



KARAM CERAMICS LIMITED

Interim Condensed Financial Statements
For the Half Year ended December 31, 2021

(UNAUDITED)

www.karamceramics.com

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COMPANY INFORMATION

BOARD OF DIRECTORS

Mrs. Mariam Shaban Ali	Chairperson
Mr. Irshad Ali S.Kassim	Vice Chairman
Mr. Munawar Ali S.Kassim	Chief Executive
Miss. Maneeza Kassim	Director
Mr. Shahid Anwar Tata	Independent Non-Executive Director
Mr. Suleman Basaria	Independent Non-Executive Director
Ms. Roshan Ara sayani	Independent Non-Executive Director
Mr. Muhammad Shehzad Dhedhi	Chief Financial officer
Mr. Manzoor Ali Natha	Company Secretary

AUDIT COMMITTEE

Mr. Suleman Basaria	Chariman
Miss Maneeza Kassim	Member
Ms. Roshan Ara Sayani	Member

HUMAN RESOURCES & REMUNERATION COMMITTEE

Ms. Roshan Ara sayani	Chairperson
Mr. Munawar Ali S. Kassim	Member
Miss. Maneeza Kassim	Member

BANKERS

Soneri Bank Limited
Habib Bank Limited
JS Bank Limited
MCB Bank Limited
Habib Metropolitan Bank Limited
Faysal Bank Limited
Allied Bank Limited
Bank Alfalah Limited
Meezan Bank Limited

AUDITORS / REGISTRAR AND SHARE TRANSFER OFFICE

Crowe Hussain Choudhury
Chartered Accountants
T.H.K. Associates (Private) Limited
Plot No. 32-C, Jami Commercial Street 2,
D.H.A Phase VII Karachi-75500.

NATIONAL TAX NUMBER : 0710857-5
SALES TAX REGISTRATION NO : 02-02-6907-001-55

HEAD OFFICE

Bc-6, Block -5, Scheme-5, Kehkashan, Clifton, Karachi (Ph # 021-35865561-64)

FACTORY

295/311, Deh Halkani, Hub Dam Road, Karachi

REPORT OF THE DIRECTORS

For The Half Year Ended December 31, 2021

Dear Shareholders,

The Directors of your Company presents to you the financial results of your Company for the half year ended 31 December 2021

BUSINESS AND PERFORMANCE REVIEW

The financial performance for the half year ended 31 December 2021 is summarized below:

Particulars	December 31, 2021	December 31, 2020
Net Sales	519,930,736	512,522,541
Cost of sales	488,242,767	474,874,762
Gross Profit /(Loss)	31,687,969	37,647,779
Net (Loss)	4,383,876	(10,090,448)

Net sales were reported at Rs.51993 million during the six months period under review as against Rs.51252 million in the corresponding period of preceding year.

The gross profit for the period was Rs. 31.68 million against gross profit of Rs. 37.64 million in the corresponding period of the preceding year showing a decrease of Rs. 5.96 million primarily due to increase in cost of production.

The profit before and after taxation during the period under review stood at Rs. 5.32 million and Rs. 4.38 million as against loss of Rs. 8.35 million and Rs. 10.09 million respectively during the corresponding period of preceding year.

FUTURE PROSPECTS

your Company has shown skills and ingenuity in delivering a good set of results in very challenging circumstances and we are committed to progress ahead, with the support of government policies. Housing programs and construction activity in Pakistan has increased and is reaching new peaks which leads to go heights of the business.

ACKNOWLEDGEMENT

On behalf of Board of Directors, I thank our well-wishers, shareholders, customers, dealers, banks & DFIS, suppliers of raw material and plant and machinery, friends and all employees for their cooperation and contribution towards the progress of the company.

