

KARAM CERAMICS LIMITED
Interim Condensed Financial Statements
For The Half Year ended
December 31, 2023
(UNAUDITED)

2023



www.karamceramics.com

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COMPANY INFORMATION

BOARD OF DIRECTORS

| | |
|--------------------------------------|------------------------------------|
| Mrs. Suraiya Nasir | Chairperson |
| Mr. Syed Mazhar Ali Nasir | Chief Executive Officer |
| Mr. Syed Azhar Ali Nasir | Non-Executive Director |
| Mr. Syed Azfar Ali Nasir | Non-Executive Director |
| Lt. General (Rtd) Tariq Waseem Ghazi | Independent Non-Executive Director |
| Mr. Alireza M. Alladin | Executive Director |
| Mr. Shuja Ahmed Alvi | Independent Non-Executive Director |
| Mr. Syed Naqui Raza | Chief Financial officer |
| Mr. Manzoor Ali Natha | Company Secretary |

AUDIT COMMITTEE

| | |
|--------------------------------------|----------|
| Mr. Shuja Ahmed Alvi | Chairman |
| Lt. General (Rtd) Tariq Waseem Ghazi | Member |
| Syed Azhar Ali Nasir | Member |

HUMAN RESOURCES & REMUNERATION COMMITTEE

| | |
|--------------------------------------|----------|
| Mr. Shuja Ahmed Alvi | Chairman |
| Lt. General (Rtd) Tariq Waseem Ghazi | Member |
| Mr. Syed Azfar Ali Nasir | Member |

BANKERS

Soneri Bank Limited
Habib Bank Limited
JS Bank Limited
MCB Bank Limited
Habib Metropolitan Bank Limited
Habib Mertropolitan Islamic Banking Branch
Faysal Bank Limited
Allied Bank Limited
Bank Alfalah Limited
Meezan Bank Limited
MCB Islmic Banking

AUDITORS / REGISTRAR AND SHARE TRANSFER OFFICE

Crowe Hussain Choudhury & Co
Chartered Accountants
F-4/2, Mustafa Avenue, Behind "The Forum"
Block 9, Clifton, Karachi
Tel: +92-21-35877806 - 10

T. H. K. Associates (Private) Limited
Plot No. 32-C, Jami Commercial Street2,
D.H.A Phase VII Karachi-75500

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

HEAD OFFICE

A-31, Sindhi Muslim Cooperative Housing Society, Karachi-75400.
(Ph # 021-3455512-13)

FACTORY

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

REPORT OF THE DIRECTORS For The Half Year Ended December 31,2023

Dear Shareholders

The Directors of your Company present to you the financial results of your Company for the first half year ended December 31,2023.

The financial performance for the half year ended 31 December 2023 is summarized below:

| Particulars | December 31, 2023 | December 31, 2022 |
|-----------------------------|----------------------|----------------------|
| Net Sales | 611,228,367 | 233,625,807 |
| Cost of Sales | (955,135,975) | (566,652,505) |
| Gross (Loss) | (343,907,608) | (333,026,698) |
| Net (Loss) / after taxation | (382,938,347) | (382,911,902) |

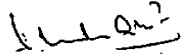
During the six months under review, the company witnessed significant growth in net sales, reporting a figure of Rs.611.2 million compared to Rs. 233.6 million in the corresponding period of the preceding year. This represents an impressive increase of Rs.377.6 million.

The cost of sales for the period was reported at Rs. 955.1 million, reflecting an increase from Rs. 566.6 million in the same period of the preceding year. The principal factor contributing to this rise was the increase in gas charges by approximately more than 100%. The company is actively reviewing and implementing measures to optimize production costs while maintaining product quality.

The loss before and after taxation for the period under review stood at Rs. (380) million and Rs.(382.9) million, compared to Rs. (366.9) million and Rs.(382.9) million, respectively, in the corresponding period of the preceding year, The company is actively working on strategic initiatives to improve profitability and ensure sustainable growth.

On behalf of Directors, I would like to express gratitude to our well wisher, shareholders, customers, dealers, banks & DFIS, suppliers of raw material and plant and machinery, friends and all employees for their corporation and contribution towards the progress of the company.

