

FRONTIER CERAMICS LIMITED



Condensed Interim Financial Statements

For the Half Yearly Ended December 31, 2025

(UN-AUDITED)

CONTENTS

VISION & MISSION STATEMENT

COMPANY INFORMATION

DIRECTORS' REPORT

AUDITORS' REVIEW REPORT

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS

CONDENSED INTERIM STATEMENT COMPREHENSIVE INCOME

CONDENSED INTERIM STATEMENT CASH FLOW

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENT

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-paralle 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
Mrs. Shazia Khalid	Non-Executive 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

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



FRONTIER CERAMICS LIMITED
DIRECTORS' REPORT TO THE SHAREHOLDERS
FOR THE HALF YEAR ENDED DECEMBER 31, 2025

The Board of Directors of Frontier Ceramics Limited is pleased to present the reviewed condensed interim financial statements of the Company for the half-year ended December 31, 2025.

OPERATING AND FINANCIAL REVIEW

The first half of the fiscal year presented a challenging operational landscape, primarily due to a persistent slowdown in the construction and housing sector. Industry-wide demand was suppressed by restrained government spending on infrastructure, a consequence of ongoing fiscal consolidation and resource allocation towards national rehabilitation efforts.

Despite these headwinds, the Company delivered a resilient financial performance for the half-year, the summary of which is as follows:

	Dec 31,2025	Dec 31,2024
	(Rupees in Millions)	
Turnover – net	2,415.02	2069.02
Gross profit	179.54	110.46
Operating Profit	131.84	66.65
Profit before taxation	146.50	48.12
Profit after taxation	96.15	40.40
Earnings per share (Rs.)	2.54	1.07

The Company recorded a net turnover of Rs. 2,415.02 million, reflecting a growth of 16.72% compared to the same period last year. This increase was primarily driven by improved sales volumes. Our gross profit margin improved significantly to 7.43% (up from 5.34% in the prior period). This enhancement in profitability is directly attributable to our stringent focus on managing raw material consumption and optimizing energy costs, demonstrating the effectiveness of our internal efficiency initiatives. Consequently, the Company, posted a profit after tax of Rs. 96.15 million and EPS of Rs.2.54 as compared with 1.07 last year.

STRATEGIC OUTLOOK & FUTURE PROSPECTS

We acknowledge that the near-term demand environment remains cautious, with construction activity still recovering. While the recent downward trend in interest rates is a positive signal, the sector's full recovery is contingent upon a revival in private investment and the implementation of supportive government policies.

Looking forward to the medium term, management is optimistic about a gradual market upturn. We believe that declining inflation, coupled with lower borrowing costs, will eventually bolster consumer confidence and purchasing power. Fundamental growth drivers such as rapid urbanization, the persistent demand for affordable housing, and anticipated public sector infrastructure spending are poised to create a more favorable demand landscape for the tile industry.

In preparation for this recovery, Frontier Ceramics remains steadfast in its operational strategy. Our focus is on building a resilient business model through continuous improvement. We are committed to:

- **Operational Excellence:** Further enhancing cost efficiencies, reducing manufacturing waste, and maintaining rigorous quality control across all production lines.
- **Market Leadership:** Leveraging our diverse, high-quality product portfolio known for its superior design and durability.
- **Brand Strength:** Deepening our penetration through a robust dealer and retail network to reinforce our brand equity.

We are confident that our disciplined approach, combined with strong market positioning, will enable us to not only navigate the current challenges but also to capitalize on future growth opportunities and enhancing the long-term share value of our shareholders.

We appreciate the management efforts for enhancing the profitability of the Company.

On behalf of the Board

Nadeem Khalid
Chief Executive Officer

Peshawar:

Dated: February 28, 2026


Numrah Khalid
Director

فرنٹیر سیر اگس لمیٹڈ

شیئر ہولڈرز کے لیے ڈائریکٹرز کی رپورٹ

برائے نصف سال اختتامیہ 31 دسمبر 2025

فرنٹیر سیر اگس لمیٹڈ کے بورڈ آف ڈائریکٹرز کو 31 دسمبر 2025 کو ختم ہونے والے ششماہی کے لیے کمپنی کے نظر ثانی شدہ کنڈینسڈ عبوری مالیاتی بیانات پیش کرنے پر خوشی ہے۔

آپریٹنگ اور مالی جائزہ:

مالی سال کی پہلی ششماہی نے ایک چیلنجنگ آپریٹنگ لینڈ سکیپ پیش کیا، بنیادی طور پر تعمیرات اور ہاؤسنگ سیکٹر میں مسلسل سست روی کی وجہ سے۔ بنیادی ڈھانچے پر حکومتی اخراجات پر روک لگا کر صنعت کی طلب کو دبا گیا، جو کہ جاری مالیاتی استحکام اور قومی بحالی کی کوششوں کے لیے وسائل کی تقسیم کا نتیجہ ہے۔

ان مشکلات کے باوجود، کمپنی نے ششماہی کے لیے ایک پگھلا رہا مالی کارکردگی پیش کی، جس کا خلاصہ درج ذیل ہے:

2024, 31 دسمبر	2025, 31 دسمبر	
2069.02	2,415.02	ٹرن اور نیٹ
110.46	179.54	مجموعی منافع
66.65	131.84	آپریٹنگ منافع
48.12	146.50	ٹیکس سے پہلے منافع / (نقصان)
40.40	96.15	ٹیکس کے بعد منافع / (نقصان)
1.07	2.54	آمدنی / (نقصان) فی شیئر (روپے)

