



FECTO CEMENT LIMITED

Builders of a New World



**ANNUAL
REPORT
2024**

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BOARD OF DIRECTORS

Mr. Aamir Ghani Chairman
Mr. Mohammed Yasin Fecto Chief Executive
Ms. Saira Ibrahim Bawani
Mr. Khalid Yacoob
Mr. Mohammed Anwar Habib
Mr. Jamil Ahmed Khan
Mr. Rohail Ajmal (Nominee of Saudi Pak Industrial & Agricultural Investment Co. Ltd.)

CHIEF FINANCIAL OFFICER

Mr. Muhammad Hanif Idrees, FCA, FCMA

COMPANY SECRETARY

Mr. Abdul Wahab, FCA

LEGAL ADVISOR

Abid & Khan Advocates and Legal Advisor
House # 303-D, Street # 29
Sector F-11/2
Islamabad

REGISTERED OFFICE

Plot # 60-C, Khayaban-e-Shahbaz,
Phase VI, Defence Housing Authority,
Karachi-75500, Pakistan
Phone Nos. (+ 9221) 35248921-24.
Fax: (+ 9221) 35248925

MARKETING OFFICE

339, Main Peshawar Road
Chairing Cross Service Road
Westridge-1
Rawalpindi
Phone Nos. (+ 9251) 5467111-13

AUDIT COMMITTEE

Mr. Jamil Ahmed Khan Chairman
Mr. Rohail Ajmal
Mr. Mohammed Anwar Habib

HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Jamil Ahmed Khan Chairman
Mr. Khalid Yacoob
Mr. Mohammed Anwar Habib

AUDITORS

Rahman Sarfaraz Rahim Iqbal Rafiq,
Chartered Accountants

SHARE REGISTRAR

F. D. Registrar Services (Pvt) Ltd.
1705, 17th Floor, Saima Trade Tower-A
I. I. Chundrigar Road
Karachi-74000
Phone Nos. (+ 9221) 32271905-6

FACTORY

Sangjani, Islamabad
Phone Nos. (+ 9251) 2296065-88

BANKERS

Askari Bank Limited
Habib Metropolitan Bank Limited
MCB Bank Limited
National Bank of Pakistan
Silk Bank Limited

WEBSITE

www.fectogroup.com

Vision Statement

To compete in tough and competitive market, focusing on "Satisfaction" of customers, and stakeholders with challenging spirit and flexibility, striving hard to make profit, creating value for our customers and to continue as a successful Company.

Mission Statement

To manage and operate the company in a manner that allows growth and profitability without high risk for stakeholders and the company by offering quality product to our customers, while striving to improve our product to meet our customers needs.

Corporate Strategy

Our Corporate Strategy and objectives for the future are to find new and improved means of cost reduction, fuel economy and to acquire advanced manufacturing capabilities to support our product development efforts and product line expansion and stand ready to leverage our debts and be responsive to the changing economic scenario. We believe in harnessing the inherent strengths of available human resource and materials to the utmost and a commitment for building a solid foundation poised for sustainable growth for the long-term benefit of our shareholders and our employees.

NOTICE OF ANNUAL GENERAL MEETING

Annual Report 2024

Notice is hereby given that the 43rd Annual General Meeting ("AGM") of the Members of **FACTO CEMENT LIMITED** will be held on **Monday, October 28, 2024, at 12:00 noon** at Royal Rodale Sports and Recreational Complex situated at TC-V, 34th Street, Khayaban-e-Sehar, Phase V, Ext, Defence Housing Authority, Karachi to transact the following

Ordinary business:

- 1) To confirm the minutes of last AGM held on Saturday October 28, 2023.
- 2) To receive, consider and adopt the Audited Financial Statements of the Company for the year ended June 30, 2024, together with the Directors' and Auditors' Reports thereon.
- 3) To appoint auditors for the year ending June 30, 2025, and fix their remuneration. Present auditors M/s. Rahman Sarfaraz Rahim Iqbal Rafiq, Chartered Accountants retire and being eligible have offered themselves for the re-appointment.
- 4) To elect six (6) directors as fixed by the Board of Directors of the Company in accordance with the provisions of Section 159 (1) of the Companies Act, 2017 for a term of three (3) years commencing from November 01, 2024. Mr. Rohail Ajmal being nominee of Saudi Pak Industrial and Agriculture Investment Company Limited is not subject to retirement/election hence after this election, overall strength of the Board will be seven (7) as required by Section 154(4) of the Companies Act, 2017.