On behalf of the Board


Irshad Ali Kassim
Director


Munawar Ali Kassim
Chief Executive

February 28, 2022

کرم سیرامکس لمیٹڈ 31 دسمبر 2021ء کو ختم ہونے والی پہلی سہ ماہی کے لئے ڈائریکٹرز کی رپورٹ

محترم شیئر ہولڈرز،

آپ کی کمپنی کے ڈائریکٹرز 31 دسمبر 2021ء کو ختم ہونے والی ششماہی کے لئے کمپنی کے مالیاتی نتائج پیش کر رہے ہیں۔

مالیاتی کارکردگی کا جائزہ:

31 دسمبر 2021ء کو ختم ہونے والی ششماہی کیلئے کمپنی کی مالی کارکردگی کا جائزہ درج ذیل ہے:

تفصیلات	31 دسمبر 2021ء	31 دسمبر 2020ء
خالص فروخت	519,930,736	512,522,541
فروخت کی لاگت	488,242,767	474,874,762
مجموعی (خسارہ)/منافع	31,687,969	37,647,779
خالص (خسارہ)	4,383,876	(10,090,448)

زیر جائزہ ششماہی کے دوران خالص فروخت مبلغ 519.93 ملین روپے رہی جو کہ گذشتہ سال کی اسی مدت کے دوران مبلغ 512.52 ملین روپے تھی۔

دوران مدت گذشتہ سال کی اسی مدت کے مجموعی منافع مبلغ 37.64 ملین روپے کے مقابلے میں مبلغ 31.68 ملین روپے کا مجموعی منافع حاصل ہوا جو کہ بنیادی طور پر پیداواری لاگت میں اضافہ کے باعث مبلغ 5.96 ملین روپے کی کمی کو ظاہر کرتا ہے۔

دوران جائزہ مدت قبل از اور بعد از ٹیکس مبلغ 5.32 ملین روپے اور 4.38 ملین روپے رہا جبکہ گذشتہ سال اسی مدت میں خسارہ مبلغ 8.35 ملین روپے اور 10.09 ملین روپے بالترتیب تھا۔


مستقبل کا نظریہ:

آپ کی کمپنی نے کافی مشکل حالات میں بہتر نتائج فراہم کرنے میں اپنی مہارت کا مظاہرہ کیا ہے اور ہم حکومت کی پالیسیوں پر عمل کرتے ہوئے آگے بڑھنے کے لیے پرعزم ہیں۔


پاکستان میں ہاؤسنگ پروگرام اور تعمیراتی سرگرمیوں میں اضافہ ہوا ہے اور بلند یوں کو چھو رہا ہے جس کے باعث کاروبار میں اضافہ ہوا ہے۔

اظہار تشکر:

بورڈ آف ڈائریکٹرز کی جانب سے، میں ہمارے خیر خواہوں، شیئر ہولڈرز، صارفین، ڈیلرز، بینکوں اور DFIS، خام مال اور پلانٹ اور مشینری کے سپلائرز، دوستوں اور تمام ملازمین کا کمپنی کی ترقی میں تعاون اعتماد کے لئے ان کا شکریہ ادا کرتا ہوں۔


 منور علی ایس قاسم
 چیف ایگزیکٹو

توسط بورڈ


 ارشاد علی قاسم
 ڈائریکٹر

مورخہ 28 فروری 2021ء

AUDITORS' REPORT TO THE MEMBERS ON REVIEW OF INTERIM FINANCIAL STATEMENTS

Introduction

We have reviewed the accompany condensed interim statement of financial position of **Karam Ceramics Limited (the Company)** as at December 31, 2021 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 financial statements for the six months period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of this interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information 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 interim financial statements is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other Matters

The figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income, for the six months period ended December 31, 2020 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2021.

The engagement partner on the audit resulting in this independent auditor's report is Imran Shaikh.



