**Financial Statements**

For the First Quarter Ended

September 30, 2025

FRONTIER CERAMICS LIMITED

**FRONTIER CERAMICS LIMITED**

Financial Statements for first quarter ended September 30, 2025

**CONTENTS**


- COMPANY INFORMATION
- VISION AND MISSION STATEMENT
- DIRECTORS’ REPORT
- STATEMENT OF FINANCIAL POSITION
- STATEMENT OF PROFIT OR LOSS
- STATEMENT OF COMPREHENSIVE INCOME
- STATEMENT OF CHANGES IN EQUITY
- STATEMENT OF CASH FLOW
- NOTES TO THE FINANCIAL STATEMENTS

# 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

| | |
|---|---|
| Ms. Shabina Anjum | Independent Director & Chairperson |
| Mr. Omer Khalid | Non-Executive Director |
| Mr. Javid Khalid | Non-Executive Director |
| Mr. Zia Khalid | Executive Director |
| Ms. Numrah Khalid | Executive Director |
| Mr. Muhammad Riaz Khan | Independent Director |
| Mr. Muhammad Nehmattula Toor | Non-Executive Director |

### AUDIT COMMITTEE

| | |
|---|---|
| Mr. Muhammad Riaz Khan | Chairman |
| Mr. Omer Khalid | Member |
| Mr. Javid Khalid | Member |

### HUMAN RESOURCE & REMUNERATION COMMITTEE

| | |
|---|---|
| Ms. Shabina Anjum | Chairperson |
| Ms. Numrah Khalid | Member |
| Mr. Javid Khalid | Member |

### CHIEF EXECUTIVE OFFICER

Mr. Nadeem Khalid

### CHIEF FINANCIAL OFFICER

Khawaja Mushtaq Ahmed FCA,ACIS
khawaja.mushtaq@forte.com.pk

### COMPANY SECRETARY

Mr. Rehman Khan Sherwani
rehman.khan@forte.com.pk

### HEAD OF INTERNAL AUDIT

Mr. Wasif Naeem
wasif.naeem@forte.com.pk

### BANKERS

### CONVENTIONAL BANKS

Allied Bank Limited
Bank Al Habib Limited
Bank Alfalah Limited
Faysal Bank Limited
Habib Metropolitan Bank Limited
MCB Bank Limited
Silk Bank Limited
Meezan Bank Limited
United Bank Limited
Habib Bank Limited

### ISLAMIC BANKS

Bank Al Habib Islamic Limited
Bank Alfalah Islamic Limited
Silk Emaan Islamic Bank Limited
UBL Ameen Limited
First Habib Islamic Income Fund
Alfalah Asset Management 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, 2nd Floor, Cantonment Plaza,
Saddar Road, Peshawar Cantt.

### REGISTRAR AND SHARE TRANSFER OFFICE

Central Depository Company of Pakistan Ltd
CDC House, 99-B, Block B, S.M.C.H.S,
Main Sharah-e-Faisal, Karachi. Ph: 021-111-111-500

### HEAD OFFICE/REGISTERED OFFICE

29-Industrial Estate, Jamrud Road, Peshawar
Ph: 091-5891470-79, Fax: 091-5830290.

### WEBSITE

www.forte.com.pk

or scan QR code

## DIRECTORS' REPORT TO THE SHAREHOLDERS

## FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2025

Dear Shareholders,

The Directors take pleasure in presenting their report along with unaudited financial statements of the Company for the first quarter ended September 30, 2025.

### BUSINESS CHALLENGES AND FINANCIAL PERFORMANCE

The domestic economy continues to show modest growth, with early signs of recovery in the construction sector. However, the overall tile market remains subdued due to reduced demand, with most activity limited to renovation and public sector projects. Private sector development has slowed considerably. Going forward, the outlook for the industry will depend heavily on supportive government policies to stimulate construction and related industries.

Despite the challenging circumstances, your company managed to sustain its operations and achieve better-than-expected results. Management implemented several measures including timely price revisions, improvement in overall product mix and optimization of energy consumption through beneficial energy mix.

| | Sep 30,2025 | Sep 30,2024 |
|---|---|---|
| | (Rupees in Thousands) | |
| Turnover – net | **1,155,427** | 1,017,219 |
| Gross profit | **102,375** | 48,477 |
| Operating Profit | **78,586** | 25,859 |
| Profit before taxation | **69,374** | 14,684 |
| Profit after taxation | **44,298** | 5,509 |
| EPS (Rs.) | **1.17** | 0.15 |

During the period, net turnover increased by **13.59%**, primarily due to higher sales volume. Gross margins improved to **8.86%**, compared to **4.77%** in the corresponding quarter of the previous year. Consequently, the Company recorded an after-tax profit of **Rs. 44.298 million**, as against **Rs. 5.509 million** earned in the same period last year.

