



**Financial Statements**

For the First Quarter Ended

September 30, 2023

FRONTIER CERAMICS LIMITED

# **FRONTIER CERAMICS LIMITED**

Financial Statements for first quarter ended September 30, 2023

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## 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

### 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](mailto:khawaja.mushtaq@forte.com.pk)

### Company Secretary

Mr. Rehman Khan Sherwani  
[rehman.khan@forte.com.pk](mailto:rehman.khan@forte.com.pk)

### Head of Internal Audit

Mr. Wasif Naeem  
[wasif.naeem@forte.com.pk](mailto:wasif.naeem@forte.com.pk)

### Bankers

#### Conventional Banks

Allied Bank Limited  
Bank Al Habib Limited  
Bank Alflah 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 Alflah Islamic Limited  
Silk Emaan Islamic Bank Limited  
UBL Ameen Limited  
First Habib Islamic Income Fund

### 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, 2<sup>nd</sup> 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](http://www.forte.com.pk)

or scan QR code



**DIRECTORS' REPORT TO THE SHAREHOLDERS**  
**FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2023**

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, 2023.

**BUSINESS CHALLENGES AND FINANCIAL PERFORMANCE**

Pakistan continues to face economic challenges including but not limited to continued reliance on external funding from International financial institutions and other friendly countries, persistent fiscal deficits and rising inflation due to rapidly devaluing currency, which have adversely impeded its economic growth. The economy also remained the prey of political unrest resulting in triggering the rise in the prices of construction materials manifolds and forced many to put their projects on hold. The slowdown created severe economic stagnation and, we foresee, that these challenges will continue till the upcoming elections in 2024.

	Sep 30,2023	Sep 30,2022
	(Rupees in Thousands)	
Turnover – net	796,802	1,090,194
Gross profit	18,774	71,179
Operating (Loss)/Profit	(506)	47,714
(Loss)/Profit before taxation	(33,109)	29,448
(Loss)/Profit after taxation	(34,959)	20,024
LPS/EPS (Rs.)	(0.92)	0.53

During the period, net turnover decreased by 26.91% due to decrease in in volume, however the gross margins decreased to 2.36% as against 6.53%, because of significant increase in costs due to rupee devaluation, raw material costs and freight and energy costs. Hence, your Company ended up at a bottom-line tax Loss of Rs.34.959 million as compared to corresponding period of last year profit of Rs. 20.024 million.

**FUTURE OUTLOOK**

The ongoing political instability had deteriorated the economic position of the Country and we do not anticipate the upsurge in demand soon unless the government projects are re-initiated and the government schemes providing subsidized housing loans are resumed.

We would like to thank our stakeholders for their continued support and our shareholders for their confidence in the leadership of the Board and management team of the Company. With your continuous support and by the grace of the Almighty, we remain committed to deliver good performance.

Also, please refer to the Directors' Report for the year ended June 30, 2023 which provides a detailed review of the Company's operations and future strategy.

**Nadeem Khalid**  
Chief Executive Officer

**Peshawar:**

**Dated: October 30, 2023**



**Numrah Khalid**  
Director



# حصص یافتگان کیلئے ڈائریکٹرز رپورٹ

## برائے پہلی سہ ماہی اختتامیہ 30 ستمبر 2023

### مالیاتی کارکردگی اور کاروباری چیلنجز

پاکستان کو معاشی چیلنجوں کا سامنا ہے جن میں بین الاقوامی مالیاتی اداروں اور دیگر دوست ممالک سے بیرونی فنڈنگ پر مسلسل انحصار، مسلسل مالیاتی خسارہ اور کرنسی کی تیزی سے قدر میں کمی کی وجہ سے بڑھتی ہوئی افراط زر، جس نے اس کی اقتصادی ترقی کو منفی طور پر متاثر کیا ہے۔ معیشت بھی سیاسی بد امنی کا شکار رہی جس کے نتیجے میں تعمیراتی سامان کی قیمتوں میں کئی گنا اضافہ ہوا اور بہت سے لوگوں کو اپنے منصوبوں کو روکنے پر مجبور کیا۔ سست روی نے شدید معاشی جمود پیدا کیا اور ہم محسوس کر رہے ہیں کہ یہ چیلنجز 2024 کے آئندہ انتخابات تک جاری رہیں گے۔

(روپے ہزاروں میں)