کمپنی نے روپے کا خالص کاروبار ریکارڈ کیا۔ 2,415.02 ملین، پچھلے سال کی اسی مدت کے مقابلے میں 16.72 فیصد کی نمو کو ظاہر کرتا ہے۔ یہ اضافہ بنیادی طور پر فروخت کے بہتر حجم کی وجہ سے ہوا۔ ہمارے مجموعی منافع کا مارجن نمایاں طور پر بہتر ہو کر 7.43 فیصد ہو گیا (پچھلی مدت میں 5.34 فیصد سے زیادہ)۔ منافع میں یہ اضافہ براہ راست خام مال کی کھپت کو منظم کرنے اور توانائی کی لاگت کو بہتر بنانے پر ہماری سخت توجہ سے منسوب ہے، جو ہمارے اندرونی کارکردگی کے اقدامات کی تاثیر کو ظاہر کرتا ہے۔ نتیجتاً، کمپنی، بعد از ٹیکس منافع Rs. 96.15 ملین اور EPS 2.54 روپے رہا جو گزشتہ سال کے مقابلے میں 1.07 تھا۔

اسٹریٹجک آؤٹ لک اور مستقبل کے امکانات:

ہم تسلیم کرتے ہیں کہ قریبی مدت کی طلب کا ماحول محتاط رہتا ہے، تعمیراتی سرگرمیاں اب بحال ہو رہی ہیں۔ اگرچہ شرح سود میں حالیہ کمی کاربجان ایک مثبت اشارہ ہے، اس شعبے کی مکمل بحالی نجی سرمایہ کاری میں بحالی اور معاون حکومتی پالیسیوں کے نفاذ پر منحصر ہے۔

درمیانی مدت کے منتظر، انتظامیہ بتدریج مارکیٹ میں اضافے کے بارے میں پر امید ہے۔ ہمارا ماننا ہے کہ گرتی ہوئی افراط زر، کم قرض لینے کے اخراجات کے ساتھ، بالآخر صارفین کے اعتماد اور قوت خرید کو تقویت دے گی۔ بنیادی ترقی کے محرکات جیسے تیزی سے شہری کاری، سستی مکانات کی مسلسل مانگ، اور متوقع پبلک سیکٹر انفراسٹرکچر اخراجات نائل انڈسٹری کے لیے زیادہ سازگار مانگ کا منظر پیش کرنے کے لیے تیار ہیں۔

اس بحالی کی تیاری میں، فرنٹیر سیرامکس اپنی آپریشنل حکمت عملی میں ثابت قدم ہے۔ ہماری توجہ مسلسل بہتری کے ذریعے ایک لچکدار کاروباری ماڈل بنانے پر ہم پر عزم ہیں:

• آپریشنل ایکسیلنس: لاگت کی افادیت کو مزید بڑھانا، مینوفیکچرنگ فضلہ کو کم کرنا، اور تمام پروڈکشن لائنوں میں سخت کوالٹی کنٹرول کو برقرار رکھنا۔

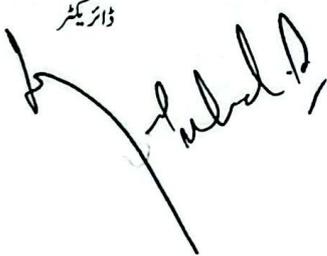
• مارکیٹ کی قیادت: ہمارے متنوع، اعلیٰ معیار کے پروڈکٹ پورٹ فولیو کا فائدہ اٹھانا جو اپنے اعلیٰ ڈیزائن اور پائیداری کے لیے جانا جاتا ہے۔

• برانڈ کی طاقت: ایک مضبوط ڈیلر اور ریٹیل نیٹ ورک کے ذریعے ہمارے برانڈ کی ایکویٹی کو تقویت دینے کے لیے ہماری رسائی کو گہرا کرنا۔

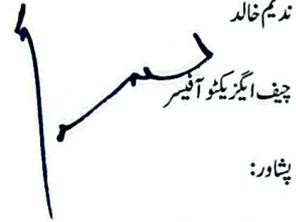
ہمیں یقین ہے کہ ہماری مضبوط مارکیٹ پوزیشننگ کے ساتھ مل کر ہمارا نظم و ضبط کا طریقہ ہمیں نہ صرف موجودہ چیلنجوں سے نمٹنے کے قابل بنائے گا بلکہ مستقبل میں ترقی کے مواقع سے فائدہ اٹھانے اور اپنے شیئر ہولڈرز کے طویل مدتی حصص کی قدر کو بڑھانے کے قابل بنائے گا۔

بورڈ کی جانب سے

نمرہ خالد
ڈائریکٹر



ندیم خالد
چیف ایگزیکٹو آفیسر



پشاور:

بتاریخ: 28 فروری 2026

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
FRONTIER CERAMICS LIMITED**

Review Report on the Condensed Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of FRONTIER CERAMICS LIMITED (the Company), as at December 31, 2025 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, 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 these condensed 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 interim 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 condensed 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 condensed 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 Matter

Pursuant to the requirement of Section 237 (1) (b) of the Companies Act 2017, only cumulative figures for the half year, presented in the second quarter accounts, are subject to a limited scope review by the statutory auditors of the Company. Accordingly, the figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income and notes thereto for the quarter ended December 31, 2025, have not been reviewed by us.

The engagement partner on the review resulting in this independent auditor's report is C.A Habib.