On behalf of the Board



Syed Mazhar Ali Nasir
Chief Executive Officer
Karachi: February 23,2024

کرم سیرامکس لمیٹڈ
31 دسمبر 2023ء کو ختم ہونے والی ششماہی کے لئے ڈائیکٹرز کی رپورٹ

محترم شیئر ہولڈرز،
آپ کی کمپنی کے ڈائریکٹرز 31 دسمبر 2023ء کو ختم ہونے والی ششماہی کے لئے کمپنی کے مالیاتی نتائج پیش کر رہے ہیں۔
مالیاتی کارکردگی کا جائزہ:

31 دسمبر 2023ء کو ختم ہونے والی ششماہی کیلئے کمپنی کی مالی کارکردگی کا جائزہ درج ذیل ہے:

| تفصیلات | 31 دسمبر 2023ء | 31 دسمبر 2022ء |
|--------------------------|----------------|----------------|
| خالص فروخت | 611,228,367 | 233,625,807 |
| فروخت کی لاگت | (955,135,975) | (566,652,505) |
| مجموعی (خسارہ) | (343,907,608) | (333,026,698) |
| خالص (خسارہ) بعد از ٹیکس | (382,938,347) | (382,911,902) |

زیر جائزہ ششماہی کے دوران خالص فروخت مبلغ 611.2 ملین روپے رہی، جو کہ گذشتہ سال کی اسی مدت کے دوران مبلغ 233.6 ملین روپے تھی جو کہ مبلغ 377.6 ملین روپے کے اضافہ کو ظاہر کرتا ہے۔

دوران مدت فروخت کی لاگت 955.1 ملین رہی، جو کہ گذشتہ سال کی اسی مدت میں 566.6 ملین تھی۔ اس اضافے کا بنیادی عنصر گیس کے چارجز میں تقریباً 100 فیصد سے زائد اضافہ تھا۔ کمپنی مصنوعات کے معیار کو برقرار رکھتے ہوئے پیداواری لاگت کو بہتر بنانے کے اقدامات کا فعال طور پر جائزہ لے رہی ہے اور ان پر عمل درآمد کر رہی ہے۔

دوران مدت قبل از ٹیکس اور بعد از ٹیکس خسارہ (380) ملین روپے اور (382.9) ملین روپے بالترتیب رہا، جو کہ گذشتہ سال کی اسی مدت میں بالترتیب (366.9) ملین روپے اور (382.9) ملین روپے تھا۔ کمپنی منافع کو بہتر بنانے اور پائیدار ترقی کو یقینی بنانے کے لیے اسٹریٹیجک اقدامات پر فعال طور پر کام کر رہی ہے۔

اظہار تشکر:

بورڈ آف ڈائریکٹرز کی جانب سے، میں ہمارے خیر خواہوں، شیئر ہولڈرز، صارفین، ڈیلرز، بینکوں اور DFI'S، 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۔

بتوسط بورڈ

سید مظہر علی ناصر

چیف ایگزیکٹو آفیسر

23 فروری 2024ء

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

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Karam ceramics Limited (the 'Company'), as at December 31, 2023 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 Standard 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 are 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 three months period ended September 30, 2023 and 2022 have not been reviewed, as we were required to review only cumulative figures for the six months period ended December 31, 2023.

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



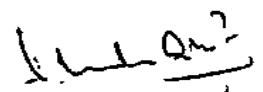
Crowe Hussain Chaudhury & Co.
Chartered Accountants
Karachi.