30 ستمبر 2022ء	30 ستمبر 2023ء	تفصیلات
1,090,194	796,802	خالص فروخت
71,179	18,774	مجموعی منافع
47,714	(506)	نقصان / آمدنی قبل از شرح سود، ٹیکس اور فرسودگی
29,448	(33,109)	نقصان / منافع قبل از ٹیکس
20,024	(34,959)	نقصان / منافع بعد از ٹیکس
0.53	(0.92)	نقصان / آمدنی فی حصص (روپے)

اس عرصے کے دوران، حجم میں کمی کی وجہ سے خالص کاروبار میں 26.91 فیصد کمی واقع ہوئی، تاہم مجموعی مارجن 6.53 فیصد کے مقابلے میں 2.36 فیصد تک کم ہو گیا، کیونکہ روپے کی قدر میں کمی، خام مال کی لاگت اور مال برداری اور توانائی کے اخراجات کی وجہ سے اخراجات میں نمایاں اضافہ ہوا۔ لہذا، آپ کی کمپنی گزشتہ سال کی اسی مدت کے منافع کے مقابلے میں Rs.34.959 ملین کے نچلے درجے کے ٹیکس کے نقصان پر ختم ہوئی۔ جو کہ پچھلے اسی عرصے میں 20.024 ملین روپے منافع تھا

### مستقبل کی پیش بینی

جاری سیاسی عدم استحکام نے ملک کی معاشی حالت کو خراب کر دیا ہے اور ہم اس وقت تک مانگ میں اضافے کا اندازہ نہیں لگاتے جب تک کہ حکومتی منصوبے دوبارہ شروع نہیں کیے جاتے اور سبسڈی والے ہاؤسنگ لون فراہم کرنے والی سرکاری سکیمیں دوبارہ شروع نہیں کی جاتیں۔

ہم اپنے اسٹیک ہولڈرز کا ان کی مسلسل حمایت اور اپنے شیئر ہولڈرز کا کمپنی کے بورڈ اور انتظامی ٹیم کی قیادت پر اعتماد کے لیے شکریہ ادا کرنا چاہیں گے۔ آپ کے مسلسل تعاون اور اللہ تعالیٰ کے فضل و کرم سے ہم اچھی کارکردگی پیش کرنے کے لیے پرعزم ہیں۔

اس کے علاوہ، براہ کرم 30 جون 2023 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۔

برائے وٹناخاب:- بورڈ آف ڈائریکٹرز



نمرہ خالد  
ڈائریکٹر



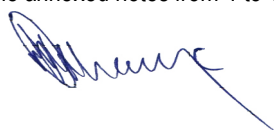
ندیم خالد  
چیف ایگزیکٹو آفیسر

مورخہ 30 اکتوبر 2023ء  
پشاور

**FRONTIER CERAMICS LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT SEPTEMBER 30, 2023**

	Note	Un-audited 30-Sep-23 Rupees	Audited 30-Jun-23 Rupees
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment			
Operating fixed assets	6.1.1	2,473,781,651	2,535,105,392
Investment property	6.1.2	535,516	542,650
		<u>2,474,317,167</u>	<u>2,535,648,042</u>
Long term deposits		5,925,450	5,925,450
Long term advances	7	550,921,284	550,921,284
		<u>3,031,163,901</u>	<u>3,092,494,776</u>
<b>CURRENT ASSETS</b>			
Stores, spares and loose tools		318,181,870	270,488,018
Stock in trade		430,575,529	472,982,993
Trade debts		21,398,428	21,583,144
Other receivables		2,177,280	2,177,280
Short term Lending		174,896,459	160,373,432
Advances		55,725,774	178,529,110
Tax refunds due from government		63,962,052	63,962,052
Taxation - net		88,205,521	86,217,469
Cash and bank balances	8	50,183,376	7,116,368
		<u>1,205,306,289</u>	<u>1,263,429,866</u>
<b>TOTAL ASSETS</b>		<u><u>4,236,470,190</u></u>	<u><u>4,355,924,642</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Share capital		378,738,210	378,738,210
Discount on issue of right shares	9	(180,795,726)	(180,795,726)
		<u>197,942,484</u>	<u>197,942,484</u>
Revaluation surplus on property, plant and equipment		1,161,971,530	1,161,971,530
Unappropriated profit		207,211,162	242,169,885
		<u>1,567,125,176</u>	<u>1,602,083,899</u>
<b>NON CURRENT LIABILITIES</b>			
Long term financing	10	8,784,444	13,097,827
Loan from related parties	11	716,286,429	699,488,141
Gas Infrastructure Development Cess	12	128,004,912	2,173,752
Liability under finance lease		5,969,392	8,216,546
Deferred liability		25,393,458	25,393,458
Deferred taxation		339,546,204	347,656,942
		<u>1,223,984,839</u>	<u>1,096,026,666</u>
<b>CURRENT LIABILITIES</b>			
Unclaimed dividend		3,189,224	3,189,224
Current portion of long term financing		30,871,116	32,333,366
Current portion of GIDC payable	12	-	125,831,160
Current portion of liability under finance lease		11,496,727	12,989,487
Trade and other payables		1,399,803,109	1,483,470,840
		<u>1,445,360,176</u>	<u>1,657,814,077</u>
<b>CONTINGENCIES AND COMMITMENTS</b>	13	-	-
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>4,236,470,191</u></u>	<u><u>4,355,924,642</u></u>