Crowe Hussain Chaudhury & Co.
Chartered Accountants

Date: February 28, 2022
Place : Karachi

Condensed Interim Statement of Financial Position

As at December 31, 2021

		(Un-Audited) December 31, 2021	(Audited) June 30, 2021
ASSETS			
Non-current assets		Rupees	Rupees
Property, plant and equipment	Note 5	1,090,424,187	1,193,605,188
Right-of use assets	6	980,348	1,089,275
Long term deposits		897,038	897,038
		1,092,301,573	1,195,591,501
Current assets			
Stores and spares		26,637,795	23,639,489
Stock in trade		667,892,080	625,850,836
Trade debts		63,131,461	34,942,121
Loans and advances - considered good	7	1,051,112	1282,812
Advance tax		10,118,753	19,955,270
Refunds due from the Government		45,852,024	42,796,430
Short term deposits, Prepayments and other receivables		40,927,676	16,287,705
Receivable against sale of property		75,500,000	-
Short term investment		7,000,000	7,000,000
Cash and bank balances	8	15,608,771	15,240,576
		953,719,672	786,995,239
TOTALASSETS		2,046,021,245	1,982,586,740
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital		145,486,760	145,486,760
Unappropriated profit		216,542,197	145,270,592
Revaluation surplus on property & equipment		434,696,606	501,584,335
Remeasurement of retirement benefit obligation		8,035,251	8,035,251
		804,760,814	800,376,938
LIABILITIES			
Non-current liabilities			
Long term financing - secured	9	557,123,252	399,843,438
Lease liabilities		214,535	419,473
Deferred income-government grant		1,435,194	3,159,809
Post employment benefits		81,450,971	83,266,939
Deferred taxation	10	67,006,014	72,564,003
		707,229,966	559,253,663
Current liabilities			
Trade and other payables		81,802,947	105,171,611
Markup accrued on loans		36,598,139	35,174,733
Short term borrowings from banks - secured	11	347,940,744	336,907,805
Current portion of Long term financing-secured		56,019,094	121,680,310
Unclaimed Dividend		513,191	513,191
Dividend payable		4,256,010	6,225,120
Current portion of Lease liabilities		401,208	383,693
Provision for taxation		6,499,134	16,899,676
		534,030,467	622,956,139
Toal liabilities		1,241,260,433	1,182,209,802
Contingencies and Commitments	12	-	-
TOTAL EQUITY AND LIABILITIES		2,046,021,245	1,982,586,740

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


Chief Executive


Chief Financial Officer


Director

Condensed Interim Statement Of Profit And Loss For The Half Year Ended December 31, 2021 - (Unaudited)

	Note	Half year Ended		Quarter Ended	
		December 31 2021 Rupees	December 31 2020 Rupees	December 31 2021 Rupees	December 31 2020 Rupees
Revenue	13	519,930,736	512,522,541	251,681,311	311,523,589
Cost of sales		(488,242,767)	(474,874,762)	(246,003,115)	(277,598,361)
Gross profit		31,687,969	37,647,779	5,678,196	33,925,228
Selling and distribution expenses		4,460,089	4,524,660	2,716,713	2,146,707
Administrative expenses		12,160,859	11,899,006	6,753,739	4,501,502
		(16,620,948)	(16,423,666)	(9,470,452)	(6,648,209)
Operating profit		15,067,021	21,224,113	(3,792,256)	27,277,019
Other income		31,426,865	531,360	26,725,002	1,510
Finance Cost	14	(41,168,866)	(30,108,581)	(27,810,008)	(11,792,492)
		(9,742,001)	(29,577,221)	(1,085,006)	(11,790,982)
profit before taxation		5,325,020	(8,353,108)	(4,877,262)	15,486,037
Taxation	15	(941,144)	(1,737,340)	(3,454,113)	805,294
profit after taxation		4,383,876	(10,090,448)	(8,331,375)	16,291,331
Earnings per share -					
Basic and diluted	16	0.30	(0.69)	(0.57)	1.12

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


Chief Executive


Chief Financial Officer


Director



Condensed Interim Statement Of Cash Flows

For the Half Year ended December 31, 2021 - (Un-audited)

