

# FRONTIER CERAMICS LIMITED



## **Financial Statements**

For the Third Quarter & Nine Months Ended  
March 31, 2021

(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-parallel 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

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  
MCB Bank Limited  
Silk Bank Limited  
Standard Chartered Bank Limited  
United Bank Limited

### Islamic Banks

Bank Al Habib Islamic Limited  
Bank Alfiah 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, 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.

### Lahore Sales Office

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

### Website

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

or scan QR code



## **DIRECTORS' REPORT TO THE SHAREHOLDERS**

FOR THE THIRD QUARTER & NINE MONTHS ENDED MARCH 31, 2021

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, 2021.

**Financial performance** The Financial performance of the said period is summarized below:

**(Rupees in Millions)**

<b>Particulars</b>	<b>Mar 31, 2021</b>	<b>March 31, 2020</b>
Sales-Net	2,131.69	794.29
Gross Profit	222.19	104.64
Operating Profit	152.60	73.23
Profit before Tax	131.93	47.16
Profit after Tax	74.94	44.18
Earning per Share (Rs./ share)	1.98	1.17

During the period the company continued with the good sales momentum. Both turnover and profits performed better than expected thanks to Government's construction friendly policies. Last quarter of the year, however, started with resurgence of Covid-19 in the country which may impede progress though we hope that the situation improves sooner otherwise restricted business activities will affect both factory operations and sales volumes. Your Company is conscious of the Covid-19 alert and managing the situation with utmost responsibility making sure that our workspace is safe for our employees by following preventive health measures as prescribed by the Government periodically.

During the period, sales grew by Rs. 1.34 billion, a growth of 168% largely driven by volumes and price. Your Company delivered a gross margin of 10%. The major factors behind the rise were process efficiency and cost saving initiatives. The overall profitability of the Company before tax grew to Rs. 131.93 million from a profit of Rs. 4.72 million in the same period last year. Overall, your Company delivered strong growth in earnings, with focus on optimizing the volume capacity.

The Company has introduced Provident fund scheme as staff retirement benefits during the quarter under review.

Health and well-being of our employees and associated people remains our primary focus, especially during these tough times. Your Company is operating with the highest standards of safety protocols and ensuring that virus transmission is averted at all stages.

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**

**Dated: April 30, 2021**

**فرنٹیئر سیرامکس لمیٹڈ**  
**ڈائریکٹرز رپورٹ برائے حصص یافتگان**  
**برائے تیسری سہ ماہی اور نو ماہ اختتامیہ 31 مارچ 2021**

ڈائریکٹرز آپ کی کمپنی کی تیسری سہ ماہی اور نو ماہ اختتامیہ 31 مارچ 2021 کے مالیاتی نتائج پیش کرنے میں خوشی محسوس کرتے ہیں۔

**مالی کارکردگی اور کاروباری چیلنجز:**

ختم ہونے والے نو ماہی کے دوران مالیاتی کارکردگی کا خلاصہ درج ذیل ہے

31 مارچ 2020	31 مارچ 2021	تفصیلات
(روپے ملین میں)		
794.29	2,131.69	خالص فروخت
104.64	222.19	مجموعی منافع
73.23	152.60	کاروباری آمدنی
47.16	131.93	منافع قبل از ٹیکس
44.18	74.94	منافع بعد از ٹیکس
1.17	1.98	آمدنی روپے فی حصص

اس مدت کے دوران کمپنی نے اچھی فروخت کی رفتار کو برقرار رکھا، حکومت کی تعمیری دوستانہ پالیسیوں کی بدولت فروخت اور منافع دونوں نے توقع سے زیادہ بہتر کارکردگی کا مظاہرہ کیا۔ تاہم، سال کی آخری سہ ماہی کا آغاز ملک میں کووڈ-19 کی دوبارہ بحالی سے ہوا جو ترقی کی پیش رفت کو روک سکتا ہے۔ ہم امید کرتے ہیں کہ صورت حال جلد بہتر ہو جائے گی۔ بصورت دیگر محدود کاروباری سرگرمیاں فیکٹری کے کام اور فروخت دونوں کو متاثر کر سکتی ہیں۔ آپ کی کمپنی اس صورت حال سے بخوبی آگاہ ہے اور اس کے نتیجے میں پیش آنے والے چالنجز سے نیٹ رہی ہے تا کہ بنایا جا سکے کہ حکومت کے وقتاً فوقتاً تجویز کردہ حفاظتی اقدامات پر عمل کر کے ہمارے کام کے ماحول کو ملازمین کے لیے محفوظ بنایا جا سکے۔ اس سے اللہ کے فضل و کرم سے ہمارے ملازمین اور دیگر اسٹیک ہولڈرز اس وائرس سے محفوظ رہے ہیں۔