The annexed notes from 1 to 17 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, 2023**

	<b>For Quarter Ended</b>	
	<b>30-Sep-23</b>	<b>30-Sep-22</b>
	<b>Rupees</b>	<b>Rupees</b>
Sales - net	<b>796,802,368</b>	1,090,194,012
Cost of sales	<b>(778,028,298)</b>	(1,019,015,474)
Gross profit	<b>18,774,070</b>	71,178,538
Distribution cost	<b>(4,181,649)</b>	(4,066,339)
Administrative expenses	<b>(11,745,866)</b>	(12,962,506)
Other operating expenses	<b>(3,352,619)</b>	(6,436,091)
Operating profit	<b>(506,064)</b>	47,713,604
Other income	<b>9,478,100</b>	1,199,256
Finance cost	<b>(42,081,468)</b>	(19,465,230)
(Loss)/Profit before taxation	<b>(33,109,432)</b>	29,447,630
Taxation	<b>(1,849,292)</b>	(9,423,542)
(Loss)/rofit for the year	<b>(34,958,723)</b>	20,024,087
(Loss)/Earnings per share - basic and diluted	<b>(0.92)</b>	0.53

The annexed notes from 1 to 17 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, 2023**

	<b>2023</b> <b>Rupees</b>	<b>2022</b> <b>Rupees</b>
(Loss)/Profit for the quarter	<b>(34,958,723)</b>	20,024,087
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 (Loss)/income for the period	<u><b>(34,958,723)</b></u>	<u>20,024,087</u>

The annexed notes from 1 to 17 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, 2023**

	Share capital		Reserves		Total
	Issued, subscribed and paid up capital	Discount on issue of right shares	Capital	Revenue	
			Revaluation surplus on property, plant and equipment	Unappropriated profit	
Note	-----Rupees-----				
<b>Balance as at July 01, 2022</b>	378,738,210	(180,795,726)	1,255,151,894	260,480,955	1,713,575,333
Total comprehensive income for the Quarter ended September 30, 2021	-	-	-	20,024,087	20,024,087
<b>Balance as at September 30, 2022</b>	378,738,210	(180,795,726)	1,255,151,894	280,505,042	1,733,599,421
<b>Balance as at July 01, 2023</b>	378,738,210	(180,795,726)	1,161,971,532	242,169,885	1,602,083,899
Total comprehensive (Loss) for the Quarter ended September 30, 2023	-	-	-	(34,958,723)	(34,958,723)
<b>Balance as at September 30, 2023</b>	378,738,210	(180,795,726)	1,161,971,532	207,211,162	1,567,125,175

The annexed notes from 1 to 17 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, 2023**

	Sep 30, 2023 Rupees	Sep 30, 2022 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(Loss)/Profit before taxation	(33,109,432)	75,209,559
Adjustment for:		
Depreciation	61,330,874	36,374,974
Finance Cost	42,081,468	9,636,568
Profit before working capital changes	<u>70,302,910</u>	<u>121,221,101</u>
Changes in working capital:		
<b>Decrease / ( increase) in current assets</b>		
Stores, spares and loose tools	(47,693,852)	(9,956,133)
Stock in trade	42,407,464	(1,723,368)
Trade debts	184,716	1,218,947
Other receivables	-	-
Advances	122,803,336	(9,753,642)
Short term Lending	(14,523,027)	(1,093,235)
<b>Increase / (decrease) in current liabilities</b>		
Trade and other payables	(83,667,731)	(3,740,710)
	<u>19,510,905</u>	<u>(25,048,141)</u>
Cash generated from operations	<u>89,813,815</u>	<u>96,172,960</u>
Finance Cost Paid	(42,081,468)	(9,636,568)
Taxes paid	(11,948,081)	(20,333,235)
Net cash generated from operating activities	<u>35,784,266</u>	<u>66,203,157</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of operating fixed assets	-	-
Increase in long term advances	-	(34,439,577)
Additions to capital work in progress	-	(68,034,311)
Net cash used in investing activities	<u>-</u>	<u>(102,473,888)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Long term financing - net	(5,775,633)	5,509,979
Loan from related parties	16,798,288	-
Liability against assets subject to finance lease	(3,739,914)	-
Net cash used in financing activities	<u>7,282,741</u>	<u>5,509,979</u>
<b>Net increase in cash and cash equivalents</b>	<u>43,067,007</u>	<u>(30,760,752)</u>
<b>Cash and cash equivalents at the beginning of the period</b>	<u>7,116,368</u>	<u>43,950,002</u>
<b>Cash and cash equivalents at the end of the period</b>	<u><u>50,183,376</u></u>	<u><u>13,189,250</u></u>