Place: Islamabad
Dated: February 28, 2026
UDIN: RR202510349o21ufVzHx


CROWE HUSSAIN CHAUDHURY & CO.
(CHARTERED ACCOUNTANTS)



FRONTIER CERAMICS LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)
AS AT DECEMBER 31, 2025

	Note	December 31, 2025 Rupees (Unaudited)	June 30, 2025 Rupees (Audited)
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	7	2,335,751,036	2,431,024,130
Investment property	8	477,498	489,741
Long term deposits		5,925,450	5,925,450
Long term advances	9	550,880,130	550,880,130
		2,893,034,114	2,988,319,451
CURRENT ASSETS			
Stores, spare parts and loose tools	10	223,128,496	233,692,687
Stock in trade	11	440,625,952	561,169,457
Trade debts		21,829,614	21,829,614
Short term lending	12	812,982,960	236,469,796
Advances, deposits other receivable	13	79,911,101	71,010,671
Tax refunds due from Government		102,279,988	111,861,137
Taxation - net	14	-	-
Cash and bank balances	15	128,138,880	64,658,609
		1,808,896,991	1,300,691,971
		4,701,931,105	4,289,011,422
TOTAL ASSETS			
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital	16	378,738,210	378,738,210
Discount on issue of right shares	17	(180,795,726)	(180,795,726)
		197,942,484	197,942,484
Revaluation surplus on property, plant and equipment		1,171,544,389	1,201,961,278
Unappropriated profit		649,185,121	522,622,187
		2,018,671,994	1,922,525,949
NON CURRENT LIABILITIES			
Loan from related parties	18	29,209,299	118,740,891
Deferred liability	19	25,393,458	25,393,458
Deferred taxation		337,789,154	352,926,346
		392,391,911	497,060,695
CURRENT LIABILITIES			
Unclaimed dividend		3,189,224	3,189,224
Gas infrastructure development cess (GIDC)	20	240,522,165	129,395,113
Due to related parties	21	2,703,268	1,891,360
Contract liability	22	926,348,929	744,354,190
Trade and other payables	23	1,118,103,614	990,594,891
		2,290,867,200	1,869,424,778
		4,701,931,105	4,289,011,422
TOTAL EQUITY AND LIABILITIES			
CONTINGENCIES AND COMMITMENTS			
	24	-	-

The annexed notes from 1 to 37 form an integral part of these condensed interim financial statements.

CHIEF FINANCIAL OFFICER

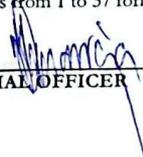
CHIEF EXECUTIVE OFFICER

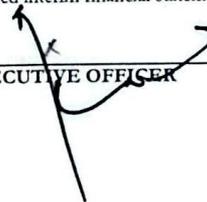
DIRECTOR

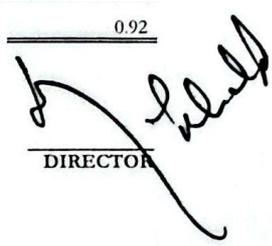
FRONTIER CERAMICS LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2025

	Note	Half Year Ended December 31,		Quarter Ended December 31,	
		2025 (Unaudited)	2024 (Unaudited)	2025 (Unaudited)	2024 (Unaudited)
		----- Rupees -----			
Sales - net	25	2,415,018,584	2,069,022,197	1,259,591,286	1,051,803,096
Cost of sales	26	(2,235,476,454)	(1,958,566,909)	(1,182,424,233)	(989,825,553)
Gross profit		179,542,130	110,455,288	77,167,053	61,977,543
Distribution cost		(7,791,541)	(7,397,234)	(3,851,154)	(3,636,469)
Administrative expenses		(25,496,381)	(22,422,718)	(12,817,156)	(11,040,800)
Other operating expenses		(14,415,947)	(13,981,390)	(7,246,781)	(6,506,001)
Operating profit		131,838,261	66,653,946	53,251,961	40,794,273
Other income	27	29,924,501	2,854,250	23,212,045	2,303,742
Finance cost	28	(15,266,924)	(21,393,181)	657,913	(9,667,121)
Profit before taxation		146,495,838	48,115,015	77,121,919	33,430,893
Taxation	29	(50,349,793)	(7,711,006)	(25,273,766)	1,464,042
Profit after taxation		96,146,045	40,404,009	51,848,153	34,894,935
Earnings per share - basic and diluted	30	2.54	1.07	1.37	0.92

The annexed notes from 1 to 37 form an integral part of these condensed interim financial statements.


 CHIEF FINANCIAL OFFICER


 CHIEF EXECUTIVE OFFICER


 DIRECTOR

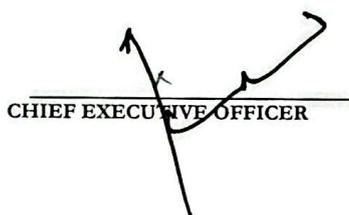
FRONTIER CERAMICS LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2025

Half Year Ended December 31,		Quarter Ended December 31,	
2025 (Unaudited)	2024 (Unaudited)	2025 (Unaudited)	2024 (Unaudited)
----- Rupees -----			

Profit after taxation	96,146,045	40,404,009	51,848,153	34,894,935
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>96,146,045</u>	<u>40,404,009</u>	<u>51,848,153</u>	<u>34,894,935</u>

The annexed notes from 1 to 37 form an integral part of these condensed interim financial statements.