Dated: February 23, 2024
UDIN: RR202310207KwaVhtmke

Condensed Interim Statement of Financial Position

As at December 31, 2023

| | | (Un-Audited) December 31, 2023 Rupees | (Un-Audited) June 30, 2023 Rupees |
|--|---------|--|--|
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | Note: 5 | 1,028,562,034 | 1,006,091,132 |
| Long term deposits | | 898,453 | 898,453 |
| | | <u>1,029,460,487</u> | <u>1,006,989,585</u> |
| Current assets | | | |
| Stores and spares | | 108,143,903 | 85,131,657 |
| Stock in trade | | 603,094,788 | 653,740,586 |
| Loans and advances - considered good | | 1,389,536 | 1,546,536 |
| Advance tax | 6 | 11,017,844 | 17,666,902 |
| Refunds due from the government | | 74,495,308 | 61,816,494 |
| Short term deposits, prepayments and other Receivable | | 551,499 | 93,365 |
| Cash and bank balance | 7 | 11,859,016 | 43,733,323 |
| | | <u>810,551,894</u> | <u>863,728,863</u> |
| TOTAL ASSETS | | <u>1,840,012,381</u> | <u>1,870,718,448</u> |
| EQUITY AND LIABILITIES | | | |
| SHARE CAPITAL AND RESERVES | | | |
| Authorised capital 45,000,000 (June 30, 2023: 15,000,000) shares of Rs. 10/-each | | 450,000,000 | 150,000,000 |
| Share Capital | | 145,486,760 | 145,486,760 |
| Unappropriated profit | | (849,941,207) | (477,674,447) |
| Revaluation surplus on property, plant & equipment | | 387,135,579 | 397,807,166 |
| Remeasurement of retirement, benefit obligation | | 2,340,703 | 2,340,703 |
| Interest free loan from directors | 3.1 | 1,452,734,796 | 1,452,734,796 |
| | | <u>1,137,756,631</u> | <u>1,520,694,978</u> |
| LIABILITIES | | | |
| Non-current liabilities | | | |
| Post employment benefits | | 19,358,780 | 22,130,474 |
| Deferred taxation | | 27,563,303 | 32,272,215 |
| | | <u>46,922,083</u> | <u>54,402,689</u> |
| Current liabilities | | | |
| Trade and other payables | | 356,645,517 | 178,458,389 |
| Advance from customers | | 191,886,199 | 11,286,628 |
| Short term borrowings | | 95,500,000 | 90,000,000 |
| Unclaimed Dividend | 8 | 513,191 | 513,191 |
| Dividend payable | | 3,148,405 | 3,148,408 |
| Provision for taxation | | 7,640,355 | 12,214,168 |
| | | <u>655,333,667</u> | <u>295,620,781</u> |
| Contingencies and Commitments | 9 | - | - |
| TOTAL EQUITY AND LIABILITIES | | <u>1,840,012,381</u> | <u>1,870,718,448</u> |


Chief Executive

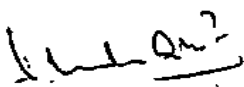

Chief Financial Officer


Director

Condensed Interim Profit And Loss Account For The Half Year Ended December 31,2023(Unaudited)

| | Note. | Half year ended | | Quarter Ended | |
|--|-----------|----------------------|----------------------|----------------------|----------------------|
| | | December 31 2023 | December 31 2022 | December 31 2023 | December 31 2022 |
| | | Rupees | Rupees | Rupees | Rupees |
| Revenue | 10 | 611,228,367 | 233,625,807 | 238,567,079 | 171,600,889 |
| Cost of sales | | (955,135,975) | (566,652,505) | (535,681,720) | (408,380,847) |
| Gross profit | | <u>(343,907,608)</u> | <u>(333,026,698)</u> | <u>(297,114,641)</u> | <u>(236,779,958)</u> |
| Selling and distribution expenses | | (18,686,647) | (9,429,977) | (15,660,303) | (5,795,828) |
| Administrative expenses | | (16,554,455) | (13,359,308) | (9,431,987) | (6,406,611) |
| Other expenses | | - | (741,100) | - | (741,100) |
| | | <u>(35,241,102)</u> | <u>(23,530,385)</u> | <u>(25,092,290)</u> | <u>(12,943,539)</u> |
| Operating Loss | | <u>(379,148,710)</u> | <u>(356,557,083)</u> | <u>(322,206,931)</u> | <u>(249,723,497)</u> |
| Other income | | 1,288,265 | 2,076,040 | 730,579 | 463,416 |
| Finance cost | 11 | (2,146,459) | (12,118,781) | (57,340) | (3,222,979) |
| | | <u>(858,194)</u> | <u>(10,042,741)</u> | <u>673,239</u> | <u>(2,759,563)</u> |
| Loss before taxation | | <u>(380,006,904)</u> | <u>(366,599,824)</u> | <u>(321,533,692)</u> | <u>(252,483,060)</u> |
| Taxation | 12 | (2,931,443) | (16,312,078) | 1,477,030 | (18,950,542) |
| Loss before taxation | | <u>(382,938,347)</u> | <u>(382,911,902)</u> | <u>(320,056,663)</u> | <u>(271,433,602)</u> |
| Earnings per share- basic and diluted | 13 | (26.32) | (26.32) | (22.00) | (18.66) |

