quarter ended December 31, 2024 and December 31, 2023 in the condensed interim statement of profit or loss and condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion on them.



**BDO Ebrahim & Co. Chartered Accountants**

BDO Ebrahim & Co., a Pakistan registered partnership firm, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.





The engagement partner on the review resulting in this independent auditors' review report is Atif Riaz.

ISLAMABAD

DATED: FEBURARY 28, 2025  
UDIN: AR2024100602jbQeliBd

BDO EBRAHIM & CO.  
CHARTERED ACCOUNTANTS

**BDO Ebrahim & Co. Chartered Accountants**

BDO Ebrahim & Co., a Pakistan registered partnership firm, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

**FRONTIER CERAMICS LIMITED**  
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)**  
**AS AT DECEMBER 31, 2024**

	Note	December 31, 2024 Rupees (Unaudited)	June 30, 2024 Rupees (Audited)
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	7	2,538,026,187	2,645,028,257
Investment property	8	502,628	515,517
		<u>2,538,528,815</u>	<u>2,645,543,774</u>
Long term deposits		5,925,450	5,925,450
Long term advances	9	612,033,586	592,148,042
		<u>3,156,487,851</u>	<u>3,243,617,266</u>
<b>CURRENT ASSETS</b>			
Stores, spare parts and loose tools	10	245,602,179	275,632,704
Stock in trade	11	641,045,478	492,897,078
Trade debts		22,771,708	21,829,614
Other receivables		4,354,560	3,628,800
Short term lending	12	11,665,636	-
Advances and deposits	13	52,442,989	65,692,331
Tax refunds due from Government		162,950,265	162,950,265
Taxation - net	14	39,153,175	28,490,906
Cash and bank balances	15	148,110,563	73,148,026
		<u>1,328,096,553</u>	<u>1,124,269,724</u>
		<u>4,484,584,404</u>	<u>4,367,886,990</u>
<b>TOTAL ASSETS</b>			
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Share capital	16	378,738,210	378,738,210
Discount on issue of right shares	17	(180,795,726)	(180,795,726)
		<u>197,942,484</u>	<u>197,942,484</u>
Revaluation surplus on property, plant and equipment		1,235,835,147	1,269,707,082
Unappropriated profit		381,656,007	307,380,063
		<u>1,815,433,638</u>	<u>1,775,029,629</u>
<b>NON CURRENT LIABILITIES</b>			
Loan from related parties	18	150,437,108	533,262,876
Deferred liability	19	125,556,240	109,480,797
Deferred taxation		354,178,708	382,938,517
		<u>630,172,056</u>	<u>1,025,682,190</u>
<b>CURRENT LIABILITIES</b>			
Unclaimed dividend		3,189,224	3,189,224
Liability under diminishing Musharaka	20	3,857,105	8,714,873
Current portion of long term financing	21	-	13,097,821
Gas infrastructure development cess (GIDC)	22	129,395,113	129,379,479
Due to related parties	23	9,399,001	37,576,325
Contract liability	24	973,512,153	836,755,119
Trade and other payables	25	919,626,114	538,462,330
		<u>2,038,978,710</u>	<u>1,567,175,171</u>
		<u>4,484,584,404</u>	<u>4,367,886,990</u>
<b>TOTAL EQUITY AND LIABILITIES</b>			
<b>CONTINGENCIES AND COMMITMENTS</b>			
	26	-	-

The annexed notes from 1 to 41 form an integral part of these condensed interim financial statements.

CHIEF FINANCIAL OFFICER

CHIEF EXECUTIVE

DIRECTOR

**FRONTIER CERAMICS LIMITED**  
**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)**  
**FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2024**

Note	Half Year Ended December 31,		Quarter Ended December 31,		
	2024 (Unaudited)	2023 (Unaudited)	2024 (Unaudited)	2023 (Unaudited)	
	----- Rupees -----				
Sales - net	27	2,069,022,197	1,752,401,726	1,051,803,096	955,599,358
Cost of sales	28	(1,958,566,909)	(1,651,813,907)	(989,825,553)	(872,828,117)
Gross profit		110,455,288	100,587,819	61,977,543	82,771,241
Distribution cost		(7,397,234)	(7,735,990)	(3,636,469)	(3,554,341)
Administrative expenses		(22,422,718)	(22,656,253)	(11,040,800)	(10,910,387)
Other operating expenses		(13,981,390)	(10,027,225)	(6,506,001)	(6,674,606)
Operating profit		66,653,946	60,168,351	40,794,273	61,631,907
Other income	29	2,854,250	23,831,106	2,303,742	14,353,006
Finance cost	30	(21,393,181)	(86,436,200)	(9,667,121)	(44,354,732)
Profit / (loss) before minimum tax and taxation		48,115,015	(2,436,743)	33,430,893	31,630,181
Minimum tax differential	31	-	(5,055,905)	-	-
Profit/ (loss) before taxation		48,115,015	(7,492,648)	33,430,893	31,630,181
Taxation	32	(7,711,006)	(7,453,113)	1,464,042	(10,659,726)
Profit / (loss) after taxation		40,404,009	(14,945,761)	34,894,935	20,970,455
Earnings / (loss) per share - basic and diluted	33	1.07	(0.39)	0.92	0.55