 CHIEF FINANCIAL OFFICER


 CHIEF EXECUTIVE OFFICER

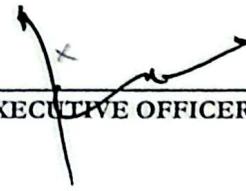

 DIRECTOR

FRONTIER CERAMICS LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2025

	Share capital		Reserves		Total
	Issued, subscribed and paid up capital	Discount on issue of shares	Capital	Revenue	
			Revaluation surplus on property, plant and equipment	Unappropriated profit	
----- Rupees -----					
Balance as at June 30, 2024 - (Audited)	378,738,210	(180,795,726)	1,269,707,082	307,380,063	1,775,029,629
Total comprehensive loss for the period	-	-	-	40,404,009	40,404,009
Transfer from revaluation surplus on property, plant and equipment in respect of incremental depreciation - net of deferred tax	-	-	(33,871,935)	33,871,935	-
Balance as at December 31, 2024 (Unaudited)	<u>378,738,210</u>	<u>(180,795,726)</u>	<u>1,235,835,147</u>	<u>381,656,007</u>	<u>1,815,433,638</u>
Balance as at June 30, 2025 - (Audited)	378,738,210	(180,795,726)	1,201,961,278	522,622,187	1,922,525,949
Total comprehensive income for the period	-	-	-	96,146,045	96,146,045
Transfer from revaluation surplus on property, plant and equipment in respect of incremental depreciation - net of deferred tax	-	-	(30,416,889)	30,416,889	-
Balance as at December 31, 2025 (Unaudited)	<u>378,738,210</u>	<u>(180,795,726)</u>	<u>1,171,544,389</u>	<u>649,185,121</u>	<u>2,018,671,994</u>

The annexed notes from 1 to 37 form an integral part of these condensed interim financial statements.


 CHIEF FINANCIAL OFFICER


 CHIEF EXECUTIVE OFFICER


 DIRECTOR

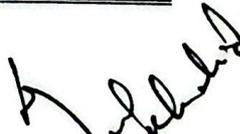
FRONTIER CERAMICS LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2025

	Half Year Ended December 31,	
	2025 (Unaudited)	2024 (Unaudited)
	----- Rupees -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	146,495,838	48,115,015
Adjustment for non cash items and other charges:		
Depreciation	95,285,337	107,014,959
Finance cost	15,266,924	21,393,181
Deferred liabilities	-	16,075,443
Reversal of provision for doubtful debts	(3,628,800)	-
Rental income	(2,540,160)	(725,760)
Profit before working capital changes	250,879,139	191,872,838
Changes in working capital:		
(Increase) / decrease in current assets		
Stores, spare parts and loose tools	10,564,191	30,030,525
Stock in trade	120,543,505	(148,148,400)
Trade debts	-	(942,094)
Short term lending	(576,513,164)	(11,665,636)
Advances	(2,731,470)	13,249,342
	(448,136,938)	(117,476,263)
Increase / (decrease) in current liabilities		
Trade and other payables	127,508,723	381,163,784
Due to related parties	811,908	(28,177,324)
Contract liability	181,994,739	136,757,034
Gas infrastructure development cess payable	111,127,052	15,634
	421,442,422	489,759,128
Cash generated from operations	224,184,623	564,155,703
Taxes paid / adjustment	(55,905,836)	(47,133,084)
Finance cost paid	(15,266,924)	(21,393,181)
Net cash generated from operating activities	153,011,863	495,629,438
CASH FLOWS FROM INVESTING ACTIVITIES		
(Increase) / decrease in long term advances	-	(19,885,544)
Net cash (used in) from investing activities	-	(19,885,544)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term financing	(89,531,592)	(395,923,589)
Lease liability	-	(4,857,768)
Net cash used in financing activities	(89,531,592)	(400,781,357)
Net increase in cash and cash equivalents	63,480,271	74,962,537
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	128,138,880	148,110,563

The annexed notes from 1 to 37 form an integral part of these condensed interim financial statements.


 CHIEF FINANCIAL OFFICER


 CHIEF EXECUTIVE OFFICER


 DIRECTOR

FRONTIER CERAMICS LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 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 BASIS OF PREPARATION

2.1 Statement of compliance

These condensed interim financial statements are unaudited and being submitted to the shareholders as required under section 237 of the Companies Act, 2017.

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.

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, 2025, which have been prepared in accordance with approved accounting standards as applicable in Pakistan. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last declared financial statements.

2.2 Basis of measurement

This condensed interim financial information has been prepared under the historical cost convention except for certain fixed assets which have been stated at revalued amount. This condensed interim financial information has been prepared following accrual basis of accounting except for cash flow information.

2.3 Functional and presentation currency



This condensed interim financial information has been presented in Pak Rupees, which is the functional and presentation currency of the Company.

FRONTIER CERAMICS LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2025

3 MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies, significant judgements made in the application of accounting policies, key sources of estimations and methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the financial statements for the year ended June 30, 2025.

4 CHANGES IN ACCOUNTING STANDARDS, INTERPRETATIONS AND PRONOUNCEMENTS

a) Amendments to published accounting and reporting standards which became effective during the period:

There were certain amendments to accounting and reporting standards which became mandatory for the Company during the period. However, the amendments did not have any significant impact on the financial reporting of the Company and, therefore, have not been disclosed in these condensed interim financial statements.

b) Amendments to published accounting and reporting standards that are not yet effective and have not been early adopted by the Company:

There are certain amendments to the accounting and reporting standards that will be mandatory for the Company's accounting period beginning on or after January 01, 2025, but are considered not to be relevant or to have any significant effect on the Company's operations and are, therefore, not detailed in these condensed interim financial statements.

5 TAXATION

The provision for taxation for the half year and quarter ended December 31, 2025 has been made using the estimated effective tax rate applicable to expected total annual earnings.