### FUTURE OUTLOOK

We remain optimistic about the future as Pakistan benefits from a more favorable political and economic landscape, coupled with renewed international support. These positive developments are expected to strengthen investor confidence, boost economic activity, and create opportunities for growth. Your Company is well-positioned to leverage these factors to further enhance its market presence and deliver sustainable value to stakeholders.

Also, please refer to the Directors' Report for the year ended June 30, 2025 which provides a detailed review of the Company's operations and future strategy.

**Nadeem Khalid**
Chief Executive Officer

**Numrah Khalid**
Director

**Peshawar:**
**Dated: October 30, 2025**

# شیئر ہولڈرز کے لیے ڈائریکٹرز کی رپورٹ

## برائے پہلی سہ ماہی اختتامیہ 30 ستمبر 2025

**معزز شیئر ہولڈرز:**

کمپنی کے ڈائریکٹرز کو پہلی سہ ماہی 30 ستمبر 2025 کے اختتام پر کمپنی کے غیر آڈٹ شدہ مالیاتی گوشواروں کے ساتھ اپنی رپورٹ پیش کرنے میں خوشی اور مسرت محسوس ہو رہی ہے

**مالیاتی کارکردگی اور کاروباری چیلنجز:**

تعمیراتی شعبے میں بحالی کے ابتدائی آثار کے ساتھ ملکی معیشت معمولی ترقی دکھا رہی ہے۔ تاہم، کم مانگ کی وجہ سے مجموعی طور پر ٹائل مارکیٹ دب گئی ہے، زیادہ تر سرگرمیاں تزئین و آرائش اور پبلک سیکٹر کے منصوبوں تک محدود ہیں۔ پرائیویٹ سیکٹر کی ترقی کافی سست ہو گئی ہے۔ آگے بڑھتے ہوئے، صنعت کا نقطہ نظر تعمیرات اور متعلقہ صنعتوں کی حوصلہ افزائی کے لیے معاون حکومتی پالیسیوں پر بہت زیادہ انحصار کرے گا۔

مشکل حالات کے باوجود، آپ کی کمپنی اپنے کاموں کو برقرار رکھنے اور توقع سے زیادہ بہتر نتائج حاصل کرنے میں کامیاب رہی۔ انتظامیہ نے متعدد اقدامات کو لاگو کیا جس میں بروقت قیمت پر نظر ثانی، مجموعی پروڈکٹ امتزاج میں بہتری اور فائدہ مند انرجی امتزاج کے ذریعے توانائی کی کھپت کو بہتر بنانا شامل ہے۔

| تفصیلات | 30 ستمبر 2025 | 30 ستمبر 2024 |
|---|---|---|
| | (روپے ہزاروں میں) | |
| خالص فروخت | **1,155,427** | 1,017,219 |
| مجموعی منافع | **102,375** | 48,477 |
| آمدنی قبل از شرح سود، ٹیکس | **78,586** | 25,859 |
| منافع قبل از ٹیکس | **69,374** | 14,684 |
| منافع بعد از ٹیکس | **44,298** | 5,509 |
| آمدنی فی حصص (روپے) | **1.17** | 0.15 |

اس مدت کے دوران، خالص کاروبار میں 13.59 فیصد اضافہ ہوا، بنیادی طور پر زیادہ فروخت کے حجم کی وجہ سے۔ مجموعی مارجن پچھلے سال کی اسی سہ ماہی میں 4.77 فیصد کے مقابلے میں 8.86 فیصد تک بہتر ہوا۔ نتیجتاً، کمپنی نے روپے کا بعد از ٹیکس منافع ریکارڈ کیا۔ 44.298 ملین روپے کے مقابلے میں گزشتہ سال اسی مدت میں 5.509 ملین کمائے گئے تھے۔