The annexed notes from I to 41 form an integral part of these condensed interim financial statements.

CHIEF FINANCIAL OFFICER

CHIEF EXECUTIVE

DIRECTOR



**FRONTIER CERAMICS LIMITED**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**  
**FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2024**

Half Year Ended December 31,		Quarter Ended December 31,	
2024 (Unaudited)	2023 (Unaudited)	2024 (Unaudited)	2023 (Unaudited)
----- Rupees -----			

Profit / (loss) after taxation	40,404,009	(14,945,761)	34,894,935	20,970,455
Other comprehensive income	-	-	-	-
Total comprehensive income / (loss) for the period	<u>40,404,009</u>	<u>(14,945,761)</u>	<u>34,894,935</u>	<u>20,970,455</u>

The annexed notes from 1 to 41 form an integral part of these condensed interim financial statements.

  
**CHIEF FINANCIAL OFFICER**

  
**CHIEF EXECUTIVE**

  
**DIRECTOR**

**FRONTIER CERAMICS LIMITED**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)**  
**FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2024**

Share capital		Reserves		Total
		Capital	Revenue	
Issued, subscribed and paid up capital	Discount on issue of shares	Revaluation surplus on property, plant and equipment	Unappropriated profit	
----- Rupees -----				

Balance as at June 30, 2023 - (Audited)	378,738,210	(180,795,726)	1,161,971,530	242,169,885	1,602,083,899
Total comprehensive loss for the period	-	-	-	(14,945,761)	(14,945,761)
Transfer from revaluation surplus on property, plant and equipment in respect of incremental depreciation - net of deferred tax	-	-	(19,686,459)	19,686,459	-
Balance as at December 31, 2023 (Unaudited)	<u>378,738,210</u>	<u>(180,795,726)</u>	<u>1,142,285,071</u>	<u>246,910,583</u>	<u>1,587,138,138</u>
Balance as at June 30, 2024 - (Audited)	378,738,210	(180,795,726)	1,269,707,082	307,380,063	1,775,029,629
Total comprehensive income for the period	-	-	-	40,404,009	40,404,009
Transfer from revaluation surplus on property, plant and equipment in respect of incremental depreciation - net of deferred tax	-	-	(33,871,935)	33,871,935	-
Balance as at December 31, 2024 (Unaudited)	<u>378,738,210</u>	<u>(180,795,726)</u>	<u>1,235,835,147</u>	<u>381,656,007</u>	<u>1,815,433,638</u>

The annexed notes from 1 to 41 form an integral part of these condensed interim financial statements.

  
**CHIEF FINANCIAL OFFICER**

  
**CHIEF EXECUTIVE**

  
**DIRECTOR**

**FRONTIER CERAMICS LIMITED**  
**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)**  
**FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2024**

Half Year Ended December 31,	
2024 (Unaudited)	2023 (Unaudited)
----- Rupees -----	

**CASH FLOWS FROM OPERATING ACTIVITIES**

Profit / (loss) before taxation	48,115,015	(2,436,743)
Adjustment for non cash items and other charges:		
Depreciation	107,014,959	108,776,416
Finance cost	21,393,181	86,436,200
Deferred liabilities	16,075,443	-
Rental income	(725,760)	(725,760)
Profit before working capital changes	191,872,838	192,050,113

**Changes in working capital:**

(Increase) / decrease in current assets		
Stores, spare parts and loose tools	30,030,525	(70,967,441)
Stock in trade	(148,148,400)	(58,948,697)
Trade debts	(942,094)	123,144
Short term lending	(11,665,636)	-
Advances	13,249,342	99,630,717
	(117,476,263)	(30,162,277)

**Increase / (decrease) in current liabilities**

Trade and other payables	381,163,784	4,620,022
Due to related parties	(28,177,324)	-
Contract liability	136,757,034	-
Gas infrastructure development cess payable	15,634	957,493
	489,759,128	5,577,515
Cash (used in) / generated from operations	564,155,703	167,465,351
Taxes paid / adjustment	(47,133,084)	(33,496,311)
Finance cost paid	(21,393,181)	(86,436,200)
Net cash generated from operating activities	495,629,438	47,532,840