6 KEY JUDGEMENTS AND ESTIMATES

The preparation of interim financial statements require 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, 2025, otherwise disclosed.



FRONTIER CERAMICS LIMITED

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2025**

9	LONG TERM ADVANCES	Note	December 31, 2025 Rupees (Unaudited)	June 30, 2025 Rupees (Audited)
	Advance against land	9.1	550,836,594	550,836,594
	Others		43,536	43,536
			<u>550,880,130</u>	<u>550,880,130</u>

9.1 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.

10	STORES, SPARE PARTS AND LOOSE TOOLS	Note	December 31, 2025 Rupees (Unaudited)	June 30, 2025 Rupees (Audited)
	Stores		217,247,185	232,676,267
	Spare parts and loose tools		5,881,311	1,016,420
		10.1	<u>223,128,496</u>	<u>233,692,687</u>

10.1 Stores, spare parts and loose tools includes items which may result in capital expenditure but are not distinguishable at the time of purchase. However, the stores and spares consumption resulting in capital expenditure are capitalized in cost of respective assets.

11	STOCK IN TRADE		December 31, 2025 Rupees (Unaudited)	June 30, 2025 Rupees (Audited)
	Raw materials		190,354,287	175,622,674
	Work in process		22,280,128	60,627,122
	 Finished goods		227,991,537	324,919,661
			<u>440,625,952</u>	<u>561,169,457</u>

FRONTIER CERAMICS LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2025

		December 31, 2025	June 30, 2025
		Rupees (Unaudited)	Rupees (Audited)
12	SHORT TERM LENDING		
	Khalid and Khalid Holdings (Private) Limited		
	Balance at start of the period / year	36,469,796	(3,445,876)
	Payments made during the period / year	559,830,549	145,127,502
	Mark up	23,032,615	2,422,964
	Amount received during the period / year	<u>(6,350,000)</u>	<u>(107,634,794)</u>
	Balance at end of the period / year	612,982,960	36,469,796
	Current portion of long term advances	<u>200,000,000</u>	200,000,000
		<u>812,982,960</u>	<u>236,469,796</u>
12.1	This represents amount advanced to the related parties due to common directorship. The advance is unsecured and interest is charged at Kibor + 3.25% per annum.		
		December 31, 2025	June 30, 2025
		Rupees (Unaudited)	Rupees (Audited)
13	ADVANCES, DEPOSITS OTHER RECEIVABLE		
	Advances to / against:		
	- suppliers	3,668,885	3,668,885
	- letter of credit	13,088,900	17,218,727
	- letter of credit margin	17,115,838	12,071,696
	- letter of guarantee	35,122,762	31,904,062
	- salaries	3,535,263	4,971,004
	- expenses	<u>107,247</u>	<u>73,051</u>
		72,638,895	69,907,425
	Security deposit	1,103,246	1,103,246
	Rent receivable	<u>6,168,960</u>	-
		<u>79,911,101</u>	<u>71,010,671</u>
14	TAXATION - NET		
	Balance at start of the period / year	-	28,490,906
	Prior year adjustment	-	(11,362,058)
		-	17,128,848
	Transferred to tax refunds due from government	<u>11,508,478</u>	<u>51,089,128</u>
		11,508,478	68,217,976
	Taxation / levy	(67,414,310)	(157,710,095)
	Advance income tax	<u>55,905,832</u>	89,492,119
	Balance at end of the period / year	<u>-</u>	<u>-</u>



FRONTIER CERAMICS LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2025

		December 31, 2025	June 30, 2025
		Rupees (Unaudited)	Rupees (Audited)
15	CASH AND BANK BALANCES		
	Cash in hand	143,095	112,750
	Cash at bank - local currency		
	Current accounts		
	- conventional	15.1 65,131,444	31,828,070
	- under shariah arrangements	3,090,462	2,265,271
	- PD account	15.2 85,614	-
	Saving account		
	- under shariah arrangements	<u>59,688,265</u>	<u>30,452,518</u>
		<u>128,138,880</u>	<u>64,658,609</u>

15.1 It includes the pay order amounting to Rs. 39.0 million held as at financial position date.

15.2 It represents personal deposit custom account used for the payments of duty and taxes on imports.

		December 31, 2025	June 30, 2025
		Rupees (Unaudited)	Rupees (Audited)
16	SHARE CAPITAL		
16.1	Authorized share capital		
	<u>Number of shares</u>		
	<u>Dec 31, 2025</u> <u>June 30, 2025</u>		
	<u>75,000,000</u> <u>75,000,000</u>	<u>750,000,000</u>	<u>750,000,000</u>
	Ordinary shares of Rs. 10 each		

16.2	Issued, subscribed and paid up capital	December 31, 2025	June 30, 2025
	<u>Number of shares</u>	Rupees	Rupees
	<u>Dec 31, 2025</u> <u>June 30, 2025</u>	(Unaudited)	(Audited)
	<u>37,873,821</u> <u>37,873,821</u>	<u>378,738,210</u>	<u>378,738,210</u>
	Ordinary shares of Rs. 10 each fully paid in cash		

16.3 All ordinary share holders have same rights regarding dividend, voting, board selection, right of first refusal and block voting.

FRONTIER CERAMICS LIMITED**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2025****17 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 were completed by the Company before issuance of the right shares.

