FORTE

Financial Statements

For the First Quarter Ended

September 30, 2024

FRONTIER CERAMICS LIMITED

FRONTIER CERAMICS LIMITED

Financial Statements for first quarter ended September 30, 2024

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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-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
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

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

DIRECTORS' REPORT TO THE SHAREHOLDERS

FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2024

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, 2024.

BUSINESS CHALLENGES AND FINANCIAL PERFORMANCE

Economic growth, while modest, has not shown any positive sign of recovery in the construction sector which continues to impact the tile market. The market size of tiles has significantly contracted due to diminished demand with most activity now concentrated in renovation and government projects. Private sector initiatives have been notably affected and stalled. Moving forward, the future of the industry will heavily rely on robust government policies to drive growth in construction sector.

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 30,2024	Sep 30,2023
	(Rupees in Thousands)	
Turnover – net	**1,017,219**	796,802
Gross profit	**48,477**	18,774
Operating Profit/(Loss)	**25,859**	(506)
Profit/ (Loss) before taxation	**14,684**	(33,109)
Profit/ (Loss) after taxation	**5,509**	(34,959)
EPS /LPS (Rs.)	**0.15**	(0.92)

During the period, net turnover increased by 27.66% due to increase in in volume, and the gross margins increased to 4.77% as against 2.36%, Hence, your Company ended up at a bottom-line after tax profit of Rs.5.509 million as compared to corresponding period of last year loss of Rs. (34.959) million.

FUTURE OUTLOOK

The positive momentum in macroeconomics signals promising growth prospects and improved business sentiments. The IMF program and reducing inflation and Interest rates are is expected to bring some stability and predictability for businesses and investors, thereby supporting economic recovery. This macroeconomic stability is expected to act as a catalyst to the construction industry. The Company is determined to keep pace and focus on overcoming challenges by improving its operating results. Being socially responsible, financially strong, and operationally smart will remain the key objectives. The Company is well positioned to continue creating significant value addition for the stakeholders in the years ahead.

Also, please refer to the Directors' Report for the year ended June 30, 2024 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, 2024

حصص یافتگان کیلئے ڈائریکٹرز رپورٹ

برائے پہلی سہ ماہی اختتامیہ 30 ستمبر 2024

کمپنی کے ڈائریکٹرز کو پہلی سہ ماہی اختتامیہ 30 ستمبر 2024 کو ختم ہونے والے سہ ماہی کے لیے غیر آڈٹ شدہ مالیاتی گوشواروں کے ساتھ اپنی رپورٹ پیش کرتے ہوئے مسرت محسوس ہو رہی ہے۔

مالیاتی کارکردگی اور کاروباری چیلنجز

اقتصادی شرح نمو کم ہونے کے باعث تعمیراتی شعبے میں بحالی کا کوئی مثبت اشارہ نہیں ملا ہے جس کا اثر ٹائل مارکیٹ پر مسلسل پڑ رہا ہے۔ طلب میں کمی کی وجہ سے ٹائلوں کا مارکیٹ حجم نمایاں طور پر سکڑ گیا ہے، جس میں زیادہ تر سرگرمی اب تزئین و آرائش اور سرکاری منصوبوں پر مرکوز ہے۔ نجی شعبے کے اقدامات خاص طور پر متاثر ہوئے ہیں اور رک گئے ہیں۔ آئندہ دنوں میں، تعمیراتی شعبے میں ترقی کو آگے بڑھانے کے لئے صنعت کا مستقبل مضبوط حکومتی پالیسیوں پر بہت زیادہ انحصار کرے گا۔

دشوار حالات کے باوجود، آپ کی کمپنی اپنے آپریشنز کو برقرار رکھنے اور توقع سے بہتر نتائج حاصل کرنے میں کامیاب رہی ہے۔ انتظامیہ نے قیمتوں میں بروقت ترمیم، مجموعی مصنوعات کے امتزاج میں بہتری اور فائدہ مند توانائی امتزاج کے ذریعے توانائی کی لاگت کو بہتر بنانے سمیت متعدد اقدامات پر عمل درآمد کیا ہے۔