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


Chief Executive

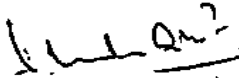

Chief Financial Officer


Director

Condensed Interim Statement Of Cash Flow
For the Half Year ended December 31,2023 -(Un-audited)

| | Half Year ended | |
|---|----------------------------|----------------------------|
| | December 2023 Rupees | December 2022 Rupees |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Loss before taxation | (380,006,904) | (366,599,824) |
| Adjustments for non cash charges and other items | | |
| Depreciation | 40,697,372 | 43,710,940 |
| Gain on disposal of property, plant, and equipment | - | (554,841) |
| Finance cost | 2,146,459 | 12,118,781 |
| | 42,843,831 | 55,274,880 |
| operating loss before working capital Changes (increase) Decrease in current asset | (337,163,073) | (311,324,944) |
| store and spares | (23,012,245) | 5,415,167 |
| stock in trade | 50,645,799 | (90,169,597) |
| Loans and advance | 157,000 | (1,888,198) |
| short term deposits, prepayments | (458,134) | 3,218,997 |
| Increase / (Decrease) in current liability | - | - |
| Trade and other payables | 178,187,128 | 8,253,526 |
| Advance from customer | 180,599,571 | 14,322,704 |
| | 386,119,119 | (60,847,400) |
| Cash flows generated / (used in) from operations | 48,956,046 | (372,172,344) |
| Finance cost paid | (2,146,460) | (44,713,386) |
| Income tax paid | (11,017,845) | (7,583,629) |
| Sales tax paid | (7,226,080) | (22,786,557) |
| Gratuity paid | (2,771,694) | (67,828,667) |
| | (23,162,079) | (142,912,239) |
| Net cash Flows generated / (Used in) operating activities | 25,793,967 | (515,084,583) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Addition to property, plant and equipment | (7,500,000) | (13,900,000) |
| Addition into capital work in progress | (55,668,274) | - |
| Short Term Investment | - | 7,000,000 |
| Proceeds from disposal of property, plant and equipment | - | 560,000 |
| Net cash flows used in investing activities | (63,168,274) | (6,340,000) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Long term financing | - | (650,933,902) |
| Short term borrowings | 5,500,000 | 56,049,658 |
| Lease rentals paid | - | (419,473) |
| Interest free loan from directors | - | 1,396,595,862 |
| Net cash flows generated from financing activities | 5,500,000 | 801,292,145 |
| Net increase in cash and cash equivalents | (31,874,307) | 279,867,562 |
| Cash and cash equivalents at the beginning- of the period | 43,733,323 | (276,097,868) |
| | 11,859,016 | 3,769,694 |

The annexed notes from an integral part of these condensed interim financial statements.


Chief Executive

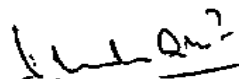

Chief Financial Officer


Director

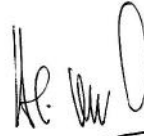
Condensed Interim Statement Of Other Comprehensive Income
For the Half Year ended December 31,2023 -(Un-audited)

| | Half year ended | | Quarter Ended | |
|--|-----------------------------|----------------------|-----------------------------|----------------------|
| | December 31, 2023 | December 31, 2022 | December 31, 2023 | December 31, 2022 |
| | -----Rupees----- | | -----Rupees----- | |
| Profit after taxation | (382,938,347) | (382,911,902) | (320,056,663) | (271,433,602) |
| Items not to be reclassified to profit or loss in subsequent | - | - | - | - |
| Surplus on revaluation of property, plant equipment | - | - | - | - |
| Deferred tax on revaluation surplus on Property, plant and equipment | - | - | - | - |
| Total comprehensive income for the Period | <u>(382,938,347)</u> | <u>(382,911,902)</u> | <u>(320,056,663)</u> | <u>(271,433,602)</u> |

The annexed notes from an integral part of these condensed interim financial statements.