	December 31, 2021 Rupees	December 31, 2020 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (Loss) before taxation	5,325,020	(8,353,108)
Adjustments for non cash charges and other items		
Depreciation	47,882,864	46,606,944
Provision for gratuity	-	6,214,158
Gain on disposal of property, plant equipment	(29,701,863)	(529,500)
Amortization of government grant	(1,724,615)	-
Finance cost	41,168,866	30,108,581
Cash flow from operating activities before working capital changes	57,624,865	82,400,183
	62,949,885	74,047,074
Effect on cash flow due to working capital changes		
Increase in stores and spares	(2,998,306)	(2,405,101)
Increase in stock in trade	(42,041,244)	(142,738,479)
(Increase) / Decrease in trade debts	(28,189,340)	87,336,568
Decrease / (Increase) in loans and advance	231,700	(1,137,666)
Increase in short term deposits, prepayments and other receivables	(24,639,971)	(2,655,061)
Decrease in refunds due from government-Income tax	-	16,886,495
Receivable against sale of property	(75,500,000)	-
(Decrease) / Increase in trade and other payable	(21,168,993)	15,376,432
	(194,306,154)	(29,336,812)
Cash flows generated from operations	(131,355,882)	44,710,262
Finance cost paid	(28,772,088)	(28,758,324)
Income tax paid	(10,118,753)	(4,784,458)
Sales tax paid	(3,192,332)	1,055,569
Gratuity paid	(1,815,968)	(3,166,711)
	(43,899,141)	(35,653,924)
Net cash flows generated from operating activities	(175,255,023)	9,056,339
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	-	(57,000)
Proceeds from disposal of property, plant and equipment	95,000,000	900,000
Net cash flows used in investing activities	95,000,000	843,000
	95,000,000	843,000
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term financing	157,279,814	16,240,050
Short term borrowings	(27,119,960)	49,693,592
Lease rentals paid	(220,422)	(220,690)
Dividend paid	(1,969,110)	-
Net cash flows used in financing activities	127,970,322	65,712,952
Net increase in cash and cash equivalents	(37,784,702)	75,612,291
Cash and cash equivalents at the beginning of the year	(193,295,985)	(152,379,719)
Cash and cash equivalents at the end of the year -note 17	(231,080,687)	(76,767,428)

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


Chief Executive


Chief Financial Officer


Director

Condensed Interim Statement Of Other Comprehensive Income

For the Half Year ended December 31, 2021 - (Un-audited)

	Half year Ended		Quarter Ended	
	December 31 2021 Rupees	December 31 2020 Rupees	December 31 2021 Rupees	December 31 2020 Rupees
Profit / (Loss) after taxation	4,383,876	(10,090,448)	(8,331,375)	(16,291,331)
Items not to be reclassified to profit or loss in subsequent period:	-	-	-	-
Surplus on revaluation of property, plant equipment	-	-	-	-
Deferred tax on revaluation surplus on property, plant and equipment	-	-	-	-
Total comprehensive income for the year	4,383,876	(10,090,448)	(8,331,375)	(16,291,331)

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



Chief Executive



Chief Financial Officer



Director

Condensed Interim Statement Of Changes In Equity

For the Half year ended December 31, 2021 - (Un-audited)

	Share Capital	Unappropriated Profit	Surplus on revaluation of and equipment property, plant	Remeasurement of retirement benefit obligation	Total
	Rupees				
Balance as at June 30, 2020	145,486,760	83,693,742	345,316,258	5,144,161	579,640,921
profit / (Loss) after taxation for the year ended June 30, 2021	-	41,629,325	-	-	41,629,325
Other comprehensive income for the year					
Remeasurement of retirement benefit obligation	-	-	-	4,071,958	4,071,958
Deferred tax on retirement benefit obligation	-	-	-	(1,180,868)	(1,180,868)
				2,891,090	2,891,090
Surplus on revaluation of land and building net of deferred tax	-	-	176,215,601	-	176,215,601
Transferred from surplus on revaluation of property, plant and equipment incremental depreciation for the year- net deferred tax	-	19,947,525	(19,947,525)	-	-
	-	19,947,525	19,947,525	-	176,215,601
	145,486,760	145,270,592	501,584,334	8,035,251	800,376,937
Balance as at June 30, 2021					
Profit after taxation for the period ended		4,383,876			4,383,876
Other comprehensive income for the year					
Surplus on revaluation of land and building net of deferred tax	-	53,712,929	(53,712,929)	-	-
Transferred from surplus on revaluation of property, plant and equipment incremental depreciation for the period-net of deferred tax	-	13,174,800	(13,174,800)	-	-
		66,887,729	(66,887,729)		
Balance as at December 31, 2021	<u>145,486,760</u>	<u>216,542,197</u>	<u>434,696,605</u>	<u>8,035,251</u>	<u>804,760,813</u>