**CASH FLOWS FROM INVESTING ACTIVITIES**

(Increase) / decrease in long term advances	(19,885,544)	114,456
Net cash (used in) / generated from investing activities	(19,885,544)	114,456

**CASH FLOWS FROM FINANCING ACTIVITIES**

Long term financing	(395,923,589)	(22,539,513)
Lease liability	(4,857,768)	(5,877,063)
Net cash used in financing activities	(400,781,357)	(28,416,576)
Net increase in cash and cash equivalents	74,962,537	19,230,720
Cash and cash equivalents at the beginning of the period	73,148,026	7,116,368
Cash and cash equivalents at the end of the period	148,110,563	26,347,088

The annexed notes from 1 to 41 form an integral part of these condensed interim financial statements.

CHIEF FINANCIAL OFFICER

CHIEF EXECUTIVE

DIRECTOR



**FRONTIER CERAMICS LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2024**

**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 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, 2024, 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.



## **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 MATERIAL ACCOUNTING POLICY INFORMATION**

The accounting policies, significant judgements made in the application of accounting policies, key sources of estimations and methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the financial statements for the year ended June 30, 2024.

## **4 CHANGES IN ACCOUNTING STANDARDS, INTERPRETATIONS AND PRONOUNCEMENTS**

### **a) Amendments to published accounting and reporting standards which became effective during the period:**

There were certain amendments to accounting and reporting standards which became mandatory for the Company during the period. However, the amendments did not have any significant impact on the financial reporting of the Company and, therefore, have not been disclosed in these condensed interim financial statements.

### **b) Amendments to published accounting and reporting standards that are not yet effective and have not been early adopted by the Company:**

There are certain amendments to the accounting and reporting standards that will be mandatory for the Company's accounting period beginning on or after January 01, 2025, but are considered not to be relevant or to have any significant effect on the Company's operations and are, therefore, not detailed in these condensed interim financial statements.

## **5 TAXATION**

The provision for taxation for the half year and quarter ended December 31, 2024 has been made using the estimated effective tax rate applicable to expected total annual earnings.





## 6 KEY JUDGEMENTS AND ESTIMATES

The preparation of interim financial statements require management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. The significant judgments made by management in applying the Company's accounting policies and key sources of estimation of uncertainty are the same as those that were applied to the financial statements for the year ended June 30, 2024, otherwise disclosed.

	December 31, 2024 Rupees (Unaudited)	June 30, 2024 Rupees (Audited)
<b>7 PROPERTY, PLANT AND EQUIPMENT</b>		
Opening written down value	2,645,028,257	2,535,105,392
<b>Add:</b>		
Additions	-	-
Revaluation	-	337,125,189
	<u>2,645,028,257</u>	<u>2,872,230,581</u>
<b>Less:</b>		
Depreciation charge	(107,002,070)	(227,202,324)
Closing written down value	<u><u>2,538,026,187</u></u>	<u><u>2,645,028,257</u></u>
<b>8 INVESTMENT PROPERTY</b>		
Opening written down value	515,517	542,650
Additions	-	-
Depreciation charge	(12,889)	(27,133)
Closing written down value	<u><u>502,628</u></u>	<u><u>515,517</u></u>
<b>Depreciation rate</b>	<b>5%</b>	<b>5%</b>

- 8.1 This represents two offices having number 102 and 103 measuring 1200 Sqft each, situated at 1st floor, Kashif center, 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 million (June 2024: Rs. 7 million) at period end.

		<b>December 31, 2024 Rupees (Unaudited)</b>	<b>June 30, 2024 Rupees (Audited)</b>
<b>9</b>	<b>LONG TERM ADVANCES</b>		
	Advance against land	9.1 611,175,594	591,175,594
	Others	857,992	972,448
		<u>612,033,586</u>	<u>592,148,042</u>

- 9.1 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 and Jand - Mianwali road, Mouza Masan, Tehsil and District Mianwali from a related party, Mr. Nadeem Khalid (Chief Executive Officer) 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, the Company will establish a large ceramic factory at the said location.

		<b>December 31, 2024 Rupees (Unaudited)</b>	<b>June 30, 2024 Rupees (Audited)</b>
<b>10</b>	<b>STORES, SPARE PARTS AND LOOSE TOOLS</b>		
	Stores	239,720,868	269,944,429
	Spare parts and loose tools	5,881,311	5,688,275
		<u>245,602,179</u>	<u>275,632,704</u>

- 10.1 Stores, spare parts and loose tools includes items which may result in capital expenditure but are not distinguishable at the time of purchase. However, the stores and spares consumption resulting in capital expenditure are capitalized in cost of respective assets.