اس عرصے کے دوران خالص فروخت میں ۱.۳۴ ارب روپے کا اضافہ ہوا جو کہ پچھلے سال کے مقابلے میں ۱۶۸% زیادہ ہے۔ بنیادی طور پر اس کی خاص وجہ حجم اور قیمت فروخت میں اضافہ تھا۔ آپ کی کمپنی نہیں ۱۰% کا مجموعی منافع فراہم کیا۔ اس کامیابی کے پیچھے عمل کی بہترین کارکردگی اور لاگت کی بچت کے اقدامات ہیں۔ کمپنی کا قبل از ٹیکس مجموعی منافع ۱۳۱.۹۳ ملین روپے رہا جو کہ پچھلے سال اس عرصے میں ۴.۷۲ ملین روپے تھا۔

مجموعی طور پر آپ کی کمپنی نے حجم کو وسعت دینے پر توجہ مرکوز رکھی ہوئی ہے جس کے باعث کمپنی کی آمدن میں اضافہ بھی ہوا ہے۔

کمپنی نے زیر جائزہ سہ ماہی کے دوران ملازمین کے لئے پروویڈنٹ فنڈ سکیم کو بطور ریٹائرمنٹ فائدہ متعارف کرایا ہے۔ ہمارے ملازمین اور ان سے وابستہ افراد کی صحت اور بہبود ہماری بنیادی توجہ بنی ہے۔ خاص طور پر ان مشکل حالات کے دوران، آپ کی کمپنی حفاظتی ضابطہ اخلاق کے اعلیٰ ترین معیار کے ساتھ کام کر رہی ہے اور اس بات کو یقینی بنا رہی ہے کہ وائرس کی منتقلی کو ہر مرحلے پر روکا جائے۔

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

نمرہ خالد  
ڈائریکٹر

ندیم خالد  
چیف ایگزیکٹو افسر

**FRONTIER CERAMICS LIMITED**  
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT MARCH 31, 2021**

	Notes	Un-audited 31-Mar-21 Rupees	Audited 30-Jun-20 Rupees
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment			
Operating fixed assets	6	1,940,863,033	1,468,280,478
Capital work in progress	7	300,570,019	58,575,025
Investment property		609,286	632,402
		2,242,042,338	1,527,487,905
Long term deposit		1,513,450	1,513,450
Advance for Land Purchase		205,000,000	-
Long term advances		11,051,576	13,287,303
		217,565,026	14,800,753
		<b>2,459,607,364</b>	<b>1,542,288,658</b>
<b>CURRENT ASSETS</b>			
Store, Spare and loose tools		125,669,343	71,976,158
Stock in trade		191,235,935	169,222,294
Trade debts		-	2,492,995
Short Term Lending		7,637,000	5,237,000
Advances		102,034,921	91,003,408
Tax refunds due from government		63,728,208	63,962,052
Taxation-net		10,258,546	22,482,902
Cash and Bank Balances	8	330,032,511	59,248,231
		<b>830,596,464</b>	<b>485,625,040</b>
<b>TOTAL ASSETS</b>		<b>3,290,203,828</b>	<b>2,027,913,698</b>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
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		1,288,280,652	884,642,163
Unappropriated profit/Accumulated loss		188,669,298	88,331,457
		<b>1,674,892,434</b>	<b>1,170,916,104</b>
<b>NON CURRENT LIABILITIES</b>			
Long term financing	9	156,836,980	168,248,651
Gas Infrastructure Development Cess		34,388,851	-
Deferred taxation		348,897,753	203,770,678
		<b>540,123,584</b>	<b>372,019,329</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		927,636,727	325,109,481
Mark up accrued		75,943,689	79,001,984
Short term borrowings	10	71,607,394	80,639,335
Current portion of long term financing		-	227,465
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,075,187,810</b>	<b>484,978,265</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	11		
		<b>3,290,203,828</b>	<b>2,027,913,698</b>

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, 2021**

	Quarter Ended		Nine Months Ended	
	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20
	.....Rupees.....			
Sales - net	815,364,209	372,398,440	2,131,685,198	794,291,842
Cost of sales	(739,100,063)	(324,789,363)	(1,909,493,399)	(689,653,547)
Gross Profit	<b>76,264,146</b>	<b>47,609,077</b>	<b>222,191,799</b>	<b>104,638,295</b>
Distribution cost	(2,939,235)	(3,562,532)	(38,390,177)	(10,202,974)
Administrative expenses	(9,036,995)	(6,569,525)	(25,348,891)	(19,856,635)
Other operating expenses	(2,755,676)	(266,906)	(5,848,520)	(1,344,987)
Operating profit	<b>61,532,240</b>	<b>37,210,113</b>	<b>152,604,211</b>	<b>73,233,699</b>
Finance cost	(6,912,124)	(8,620,440)	(22,365,326)	(28,354,634)
Other operating income	578,509	383,506	1,693,549	2,282,570
Profit before taxation	<b>55,198,625</b>	<b>28,973,179</b>	<b>131,932,434</b>	<b>47,161,635</b>
Taxation:				
-current	(24,672,271)	(4,654,980)	(60,237,766)	(6,399,424)
-Prior	-	-	-	-
-deferred	-	-	3,249,406	3,417,344
	<b>30,526,354</b>	<b>24,318,199</b>	<b>74,944,074</b>	<b>44,179,556</b>
Earnings per share - basic and diluted	0.81	0.64	1.98	1.17

