



## **Financial Statements**

For the Half Year Ended

December 31, 2014

**FRONTIER CERAMICS LIMITED**



## FRONTIER CERAMICS LIMITED

Financial statements for the half year ended December 31, 2014

### CONTENTS

- COMPANY INFORMATION
- VISION AND MISSION STATEMENT
- DIRECTORS' REPORT
- AUDITORS' REPORT TO THE MEMBERS
- BALANCE SHEET
- PROFIT AND LOSS ACCOUNT
- STATEMENT OF COMPREHENSIVE INCOME
- STATEMENT OF CHANGES IN EQUITY
- CASH FLOW STATEMENT
- NOTES TO THE ACCOUNTS

## COMPANY INFORMATION

### BOARD OF DIRECTORS

Ms. Farhat	Chairperson	
Mr. Omer Khalid	Director	
Ms. Numrah Khalid	Director	(Appointed on July 24,2014)
Ms. Raja Ghazanfar	Director	(Resigned on July 24,2014)
Ms. Sana Khalid	Director	
Mrs. Shazia Khalid	Director	
Mrs. Hameeda Khalid	Director	
Mrs. Pervez Aslam	Director	

### Audit Committee

Ms. Farhat	Chairperson
Mrs. Hameeda Khalid	Member
Mrs. Shazia Khalid	Member

### Human Resource & Remuneration Committee

Ms. Farhat	Chairperson
Mr. Omer Khalid	Member
Mrs. Pervez Aslam	Member

### Chief Executive Officer

Mr. Nadeem Khalid

### Chief Financial Officer

Mr. Muhammad Ali

### Company Secretary

Mr. Rehman Khan Sherwani

### Head of Internal Audit

Mr. Wasif Naeem

### Bankers

Bank Alfah Limited  
Bank Alfah Islamic Limited  
Standard Chartered Bank Limited  
Silk Bank Limited  
Faysal Bank Limited  
Allied Bank Limited

### Auditors

M/S BDO Ebrahim & Co Chartered Accountants  
4th Floor, Saeed Plaza, 22 East, Jinnah Avenue,  
Blue Area, Islamabad.

### Legal Advisor

Mr. Tahir Sadiq Butt  
Advocate High Court  
3-E Rahim Medical Center, G.T Road, Peshawar

### 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)

# **FRONTIER CERAMICS LIMITED**

## **VISION & MISSION STATEMENT**

### **VISION STATEMENT**

To become an industry leader through our FORTE Brand by offering the best innovative and quality products at competitive prices.

### **MISSION STATEMENT**

#### **OUR MISSION IS:**

- Deliver unparalleled value to stakeholders and continually striving to exceed the customers' expectations by developing the innovative solutions
- Treat our employees fairly so that they feel as a family member in the company
- Earn reasonable return for profits and growth of the company in order to provide the shareholders reasonable return on their investments in the company
- Special emphasis on workforce, health , safety , environment and contribution to the national economic development

**FRONTIER CERAMICS LIMITED**  
**DIRECTORS' REPORT TO THE SHAREHOLDERS**

Dear Shareholders:

The Board of Directors is pleased to present the un-audited financial statements duly reviewed by our external auditors for the half year ended December 31, 2014

A brief review of the company's performance for the period with the corresponding period of the last year is as under:

- Sales - Net at Rs. 170.791m Higher by 25.31% vs. previous Rs. 136.293 m
- Gross Profit/(Loss) at Rs. 25.281m higher by 272.96% vs. previous loss Rs. (14.617)m
- Operating profit at Rs. 12.435m higher by Rs 153.71% vs. previous loss Rs.(23.153)m
- Profit per Share increased to Rs. 0.26 vs. previous Loss per share (2.68)

During the period, Company sold 478,147 Sqm vs. 448,154 Sqm, of corresponding period and on the other hand sales prices of tiles has been increased by 8% in September 2014 attributed towards the increase in sales by 25.31%. Company also introduced new sizes 10" x 13" & 10" x 10" in the market to cater for customer's demand. Commercial production of new floor plant has also been started in December 2014.

Management adopted all necessary measures to control wastages & unnecessary consumption of spares, resulted in to increase in gross profit by 272.96% as compared to corresponding period.

As regards auditor's qualification regarding gratuity, company is working for different options of staff retirements benefits and shall announce either to opt for gratuity or provident fund as per the requirement of law.

Also please refer to the Directors' Report for the year ended June 30, 2014 which provides a detailed review of the Company's operations and future strategy.