		December 31, 2025 Rupees (Unaudited)	June 30, 2025 Rupees (Audited)
18 LOAN FROM RELATED PARTIES			
From associated person - unsecured			
- Chief Executive Officer			
Opening balance		104,245,797	106,619,974
Additions during the period/year		12,060,000	1,800,000
Markup		3,038	309,823
Payments made during the period/year		(98,625,087)	(4,484,000)
Closing balance	18.1	17,683,748	104,245,797
From associated companies - unsecured			
- Rawal Industrial Equipment (Private) Limited			
Opening balance		5,651,834	253,556,959
Additions during the period/year		-	14,072,182
Markup		523,305	1,806,873
Payments made during the period/year		(160,000)	(263,784,180)
Closing balance	18.2	6,015,139	5,651,834
- Toyota Rawal Motors (Private) Limited			
Opening balance		8,843,260	173,085,943
Additions during the period/year		16,700,000	149,088,969
Markup		667,152	6,070,796
Payments made during the period/year		(20,700,000)	(319,402,448)
Closing balance	18.2	5,510,412	8,843,260
		29,209,299	118,740,891

18.1 This represents interest bearing unsecured loan and accumulated markup thereon received from Chief Executive of the Company for working capital requirements. The loan carries mark up at the rate at KIBOR plus 2 % per annum. The loan was restructured on June 30, 2021. As per the revised terms, the Company is accruing interest over the loan amount while interest is payable after the final payment of principal amount.

FRONTIER CERAMICS LIMITED**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2025**

- 18.2** 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 of the Company and acquisition of the equipment. The loan was restructured on June 30, 2021. It carries mark up at the rate at KIBOR plus 2 % per annum. As per the revised terms, the Company is accruing interest over the loan amount while interest is payable after the final payment of principal amount.

	December 31, 2025	June 30, 2025
	Rupees (Unaudited)	Rupees (Audited)
19 DEFERRED LIABILITY	Note	
Staff retirement benefits - gratuity	25,393,458	25,393,458
	<u>25,393,458</u>	<u>25,393,458</u>

The gratuity scheme provides terminal benefits to permanent employees of the Company who had completed at least six months of service on the basis of last drawn gross salary. However, management of the Company decided to replace gratuity with provident fund for its permanent employees from the 1st day of January 2021 and the Company will pay gratuity to its employees on the basis of valuation carried on by an independent valuer as on June 30, 2022. The Company has not paid any gratuity to its employees during the current and prior years.

Because of replacement of gratuity with provident fund, liability against gratuity has been ceased on June 30, 2022. Therefore the Company has not recalculated the liability against gratuity at year end.

	December 31, 2025	June 30, 2025
	Rupees (Unaudited)	Rupees (Audited)
20 GAS INFRASTRUTURE DEVELOPMENT CESS		
Accumulated present value of GIDC	240,522,165	129,395,113
 Less: current portion of GIDC	<u>(240,522,165)</u>	<u>(129,395,113)</u>
	20.1 <u>-</u>	<u>-</u>

FRONTIER CERAMICS LIMITED**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2025**

20.1 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 unwinding is Rs. 240.522 million and payment was due on December 31, 2025, 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.

	December 31, 2025 Rupees (Unaudited)	June 30, 2025 Rupees (Audited)
21 DUE TO RELATED PARTIES		
Rawal Industrial Equipment (Private) Limited	1,147,808	1,147,808
Toyota Rawal Motors (Private) Limited	1,555,460	743,552
	<u>2,703,268</u>	<u>1,891,360</u>
22 CONTRACT LIABILITY		
Opening balance	744,354,190	836,755,119
Advance received during the period / year	3,073,558,077	5,167,530,972
Transferred to revenue during the period / year	<u>(2,891,563,338)</u>	<u>(5,259,931,901)</u>
Closing balance	<u>926,348,929</u>	<u>744,354,190</u>
22.1		
 This represents amounts received from customers which will be recognized as revenue upon the completion of performance obligation of the Company.		

FRONTIER CERAMICS LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2025

	December 31, 2025 Rupees (Unaudited)	June 30, 2025 Rupees (Audited)
23 TRADE AND OTHER PAYABLES		
Trade creditors	399,754,693	408,897,551
Accrued liabilities	359,282,311	318,823,025
Old labour dues	3,256,878	3,256,878
Sales tax payable	42,165,874	10,093,963
Withholding income tax payable	44,385,796	17,394,984
Workers' profit participation fund	119,806,380	104,495,274
Workers' welfare fund	18,080,789	13,712,876
Provident Fund Payable	131,370,893	113,920,340
	1,118,103,614	990,594,891

24 CONTINGENCIES AND COMMITMENTS

24.1 Contingencies

a) Legal case against the Company:

There has been no significant change in the status of contingent liabilities disclosed as at June 30, 2025 except the following:

24.1.1 EFU vs FCL

FCL sued EFU over not increasing rent of 2 office of FCL occupied by EFU in Karachi. According to agreement signed on July 26, 2006, for Room No. 102 and additional agreement signed on May 07, 2007, for Room No 103. EFU was obliged to increase rent of Rooms @ 10% per annum, but EFU didn't comply with this requirement. During the period, the Honorable Court issued its decision on October 30, 2025 in favor of FCL, and accordingly the Company has recognized the related rent receivable in Note 12.

b) Tax contingencies:

There has been no significant change in the status of tax contingencies disclosed as at June 30, 2025.

	December 31, 2025 Rupees (Unaudited)	June 30, 2025 Rupees (Audited)
24.2 COMMITMENTS		
The Company has following commitments:		
- in respect of letter of credit		
- against import of raw materials	131,640,306	113,746,555
- against import of stores and spare parts	9,601,171	-
- against import of plant and machinery	32,828,000	-
	174,069,478	113,746,555
	24.2.1	

24.2.1 This amount represents future letter of credit commitments which will be fulfilled in respect of import of raw material, stores and spare parts and plant and machinery.