		<b>December 31, 2024 Rupees (Unaudited)</b>	<b>June 30, 2024 Rupees (Audited)</b>
<b>11</b>	<b>STOCK IN TRADE</b>		
	Raw materials	278,588,977	208,508,635
	Work in process	10,399,334	53,121,269
	Finished goods	352,057,167	231,267,174
		<u>641,045,478</u>	<u>492,897,078</u>

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		December 31, 2024 Rupees (Unaudited)	June 30, 2024 Rupees (Audited)
12	<b>SHORT TERM LENDING</b>		
	<b>Khalid and Khalid Holdings (Private) Limited</b>		
	Balance at start of the period / year	23 (3,445,876)	-
	Payments made during the period / year	33,365,596	-
	Mark up	931,238	-
	Amount received during the period / year	(21,743,367)	-
	Balance at end of the period / year	9,107,591	-

**Rawal Industrial Equipment (Pvt.) Ltd**

	Balance at start of the period / year	18 (253,556,959)	-
	Amount received during the period / year	(5,772,182)	-
	Markup	(1,896,994)	-
	Payments made during the period / year	263,784,180	-
	Balance at end of the period / year	2,558,045	-
12.1		11,665,636	-

12.1 This represents amount advanced to the related parties due to common directorship. The advance is unsecured and interest is charged at Kibor + 3.25% per annum.

	December 31, 2024 Rupees (Unaudited)	June 30, 2024 Rupees (Audited)
13	<b>ADVANCES AND DEPOSITS</b>	
	Advances to / against:	
	- suppliers	3,668,885 3,668,885
	- letter of credit	4,717,626 12,719,057
	- letter of credit margin	9,874,846 15,234,296
	- letter of guarantee	31,617,900 29,297,900
	- salaries	1,407,722 3,062,827
	- expenses	52,764 57,166
		51,339,743 64,040,131
	Security deposit	1,103,246 1,652,200
		52,442,989 65,692,331

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		December 31, 2024 Rupees (Unaudited)	June 30, 2024 Rupees (Audited)
<b>14</b>	<b>TAXATION - NET</b>		
	Balance at start of the period / year	28,490,906	86,217,469
	Prior year adjustment	-	12,770,744
		<u>28,490,906</u>	<u>98,988,213</u>
	Transferred to tax refunds due from government	-	(98,988,213)
		<u>28,490,906</u>	<u>-</u>
	Taxation / levy	32 (36,470,815)	(42,741,871)
	Advance income tax	47,133,084	71,232,777
	Balance at end of the period / year	<u>39,153,175</u>	<u>28,490,906</u>

## **15 CASH AND BANK BALANCES**

Cash in hand		118,496	177,563
Cash at bank - local currency			
Current accounts			
- conventional	15.1	128,308,753	48,268,028
- under shariah arrangements		871,507	3,511,829
- PD account	15.2	45,349	-
Saving account			
- under shariah arrangements		18,766,458	21,190,606
		<u>148,110,563</u>	<u>73,148,026</u>

15.1 It includes the pay order amounting to Rs. 91.345 million held as at financial position date.

15.2 It represents personal deposit custom account used for the payments of duty and taxes on imports.

## **16 SHARE CAPITAL**

### **16.1 Authorized share capital**

Number of shares	
Dec 31, 2024	June 30, 2024
<u>75,000,000</u>	<u>75,000,000</u>

Ordinary  
shares of Rs.  
10 each

December 31, 2024 Rupees (Unaudited)	June 30, 2024 Rupees (Audited)
<u>750,000,000</u>	<u>750,000,000</u>

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16.2	Issued, subscribed and paid up capital		December 31, 2024 Rupees (Unaudited)	June 30, 2024 Rupees (Audited)
		Number of shares		
		Dec 31, 2024	June 30, 2024	
	Ordinary shares of Rs. 10 each fully paid in cash	37,873,821	37,873,821	378,738,210
				378,738,210

16.3 All ordinary share holders have same rights regarding dividend, voting, board selection, right of first refusal and block voting.