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


Chief Executive


Chief Financial Officer


Director

Selected Notes to the Condensed Interim Financial Information

For the half year ended December 31, 2021 - (Un-audited)

1. The Company and its operation

Karam Ceramics Limited was incorporated in Pakistan on April 8, 1979 as a public limited company under the repealed Companies Act, 1913 (now Companies Act, 2017). The share of the company are quoted on Pakistan Stock Exchange. The registered office of the Company is situated at Bc-6, Block-5, Kehkashan, Clifton, Karachi, Pakistan and manufacturing facilities of The company are located at 295/311, Deh Halkani, Hub Dam Road, Manghopir, Karachi the warehouse of the Company is located at 4-L Ferozpur Road Lahore. The principal activity of The Company is manufacturing and sale of tiles.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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.

2.2 Accounting convention

These condensed interim financial statements have been prepared under the historical cost convention except that inventories are carried at lower of cost or net realisable value, land and buildings at revalued amounts and staff retirement benefits are carried at present value.

These condensed interim financial statements do not include all information and disclosures required in the financial statements and should be read in conjunction with the annual audited financial statements of the Company for the year ended June 30, 2021.

2.3 Standards, interpretations and amendments to published accounting and reporting standards that effective in the current period

There are certain new and amended standards and interpretations that are mandatory for the Company's accounting period beginning on or after July 01, 2021 but are considered not to be relevant or to have any significant effect on the Company's operations and are, therefore, not disclosed in these condensed interim financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted and the methods of computation of balances used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual audited financial statements of the Company for the year ended June 30, 2021.

4. ACCOUNTING ESTIMATES AND JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

The preparation of these condensed interim financial statements in conformity with accounting and reporting standards requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, income and expenses. It also requires the management to exercise judgment in application of its accounting policies. The estimates, judgments and associated assumptions are based on the management's experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods. The significant judgments made by the management in applying the Company's accounting policies and the key resources of estimation and uncertainty were the same as those applied to the annual audited financial statements for the year ended June 30, 2021.

The financial risk management objectives and policies are consistent with those disclosed in the annual audited financial statements of the Company for the year ended June 30, 2021.

	(Un-audited) December 2021	(Audited) June 30, 2020
5. PROPERTY, PLANT AND EQUIPMENT	1,193,605,188	1,069,821,000
Opening net book value		
Additions during the period:		
Plant & machinery	-	217,912,537
Vehicle	-	57,000
		217,969,537
	1,193,605,188	1,287,790,537
Disposals during the period	(55,298,137)	(368,640)
Depreciation charged during the period	(47,882,864)	(93,16,709)
	(103,181,001)	(94,185,349)
	1,090,424,187	1,193,605,188
6. LEASES		
Right-of-use assets		
Balance at the beginning of the period	1,089,275	1,361,594
Additions	-	-
Disposals	-	-
Depreciation expense	(108,928)	(272,319)
Balance at the end of the period	980,348	1,089,275
Rate of depreciation	20%	20%
7. LOANS AND ADVANCES		
These loans and advances do not carry mark up arrangements.		
8. CASH AND BANK BALANCES		
Cash in hand	3,100,605	94,682
Cash at banks:		
- Current Accounts	12,496,099	15,134,111
- Deposit Accounts	12,067	11,783
	12,508,166	15,145,894
	15,608,771	15,240,576



	December 31, 2021	June 30, 2020
9. LONG TERM FINANCING		
Secured		
From banking companies -note 9.1	63,257,250	156,517,974
Lease : Current maturity shown under current liabilities	(56,019,094)	(121,680,310)
	7,238,156	34,837,664
From directors	549,885,096	365,005,774
	557,123,252	399,843,438
9.1 Loan from banking companies		
Soneri Bank Limited	34,973,085	59,219,224
SBP Bank Limited	27,396,234	39,599,629
JS Bank Limited	-	16,201,334
Habib Bank Limited	887,931	41,497,787
	63,257,250	156,517,974

10. Post employment benefit

The Company follows a consistent practice to conduct actuarial valuations annually at the year end. Hence, the impact, if any, relating to measurements of post employment benefit obligations (actuarial gain/losses) on condensed interim financial information is not calculated and accounted for as considered immaterial.