30 ستمبر 2023ء	30 ستمبر 2024ء	تفصیلات
(روپے ہزاروں میں)		
796,802	**1,017,219**	خالص فروخت
18,774	**48,477**	مجموعی منافع
(506)	**25,859**	آمدنی قبل از شرح سود، ٹیکس، اور فرسودگی
(33,109)	**14,684**	منافع قبل از ٹیکس
(34,959)	**5,509**	منافع بعد از ٹیکس
(0.92)	**0.15**	آمدنی فی حصص (روپے)

اس عرصے کے دوران حجم میں زیادہ کی وجہ سے خالص کاروبار میں 27.66 فیصد کی واقع ہوئی، اور مجموعی مارجن 2.36 فیصد کے مقابلے میں 4.77 فیصد ہو گیا-

اس طرح آپ کی کمپنی کو اس سہ ماہی میں 5.509 ملین روپے منافع کا ہوا ہے جبکہ گزشتہ سال کی اسی مدت میں 34.959 ملین کا منافع ہوا تھا۔

مستقبل کی پیش بینی

معیشت کی ترقی کے امکانات بہتر کاروباری رجحان کی نشاندہی کرتی ہے۔ آئی ایم ایف پروگرام اور افراط زر اور شرح سود میں کمی سے کاروباری اداروں اور سرمایہ کاروں کے لئے قدرے استحکام کی توقع کی جارہی ہے، جس سے معاشی بحالی میں مدد ملے گی۔ توقع ہے کہ یہ استحکام تعمیراتی صنعت کے لئے محرک ثابت ہو گا۔ کمپنی اپنے آپریٹنگ نتائج کو بہتر بنا کر تیزی سے مشکلات پر قابو پانے کے لئے پر عزم ہے۔ کلیدی مقاصد میں سماجی طور پر ذمہ دار، مالی طور پر مضبوط، اور آپریشنل طور پر اسمارٹ ہونا شامل ہو گا۔ کمپنی آنے والے سالوں میں شریک کاروں کے لئے اہم ویلیو ایڈیشن پیدا کرنے کے لئے مضبوط پوزیشن میں ہے۔

مزید برآں یہ کہ کمپنی کے مالیاتی امور اور مستقبل کے منصوبوں کے تفصیلی جائزے کے لیے ڈائریکٹرز رپورٹ برائے مالی سال اختتامیہ 30 جون 2024 کو مد نظر رکھا جائے.

ندیم خالد

چیف ایگزیکٹو افسر

نمرہ خالد

ڈائریکٹر

پشاور

مورخہ: 30 اکتوبر 2024

FRONTIER CERAMICS LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2024

	Note	Un-audited 30-Sep-24 Rupees	Audited 30-Jun-24 Rupees
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment			
Operating fixed assets	6.1.1	2,591,527,221	2,645,028,257
Investment property	6.1.2	509,073	515,517
		2,592,036,293	2,645,543,774
Long term deposits		5,925,450	5,925,450
Long term advances	7	592,148,042	592,148,042
		3,190,109,785	3,243,617,266
CURRENT ASSETS			
Stores, spares and loose tools		257,919,430	275,632,704
Stock in trade		542,994,122	492,897,078
Trade debts		21,398,428	21,829,614
Other receivables		3,628,800	3,628,800
Short term Lending		14,602,990	-
Advances		68,421,885	65,692,331
Tax refunds due from government		162,950,265	162,950,265
Taxation - net		36,611,966	28,490,906
Cash and bank balances	8	37,453,776	73,148,026
		1,145,981,661	1,124,269,724
TOTAL ASSETS		4,336,091,446	4,367,886,990
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		1,269,707,082	1,269,707,082
Unappropriated profit		312,889,136	307,380,063
		1,780,538,702	1,775,029,629
NON CURRENT LIABILITIES			
Loan from related parties	10	396,136,422	533,262,876
Deferred liability		25,393,458	25,393,458
Deferred taxation		378,731,206	382,938,517
		800,261,087	941,594,851
CURRENT LIABILITIES			
Unclaimed dividend		3,189,224	3,189,224
Current portion of liability under diminishing Musharaka		5,840,692	8,714,873
Current portion of long term financing		5,265,764	13,097,821
Current portion of GIDC payable	11	129,379,479	129,379,479
Due to related parties		9,027,225	37,576,325
Contract liability		896,681,056	836,755,119
Trade and other payables		705,908,217	622,549,669
		1,755,291,657	1,651,262,510
CONTINGENCIES AND COMMITMENTS	12	-	-
TOTAL EQUITY AND LIABILITIES		4,336,091,446	4,367,886,990