Names of retiring directors are as follows:

- | | |
|------------------------------|-------------------------------|
| (i) Mr. Mohammed Yasin Fecto | (iv) Mr. Jamil Ahmed Khan |
| (ii) Mr. Khalid Yacoob | (v) Mr. Muhammad Anwar Habib |
| (iii) Mr. Aamir Ghani | (vi) Ms. Saira Ibrahim Bawani |

- 5) To transact any other business with the permission of the Chair.

By Order of the Board



(ABDUL WAHAB)
COMPANY SECRETARY

Karachi: **October 07, 2024**

Notes:

1) Closure of Share Transfer Books

The Share Transfer Books of the Company will remain closed from Saturday, October 19, 2024, to Monday, October 28, 2024 (both days inclusive). Transfers received in order by our Shares Registrar FD Registrar Services (Private) Limited 17th Floor Saima Trade Centre, Tower I. I. Chundrigar Road, Karachi by the close of business on Friday, October 18, 2024, shall be treated as being in time for the purpose of attending and voting at the AGM.

- 2) Participation in Annual General Meeting (AGM), via physical presence including through proxy
A member of the Company entitled to attend and vote at this meeting may appoint another member as

a proxy to attend, speak and vote instead of him/her. An instrument appointing a proxy must be received at the Registered Office of the Company not later than forty-eight hours before the time of holding the Meeting. The proxy shall produce his/her CNIC or passport to prove his/her identity. CDC Account Holders will have to further follow the guidelines as laid down in Circular No. 1 dated January 26, 2000, issued by the Securities and Exchange Commission of Pakistan.

3) Participation in AGM through electronic means:

- a. Securities and Exchange Commission of Pakistan through its Circular No. 4 dated February 15, 2021 has directed the listed companies to ensure the participation of members in general meeting through electronic means as a regular feature in addition to holding physical meetings.
- b. The members who wish to attend the meeting through video-link are hereby requested to share following information for obtaining video-link and login credentials, with the Company Secretary at email address: **abdul_wahab@fectogroup.com** at earliest but no later than 48 hours before the time of AGM:

Full Name	CNIC No	Folio/ CDC Account No.	No. of Shares Held	Cell No.	E-mail Address

- c. Members will be registered, after necessary verification as per the above requirement and will be provided a video-link by the Company via email.
- d. Only those members will be accepted at the AGM via video-link whose names match the details shared with the Company for registration.
- e. In accordance with section 132(2) of the Act, if the Company receives consent from members holding in aggregate 10% or more shareholding, residing in a geographical location to participate in the meeting through video conference at least seven (7) days prior to the date of AGM, the Company will arrange video conference facility in that city subject to availability of such facility in that city. To avail this facility a request is to be submitted addressed to the Company Secretary at the following address:

Fecto Cement Limited
60-C, Khayaban-e-Shahbaz, DHA Phase VI, Karachi

4) E- voting and Postal Ballot

It is hereby notified that pursuant to the Companies (Postal Ballot) Regulations, 2018 and its amendments notified vide SRO 2192(1)/2022 dated December 5, 2022, members will be allowed to exercise their right to vote, in the AGM, in accordance with the conditions mentioned in aforesaid regulations. The Company shall provide its members with the following options for voting, in case voting is required under Companies Act, 2017 in respect of agenda item no.4 of the notice:

i. E-voting Procedure

- a. Details of the e-voting facility will be shared through an e-mail with those members of the Company who have their valid CNIC numbers, cell numbers, and e-mail addresses available in the register of members of the Company within due course. Members who intend to exercise their right of vote through E-Voting shall provide their valid cell numbers and e-mail addresses on or before October 18, 2024 at the email address mentioned in clause b of note 3 above.
- b. The web address, login details, will be communicated to members via email.