11. SHORT TERM BORROWINGS - FROM BANKS

During the period, the company utilized short term running finance facilities available from Soneri Bank Limited and Habib Bank Limited. The rate of mark up on facilities obtained from Soneri Bank Limited is 3 months KIBOR plus 1.50% and 3 months KIBOR plus 2.00% whereas, rate of markup on facilities obtained from Habib Bank Limited is 3 months KIBOR plus 1.00% These facilities are secured against plant and machinery, stock-in-trade, trade receivables and personal guarantees given by the Directors of the Company.

12. CONTINGENCIES AND COMMITMENTS

12.1 Contingencies

There has been no change in status of contingencies reported in the financial statements for the year ended June 30, 2021.

12.2 Commitments

Commitments under letter of credit for import of raw material as at December 31, 2021 amounted to Rs. 83,071,973. (June 30, 2021: Rs. (63,098,618)



	(Un-audited) December 31, 2021 Rupees	(Un-audited) December 31, 2020 Rupees
13. REVENUE		
Gross sales	638,517,571	624,330,133
Less: sales tax	(118,586,835)	(111,807,592)
	519,930,736	512,522,541
14. FINANCE COST		
Mark-up on:		
Short term borrowings	15,060,000	4,670,206
Term Finance	10,444,426	10,788,991
	25,504,426	15,459,197
Interest on directors loan	13,393,070	12,962,642
Lease finance charges	32,999	55,687
Exchange loss	1,386,244	769,618
Bank charges	852,127	861,437
	41,168,866	30,108,581
15. TAXATION		
Current	6,499,134	7,687,838
Prior year	-	-
Deferred	(5,557,991)	(5,950,498)
	941,144	1,737,340
16. EARNINGS PER SHARE		
Profit / (Loss) after taxation attributable to ordinary shareholders	4,383,876	(10,090,448)
Weighted average number of shares in issue during the year	14,548,676	14,548,676
Earnings / (Loss) per share (Rupees) - Basic and diluted	0.30	(0.69)
17. CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		
Soneri Bank Limited	(201,444,258)	(40,541,039)
Habib Bank Limited	(45,245,200)	(44,481,170)
Cash and bank balance	15,608,771	8,254,781
	(231,080,687)	(76,767,428)

18. TRANSACTIONS WITH RELATED PARTIES

Relationship with the Company	Nature of transactions	(Un-audited) December 31, 2021 Rupees	(Un-audited) December 31, 2020 Rupees
Director's spouse	Rent expenses	1,028,916	935,377
Directors	Loan (paid) / received-net	171,486,250	8,300,000
Directors	Interest on loan	-	7,147,012
Directors	Notional interest on loan	13,393,070	5,815,630
Directors	Remuneration and allowances	3,900,000	3,900,000

19. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates. Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materiality the scale of its operations or to undertake a transaction on adverse terms.

The estimated fair value of all financial assets and liabilities is considered not significantly different from book values as the items are either short - term in nature or periodically repriced.

International Financial Reporting Standard 13, 'Financial Instruments: Disclosure' requires the company to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date (level 1);
- inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (level 2); and
- unobservable inputs for the asset or liability (level 3).

The level in the fair value hierarchy within which the fair value measurement is categorized in its entirety shall be determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

Currently there are no financial assets or financial liabilities which are measured at their fair value in the statement of financial position.

20. CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of comparison. No significant reclassifications were made during the period..

21. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on 28 February, 2022 by the Board of Directors of the Company

22. GENERAL

Figures have been rounded off to the nearest rupee.



Chief Executive



Chief Financial Officer



Director

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