The annexed notes from 1 to 17 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, 2022**

**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, 2023.

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, 2023.
- 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, 2023.

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, 2023 has been made using the estimated effective tax rate applicable to expected total annual earnings.

	Note	Un-audited 30-Sep-23 Rupees	Audited 30-Jun-23 Rupees
<b>6 OPERATING FIXED ASSETS</b>			
6.1 Operating fixed assets		2,473,781,651	2,535,105,392
Investment Property		535,516	542,650
		<u>2,474,317,167</u>	<u>2,535,648,042</u>
<b>6.1.1 Operating Fixed Assets</b>			
Opening Written Down Value		2,535,105,392	2,776,401,412
Additions		-	17,059,243
Transfers - Leased Assets		-	(13,027,979)
Depreciation Charge		(61,323,741)	(245,327,284)
		<u>2,473,781,651</u>	<u>2,535,105,392</u>
<b>6.1.2 Investment Property</b>			
Opening Written Down Value		542,650	570,743
Depreciation Charge		(7,134)	(28,093)
		<u>535,516</u>	<u>542,650</u>
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 (2022: Rs. 7 million) at period end.		

	Note	Un-audited 30-Sep-23 Rupees	Audited 30-Jun-23 Rupees
<b>7 LONG TERM ADVANCES</b>			
Balance as at July 01,	7.1	1,083,865	5,693,641
Additions during the year		-	-
Adjusted during the year		-	(4,609,776)
		1,083,865	1,083,865
Advance against land	7.2	549,837,419	549,837,419
		<b>550,921,284</b>	<b>550,921,284</b>

7.1 This represents unsecured, interest free advance given to Toyota Rawal Motors (Private) Limited and Rawal Industrial Equipment (Private) Limited, related parties for the lease of vehicles for employees. This balance will be adjusted against the salaries of employees of the Company. These are not amortized as per IFRS-9 as the impact of amortization 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. Keeping in view conducive business environment, directors feel that if the environment remains stable then in next ten years, the Company will establish a large ceramic factory at the said location.

	Note	Un-audited 30-Sep-23 Rupees	Audited 30-Jun-23 Rupees
<b>8 CASH AND BANK BALANCES</b>			
Cash in hand		451,151	35,730
Cash at bank - current accounts		42,215,813	24,002,654
Cash at bank - saving accounts		7,516,412	11,837,824
		<b>50,183,376</b>	<b>35,876,208</b>

## 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.

	Note	Un-audited 30-Sep-23 Rupees	Audited 30-Jun-23 Rupees
<b>10 LONG TERM FINANCING</b>			
From Financial Institution-Secured	10.1	39,655,560	45,431,193
Less: Current portion of loan		(30,871,116)	(32,333,366)
		<u>8,784,444</u>	<u>13,097,827</u>

10.1 This represents an amount received from Bank Al-Habib Islamic in respect of three years Musharka agreement for purchase of generator and charge on current asset / fixed assets is created as a security against facility. The repayment of the loan would be paid in 31 installments starting from May 18, 2022. The rental is calculated on principle amount using three months KIBOR plus 3.25% per anum and is charged as finance cost.

	Note	Un-audited 30-Sep-23 Rupees	Audited 30-Jun-23 Rupees
<b>11 LOAN FROM RELATED PARTIES</b>			
From associated person - unsecured	11.1	335,181,294	395,378,510
From associated company - unsecured			
- Rawal Industrial Equipment (Pvt.) Ltd	11.2	207,632,264	154,679,383
- Toyota Rawal Motors (Pvt.) Ltd		173,472,871	149,430,248
		<u>716,286,429</u>	<u>699,488,141</u>

11.1 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 is restructured during the last year on June 30, 2021. As per revised terms, the borrower will accrue interest over the years for a grace period of six years after which the payment of principle amount stands due. Moreover, markup will be payable after the settlement of the principal amount.