**مستقبل کی پیش بینی:**

ہم مستقبل کے بارے میں پر امید ہیں کیونکہ پاکستان ایک زیادہ سازگار سیاسی اور اقتصادی منظر نامے سے فائدہ اٹھاتا ہے، جس کے ساتھ ساتھ تجدید بین الاقوامی حمایت بھی حاصل ہوتی ہے۔ ان مثبت پیشرفت سے سرمایہ کاروں کے اعتماد کو تقویت ملے گی، اقتصادی سرگرمیوں کو فروغ ملے گا اور ترقی کے مواقع پیدا ہوں گے۔ آپ کی کمپنی اپنی مارکیٹ میں موجودگی کو مزید بڑھانے اور اسٹیک ہولڈرز کو پائیدار پلیٹ فارم فراہم کرنے کے لیے ان عوامل سے فائدہ اٹھانے کے لیے اچھی پوزیشن میں ہے۔

نیز، براہ کرم 30 جون 2025 کو ختم ہونے والے سال کے لیے ڈائریکٹرز کی رپورٹ کا حوالہ دیں جو کمپنی کے آپریشنز اور مستقبل کی حکمت عملی کا تفصیلی جائزہ فراہم کرتی ہے۔

ندیم خالد

چیف ایگزیکٹو آفیسر

ثمرہ خالد

ڈائریکٹر

پشاور:

بتاریخ: 30 اکتوبر 2025

**FRONTIER CERAMICS LIMITED**
**STATEMENT OF FINANCIAL POSITION**
**AS AT SEPTEMBER 30, 2025**

| | Note | Un-audited 30-Sep-25 Rupees | Audited 30-Jun-25 Rupees |
|---|---|---|---|
| **ASSETS** | | | |
| **NON CURRENT ASSETS** | | | |
| Property, plant and equipment | | | |
| Operating fixed assets | 6.1.1 | 2,383,387,586 | 2,431,024,130 |
| Investment property | 6.1.2 | 483,619 | 489,741 |
| | | 2,383,871,205 | 2,431,513,871 |
| Long term deposits | | 5,925,450 | 5,925,450 |
| Long term advances | 7 | 550,880,130 | 550,880,130 |
| | | 2,940,676,785 | 2,988,319,451 |
| **CURRENT ASSETS** | | | |
| Stores, spares and loose tools | | 226,052,245 | 233,692,687 |
| Stock in trade | | 484,816,640 | 561,169,457 |
| Trade debts | | 21,398,428 | 21,829,614 |
| Due from related parties | | 482,690,711 | 236,469,796 |
| Advances | | 98,666,409 | 71,010,671 |
| Tax refunds due from government | | 103,795,627 | 111,861,137 |
| Cash and bank balances | 8 | 89,752,186 | 64,658,609 |
| | | 1,507,172,246 | 1,300,691,971 |
| **TOTAL ASSETS** | | 4,447,849,031 | 4,289,011,422 |
| **EQUITY AND LIABILITIES** | | | |
| **SHARE CAPITAL AND RESERVES** | | | |
| Share capital | | 378,738,210 | 378,738,210 |
| Discount on issue of right shares | 9 | (180,795,726) | (180,795,726) |
| | | 197,942,484 | 197,942,484 |
| Revaluation surplus on property, plant and equipment | | 1,201,961,278 | 1,201,961,278 |
| Unappropriated profit | | 566,920,078 | 522,622,187 |
| | | 1,966,823,840 | 1,922,525,949 |
| **NON CURRENT LIABILITIES** | | | |
| Loan from related parties | 10 | 36,419,274 | 118,740,891 |
| Deferred liability | | 25,393,458 | 25,393,458 |
| Deferred taxation | | 345,217,506 | 352,926,346 |
| | | 407,030,238 | 497,060,695 |
| **CURRENT LIABILITIES** | | | |
| Unclaimed dividend | | 3,189,224 | 3,189,224 |
| Current portion of GIDC payable | 11 | 129,395,113 | 129,395,113 |
| Due to related parties | | 2,297,314 | 1,891,360 |
| Contract liability | | 917,092,361 | 744,354,190 |
| Trade and other payables | | 1,022,020,941 | 990,594,891 |
| | | 2,073,994,953 | 1,869,424,778 |
| **CONTINGENCIES AND COMMITMENTS** | 12 | - | - |
| **TOTAL EQUITY AND LIABILITIES** | | 4,447,849,031 | 4,289,011,422 |

The annexed notes from 1 to 16 form an integral part of these financial statements.