- c. Identity of the members intending to cast vote through e-Voting shall be authenticated through authentication for login.
- ii. **Postal Ballot**
- a. Members may alternatively opt for voting through postal ballot, which shall be circulated to members at least seven (7) days before the meeting and will also be uploaded on the website of the Company.
- b. The members shall ensure that duly filled and signed ballot paper along with copy of Computerized National Identity Card (CNIC) should reach the Chairman of the meeting through post at Plot # 60-C, Khayaban-e-Shahbaz, Phase VI, Defence Housing Authority Karachi-75500 (Attention of the Company Secretary) one day before the AGM i.e. by Friday, October 25, 2024, before 5:30 p.m. The signature on the ballot paper shall match with the signature on CNIC. A postal ballot received after this time / date shall not be considered for voting.

5) Intimation for Change in Address

Members holding shares in physical form are requested to notify any change in their address to our share registrar immediately. Members holding shares in CDS system are requested to have their addresses updated with participant or CDC Investor Account Service.

6) Availability of Financial Statements and Reports

The Company has circulated annual audited financial statements to its members through email at provided registered email addresses. However, printed copy of the above referred statements will be provided to the members upon their request. Request form is available on the website of the company.

Further, in accordance with section 223(6) of the Companies Act, 2017 read with SRO 389(1)/2023 dated March 21,2023 and SRO 787(1)/2014 dated September 08,2014, the above referred statements have also been uploaded on the website of the Company which can be downloaded by using following weblink and QR enabled code:

<https://fectogroup.com/financials/>



Statement of Material Facts Under Section 166(3) of the Companies Act, 2017 Agenda item 4 - Election of Directors

This Statement sets out the material facts pertaining to the Ordinary Business as described in the Notice of the AGM of the Company. The term of office of the current directors of the Company will expire on October 28, 2024. In accordance with Section 159(1) of the Act, the Board of Directors have fixed the number of Directors to be elected at the AGM at six (06) to hold the office of director for a period of three (3) years commencing from the date of the AGM. Independent Directors shall be selected in accordance with the provisions of the Act, the Listed Companies (Code of Corporate Governance) Regulations, 2019 and the Companies (Manner and Selection of Independent Directors) Regulations, 2018. Accordingly, in compliance with the provisions of Regulation 7A of the Listed Companies (Code of Corporate Governance) Regulations, 2019, Election of Directors will be held separately for the following three categories:

S. No.	Categories	No. of Seats
1.	Female Director	01
2.	Independent Directors	02
3.	Other Directors	03
	TOTAL	06

In order to safeguard the interest of the minority shareholders, any member can send his/her nomination for contesting the election in any of above-mentioned categories. Any person who seeks to contest the election of the office of director, whether they are a retiring director or otherwise, shall submit to the Company Secretary at the Registered Office address Plot # 60-C, Khayaban-e-Shahbaz, Phase VI, Defence Housing authority, Karachi, not later than fourteen (14) days before the date of AGM, the following documents:

Notice of his/her intention to offer himself/herself for the election of directors as per Section 159(3) of the Act, and consent to act as a director on Form 9 as prescribed under the Act, and the Companies Regulations, 2024. (Any person contesting the election of directors must be a Member of the Company at the time of filing his/her consent unless such person is representing a Member which is not a natural person.)