Peshawar:

Dated: 27<sup>th</sup> February, 2014

  
Chairperson

## **INDEPENDENT AUDITORS REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION TO THE MEMBERS**

### **Introduction**

We have reviewed the accompanying condensed interim balance sheet of **FRONTIER CERAMICS LIMITED** (“the Company”) as at December 31, 2014 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement, condensed interim statement of changes in equity and notes to the accounts for the half year then ended (herein after referred as the “condensed interim financial information”). Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information 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 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.

### **Basis for qualified conclusion**

The Company has not accounted for any provision against staff retirement benefits in terms of gratuity or provident fund or both as per the requirement of sub clause (6) of clause (12) of Schedule to The Industrial & Commercial Employment (Standing Orders) Ordinance, 1968. The estimated value of the liability in term of gratuity amounts to Rs. 19 million as at December 31, 2014.

### **Qualified Conclusion**

Based on our review, with the exception of the matters described in the preceding paragraph, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information does not give a true and fair view of financial position of the Company as at December 31, 2014 and of its financial performance and its cash flows for the six months period then ended in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

#### **Other matter**

The figures for the quarter ended December 31, 2014 and December 31, 2013 in the condensed interim profit and loss account and condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion on them.

#### **Emphasis of matter**

Without further qualifying our conclusion, we draw attention to note 1.2 to the condensed interim financial information which indicates that the Company's accumulated loss amounted to Rs. 20.929 million as at December 31, 2014 and as at that date Company's current liabilities exceeded its current assets by Rs. 54.364 million. These conditions, along with other matters as set forth in Note 1.2, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

**ISLAMABAD**

**DATED: 27<sup>th</sup> February, 2014**

*Iffat Hussain & Co.*

**CHARTERED ACCOUNTANTS**

Engagement Partner: Iffat Hussain



FRONTIER CERAMICS LIMITED  
 CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)  
 AS AT DECEMBER 31, 2014

		December 31, 2014	June 30, 2014
		Rupees Un-audited	Rupees Audited
	Note		
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment			
Operating fixed assets	6	682,032,340	540,030,537
Capital work in progress		-	161,864,663
		<u>682,032,340</u>	<u>701,895,200</u>
Long term deposits		1,513,450	1,513,450
		<u>683,545,790</u>	<u>703,408,650</u>
<b>CURRENT ASSETS</b>			
Stores, spares and loose tools		35,664,433	22,877,813
Stock in trade		74,097,108	41,768,081
Trade debts		3,513,246	2,827,464
Advances		35,131,159	25,941,999
Other receivables		5,435,553	-
Tax refunds due from government		2,865,742	7,496,815
Taxation - net		4,219,134	-
Cash and bank balances		6,635,389	7,785,780
		<u>167,561,764</u>	<u>108,697,952</u>
<b>TOTAL ASSETS</b>		<u><u>851,107,554</u></u>	<u><u>812,106,602</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Share capital	7	378,738,210	77,412,000
Discount on issue of right shares	8	(180,795,726)	-
Accumulated loss		(20,634,797)	(40,887,672)
		<u>177,307,687</u>	<u>36,524,328</u>
Advance against subscription		-	89,456,662
<b>SURPLUS ON REVALUATION OF OPERATING FIXED ASSETS</b>		335,606,202	345,865,596
<b>NON CURRENT LIABILITIES</b>			
Long term financing	9	9,990,500	-
Deferred taxation		106,217,222	107,143,840
		<u>116,207,722</u>	<u>107,143,840</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		214,224,121	220,640,944
Mark up accrued		3,346,585	3,096,528
Short term borrowings		4,415,237	4,415,237
Taxation - net		-	4,963,467
		<u>221,985,943</u>	<u>233,116,176</u>
<b>CONTINGENCIES AND COMMITMENTS</b>	10	-	-
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>851,107,554</u></u>	<u><u>812,106,602</u></u>

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE



DIRECTOR

FRONTIER CERAMICS LIMITED  
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2014