CHIEF FINANCIAL OFFICER CHIEF EXECUTIVE OFFICER DIRECTOR

**FRONTIER CERAMICS LIMITED**
**STATEMENT OF PROFIT OR LOSS (Un-Audited)**
**FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2025**

| | For Quarter Ended | |
|---|---|---|
| | **30-Sep-25** | 30-Sep-24 |
| | **Rupees** | Rupees |
| Sales - net | **1,155,427,298** | 1,017,219,100 |
| Cost of sales | **(1,053,052,221)** | (968,741,356) |
| Gross profit | **102,375,077** | 48,477,745 |
| Distribution cost | **(3,940,387)** | (3,760,765) |
| Administrative expenses | **(12,679,225)** | (11,381,918) |
| Other operating expenses | **(7,169,166)** | (7,475,389) |
| Operating profit | **78,586,299** | 25,859,673 |
| Other income | **6,712,456** | 550,508 |
| Finance cost | **(15,924,837)** | (11,726,060) |
| Profit before taxation | **69,373,918** | 14,684,121 |
| Taxation | **(25,076,027)** | (9,175,048) |
| Profit after taxation | **44,297,891** | 5,509,073 |
| Earnings per share - basic and diluted | **1.17** | 0.15 |

The annexed notes from 1 to 16 form an integral part of these financial statements.

**CHIEF FINANCIAL OFFICER** **CHIEF EXECUTIVE OFFICER** **DIRECTOR**

**FRONTIER CERAMICS LIMITED**
**STATEMENT OF COMPREHENSIVE INCOME**
**FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2025**

| | **2025 Rupees** | 2024 Rupees |
|---|---|---|
| Profit for the quarter | **44,297,891** | 5,509,073 |
| Other comprehensive income for the quarter | - | - |
| Effect of change in tax rate on deferred tax on revaluation surplus on property, plant and equipment | - | - |
| Total comprehensive income for the period | **44,297,891** | 5,509,073 |

The annexed notes from 1 to 16 form an integral part of these financial statements.

**CHIEF FINANCIAL OFFICER** **CHIEF EXECUTIVE OFFICER** **DIRECTOR**

**FRONTIER CEREMICS LIMITED**
**STATEMENT OF CHANGES IN EQUITY**
**FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2025**

| | | Share capital | | Reserves | | |
|---|---|---|---|---|---|---|
| | | | | Capital | Revenue | |
| | Note | Issued, subscribed and paid up capital | Discount on issue of right shares | Revaluation surplus on property, plant and equipment | Unappropriated profit | Total |
| | | Rupees | | | | |
| **Balance as at July 01, 2024** | | **378,738,210** | **(180,795,726)** | **1,269,707,082** | **307,380,063** | **1,775,029,629** |
| Total comprehensive Income for the Quarter ended September 30, 2024 | | - | - | - | 5,509,073 | 5,509,073 |
| **Balance as at September 30, 2024** | | 378,738,210 | (180,795,726) | 1,269,707,082 | 312,889,136 | 1,780,538,703 |
| **Balance as at July 01, 2025** | | 378,738,210 | (180,795,726) | 1,201,961,280 | 522,622,187 | 1,922,525,949 |
| Total comprehensive Income for the Quarter ended September 30, 2025 | | - | | - | 44,297,892 | 44,297,892 |
| **Balance as at September 30, 2025** | | **378,738,210** | **(180,795,726)** | **1,201,961,280** | **566,920,079** | **1,966,823,840** |

The annexed notes from 1 to 16 form an integral part of these financial statements.