FRONTIER CERAMICS LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2025

	Note	Six months ended December 31,		Three months ended December 31,	
		2025 Rupees (Unaudited)	2024 Rupees (Unaudited)	2025 Rupees (Unaudited)	2024 Rupees (Unaudited)
25 SALES					
Gross sales		2,937,947,199	2,516,952,260	1,532,286,302	1,279,511,476
Less:					
Sales tax		(448,238,070)	(383,941,869)	(233,739,284)	(195,178,563)
Trade discount		(74,690,545)	(63,988,194)	(38,955,732)	(32,529,817)
		<u>2,415,018,584</u>	<u>2,069,022,197</u>	<u>1,259,591,286</u>	<u>1,051,803,096</u>
26 COST OF SALES					
Raw material consumed	26.1	541,786,287	451,313,377	230,472,542	208,042,284
Stores, spares and loose tools consumed	26.2	250,545,020	209,662,860	115,372,062	147,517,686
Gas and electricity		897,447,478	1,082,983,238	467,166,969	505,552,616
Depreciation		92,404,684	103,413,864	46,202,342	51,706,932
Salaries , wages and other benefits		204,756,670	182,672,926	101,907,650	90,444,052
Traveling and conveyance		630,147	392,147	179,510	259,526
Repairs and maintenance		595,430	128,750	107,010	60,380
GIDC expense		111,127,052	15,634	111,127,052	15,634
Ijarah expense		85,128	4,303,640	42,564	2,426,297
Miscellaneous		823,441	1,748,531	631,010	797,714
		<u>2,100,201,337</u>	<u>2,036,634,967</u>	<u>1,073,208,711</u>	<u>1,006,823,121</u>
Work in process					
Opening		60,627,121	53,121,268	25,643,174	53,830,329
Closing		(22,280,128)	(10,399,334)	(22,280,128)	(10,399,334)
		<u>38,346,993</u>	<u>42,721,934</u>	<u>3,363,046</u>	<u>43,430,995</u>
Finished goods					
Opening		324,919,661	231,267,174	333,844,013	291,628,604
Closing		(227,991,537)	(352,057,167)	(227,991,537)	(352,057,167)
		<u>96,928,124</u>	<u>(120,789,993)</u>	<u>105,852,476</u>	<u>(60,428,563)</u>
		<u>2,235,476,454</u>	<u>1,958,566,909</u>	<u>1,182,424,233</u>	<u>989,825,553</u>
26.1 Raw material consumed					
Opening stock		175,622,674	208,508,635	125,329,455	197,547,140
Add: purchases		556,517,900	521,393,719	295,497,374	289,084,121
Less: closing stock		(190,354,287)	(278,588,977)	(190,354,287)	(278,588,977)
		<u>541,786,287</u>	<u>451,313,377</u>	<u>230,472,542</u>	<u>208,042,284</u>
26.2 Stores, spares and loose tools consumed					
Opening stock		233,692,687	275,632,704	226,052,245	265,308,643
Add: purchases		239,980,829	179,632,335	112,448,313	127,811,222
Less: closing stock		(223,128,496)	(245,602,179)	(223,128,496)	(245,602,179)
		<u>250,545,020</u>	<u>209,662,860</u>	<u>115,372,062</u>	<u>147,517,686</u>

FRONTIER CERAMICS LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2025

	Six months ended		Three months ended	
	December 31,		December 31,	
	2025	2024	2025	2024
	Rupees	Rupees	Rupees	Rupees
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
27 OTHER INCOME				
Rental income	2,540,160	725,760	2,540,160	725,760
Markup	23,755,541	931,238	17,043,085	380,730
Reversal of provision for doubtful debts	3,628,800	-	3,628,800	-
Others	-	1,197,252	-	1,197,252
	29,924,501	2,854,250	23,212,045	2,303,742
28 FINANCE COST				
Mark up / interest on:				
- Letter of guarantee margin	3,709,593	1,586,430	348,696	313,600
Long term financing:				
- From financial institutions	-	1,365,982	-	145,146
- From related party	1,193,495	8,342,575	526,748	2,458,721
	1,193,495	9,708,557	526,748	2,603,867
Workers' profit participation fund	7,001,183	5,833,423	(4,827,682)	2,551,638
Provident fund	3,166,502	4,128,628	3,166,502	4,128,628
Exchange Loss	79,671	-	79,671	-
Bank charges	116,480	136,143	48,152	69,389
	15,266,924	21,393,181	(657,913)	9,667,121
	Six months ended		Three months ended	
	December 31,		December 31,	
	2025	2024	2025	2024
	Rupees	Rupees	Rupees	Rupees
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
29 TAXATION				
Current	67,414,310	36,470,815	34,629,441	23,088,456
Prior	(1,927,329)	-	(1,927,329)	-
	65,486,981	36,470,815	32,702,112	23,088,456
Deferred tax	(15,137,188)	(28,759,809)	(7,428,346)	(24,552,498)
	50,349,793	7,711,006	25,273,766	(1,464,042)
30 EARNINGS / (LOSS) PER SHARE-BASIC AND DILUTED				
Profit / (loss) after taxation - (Rupees)	96,146,045	40,404,009	51,848,153	34,894,935
Weighted average number of ordinary shares - (Number)	37,873,821	37,873,821	37,873,821	37,873,821
Earning / (Loss) per share - basic and diluted (Rupees)	2.54	1.07	1.37	0.92