	Half Year Ended December 31,		Quarter Ended December 31,		
	2014	2013	2014	2013	
Note	Rupees				
Sales - net	165,356,031	136,293,209	86,555,848	73,512,811	
Cost of sales	143,410,596	150,910,482	76,670,778	85,561,063	
Gross profit / (loss)	21,945,435	(14,617,273)	9,885,070	(12,048,252)	
Distribution cost	2,623,341	1,756,539	1,630,707	758,327	
Administrative expenses	11,918,341	6,689,408	7,670,572	3,885,054	
Other operating expenses	403,407	89,850	69,378	19,850	
Operating profit / (loss)	7,000,346	(23,153,070)	514,413	(16,711,483)	
Other income	5,435,553	-	5,435,553	-	
Finance cost	1,511,968	1,054,060	621,372	621,372	
Profit / (loss) before taxation	10,923,931	(24,207,130)	5,328,594	(17,332,855)	
Taxation:					
Current	1,857,068	1,362,932	803,965	735,128	
Deferred	(926,618)	(4,800,518)	98,562	(6,816,100)	
Profit / (loss) after taxation	9,993,481	(20,769,544)	4,426,067	(11,251,883)	
Earning / (loss) per share - basic and diluted	11	0.26	(2.68)	0.12	(1.45)

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE



DIRECTOR

FRONTIER CERAMICS LIMITED  
 CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME  
 (UN-AUDITED)  
 FOR THE HALF YEAR ENDED DECEMBER 31, 2014

	Half Year Ended December 31,		Quarter ended December 31,	
	2014	2013	2014	2013
	Rupees			
Profit / (loss) after taxation	9,993,481	(20,769,544)	4,426,067	(11,251,883)
Other comprehensive income	-	-	-	-
Total comprehensive income / (loss) for the period	9,993,481	(20,769,544)	4,426,067	(11,251,883)

Surplus arising on revaluation of assets has been reported in accordance with the requirements of the Companies Ordinance, 1984 in the separate account below equity.

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE



DIRECTOR

FRONTIER CERAMICS LIMITED  
 CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)  
 FOR THE HALF YEAR ENDED DECEMBER 31, 2014

	Issued, subscribed and paid up capital	Accumulated losses	Discount on issue of shares	Total
Rupees				
Balance as at July 01, 2013	77,412,000	(118,847,169)	-	(41,435,169)
Total comprehensive loss for the half year ended December 31, 2013	-	(20,769,544)	-	(20,769,544)
Transfer from surplus on revaluation of operating fixed assets incremental depreciation - net of deferred tax	-	11,229,119	-	11,229,119
Balance as at December 31, 2013	77,412,000	(128,387,594)		(50,975,594)
Balance as at July 01, 2014	77,412,000	(40,887,672)	-	36,524,328
Total comprehensive loss for the half year ended December 31, 2014	-	9,993,481	-	9,993,481
30,132,621 Ordinary Share of Rs. 10 each issued at discount of Rs.6 per share fully paid in cash	301,326,210	-	-	301,326,210
Discount on issue of right shares	-	-	(180,795,726)	(180,795,726)
Transfer from surplus on revaluation of operating fixed assets incremental depreciation - net of deferred tax	-	10,259,394	-	10,259,394
Balance as at December 31, 2014	378,738,210	(20,634,797)	(180,795,726)	177,307,687

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE



DIRECTOR

FRONTIER CERAMICS LIMITED  
 CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)  
 FOR THE HALF YEAR ENDED DECEMBER 31, 2014

	Half Year Ended December 31,	
	2014 Rupees	2013 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit / (loss) before taxation	10,923,931	(24,207,130)
Adjustment for:		
Depreciation	21,139,713	21,993,944
Profit / (loss) before working capital changes	32,063,644	(2,213,186)
Changes in working capital:		
(Increase) / decrease in current assets		
Stores, spares and loose tools	(12,786,620)	(3,823,824)
Stock in trade	(32,329,027)	2,679,226
Trade debts	(685,782)	198,036
Advances	(9,189,160)	(3,899,205)
Other receivables	(5,435,553)	-
	(60,426,142)	(4,845,767)
(Decrease) / increase in current liabilities		
Trade and other payables	(6,416,823)	24,857,966
Accrued markup	250,057	251,473
	(6,166,766)	25,109,439
Cash (used in) / generated from operations	(34,529,264)	18,050,486
Taxes paid / adjustment	(6,408,596)	(3,604,315)
Net cash (used in) / generated from operating activities	(40,937,860)	14,446,171
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of operating fixed assets	(178,906)	(196,023)
Addition to capital work in progress	(1,097,947)	(7,714,340)
Net cash used in investing activities	(1,276,853)	(7,910,363)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Long term financing - net	9,990,500	-
Net inflow against right share subscription	31,073,822	-
Net cash generated from financing activities	41,064,322	-
Net (decrease) / increase in cash and cash equivalents	(1,150,391)	6,535,808
Cash and cash equivalents at the beginning of the period	7,785,780	3,513,392
Cash and cash equivalents at the end of the period	6,635,389	10,049,200