**CHIEF FINANCIAL OFFICER** **CHIEF EXECUTIVE OFFICER** **DIRECTOR**

**FRONTIER CERAMICS LIMITED**
**STATEMENT OF CASH FLOW**
**FOR FIRST QUARTER ENDED SEPTEMBER 30, 2025**

| | Sep 30, 2025 Rupees | Sep 30, 2024 Rupees |
|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | |
| Profit before taxation | **69,373,918** | 14,684,121 |
| Adjustment for: | | |
| Depreciation | **47,642,666** | 53,507,476 |
| Finance Cost | **15,924,837** | 11,726,060 |
| Profit before working capital changes | **132,941,421** | 79,917,657 |
| Changes in working capital: | | |
| **Decrease / ( increase) in current assets** | | |
| Stores, spares and loose tools | **7,640,442** | 17,713,274 |
| Stock in trade | **76,352,817** | (50,097,044) |
| Trade debts | **431,186** | 431,186 |
| Other receivables | **-** | - |
| Advances | **(27,655,738)** | (2,729,554) |
| Short term Lending | **(246,220,915)** | (14,602,990) |
| **Increase / (decrease) in current liabilities** | | |
| Trade and other payables | **31,426,050** | 83,358,548 |
| Due to related parties | **405,954** | (28,549,100) |
| Contract liability | **172,738,171** | 59,925,937 |
| | **15,117,967** | 65,450,258 |
| Cash generated from operations | **148,059,387** | 145,367,914 |
| Finance Cost Paid | **(15,924,837)** | (11,726,060) |
| Taxes paid | **(24,719,357)** | (21,503,413) |
| Net cash generated from operating activities | **107,415,193** | 112,138,441 |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | |
| Purchase of operating fixed assets | **-** | - |
| Increase in long term advances | **-** | - |
| Additions to capital work in progress | **-** | - |
| Net cash used in investing activities | **-** | - |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | |
| Long term financing - net | **-** | (7,832,057) |
| Loan from related parties | **(82,321,617)** | (137,126,454) |
| Liability against assets subject to finance lease | **-** | (2,874,181) |
| Net cash used in financing activities | **(82,321,617)** | (147,832,692) |
| **Net increase in cash and cash equivalents** | **25,093,576** | (35,694,251) |
| **Cash and cash equivalents at the beginning of the period** | **64,658,609** | 73,148,026 |
| **Cash and cash equivalents at the end of the period** | **89,752,186** | 37,453,776 |

The annexed notes from 1 to 16 form an integral part of these financial statements.

**CHIEF FINANCIAL OFFICER** **CHIEF EXECUTIVE OFFICER** **DIRECTOR**

**FRONTIER CERAMICS LIMITED**
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**
**FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2025**

## 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, 2025.

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, 2025.

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, 2025.

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 quarter ended September 30, 2025 has been made using the estimated effective tax rate applicable to expected total annual earnings.

| | | Note | Un-audited 30-Sep-25 Rupees | Audited 30-Jun-25 Rupees |
|---|---|---|---|---|
| **6** | **OPERATING FIXED ASSETS** | | | |
| **6.1** | Operating fixed assets | | **2,383,387,586** | 2,431,024,130 |
| | Investment Property | | **483,619** | 489,741 |
| | | | **2,383,871,205** | 2,431,513,871 |
| **6.1.1** | **Operating Fixed Assets** | | | |
| | Opening Written Down Value | | **2,431,024,130** | 2,645,028,257 |
| | Revaluation during the year | | **-** | - |
| | Depreciation Charge | | **(47,636,544)** | (214,004,127) |
| | | | **2,383,387,586** | 2,431,024,130 |
| **6.1.2** | **Investment Property** | | | |
| | Opening Written Down Value | | **489,741** | 515,517 |
| | Depreciation Charge | | **(6,122)** | (25,776) |
| | | | **483,619** | 489,741 |

**6.1.3** This represents two offices bearing no. 102 and 103 measuring 1,200 Sq.ft each, situated at 1st floor, Kashif centre, Shahrah e Faisal, Karachi owned by the Company. This has been held to earn rental income by letting out its office and disclosed in the financial statements as an investment property applying cost model in accordance with IAS 40 "Investment Property". Fair value of the investment property assessed by the management amounts to Rs. 7 million (2024: Rs. 7 million) at period end.

| | | Note | Un-audited 30-Sep-25 Rupees | Audited 30-Jun-25 Rupees |
|---|---|---|---|---|
| 7 | **LONG TERM ADVANCES** | | | |
| | Balance as at July 01, | | **43,536** | 972,448 |
| | Additions during the year | | **-** | - |
| | Adjusted during the year | | **-** | (928,912) |
| | | 7.1 | **43,536** | 43,536 |
| | Advance against land | | **750,836,594** | 750,836,594 |
| | Less: current portion classified under due from | | **(200,000,000)** | (200,000,000) |
| | | 7.2 | 550,836,594 | 550,836,594 |
| | Balance at end of the period | | **550,880,130** | **550,880,130** |

7.1 This represents unsecured, interest-free advance given to related parties, Toyota Rawal Motors (Private) Limited and Rawal Industrial Equipment (Private) Limited, for the lease of vehicles for employees. This balance will be adjusted against the salaries of employees of the Company. These are not amortised as per IFRS 9 as the impact of amortisation is not material in respect of these financial statements.