A signed declaration confirming that:

- a. He/she is aware of his/her duties and powers under the Act, the Listed Companies (Code of Corporate Governance) Regulations, 2019, the Rule Book of Pakistan Stock Exchange Limited, Memorandum and Articles of Association of the Company and other relevant laws and regulations.
 - b. He/she is not ineligible to become a director of a listed company under the provisions of the Act, the Listed Companies (Code of Corporate Governance) Regulations, 2019 and other applicable laws/regulations.
3. A detailed profile along with his/her office address for placement on the Company's website as required under SRO 1196 (I)/2019 dated October 03, 2019.
 4. **Detail of other directorships held.**
 5. Copy of valid CNIC or Passport (in case of a foreign national) along with NTN and Folio Number/CDC Account or Sub Account number.
 6. The following additional documents are required to be submitted by the candidates intending to contest the election as an independent director:
 - a. Declaration of independence under Regulation 6(3) of the Listed Companies (Code of Corporate Governance) Regulations, 2019.
 - b. Undertaking on non-judicial stamp paper that he/she meets the requirements of Regulation 4(1) of the Companies (Manner and Selection of Independent Directors) Regulations, 2018.

All the notices received for the category of Independent Director, shall be subject to due diligence by the Company

as prescribed under Section 166 of the Act and 7A of the Listed Companies (Code of Corporate Governance) Regulations, 2019.

The final list of candidates contesting the election will be circulated not later than seven (7) days before the date of the AGM in terms of Section 159(4) of the Act. The website of the Company will be updated with the required information and Directors' profile.

CHAIRMAN'S REVIEW FOR THE YEAR ENDED JUNE 30, 2024

On Board's Overall Performance Under Section 192(4) of the Companies Act, 2017

ECONOMIC LANDSCAPE & COMPANY'S PERFORMANCE

During the financial year under review global growth slowed down on account of high interest rates to deal with inflation and geopolitical tensions contributing to economic uncertainty and Pakistan has not been an exception. Rapid tariff adjustments and tightening fiscal regime for improving tax to GDP ratio to qualify for IMF program coupled with high interest rates did not fare well for the economic growth. Consequently, local sales volumes of the Cement Industry decelerated by around 5% and players resorted to export markets to maintain the volumes with an overall meagre growth of 1.60%.

Despite the challenges the Company strengthened its footprint in the local market and achieved growth of 12.94% in volumes. High energy costs and interest rates and inflationary trend continued to pose challenges resulting in inflation driven growth in sales prices. However, with favorable coal prices, cost optimization measures, stringent working capital management, higher capacity utilization and rationalization of useful life of its plant and machinery Company was able to achieve Profit Before Tax and after WPPF of Rs. 748 million for the year. High incidence of tax charge diluted the earnings leading to Profit After Tax of Rs. 317million. The Company will continue to follow the strategy of further improving the operational efficiencies, customer focus and cost optimization for sustainable performance.

BOARD'S OVER ALL PERFORMANCE

The Board of Directors (The "Board") of Fecto Cement Limited (The "Company") complies with all the requirements set out in the Companies Act, 2017, the Listed Companies (Code of Corporate Governance) Regulations, 2019 (The "Code") and the Rule Book of the Pakistan Stock Exchange (The "Rule Book") where the Company is listed, with respect to the composition, procedures and meetings of the Board of Directors and its committees. In compliance with the Code, the Company conducts an annual evaluation of the Board's performance to ensure its effectiveness in achieving the Company's objective. The purpose of this evaluation is also to identify areas requiring improvement with appropriate action plans developed to address them.

For the purpose of Board evaluation, a set of comprehensive criteria has been developed. The Board has recently completed its annual self-evaluation for the year ended June 30, 2024, and I report that the overall performance of the Board measured on the basis of approved criteria for the year was satisfactory. This evaluation is based on several key components critical to the Board's role in helping the Company achieve its objective:

1. **Diversity and Mix:** The Board members effectively bring the diversity to the Board and its committees and constitute a mix of independent and non-executive directors with a female representation on the Board. The non-executive and independent directors were equally involved in all key matters and decisions of the Board and their respective committees. The Board members have adequate skills, experience, and knowledge to manage the affairs of the Company.
2. **Engagement in strategic planning:** Board has a clear understanding of the stakeholders (shareholders, customers, employees, vendors, society at large) whom the Company serves. The Board has a strategic vision of how the organization should be evolving over the next three to five years. Further, the Board has spent sufficient time on strategy formulation, and it has set annual goals and targets for the management in all major performance areas.
3. **Diligence:** The Board members diligently performed their duties and thoroughly reviewed, discussed, and approved business strategies, corporate objectives, plans, budgets, financial statements, and other reports. It received clear and succinct agendas and supported written material in sufficient time prior to board and



committee meetings. The board met frequently enough to adequately discharge its responsibilities.