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, 2021 (UN-AUDITED)**

	Rupees	
	31-Mar-21	31-Mar-20
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	131,932,434	47,161,635
Adjustment for:		
Depreciation	104,849,299	85,386,438
Finance Cost	22,365,326	
Profit before working capital changes	<u>259,147,059</u>	<u>132,548,073</u>
Changes in working capital:		
Decrease / (increase) in current assets		
Stores, spares and loose tools	(53,693,185)	(26,240,669)
Stock in trade	(22,013,641)	(79,895,324)
Trade debts	2,492,995	(2,439,631)
Short Term Lending	(2,400,000)	(5,237,000)
Advances	(11,031,513)	(51,575,324)
Increase / (decrease) in current liabilities		
Trade and other payables	636,916,097	115,640,023
Mark up accrued	(3,058,295)	24,018,016
	-	(1,772,525)
Current portion of long term financing	(227,465)	(3,696,911)
Short term borrowings	(9,031,941)	(2,474,313)
	<u>537,953,052</u>	<u>(33,673,657)</u>
Cash generated from operations	797,100,110	98,874,416
Taxes paid	(48,243,150)	(18,094,037)
Finance Cost Paid	(21,901,742)	-
Net cash generated / (Used in) from operating activities	726,955,218	80,780,379
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of operating fixed assets	-	(3,854,701)
Increase in long term advances	2,235,727	(2,066,482)
Increase in long term deposits	-	865,000
Advance for Land Purchase	(205,000,000)	
Additions to capital work in progress	(241,994,994)	(34,710,151)
Net cash used in investing activities	<u>(444,759,267)</u>	<u>(39,766,334)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Long term financing - net	(11,411,671)	(18,066,869)
Liability against assets subject to finance lease	-	(1,772,525)
Net cash used in financing activities	<u>(11,411,671)</u>	<u>(19,839,394)</u>
<b>Net (decrease) / increase in cash and cash equivalents</b>	270,784,280	21,174,652
<b>Cash and cash equivalents at the beginning of the period</b>	59,248,231	1,499,912
<b>Cash and cash equivalents at the end of the period</b>	<u><u>330,032,511</u></u>	<u><u>21,174,652</u></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 COMPREHENSIVE INCOME (UN-AUDITED)**  
**FOR THE THIRD QUARTER AND NINE MONTHS ENDED MARCH 31, 2021**

	Quarter Ended		Nine Months Ended	
	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20
	.....Rupees.....			
Profit after taxation	30,526,354	24,318,199	74,944,074	44,179,556
Other comprehensive income for the Period	-	-	-	-
Total comprehensive income for the Period	<u>30,526,354</u>	<u>24,318,199</u>	<u>74,944,074</u>	<u>44,179,556</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 CHANGES IN EQUITY**  
**FOR THE NINE MONTHS ENDED MARCH 31, 2021 (UN-AUDITED)**

	Issued, subscribed and paid up capital	Discount Issue of Right Shares	Revaluation surplus on property, plant and equipment	Unappropriated Profit	Total
	.....Rupees.....				
<b>Balance as at July 01, 2019</b>	<b>378,738,210</b>	<b>(180,795,726)</b>	<b>898,965,921</b>	<b>30,155,892</b>	<b>1,127,064,297</b>
comprehensive income for the period ended March 31, 2019				44,179,556	<b>44,179,556</b>
Transfer from surplus on revaluation of fixed assets incremental depreciation - net of deferred tax			(7,161,877)	7,161,877	-
<b>Balance as at March 31, 2020</b>	<b>378,738,210</b>	<b>(180,795,726)</b>	<b>891,804,044</b>	<b>81,497,325</b>	<b>1,171,243,853</b>
<b>Balance as at July 01, 2020</b>	<b>378,738,210</b>	<b>(180,795,726)</b>	<b>884,642,163</b>	<b>88,331,457</b>	<b>1,170,916,104</b>
comprehensive for the Period ended Mar 31, 2021				74,944,074	<b>74,944,074</b>
Transfer from surplus on revaluation of fixed assets incremental depreciation - net of deferred tax			403,638,489	-	<b>403,638,489</b>
<b>Balance as at March 31, 2021</b>	<b>378,738,210</b>	<b>(180,795,726)</b>	<b>1,288,280,652</b>	<b>188,669,298</b>	<b>1,674,892,434</b>

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, 2021 (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, 2020.