11.2 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 has been restructured during the last year on June 30, 2021. It carries mark up at the rate at KIBOR plus 2 % per annum. As per revised terms, the borrower will accrue interest over the years for a grace period of six years after which the payment of principle amount stands due. Moreover, markup will be payable after the settlement of the principal amount.

	Note	Un-audited 30-Sep-23 Rupees	Audited 30-Jun-23 Rupees
<b>12 GAS INFRASTRUTURE DEVELOPMENT CESS</b>			
Balance brought forward		128,004,912	128,004,912
		<u>128,004,912</u>	<u>128,004,912</u>
Less: Current portion of GIDC	12.1	-	(125,831,160)
		<u>128,004,912</u>	<u>2,173,752</u>

12.1 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 dismisses 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 unconstitutional. In August 2020, the Honorable Supreme Court of Pakistan held that GIDC is validly levied and allowed the Government to collect the amount in 24 equal installments. 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 installments (instead of 24 months, as mentioned in August 2020 order of the Supreme Court). The Federal Government has started the recovery of this fee and the Company has 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 installments, to settle the liability for GIDC. Balance at year end after unwinding is Rs. 128.004 million and payment is due on July 31, 2024.

However, Company has filed an application against the said matter with Honorable, High Court Peshawar and is of the opinion that decision of the court will take long time and this case will not be settle on July 31, 2024, therefore Company has decided to reclassify this liability from current liability to long term liability.

### 13 CONTINGENCIES AND COMMITMENTS

#### 13.1 CONTINGENCIES

The status of Contingencies remained un-change as reported in condensed interim financial statements for the year ended June 30, 2023.

	Note	Un-audited 30-Sep-23 Rupees	Audited 30-Jun-23 Rupees
<b>13.2 COMMITMENTS</b>			
The Company has following commitments:			
- in respect of letter of credit			
- against import of raw materials		10,108,768	32,209,150
- against import of stores and spares		1,692,671	30,435,556
- against purchase of land from CEO		549,837,419	549,837,419
		<u>561,638,858</u>	<u>612,482,125</u>
<b>Commitments for Ijarah arrangements</b>			
Not later than one year		10,645,716	10,645,716
Later than one year and not later than five years		1,774,286	15,081,431
		<u>12,420,002</u>	<u>25,727,147</u>

13.2 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.



#### 14 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 30,2023	Sep 30,2022
			(Rupees)	
Toyota Rawal Motors (Private) Limited	Associated company by virtue of common directorship	Interest on short term borrowings	6,542,623	3,430,569
		Rental for building	310,705	282,459
		Long term borrowing paid	500,000	5,800,000
		Long term borrowing received	18,000,000	24,800,000
		Utilities	30,000	30,000
Rawal Industrial Equipment (Private) Limited	Associated company by virtue of common directorship	Interest on Long term borrowings	7,614,881	885,625
		Long term loan repaid	57,038,000	51,285,625
		Long term loan received	11,700,000	17,400,000
Mr. Nadem Khalid	Chief Executive	Long term financing - Loan repaid	88,657,498	57,751,420
		Long term financing - Received	9,900,000	89,480,000
		Mark-up on long term loan	18,560,282	4,302,377
		Advance for Land Purchased	-	-
Khalid & Khalid Holdings	Associated company by virtue of common directorship	Short term Lending	5,044,927	21,950,170
		Short term Lending received	-	24,200,000
		Interest on short term Lending	9,478,100	1,105,559

#### 14.1 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 30,2023	Sep 30,2022
	Rupees	Rupees
Chief Executive Officer	2,438,051	2,353,449
Directors	748,700	647,000
Executives	3,004,482	2,907,282
	<b>6,191,233</b>	<b>5,907,732</b>

**15 CORRESPONDING FIGURES**

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

Description	From	To	June 30, 2022 Rupees Audited
<b>Statement of financial position</b>			
GIDC Payable	Current Liability	Non Current Liability	125,831,160

**16 DATE OF AUTHORIZATION**

These condensed interim financial information were authorized for issue on **October 30, 2023** by the Board of Directors of the Company.

**17 GENERAL**

Figures have been rounded off to the nearest rupee.

**CHIEF FINANCIAL OFFICER**

**CHIEF EXECUTIVE OFFICER**

**DIRECTOR**



**PRINTED MATTER**

If not delivered, please return to:

**Frontier Ceramics Limited**

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

Telephone: 091-5891470 Fax: 091-5830290