4. **Monitoring of organization's business activities:** The Board remained updated with respect to the achievement of the Company's objectives, goals, strategies, and financial performance through regular presentations by the management, internal and external auditors, and other independent consultants. The Board provided appropriate direction and oversight on a timely basis.
5. **Governance and Control Environment:** The Board has effectively set the tone-at-the-top, by putting in place a transparent and robust system of governance. This is reflected by setting up an effective control environment, compliance with best practices of corporate governance and by promoting ethical and fair behavior across the company.

I extend my heartfelt appreciation to all our stakeholders for their unwavering support and trust in the Board. I also thank our CEO and Management team for their dedication and professionalism in executing the Board's Vision to continue as a successful company.



AAMIR GHANI

Chairman of the Board of Directors

Karachi: October 07, 2024

DIRECTORS' REPORT TO THE MEMBERS

Dear Members

The Directors of your Company are pleased to present before you the Annual Report of your Company along with the Audited Financial Statements for the year ended June 30, 2024.

This report has been prepared in accordance with Section 227 of the Companies Act, 2017 and Listed Companies (Code of Corporate Governance) Regulations, 2019 ('The Regulations') and will be submitted to the shareholders at the 43rd Annual General Meeting ('AGM') of the Company to be held on October 28, 2024.

OVERVIEW

The year witnessed economic challenges, including inflation, particularly the rising energy costs, and high interest rates which resulted in lower growth. Economic volatility and disequilibrium in tax regime has impacted on the overall cost of doing business. The currency remained relatively stable due to controls over imports and support from remittances and inflows from foreign debt.

Your Company's strategy to focus on enhancing efficiencies, cost optimization and customer centric approach has led to positive results for the year in spite of the challenging economic environment.

INDUSTRY PERFORMANCE

During the year under review, overall dispatches of industry increased by 1.60% with total sales volume of 45.29 million tons as against 44.58 million tons of last year, driven by a surge in export sales by 55.71% reaching 7.10 million tons up from 4.57 million tons last year. However, local sales volumes of the industry declined by 4.58% and reached 38.19 million tons down from 40.02 million tons the previous year.

The overall sales volume of plants located in the North dropped to 33.00 million tons as compared to 33.85 million tons last year, witnessing a decline of 2.51%. Local sales volume of plants located in the North dropped to 31.55 million tons from 32.78 million tons last year i.e. a decline of 3.77%, whereas exports increased to 1.46 million tons as compared to 1.07 million tons i.e. an increase of 36.23%.

Total sales volume of plants located in the South increased to 12.29 million tons from 10.73 million tons i.e. an increase of 14.53%. Local sales volume of plants located in the South decreased to 6.64 million tons as compared to 7.24 million tons last year i.e. a decline of 8.25%, whereas exports sales significantly increased to 5.65 million tons as compared to 3.50 million tons last year i.e. an increase of 61.67%.

PRODUCTION AND SALES

The Company's production and dispatches for the year compared to previous year are as follows:

	----- TONS -----		
	2024	2023	Change in %
Production			
Clinker	651,048	632,116	3.00
Cement	724,209	646,530	12.01
Dispatches			
Local	712,769	619,849	14.99
Export	12,284	22,107	(44.43)
Total	725,053	641,956	12.94



Increase in production volumes was to meet the customer demand, optimize capacity utilization and reduce per unit fixed costs.

During the year your Company's market share among plants located in the Northern region increased by 15.79%, rising from 1.90% last year to 2.20% this year. This growth reflects the Company's strengthened position in the local market.