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, 2024

	For Quarter Ended	
	30-Sep-24	30-Sep-23
	Rupees	Rupees
Sales - net	**1,017,219,100**	796,802,368
Cost of sales	**(968,741,356)**	(778,028,298)
Gross profit	**48,477,745**	18,774,070
Distribution cost	**(3,760,765)**	(4,181,649)
Administrative expenses	**(11,381,918)**	(11,745,866)
Other operating expenses	**(7,475,389)**	(3,352,619)
Operating profit/(Loss)	**25,859,673**	(506,064)
Other income	**550,508**	9,478,100
Finance cost	**(11,726,060)**	(42,081,468)
Profit/(Loss) before tax	**14,684,121**	(33,109,432)
Taxation	**(9,175,048)**	(1,849,292)
Profit/(Loss) for the year	**5,509,073**	**(34,958,724)**
Earnings/(Loss) per share - basic and diluted	**0.15**	(0.92)

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, 2024

	2024 **Rupees**	2023 Rupees
Profit/ (Loss) for the quarter	**5,509,073**	(34,958,724)
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/ (loss) for the period	**5,509,073**	(34,958,724)

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, 2024

		Share capital		Reserves		
				Capital	Revenue	
		Issued, subscribed and paid up capital	Discount on issue of right shares	Revaluation surplus on property, plant and equipment	Unappropriated profit	Total
	Note	---Rupees---				
Balance as at July 01, 2023		**378,738,210**	**(180,795,726)**	**1,161,971,532**	**242,169,885**	**1,602,083,901**
Total comprehensive loss for the Quarter ended September 30, 2023		-	-	-	(34,958,724)	(34,958,724)
Balance as at September 30, 2023		378,738,210	(180,795,726)	1,161,971,532	207,211,161	1,567,125,178
Balance as at July 01, 2024		378,738,210	(180,795,726)	1,269,707,084	307,380,063	1,775,029,629
Total comprehensive Income for the Quarter ended September 30, 2024		-		-	5,509,074	5,509,074
Balance as at September 30, 2024		**378,738,210**	**(180,795,726)**	**1,269,707,084**	**312,889,137**	**1,780,538,702**

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, 2024

	Sep 30, 2024 Rupees	Sep 30, 2023 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/ (Loss) before taxation	**14,684,121**	(33,109,432)
Adjustment for:		
Depreciation	**53,507,476**	61,330,874
Finance Cost	**11,726,060**	42,081,468
Profit before working capital changes	**79,917,657**	70,302,910
Changes in working capital:		
Decrease / (increase) in current assets		
Stores, spares and loose tools	**17,713,274**	(47,693,852)
Stock in trade	**(50,097,044)**	42,407,464
Trade debts	**431,186**	184,716
Other receivables	**-**	-
Advances	**(2,729,554)**	122,803,336
Short term Lending	**(14,602,990)**	(14,523,027)
Increase / (decrease) in current liabilities		
Trade and other payables	**83,358,548**	(83,667,731)
Due to related parties	**(28,549,100)**	-
Contract liability	**59,925,937**	-
	65,450,258	19,510,905
Cash generated from operations	**145,367,914**	89,813,815
Finance Cost Paid	**(11,726,060)**	(42,081,468)
Taxes paid	**(21,503,413)**	(11,948,081)
Net cash generated from operating activities	**112,138,441**	35,784,266
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)**	(5,775,633)
Loan from related parties	**(137,126,454)**	16,798,288
Liability against assets subject to finance lease	**(2,874,181)**	(3,739,914)
Net cash used in financing activities	**(147,832,692)**	7,282,741
Net increase in cash and cash equivalents	**(35,694,251)**	43,067,007
Cash and cash equivalents at the beginning of the period	**73,148,026**	7,116,368
Cash and cash equivalents at the end of the period	**37,453,776**	50,183,375

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, 2024

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, 2024.

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, 2024.

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, 2024.

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, 2024 has been made using the estimated effective tax rate applicable to expected total annual earnings.