## 17 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.

	Note	December 31, 2024 Rupees (Unaudited)	June 30, 2024 Rupees (Audited)
18	LOAN FROM RELATED PARTIES		
	From associated person - unsecured		
	- Chief Executive Officer		
	Opening balance	106,619,974	395,378,510
	Additions during the period	1,800,000	4,400,000
	Markup	218,045	39,544,610
	Payments made during the period	(1,544,000)	(332,703,146)
	Closing balance	18.1 107,094,019	106,619,974
	From associated companies - unsecured		
	- Rawal Industrial Equipment (Private) Limited		
	Opening balance	-	154,679,383
	Additions during the period	-	189,246,060
	Markup	-	36,566,707
	Payments made during the period	-	(126,935,191)
	Closing balance	18.2 -	253,556,959

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		<b>December 31, 2024 Rupees (Unaudited)</b>	<b>June 30, 2024 Rupees (Audited)</b>
	<b>Note</b>		
<b>- Toyota Rawal Motors (Private) Limited</b>			
Opening balance		173,085,943	149,430,248
Additions during the period		51,500,000	34,600,000
Markup		6,227,536	22,555,695
Payments made during the period		(187,470,390)	(33,500,000)
Closing balance	18.2	43,343,089	173,085,943
		<u>150,437,108</u>	<u>533,262,876</u>

18.1 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 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.

18.2 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.

		<b>December 31, 2024 Rupees (Unaudited)</b>	<b>June 30, 2024 Rupees (Audited)</b>
	<b>Note</b>		
<b>19 DEFERRED LIABILITY</b>			
Staff retirement benefits - gratuity		25,393,458	25,393,458
Provident fund payable	19.1	100,162,782	84,087,339
		<u>125,556,240</u>	<u>109,480,797</u>

19.1 With effect from January 01, 2021, the Company has opted provident fund for staff retirement benefits covering all permanent and regular employees as per registered provident fund rules and regulations. Since the provident fund has been maintained in the Company's separate bank account and will be payable at the time of retirement to employees. Therefore, reclassified from "Trade and other payables" to "Deferred liability" during the period.

			<b>December 31, 2024 Rupees (Unaudited)</b>	<b>June 30, 2024 Rupees (Audited)</b>
<b>20</b>	<b>LIABILITY UNDER DIMINISHING MUSHARAKA</b>	<b>Note</b>		
	Lease liability		3,857,105	8,714,873
	Less: current portion of lease liability		<u>(3,857,105)</u>	<u>(8,714,873)</u>
		20.1	<u>-</u>	<u>-</u>

- 20.1 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 installments commencing from December 30, 2021 and ending in November 30, 2024. This is secured by way of ownership of leased asset. However some installments are yet to made therefore repayment period is extended to March 31, 2025.

			<b>December 31, 2024 Rupees (Unaudited)</b>	<b>June 30, 2024 Rupees (Audited)</b>
<b>21</b>	<b>CURRENT PORTION OF LONG TERM FINANCING</b>	<b>Note</b>		
	From financial institutions - secured		-	13,097,821
	Less: current portion of loan		<u>-</u>	<u>(13,097,821)</u>
			<u>-</u>	<u>-</u>

**22 GAS INFRASTRUTURE DEVELOPMENT  
CESS**

Accumulated present value of GIDC	129,395,113	129,379,479
Less: current portion of GIDC	<u>(129,395,113)</u>	<u>(129,379,479)</u>
	22.1 <u>-</u>	<u>-</u>

- 22.1 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. No installment is paid till to date.

	<b>December 31, 2024 Rupees (Unaudited)</b>	<b>June 30, 2024 Rupees (Audited)</b>
<b>23 DUE TO RELATED PARTIES</b>		
Rawal Industrial Equipment (Private) Limited	1,147,808	26,622,808
Khalid and Khalid Holdings (Private) Limited	-	3,445,876
Toyota Rawal Motors (Private) Limited	8,251,193	7,507,641
	<u>9,399,001</u>	<u>37,576,325</u>
<b>24 CONTRACT LIABILITY</b>		
Opening balance	836,755,119	177,383,666
Advance received during the period / year	2,615,937,699	4,716,370,338
Transferred to revenue during the period / year	(2,479,180,665)	(4,056,998,885)
Closing balance	<u>973,512,153</u>	<u>836,755,119</u>
24.1 This represents amounts received from customers which will be recognized as revenue upon the completion of performance obligation of the Company.		
	<b>December 31, 2024 Rupees (Unaudited)</b>	<b>June 30, 2024 Rupees (Audited)</b>
<b>25 TRADE AND OTHER PAYABLES</b>		
Trade creditors	343,668,982	243,497,145
Accrued liabilities	422,669,920	172,603,446
Old labour dues	3,256,878	3,256,878
Sales tax payable	19,243,031	27,939,639
Withholding income tax payable	34,889,736	6,422,913
Workers' profit participation fund	86,504,980	77,675,394
Workers' welfare fund	9,392,587	7,066,915
	<u>919,626,114</u>	<u>538,462,330</u>



## 26 CONTINGENCIES AND COMMITMENTS

### 26.1 Contingencies

#### a) Legal case against the Company:

There has been no significant change in the status of contingent liabilities disclosed as at June 30, 2024.