30.1 There is no dilutive effect on the basic earnings per share of the Company.

FRONTIER CERAMICS LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2025

31 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	Six months ended December 31,		Three months ended December 31,	
			2025	2024	2025	2024
			----- (Rupees) -----			
			(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Toyota Rawal Motors (Private) Limited	Associated company by virtue of common directorship	Interest on short term borrowings	-	-	-	-
		Rental for building	751,908	683,552	375,954	341,776
		Utilities	60,000	60,000	30,000	30,000
		Long term financing - received	16,700,000	51,500,000	-	36,200,000
		Long term financing - repayment	20,700,000	187,470,390	5,650,000	132,944,863
		Interest on long term financing	667,152	6,227,536	282,259	2,341,628
		Closing balance	5,510,412	51,594,282	5,510,412	51,594,282
Rawal Industrial Equipment (Private) Limited	Associated company by virtue of common directorship	Purchase of fixed assets	-	-	-	-
		Long term financing - repayment	160,000	263,784,180	100,000	113,976,828
		Long term financing - received	-	5,772,182	-	-
		Interest on long term financing	523,305	1,896,994	242,749	-
		Closing balance	6,015,139	1,410,237	6,015,139	3,705,853
Mr. Nadeem Khalid	Chief Executive	Long term financing - loan repaid	12,357,087	1,544,000	1,986,522	1,544,000
		Long term financing - received	12,060,000	1,800,000	-	1,800,000
		Interest on long term financing	3,038	218,045	1,540	92,231
		Interest on long term financing-Paid	86,268,000	-	-	-
		Advance for land purchase	-	20,000,000	-	20,000,000
		Closing balance	733,152,846	504,081,575	733,152,846	718,269,613
Khalid & Khalid Holdings	Associated company by virtue of common directorship	Short term borrowings - received	6,350,000	25,189,243	6,350,000	25,189,243
		Interest on short term borrowings	931,238	931,238	380,730	380,730
		Short term borrowings paid	559,830,549	33,365,596	32,032,209	15,867,238
		Closing balance	612,982,960	9,107,591	612,982,960	9,107,591
Chief Executive, Directors and Executives	Key management personnel	Remuneration and other benefits	12,797,130	11,614,616	6,564,476	5,561,427

31.1 Balances receivable/payable to related parties are disclosed in respective notes.



FRONTIER CERAMICS LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2025

32 FINANCIAL RISK MANAGEMENT

The Company's financial risk management objective and policies are consistent with that disclosed in the financial statements for the year ended June 30, 2025.

33 FAIR VALUE MEASUREMENT

The carrying values of all financial assets and liabilities reflected in the condensed interim financial information approximate their fair values. Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties and in an arm's length transaction.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset, either directly that is, derived from prices
- Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unadjusted) inputs

The carrying values of all financial assets and liabilities reflected in these financial statements approximate their fair values.

Transfers during the period

During the six month period ended December 31, 2025, there were no transfers into or out of Level 3 fair value measurements. There were no transfers between levels 2 and 3 for recurring fair value measurements during the period.

The fair value of factory land, factory buildings, plant and machinery are based on assumptions considered to be level 2 in the fair value hierarchy due to significant observable inputs used in the valuation.

Had there been no revaluation, the net book value of the specific classes of operating fixed assets would have been as follows:

	December 31, 2025 Rupees (Unaudited)	June 30, 2025 Rupees (Audited)
Free hold land	3,518,245	3,518,245
Factory building	5,708,918	6,009,387
Plant and machinery		
Imported	80,629,681	84,873,348
Local	396,257	440,286
Electrification	2,445,518	2,508,224
Casting benches	36,988	38,935
Laboratory ware	833	925
Generators	9,445	10,494
	83,518,722	87,872,212
	92,745,885	97,399,844

FRONTIER CERAMICS LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2025

34 DISCLOSURE REQUIREMENT FOR ALL SHARE ISLAMIC INDEX

Following information has been disclosed with reference to disclosure requirements of fourth schedule of the Companies Act, 2017 relating to "All Shares Islamic Index".

Description	Explanation	December 31,	June 30,
		2025	2025
		Rupees	Rupees
		(Unaudited)	(Audited)
Loans	Placed under interest arrangement	-	-
Ijarah payment	Placed under Shariah permissible arrangements	85,128	4,874,621
Long term deposits	Non-interest bearing	5,925,450	5,925,450
All sources of other income	Other income	29,924,501	5,852,387
		<u>35,935,079</u>	<u>16,652,458</u>

The Company has working relation with First Habib Modaraba under Islamic windows.

There is no other bank balance / investments which carry any interest or markup arrangements.

35 NUMBER OF EMPLOYEES

Number of employees	December 31,	June 30,
	2025	2025
	Number	Number
	(Unaudited)	(Audited)
At period / year end	755	732
Average during the period / year	750	745

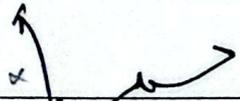
36 DATE OF AUTHORIZATION

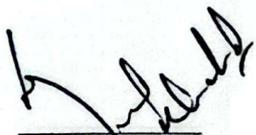
These condensed interim financial information were authorized for issue on 28 FEB 2026 by the Board of Directors of the Company.

37 GENERAL

Figures have been rounded off to the nearest rupee.


 CHIEF FINANCIAL OFFICE


 CHIEF EXECUTIVE OFFICER


 DIRECTOR