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE



DIRECTOR

**FRONTIER CERAMICS LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2014**

**1 STATUS AND NATURE OF BUSINESS**

- 1.1 Frontier Ceramics Limited ("the Company") was incorporated in July 1982 as a Public Company with its shares quoted on Karachi and Lahore Stock Exchanges of Pakistan. The registered office of the Company is situated in 29-Industrial Estate, Jamrud Road, Peshawar. The principal activities of the company are manufacturing of ceramic tiles, sanitary wares and related ceramic products.
- 1.2 The Company has accumulated loss of Rs. 20.929 million (June 2014: Rs. 40.888 million) at the year end. Current liabilities exceeded the current assets by Rs. 54.364 million (June 2014: Rs. 124.418 million). These conditions indicate the existence of material uncertainty which casts doubt about the Company's ability to continue as a going concern.

These condensed interim financial statements have been prepared on going concern basis without any adjustments to assets and liabilities. Moreover, the management have plans to increase profitability by introducing new designs and sizes of wall tiles. Further the installation of new plant and its production from December, 2014, the Company is capable of producing different sizes of wall tiles as well as the floor tiles. In the opinion of the management future profits shall wipe out the accumulated loss and restore the equity of the Company. Accordingly, the management is confident that they will succeed in their efforts to continue the Company as a going concern.

**2 BASIS OF PREPARATION**

**2.1 Statement of compliance**

These condensed interim financial statements are unaudited but subject to the limited scope review by auditors and are being submitted to the shareholders as required under section 245 of the Companies Ordinance, 1984.

This condensed interim financial report of the Company for the six month period ended December 31, 2014 has been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 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, 2014.

The comparative balance sheet presented in this condensed interim financial statements has been extracted from the audited annual financial statements of the Company for the year ended June 30, 2014, whereas the comparative condensed interim profit and loss accounts, condensed interim statement of comprehensive income, condensed interim statement of cash flow and condensed interim statement of changes in equity are extracted from the unaudited interim financial statements for the half year ended December 31, 2013.

## **2.2 Basis of measurement**

These condensed interim financial statements have been prepared under the historical cost convention except for certain fixed assets which have been stated at revalued amount.

These condensed interim financial statements have been prepared following accrual basis of accounting except for cash flow information.

## **2.3 Functional and presentation currency**

These condensed interim financial statements have been presented in Pak Rupees, which is the functional and presentation currency of the Company.

## **3 ACCOUNTING POLICIES**

3.1 The accounting policies adopted and methods of computation followed in the preparation of this condensed interim financial information are same as those for the preceding annual financial statements for the year ended June 30, 2014.

3.2 The other standards, amendments and interpretations of approved accounting standards that became effective during the period do not have a significant impact on the Company's condensed interim financial information.

## **4 TAXATION**

The provision for taxation for the half year and quarter ended December 31, 2014 has been made using the estimated effective tax rate applicable to expected total annual earnings.

## **5 ESTIMATES**

The preparation of condensed interim financial statements requires 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, 2014.

		December 31, 2014 Rupees Unaudited	June 30, 2014 Rupees Audited
<b>6 OPERATING FIXED ASSETS</b>			
Opening written down value (WDV)		540,030,537	583,820,764
Add: Addition during the period (at cost)	6.1	178,906	196,023
Add: Transfer from capital work in progress (at cost)	6.2	162,962,610	-
		<u>703,172,053</u>	<u>584,016,787</u>
Less: Depreciation charged during the period		<u>(21,139,713)</u>	<u>(43,986,250)</u>
Closing written down value (WDV)		<u><u>682,032,340</u></u>	<u><u>540,030,537</u></u>

6.1 Detail of additions (at cost) during the period / year are as follows:

Plant and machinery - imported	<u>178,906</u>	<u>196,023</u>
--------------------------------	----------------	----------------

6.2 Detail of transfer from capital work in progress (at cost) during the period / year are as follows:

Building - factory	11,321,940	-
Plant and machinery - imported	149,898,053	-
Plant and machinery - local	1,742,617	-
	<u>162,962,610</u>	<u>-</u>

## 7 SHARE CAPITAL

7.1 Authorized share capital

Number of shares				
Dec, 2014	Jun, 2014			
<u>75,000,000</u>	<u>75,000,000</u>	Ordinary shares of Rs. 10 each	<u>750,000,000</u>	<u>750,000,000</u>

7.2 Issued, subscribed and paid up capital

Number of shares				
Dec, 2014	Jun, 2014			
<u>37,873,821</u>	<u>7,741,200</u>	Ordinary shares of Rs. 10/- each fully paid in cash	<u>378,738,210</u>	<u>77,412,000</u>



## 8 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 required by the Ordinance has been completed by the Company before issuance of the right shares.