6 OPERATING FIXED ASSETS

		Note	Un-audited 30-Sep-24 Rupees	Audited 30-Jun-24 Rupees
6.1	Operating fixed assets		**2,591,527,221**	2,645,028,257
	Investment Property		**509,073**	515,517
			2,592,036,293	2,645,543,774
6.1.1	**Operating Fixed Assets**			
	Opening Written Down Value		**2,645,028,257**	2,535,105,392
	Revaluation during the year		**-**	337,125,189
	Depreciation Charge		**(53,501,036)**	(227,202,324)
			2,591,527,221	2,645,028,257
6.1.2	**Investment Property**			
	Opening Written Down Value		**515,517**	542,650
	Depreciation Charge		**(6,444)**	(27,133)
			509,073	515,517

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-23 Rupees	Audited 30-Jun-23 Rupees
7 LONG TERM ADVANCES			
Balance as at July 01,		**972,448**	1,083,865
Additions during the year		**-**	117,495
Adjusted during the year		**-**	(228,912)
		972,448	972,448
Advance against land	7.1	**591,175,594**	591,175,594
		592,148,042	592,148,042

7.1 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. 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-24 Rupees	Audited 30-Jun-24 Rupees
8 CASH AND BANK BALANCES			
Cash in hand		**185,000**	177,563
Cash at bank - current accounts		**16,863,663**	51,779,857
Cash at bank - saving accounts		**20,405,113**	21,190,606
		37,453,776	73,148,026

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-24 Rupees	Audited 30-Jun-24 Rupees
10 LOAN FROM RELATED PARTIES			
From associated person - unsecured	10.1	**106,745,788**	106,619,974
From associated company - unsecured			
- Rawal Industrial Equipment (Pvt.) Ltd	10.2	**111,418,783**	253,556,959
- Toyota Rawal Motors (Pvt.) Ltd		**177,971,851**	173,085,943
		396,136,422	533,262,876

10.1 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.

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 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-24 Rupees**	**Audited 30-Jun-24 Rupees**
11 GAS INFRASTRUTURE DEVELOPMENT CESS			
Balance brought forward		**129,379,479**	129,379,479
		129,379,479	**129,379,479**
Less: Current portion of GIDC		**(129,379,479)**	(129,379,479)
	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 stuck 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 un-constitutional. 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. 129.379 million and payment is due on July 31, 2024.

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, 2024.

12.2 COMMITMENTS

	Note	Un-audited 30-Sep-24 Rupees	Audited 30-Jun-24 Rupees
The Company has following commitments:			
- in respect of letter of credit			
- against import of raw materials		**9,514,600**	139,740,170
- against import of stores and spares		**7,114,458**	14,610,153
- against purchase of land from CEO		**-**	542,924,406
		16,629,059	697,274,729

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 30,2024	Sep 30,2023
			(Rupees)	
Toyota Rawal Motors (Private) Limited	**Associated company by virtue of common directorship**	Interest on short term borrowings	**3,885,908**	6,542,623
		Rental for building	**341,776**	310,705
		Long term borrowing paid	**14,300,000**	500,000
		Long term borrowing received	**15,300,000**	18,000,000
		Utilities	**30,000**	30,000
Rawal Industrial Equipment (Private) Limited	**Associated company by virtue of common directorship**	Interest on Long term borrowings	**1,896,994**	7,614,881
		Long term loan repaid	**149,795,170**	57,038,000
		Long term loan received	**5,772,182**	11,700,000
		Payment against Purchases	**25,475,000**	-
		Long term financing - Loan repaid	**-**	88,657,498
Mr. Nadem Khalid	**Chief Executive**	Long term financing - Received	**-**	9,900,000
		Mark-up on long term loan	**125,814**	18,560,282
Khalid & Khalid Holdings	**Associated company by virtue of common directorship**	Short term Lending	**17,498,358**	5,044,927
		Short term Lending received	**-**	3,000,000
		Interest on short term Lending	**550,508**	9,478,100

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 30,2024	Sep 30,2023
	Rupees	Rupees
Chief Executive Officer	**2,471,291**	2,438,051
Directors	**766,336**	748,700
Executives	**2,823,124**	3,004,482
	6,060,751	6,191,234

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, 2024** 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

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