Chief Executive

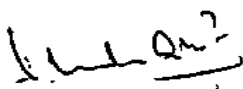

Chief Financial Officer


Director

Condensed Interim Statement of Changes In Equity For the Half Year ended December 31,2023 -(Un-audited)

| | Share Capital | Interest free Loan From directors (Note 3.1) | Unappropriated Profit | Surplus on revaluation of property, Plant and equipment | Remeasurement of retirement benefit obligation | Total |
|--|---------------|---|-----------------------|---|--|---------------|
| -----Rupees----- | | | | | | |
| Balance at July 01,2022 | 145,486,760 | | (26,426,561) | 421,521,806 | 2,340,702 | 542,922,707 |
| Loss after taxation for the year ended June 30,2023 | - | - | (474,962,526) | - | - | (474,962,526) |
| Subordinated loan from directors | - | 1,452,734,796 | - | - | - | 1,452,734,796 |
| Other comprehensive income for the year | | | | | | |
| Transferred from surplus on revaluation of property, plant and equipment incremental depreciation for the year-net of deferred tax | - | - | 23,714,640 | (23,714,640) | - | - |
| | | | 23,714,640 | (23,714,640) | | |
| Balance as at June 30, 2023 | 145,486,760 | 1,452,734,796 | (477,674,447) | 397,807,166 | 2,340,702 | 1,520,694,977 |
| (Loss) after taxation for the period ended December 31,2023 | - | - | (382,938,347) | | | (382,938,347) |
| Loan received from directors | | | | | | |
| Other Comprehensive income for the period | | | | | | |
| Transferred from surplus on revaluation of property, plant and equipment incremental depreciation for the period-net of deferred tax | - | - | 10,671,587 | (10,671,587) | - | - |
| | | | 10,671,587 | (10,671,587) | | |
| Balance as at December 31,2023 | 145,486,760 | 1,452,734,796 | (849,941,207) | 387,135,579 | 2,340,703 | 1,137,756,631 |

The annexed notes from an integral part of these condensed interim financial statements.


Chief Executive


Chief Financial Officer


Director

Selected Notes to the Condensed Interim Financial Information For the half year ended December 31, 2023 -(Un-audited)

1. THE COMPANY AND ITS OPERATIONS

Karam Ceramins Limited (the Company was incorporated in Pakistan on April 8, 1979 as a public limited Company Under the repealed Companies Act, 1913 (now Companies Act, 2017). The shares of the Company are quoted on Pakistan Stock Exchange. The registered office of the Company is situated at A-31, Sindhi Muslim Cooperative Housing Society, Karachi, Pakistan and manufacturing facilities of the Company are located at 295/311, Deh Halkani, Hub Dam Road, Manghopir Karachi. The principal activity of the Company is manufacturing and sale of tiles.

2. BASIS OF PREPARATION

2.1 Statement of compliance

The condensed interim financial statements have been prepared in accordance with the accounting and reporting standards 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 provision 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, 2023.

2.3 Standards, interpretations and amendments to published accounting and reporting reporting standards that are 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, 2023 but are considered not to be relevant or to have any significant effect on the Company's operations and are, therefore, 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 except for the below policy are the same as those applied in the preparation of the annual audited financial statements of the Company for the year ended June 30, 2023.

3.1 Interest free loan from directors

Interest free loans are classified as equity according to TR-32 "Accounting Directors' loan" issued by ICAP on January 25, 2016. Reluctantly, the loan to an entity which is agreed to be paid at the discretion of the entity does not pass the test of liability and is to be recorded as equity at face value. This loan is not available for distribution as a dividend.

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 yearended June 30,2023.

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, 2023.