7.2 The Board of Directors of the Company in their meeting held on January 07, 2021 decided in principal to avail the opportunity of initially acquiring 1,031 kanals of land, off CPEC highway & Jand-Mianwali Road, Mouza Masan, Tehsil and District Mianwali, from a related party Mr. Nadeem Khalid (Chief Executive Officer) at payment terms over the period of five years. During the year, the Company reassessed its future expansion plans and determined that the market is already saturated, making it unfeasible to expand operations by setting up a new business unit and land purchase agreement should be withdrawn with the approval of the Board. Subsequent to year end, the Board approved the withdrawal of the said agreement and Rs. 200 million will be paid by the counterparty by May 2026, while the remaining payment will be paid after June 30, 2026 with mutual agreement between the parties.

| | | Note | Un-audited 30-Sep-25 Rupees | Audited 30-Jun-25 Rupees |
|---|---|---|---|---|
| 8 | **CASH AND BANK BALANCES** | | | |
| | Cash in hand | | **1,189,172** | 112,750 |
| | Cash at bank - current accounts | | **57,775,789** | 34,093,341 |
| | Cash at bank - saving accounts | | **30,787,224** | 30,452,518 |
| | | | **89,752,186** | 64,658,609 |

**9 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 were 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 repealed Companies Ordinance, 1984 (now Companies Act, 2017) were completed by the Company before issuance of the right shares.

**10 LOAN FROM RELATED PARTIES**

| | Note | Un-audited 30-Sep-25 Rupees | Audited 30-Jun-25 Rupees |
|---|---|---|---|
| From associated person - unsecured | 10.1 | 19,668,730 | 104,245,797 |
| From associated company - unsecured | | | |
| - Rawal Industrial Equipment (Pvt.) Ltd | 10.2 | 5,872,390 | 5,651,834 |
| - Toyota Rawal Motors (Pvt.) Ltd | | 10,878,154 | 8,843,260 |
| | | 36,419,274 | 118,740,891 |

10.1 This represents interest bearing unsecured loan and accumulated markup thereon received from Chief Executive Officer of the Company for working capital requirements. The loan carries mark up at the rate of 1 year KIBOR plus 2% per annum and was restructured on April 01, 2021. As per the revised terms, the borrower will accrue interest over the years for a grace period of six years after which the payment of principal amount stands due. Moreover, markup will be payable after the settlement of the principal amount.

10.2 This represents interest bearing unsecured loans and accumulated markup thereon received from related parties, Rawal Industrial Equipment (Private) Limited and Toyota Rawal Motors (Private) Limited for working capital requirements of the Company. The loan was restructured on April 01, 2021 and carries mark up at the rate of 1 year KIBOR plus 2% per annum. As per the revised terms, the borrower will accrue interest over the years for a grace period of six years after which the payment of principal amount stands due. Moreover, markup will be payable after the settlement of the principal amount.

**11 GAS INFRASTRUTURE DEVELOPMENT CESS**

| | Note | Un-audited 30-Sep-25 Rupees | Audited 30-Jun-25 Rupees |
|---|---|---|---|
| Balance brought forward | | 129,395,113 | 129,395,113 |
| | | 129,395,113 | 129,395,113 |
| Less: Current portion of GIDC | | (129,395,113) | (129,395,113) |
| | 11.1 | - | - |