#### b) Tax contingencies:

There has been no significant change in the status of tax contingencies disclosed as at June 30, 2024.

		December 31, 2024 Rupees (Unaudited)	June 30, 2024 Rupees (Audited)
	Note		
<b>26.2 COMMITMENTS</b>			
The Company has following commitments:			
in respect of purchase of land from CEO	9.1	522,924,406	542,924,406
- in respect of letter of credit			
- against import of raw materials		62,409,200	139,740,170
- against import of stores and spare parts		53,546,026	14,610,153
	26.2.1	115,955,226	154,350,323
		638,879,632	697,274,729

26.2.1 This amount represents future letter of credit commitments which will be fulfilled in respect of import of raw material, stores and spare parts and plant and machinery.

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	Note	Six months ended December 31,		Three months ended December 31,	
		2024	2023	2024	2023
		Rupees (Unaudited)	Rupees (Unaudited)	Rupees (Unaudited)	Rupees (Unaudited)
<b>27 SALES</b>					
Gross sales		2,516,952,260	2,132,860,658	1,279,511,476	1,161,863,821
<b>Less:</b>					
Sales tax		(383,941,869)	(326,778,175)	(195,178,563)	(177,232,553)
Trade discount		(63,988,194)	(53,680,757)	(32,529,817)	(29,031,910)
		<u>2,069,022,197</u>	<u>1,752,401,726</u>	<u>1,051,803,096</u>	<u>955,599,358</u>
<b>28 COST OF SALES</b>					
Raw material consumed	28.1	451,313,377	306,259,869	208,042,284	149,878,850
Stores, spares and loose tools consumed	28.2	209,662,860	186,775,134	147,517,686	102,344,949
Gas and electricity		1,082,983,238	961,815,128	505,552,616	576,014,922
Depreciation		103,413,864	104,274,538	51,706,932	45,821,840
Salaries , wages and other benefits		182,672,926	181,160,334	90,444,052	92,154,882
Traveling and conveyance		392,147	526,739	259,526	245,135
Repairs and maintenance		128,750	106,885	60,380	73,185
GIDC expense		15,634	957,493	15,634	-
Ijarah expense		4,303,640	3,671,745	2,426,297	1,835,873
Miscellaneous		1,748,531	2,866,477	797,714	1,602,130
		<u>2,036,634,967</u>	<u>1,748,414,342</u>	<u>1,006,823,121</u>	<u>969,971,765</u>
Work in process					
Opening		53,121,268	16,010,549	53,830,329	49,051,865
Closing		(10,399,334)	(51,299,772)	(10,399,334)	(51,299,772)
		<u>42,721,934</u>	<u>(35,289,223)</u>	<u>43,430,995</u>	<u>(2,247,907)</u>
Finished goods					
Opening		231,267,174	261,288,735	291,628,604	227,704,206
Closing		(352,057,167)	(322,599,947)	(352,057,167)	(322,599,947)
		<u>(120,789,993)</u>	<u>(61,311,212)</u>	<u>(60,428,563)</u>	<u>(94,895,741)</u>
		<u>1,958,566,909</u>	<u>1,651,813,907</u>	<u>989,825,553</u>	<u>872,828,117</u>
<b>28.1 Raw material consumed</b>					
Opening stock		208,508,635	195,683,709	197,547,140	156,907,098
Add: purchases		521,393,719	268,608,131	289,084,121	151,003,723
Less: closing stock		(278,588,977)	(158,031,971)	(278,588,977)	(158,031,971)
		<u>451,313,377</u>	<u>306,259,869</u>	<u>208,042,284</u>	<u>149,878,850</u>
<b>28.2 Stores, spares and loose tools consumed</b>					
Opening stock		275,632,704	270,488,018	265,308,643	318,127,764
Add: purchases		179,632,335	257,742,575	127,811,222	125,672,644
Less: closing stock		(245,602,179)	(341,455,459)	(245,602,179)	(341,455,459)
		<u>209,662,860</u>	<u>186,775,134</u>	<u>147,517,686</u>	<u>102,344,949</u>