| | | (Un-audited) December 31, 2023 | (Audited) June 30, 2023 |
|--|-----|--------------------------------------|-------------------------------|
| 5. PROPERTY, PLANT AND EQUIPMENT | | | |
| Property, plant and equipment. | 5.1 | 949,645,020 | 982,842,392 |
| Capital work in progress | 5.2 | 78,917,014 | 23,248,740 |
| | | <u>1,028,562,034</u> | <u>1,006,091,132</u> |
| 5.1 PROPERTY, PLANT AND EQUIPMENT | | | |
| Opening net book value | | 982,842,392 | 1,040,756,705 |
| Additions during the period: | | | |
| Plant & Machinery | | 7,500,000 | 15,842,007 |
| Transfer of lease assets | | - | 871,421 |
| Vehicles | | - | 13,900,000 |
| | | 7,500,000 | 30,613,428 |
| | | 990,342,392 | 1,071,370,133 |
| Disposals during the period | | - | (44,894) |
| Depreciation charged during the period | | (40,697,372) | (88,482,847) |
| | | (40,697,372) | (88,527,741) |
| | | <u>949,645,020</u> | <u>982,842,392</u> |
| 5.2 CAPITAL WORK IN PROGRESS | | | |
| Opening Balance | | 23,248,740 | - |
| Addition during the year | | 55,668,274 | 28,248,740 |
| Capitalized during the year | | - | (5,000,000) |
| | | <u>78,917,014</u> | <u>23,248,740</u> |

| | (Un-audited) December 31, 2023 | (Audited) June 30, 2023 |
|---|--------------------------------------|-----------------------------------|
| 6. LOANS AND ADVANCES | | |
| These loans and advances do not carry mark up arrangements. | | |
| 7. CASH AND BANK BALANCES | | |
| Cash in hand | 68,875 | 187,001 |
| Cash at banks: | | |
| - Current Accounts | 11,774,789 | 24,095,339 |
| - Deposment Accounts | 15,352 | 19,450,983 |
| | 11,790,141 | 43,546,322 |
| | 11,859,016 | 43,733,323 |
| 8. SHORT TERM BORROWINGS | | |
| Swat Ceramics Private Limited | 8.1 95,500,000 | 90,000,000 |
| | 95,500,000 | 90,000,000 |
| 8.1 Company has obtained an interest free loan from its related party and it is payable on demand. | | |
| 9. CONTINGENCIES AND COMMITMENTS | | |
| 9.1 Contingencies | | |
| There has been no change in status of contingencies reported in the financial statements for the year ended December 31,2023. | | |
| 9.2 Commitments | | |
| Commitments under letter of credit for import of raw material as at December 31, 2023 amounted to Rs. 28,429,811 (June 30,2023: Rs.45,017,280). | | |
| | (Un-audited) December 31, 2023 | (Audited) December 31, 2022 |
| | -----Rupees----- | |
| 10. REVENUE | | |
| Gross sales | 725,876,573 | 279,062,552 |
| Less: sales tax | (114,648,206) | (45,436,745) |
| | 611,228,367 | 233,625,807 |
| 11. FINANCE COST | | |
| Mark-up on: | | |
| Short term borrowings | - | 3,752,518 |
| Term Finance | - | 801,538 |
| | - | 4,554,056 |
| Lease finance charges | - | 10,132 |
| Exchange loss | 1,296,325 | 5,406,623 |
| Bank Charges | 850,134 | 2,147,970 |
| | 2,146,459 | 12,118,781 |
| 12. TAXATION | | |
| Current | 7,640,354 | 2,920,323 |
| Deferred | (4,708,911) | 13,391,756 |
| | 2,931,443 | 16,312,078 |

13. EARNINGS PER SHARE

| | | |
|---|---------------|---------------|
| (Loss) Profit after taxation attributable to ordinary shareholders | (382,938,347) | (382,911,902) |
| Weighted average number of shares in issue during the period | 14,548,676 | 14,548,676 |
| (Loss) / Earning per share (Rupees)- Basic and diluted | (26.32) | (26.32) |

14. TRANSACTIONS WITH RELATED PARTIES

| Related party | Name | Nature of transaction | Dec-23 |
|------------------------|------------------------|-------------------------------|-----------|
| Directors | Mr.Alireza M Alladin | Rermuneration and allowances | 1,620,000 |
| Sawat Ceramics Limited | Associated Undertaking | Advance (paid) / received-net | 5,500,000 |

15. 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. Thae 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 (level1);
- 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.

16. CORRESPONDING FIGURES

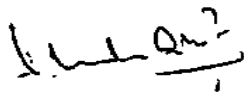
Corresponding figures have been rearranged and reclassified, wherever necessary, for the pupose of comparison. No significant reclassifications were made during the period..

17. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on February 23,2024 by the Board of Directors of the Company.

18. GENERAL


Figures have been rounded off to the nearest rupee.



Chief Executive



Chief Financial Officer



Director

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