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, 2020.
- 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, 2020.

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, 2021 has been made using the estimated effective tax rate applicable to expected total annual earnings.

	Note	Un-audited 31-Mar-21 Rupees	Audited 30-Jun-20 Rupees
<b>6 OPERATING FIXED ASSETS</b>			
Opening written down value (WDV)		1,468,280,478	1,575,744,122
Add:			
Additions	6.1	-	4,145,299
Transferred from CWIP		-	4,296,167
Revaluation surplus		577,408,316	-
		<u>2,045,688,794</u>	<u>1,584,185,588</u>
Less:			
Disposals		-	-
Depreciation charge		<u>(104,825,761)</u>	<u>(115,905,110)</u>
Closing written down value (WDV)		<u>1,940,863,033</u>	<u>1,468,280,478</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>-</u>	<u>10,905,716</u>
<b>7 CAPITAL WORK IN PROGRESS</b>	7.1	<u>300,570,019</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.

	Note	Un-audited 31-Mar-21 Rupees	Audited 30-Jun-20 Rupees
<b>8 CASH AND BANK BALANCES</b>			
Cash in hand		1,509,611	64,760
Cash at bank - current accounts		328,522,900	1,435,152
		<u>330,032,510</u>	<u>1,499,912</u>
		<b>March 31, 2021 Rupees</b>	<b>June 30, 2020 Rupees</b>

	Note	Unaudited	Audited
<b>9 LONG TERM FINANCING</b>			
From associated person - unsecured	9.1	165,787	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
		156,836,980	214,033,917
Less: Current portion associated person		-	(1,330,707)
Less: Current portion Musharaka finance facility		-	(3,125,001)
		-	(4,455,708)
		<u>156,836,980</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.

	Note	March 31, 2021 Rupees	June 30, 2020 Rupees
<b>10 SHORT TERM BORROWINGS</b>			
Financial institution - secured	10.1	-	1,910,000
Related parties - unsecured - Due to associated companies	10.2	71,607,394	61,569,867
		<u>71,607,394</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

		<b>Marc 31, 2021 Rupees</b>	<b>June 30, 2020 Rupees</b>
	<b>Note</b>	<b>Unaudited</b>	<b>Audited</b>
<b>11.1 COMMITMENTS</b>			
The Company has following commitments:			
- in respect of letter of credit			
- against import of raw materials		164,703,631	7,246,004
- against import of stores and spares		7,547,372	8,779,859
- against import of plant and machinery		376,547,960	17,844,842
		<u>548,798,964</u>	<u>33,870,705</u>
- in respect of leased asset		-	1,772,525
		<u>548,798,964</u>	<u>35,643,230</u>
<b>Commitments for Ijarah arrangements</b>			
Not later than one year		2,566,242	3,421,656
Later than one year and not later than five years		-	5,132,484
		<u>2,566,242</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 undertakings during the period are as follows :

Name of the related party	Relationship	Transactions during the period	Nine Months Ended March 31,	
			2021	2020
			(Rupees)	
Toyota Rawal Motors (Private) Limited	Associated company by virtue of common directorship	Interest on short term borrowings	5,227,813	7,180,091
		Rental for building	466,876	424,433
		Short term borrowing received	-	2,300,000
		Short term borrowing repaid	7,121,941	-
		Utilities	60,000	90,000
Rawal Industrial Equipment (Private)	Associated company by virtue of common directorship	Short term borrowing received	-	18,700,000
		Interest on short term borrowings	11,321,669	16,807,079
		Short term loan repaid	-	2,925,000
		Payment against purchases	-	500,000
Mr. Nadem Khalid	Chief Executive	Long term financing - Loan repaid	11,639,136	30,545,797
		Mark-up on long term loan	288,669	-
		Mark-up Paid	16,703,000	-
		Advance for Land Purchased	205,000,000	-
Khalid & Khalid Holdings	Associated company by virtue of common directorship	Short term borrowing received	-	9,258,930
		Short term borrowing repaid	-	21,865,930
		Short term Lending	14,000,000	-
		Short term Lending received	11,600,000	-
		Interest on short term borrowings	-	33,446
		Interest on short term Lending	603,446	-
Chief Executive, Directors, Executives	Key management personnel	Remuneration and other benefits	14,779,831	12,322,473



**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 April **30, 2021** 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**