	Six months ended		Three months ended	
	December 31,		December 31,	
	2024	2023	2024	2023
	Rupees	Rupees	Rupees	Rupees
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<b>29 OTHER INCOME</b>				
Rental income	725,760	725,760	725,760	725,760
Markup	931,238	19,752,706	380,730	10,274,606
Others	1,197,252	3,352,640	1,197,252	3,352,640
	<u>2,854,250</u>	<u>23,831,106</u>	<u>2,303,742</u>	<u>14,353,006</u>

### 30 FINANCE COST

#### Mark up / interest on:

- Letter of guarantee margin	1,586,430	953,355	313,600	736,155
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#### Long term financing:

- From financial institutions	1,365,982	6,616,976	145,146	2,606,791
- From related party	8,342,575	60,765,019	2,458,721	28,047,233
	<u>9,708,557</u>	<u>67,381,995</u>	<u>2,603,867</u>	<u>30,654,023</u>

#### Workers' profit participation fund

Workers' profit participation fund	5,833,423	9,915,774	2,551,638	4,957,887
Provident fund	4,128,628	7,765,434	4,128,628	7,765,434
Bank charges	136,143	419,642	69,389	241,233
	<u>21,393,181</u>	<u>86,436,200</u>	<u>9,667,121</u>	<u>44,354,732</u>

### 31 MINIMUM TAX DIFFERENTIAL

Levy	-	5,055,905	-	-
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31.1 This represents portion of final tax paid under section 113 of the Income Tax Ordinance, 2001 representing levy in terms of requirements of IFRIC 21 / IAS 37.

31.2 Reconciliation between current tax charged under the Income Tax Ordinance, 2001 with current tax recognized in the statement of profit or loss, is as follows:

	Six months ended		Three months ended	
	December 31,		December 31,	
	2024	2023	2024	2023
	Rupees	Rupees	Rupees	Rupees
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Current tax liability for the year as per applicable tax laws	36,470,815	21,905,022	23,088,456	11,944,992
Portion of current tax computed as per tax laws, representing income tax under IAS 12	36,470,815	16,849,117	23,088,456	16,849,117
Income tax differential	<u>-</u>	<u>5,055,905</u>	<u>-</u>	<u>-</u>



	Six months ended December 31,		Three months ended December 31,	
	2024 Rupees (Unaudited)	2023 Rupees (Unaudited)	2024 Rupees (Unaudited)	2023 Rupees (Unaudited)
<b>32 TAXATION</b>				
Current	36,470,815	16,849,117	23,088,456	11,944,992
Prior	-	-	-	-
	<u>36,470,815</u>	<u>16,849,117</u>	<u>23,088,456</u>	<u>11,944,992</u>
Deferred tax	<u>(28,759,809)</u>	<u>(9,396,004)</u>	<u>(24,552,498)</u>	<u>(1,285,266)</u>
	<u>7,711,006</u>	<u>7,453,113</u>	<u>(1,464,042)</u>	<u>10,659,726</u>
<b>33 EARNINGS / (LOSS) PER SHARE-BASIC AND DILUTED</b>				
Profit / (loss) after taxation - (Rupees)	<u>40,404,009</u>	<u>(14,945,761)</u>	<u>34,894,935</u>	<u>20,970,455</u>
Weighted average number of ordinary shares - (Number)	<u>37,873,821</u>	<u>37,873,821</u>	<u>37,873,821</u>	<u>37,873,821</u>
Earning / (Loss) per share - basic and diluted (Rupees)	<u>1.07</u>	<u>(0.39)</u>	<u>0.92</u>	<u>0.55</u>

33.1 There is no dilutive effect on the basic earnings per share of the Company.

### 34 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	Six months ended		Three months ended	
			December 31,		December 31,	
			2024	2023	2024	2023
			----- (Rupees) -----			
			(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Toyota Rawal Motors (Private) Limited	Associated company by virtue of common directorship	Interest on short term borrowings	-	-	-	-
		Rental for building	683,552	621,410	341,776	310,705
		Utilities	60,000	60,000	30,000	30,000
		Long term financing - received	51,500,000	28,600,000	36,200,000	10,600,000
		Long term financing - repayment	187,470,390	15,000,000	132,944,863	6,200,000
		Interest on long term financing	6,227,536	12,782,003	2,341,628	6,239,380
		Closing balance	51,594,282	175,812,251	51,594,282	175,812,251
Rawal Industrial Equipment (Private) Limited	Associated company by virtue of common directorship	Purchase of fixed assets	-	-	-	-
		Long term financing - repayment	263,784,180	36,901,857	113,976,828	25,201,857
		Long term financing - received	5,772,182	58,164,067	-	1,126,067
		Interest on long term financing	1,896,994	14,656,215	-	7,041,334
		Closing balance	1,410,237	217,220,616	3,705,853	217,220,616
Mr. Nadeem Khalid	Chief Executive	Long term financing - loan repaid	1,544,000	114,325,938	1,544,000	25,668,440
		Long term financing - received	1,800,000	11,300,000	1,800,000	1,400,000
		Interest on long term financing	218,045	33,408,108	92,231	14,847,826
		Advance for land purchase	20,000,000	-	20,000,000	-
		Closing balance	504,081,575	875,516,792	718,269,613	875,516,792
Khalid & Khalid Holdings	Associated company by virtue of common directorship	Short term borrowings - received	25,189,243	4,480,000	25,189,243	4,480,000
		Interest on short term borrowings	931,238	19,752,706	380,730	10,274,606
		Short term borrowings paid	33,365,596	20,520,880	15,867,238	15,475,953
		Closing balance	9,107,591	196,167,018	9,107,591	196,167,018
Chief Executive, Directors and Executives	Key management personnel	Remuneration and other benefits	11,614,616	12,396,466	5,561,427	6,205,233