		December 31, 2014 Rupees Unaudited	June 30, 2014 Rupees Audited
9	<b>LONG TERM FINANCING</b>		
	From associated person - unsecured	8.1      9,990,500	- <hr/> <hr/>

8.1 This represents interest free unsecured loan received from a shareholder of the Company, to meet the working capital requirements of the Company.

## 10 CONTINGENCIES AND COMMITMENTS

### 10.1 CONTINGENCIES

10.1.1 Through the Finance Act, 2008 an amendment was made in section 2(f) of the Workers' Welfare Fund Ordinance, 1971 (the WWF Ordinance) whereby the definition of 'Industrial Establishment' has been made applicable to any establishment to which West Pakistan Shops and Establishment Ordinance, 1969 applies. As a result of this amendment, the Company was considered to be subject to the provisions of the WWF Ordinance.

The Lahore High Court has struck down the aforementioned amendments to the WWF Ordinance. However, a three member larger bench of Sindh High Court has held that such amendments were validly made. Subsequent to this judgment, various petitions have been filed before Sindh High Court challenging the vires of such amendments and stay has been granted by a Division Bench of Sindh High Court.

Besides this, the judgment of three member larger bench of Sindh High Court has also been challenged before Supreme Court of Pakistan. Therefore, the management of the Company is of the opinion that no provision is to be made till the outcome of these petitions. Had this provision been made since July 01, 2010 it would be Rs. 519,171.

#### 10.1.2 Noman Ghani versus FCL and others:

This is the recovery suit against the Company. In this suit original claim was of Rs. 1,248,172. Later on, the petitioner submitted another application for amendment of plaint for recovery of Rs. 20 million plus 18% being current bank interest. The application was dismissed and they filled an appeal against the order in the Honourable High Court, Peshawar. The case was remanded back by the High Court to District Civil Judge, Peshawar which dismissed the case on June 03, 2014 and provided the partial relief to Noman Ghani. Now Noman Ghani has again filed an appeal with High Court against the decision of Civil Judge pending receipt / issue of the summon from High Court. The Company has not incorporated the contingency as the management is of the view that the case will be settled in favour of the Company.

- 10.1. Guarantee has been issued by Silk Bank Limited on behalf of the Company in the normal course of business in favour of M/s Sui Northern Gas Pipelines Limited aggregating to Rs. 23.621 million (June 30, 2014: Rs. 20.671 million).

#### 10.2 COMMITMENTS

The Company has following commitments:

- in respect of letter of credit		
- against import of raw materials	7,611,000	8,697,781
- against import of stores and spares	5,743,000	7,885,839
- against import of plant and machinery	6,245,000	153,063
	<u>19,599,000</u>	<u>16,736,683</u>

11 EARNING / (LOSS) PER SHARE - BASIC AND DILUTED

	Half Year Ended December 31,		Quarter Ended December 31,	
	2014	2013	2014	2013
There is no dilutive effect on the basic earnings per share of the Company, which is based on:				
Profit / (loss) after taxation - (Rupees)	9,993,481	(20,769,544)	4,426,067	(11,251,883)
Weighted average number of ordinary shares - (Number)	37,873,821	7,741,200	37,873,821	7,741,200
Earning / (loss) per share - basic and diluted (Rupees)	0.26	(2.68)	0.12	(1.45)

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 :

Relation with the Company	Nature of transaction	Half Year Ended December 31,		Quarter Ended December 31,	
		2014	2013	2014	2013
		(Rupees)			
Associated company:					
Toyota Rawal Motors (Private) Limited	Interest on short term borrowings	106,807	108,223	51,478	55,240
	Rent expenses	323,538	299,580	191,769	149,790
Key management personnel:					
Chief Executive Officer	Remuneration and other benefits under the terms of their employment	1,056,577	960,000	567,718	480,000
Director		279,974	321,000	115,316	160,500
Executives (5 persons)		566,565	541,500	288,678	270,750
		1,903,116	1,822,500	971,712	911,250

**13 DATE OF AUTHORIZATION**

These condensed interim financial statements were authorised for issue on February 27,2015 by the Board of Directors of the Company.

**14 GENERAL**

Figures have been rounded off to the nearest rupee.



**CHIEF EXECUTIVE**



**DIRECTOR**