11.1 In 2011, GIDC was imposed on natural gas consumers including companies with effect from January 01, 2012 to finance the cost of laying the overland gas pipeline. In 2013, the Peshawar High Court declared the GIDC Act, 2011 as ultra vires the constitution and struck down the GIDC Act, 2011. In August 2014, Supreme Court of Pakistan dismissed the appeal filed by the Federal Government of Pakistan deciding that GIDC is a fee and not a tax and could not be imposed by money bill. In September 2014, the GIDC Ordinance was promulgated by the President of Pakistan with retrospective effect with original imposition. In October 2016, the Sindh High Court declared the levy to be un-constitutional. In August 2020, the Honourable Supreme Court of Pakistan held that GIDC is validly levied and allowed the Government to collect the amount in 24 equal instalments. Further, in November 2020, the Supreme Court dismissed the review petition seeking review of its order (issued in August 2020). Supreme Court in its judgement on the review petitions noted that Government is agreeing to recover the arrears for GIDC in 48 monthly instalments (instead of 24 months, as mentioned in August 2020 order of the Supreme Court). The Federal Government had started the recovery of this fee and the Company had recorded the liability amounting to Rs. 119.353 million in this regard after receiving bill of Rs. 129.395 million from the SNGPL at fair value in accordance with IFRS 9 by discounting the future cash payments required to be made in 48 instalments, to settle the liability for GIDC. Balance at year end after unwinding is Rs. 129.395 million and payment was due on July 31, 2024, however no payments have been made during the year. The Company has taken a collective decision along with ceramics industry to delay payments and will start payments once there is a consensus reached within the sector.

## 12 CONTINGENCIES AND COMMITMENTS

### 12.1 CONTINGENCIES

The status of Contingencies remained un-change as reported in condensed interim financial statements for the year ended June 30, 2025.

| | | Note | Un-audited 30-Sep-25 Rupees | Audited 30-Jun-25 Rupees |
|---|---|---|---|---|
| 12.2 | **COMMITMENTS** | | | |
| | The Company has following commitments: | | | |
| | - in respect of letter of credit | | | |
| | - against import of raw materials | | **132,256,830** | 113,746,555 |
| | - against import of stores and spares | | **23,727,267** | - |
| | - against import of plant & machinery | | **29,457,258** | - |
| | - against purchase of land from CEO | | **-** | 383,263,406 |
| | | | **185,441,354** | 497,009,961 |
| | **Commitments for Ijarah arrangements** | | | |
| | Not later than one yeai | | **-** | 3,364,878 |
| | Later than one year and not later than five years | | **-** | 6,173,246 |
| | | | **-** | 9,538,124 |

12.2 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.

## 13 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 | For Quarter Ended Sep 30,2025 (Rupees) | Sep 30,2024 |
|---|---|---|---|---|
| Toyota Rawal Motors (Private) Limited | Associated company by virtue of common directorship | Interest on short term borrowings | **384,893** | 3,885,908 |
| | | Rental for building | **375,954** | 341,776 |
| | | Long term borrowing paid | **15,050,000** | 14,300,000 |
| | | Long term borrowing received | **16,700,000** | 15,300,000 |
| | | Utilities | **30,000** | 30,000 |
| Rawal Industrial Equipment (Private) | Associated company by virtue of common directorship | Interest on Long term borrowings | **280,556** | 1,896,994 |
| | | Long term loan repaid | **60,000** | 149,795,170 |
| | | Long term loan received | - | 5,772,182 |
| | | Payment against Purchases | - | 25,475,000 |
| Mr. Nadem Khalid | Chief Executive | Long term financing - Loan repaid | **300,000** | - |
| | | Mark-up on paid | **82,321,617** | - |
| | | Mark-up on long term loan | **1,498** | 125,814 |
| Khalid & Khalid Holdings | Associated company by virtue of common directorship | Short term Lending | **239,508,459** | 17,498,358 |
| | | Short term Lending received | - | - |
| | | Interest on short term Lending | **6,712,456** | 550,508 |

**13.1 The transaction with key management personnel includes remuneration and other benefits under the terms of their employment which are as follows:**

| | For Quarter Ended Sep 30,2025 Rupees | Sep 30,2024 Rupees |
|---|---|---|
| Chief Executive Officer | **2,550,000** | 2,471,291 |
| Directors | **935,928** | 766,336 |
| Executives | **2,745,726** | 2,823,124 |
| | **6,231,654** | 6,060,752 |

## 14 CORRESPONDING FIGURES

The corresponding figures reclasssified as per the details given below to reflect more appropriate presentation in financial statements.

## 15 DATE OF AUTHORIZATION

These condensed interim financial information were authorized for issue on **October 30, 2025** by the Board of Directors of the Company.

## 16 GENERAL

Figures have been rounded off to the nearest rupee.

**CHIEF FINANCIAL OFFICER** **CHIEF EXECUTIVE OFFICER** **DIRECTOR**

FORTE

**PRINTED MATTER**

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**Frontier Ceramics Limited**

29- Industrial Estate, Jamrud Road, Peshawar, K.P.K.

Telephone: 091-5891470 Fax: 091-5830290