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

### 35 FINANCIAL RISK MANAGEMENT

The Company's financial risk management objective and policies are consistent with that disclosed in the financial statements for the year ended June 30, 2024.

### 36 FAIR VALUE MEASUREMENT

The carrying values of all financial assets and liabilities reflected in the condensed interim financial information approximate their fair values. Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties and in an arm's length transaction.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset, either directly that is, derived from prices
- Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unadjusted) inputs

The carrying values of all financial assets and liabilities reflected in these financial statements approximate their fair values.

#### **Transfers during the period**

During the six month period ended December 31, 2024, there were no transfers into or out of Level 3 fair value measurements. There were no transfers between levels 2 and 3 for recurring fair value measurements during the period.

The fair value of factory land, factory buildings, plant and machinery are based on assumptions considered to be level 2 in the fair value hierarchy due to significant observable inputs used in the valuation.

Had there been no revaluation, the net book value of the specific classes of operating fixed assets would have been as follows:

*nil*



	<b>December 31, 2024 Rupees (Unaudited)</b>	<b>June 30, 2024 Rupees (Audited)</b>
Free hold land	3,518,245	3,518,245
Factory building	5,708,918	6,009,387
Plant and machinery:		
Imported	80,629,681	84,873,348
Local	396,257	440,286
Electrification	2,445,518	2,508,224
Casting benches	36,988	38,935
Laboratory ware	833	925
Generators	9,445	10,494
	<u>83,518,722</u>	<u>87,872,212</u>
	<u>92,745,885</u>	<u>97,399,844</u>

### 37 DISCLOSURE REQUIREMENT FOR ALL SHARE ISLAMIC INDEX

Following information has been disclosed with reference to disclosure requirements of fourth schedule of the Companies Act, 2017 relating to "All Shares Islamic Index".

<b>Description</b>	<b>Explanation</b>	<b>December 31, 2024 Rupees (Unaudited)</b>	<b>June 30, 2024 Rupees (Audited)</b>
Loans	Placed under interest arrangement	-	13,097,821
Ijarah payment	Placed under Shariah permissible arrangements	4,303,640	8,481,656
Long term deposits	Non-interest bearing	5,925,450	5,925,450
All sources of other income	Other income	2,854,250	38,065,632

The Company has working relation with First Habib Modaraba under Islamic windows.

There is no other bank balance / investments which carry any interest or markup arrangements.

38 NUMBER OF EMPLOYEES

December 31, 2024 Number (Unaudited)	June 30, 2024 Number (Audited)
---	---

Number of employees

At period / year end

755

765

Average during the period / year

750

787

39 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary for the purposes of comparison and for better presentation. Following major reclassification has been made during the period.

Statement of profit or loss

December 31,  
2023  
Rupees

Description

Reclassified from

Reclassified to

Levy

Taxation

Minimum tax  
differential

5,055,905

Statement of financial position

June 30,  
2024  
Rupees

Provident fund payable

Trade and other payables

Deferred liability

84,087,339

- 39.1 In order to comply with the requirements of IAS 34, the balances of condensed interim statement of financial position have been compared with the balances of annual audited financial statements of the preceding year, whereas the amounts in condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows have been compared with the balances / amounts of comparable period of immediately preceding financial year.

40 DATE OF AUTHORIZATION

These condensed interim financial information were authorized for issue on February 28, 2025 by the Board of Directors of the Company.

41 GENERAL

Figures have been rounded off to the nearest rupee.

CHIEF FINANCIAL OFFICER

CHIEF EXECUTIVE

DIRECTOR



**PRINTED MATTER**

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