FINANCIAL PERFORMANCE

Following is the comparison of financial results of the Company for the year under review with last year

	Rupees in '000' except EPS		
	2024	2023	Change in %
Net sale - Local	10,767,088	8,432,393	27.69
Net sale - export	141,030	249,790	(43.54)
Total Net Sale	10,908,118	8,682,183	25.64
Cost of sales	9,478,553	8,369,763	13.25
Gross Profit	1,429,565	312,420	357.58
Profit/ (Loss) before taxation	788,302	(172,929)	-
Profit/ (Loss) after taxation	317,323	(133,245)	-
Earnings/ (Loss) Per Share	6.33	(2.66)	-

SALES REVENUE

During the year under review, the overall sales volume of the Company increased to 725,054 tons from 641,956 tons last year i.e. an increase of 12.94% which resulted in an increase in sales revenue by 25.64% i.e. from Rs. 8,682 million to Rs. 10,908 million. Cost inflation resulted in an increase in selling prices in the domestic market. Improved retention prices also contributed to the sales growth.

Contribution of local sales volumes in overall sales volume increased from 96.56% to 98.31%. Export sales volumes of the Company decreased by 44.43% i.e. from 22,107 tons to 12,285 tons and in line its revenue decreased by 43.54% i.e. from 249.79 million to 141.03 million. Volumes of export sales remained subdued due to less attractive prices in the international markets.

PROFITABILITY

The cost of sales of the Company during the year under review increased by 13.25%, primarily driven by volume growth of 12.94%, high energy costs and inflationary trend which was offset to some extent by favorable coal prices, cost optimization and efficiency initiatives and better capacity utilization leading to a gross profit margin of 13.11% as compared to 3.60% during last year.

Administrative expenses and Distribution costs increased by 12.72% mainly due to an increase in salaries and wages.

During the year the Company engaged an independent foreign consultant to assess the remaining useful life of its plant and machinery leading to the assessment of useful life of 25 years instead of last assessed life of 7 to 23.5 years in the year 2007 which resulted in reduction in depreciation cost by Rs.174.77 million. Finance costs (net of amortization of government grants) were reduced by 9.52% over last year primarily driven by better working capital management leading to decline in borrowing levels by around 20% at year-end as compared to last year-end.

Other income for the year decreased around 60% mainly due to no Capital Gain on sale of investment property (last year Rs.77.77 million) and mark up on Term finance Certificates not accrued during the year as explained in note 19.3 of the Financial Statements.

The Company achieved Profit Before Tax and after WPPF of Rs. 748 million for the year as compared to Loss before levies and taxation of Rs. 172.92 million last year. However, the incidence of minimum tax exceeding normal tax and super tax diluted earnings by Rs. 143 million i.e. around 19% of Profit Before Tax and after WPPF for the year leading to Profit After Tax of Rs. 317 million which translated into earnings per share of Rs. 6.33 as against loss per share of Rs. 2.66 last year.

PRINCIPAL RISKS AND UNCERTAINTIES

The Company is exposed to certain inherent risks and uncertainties related to the environments in which it works and its operations may affect due to such risks and uncertainties. We, however, consider following as key risks:

- Significant competition in the market due to overcapacity in the sector and subdued demand.
- Disequilibrium in tax regime and impact of indirect taxation
- Volatility in prices of Coal and other inputs.
- High energy costs

In response your Company's management remains proactive in enhancing manufacturing efficiency and investing in cost optimization measures. This strategic approach aims to reduce production costs while reinforcing our commitment to sustainability.

IMPACT OF COMPANY'S BUSINESS ON ENVIRONMENT

The Company is cognizance of the fact that the business of manufacturing and selling cement involves emission from the manufacturing process which could affect the area where its operations are conducted. Therefore, Company maintains its manufacturing facilities to operate at permissible emission level in compliance with NEQ standards. Plant of the Company is state of the art and meets all national and international standards of quality control. The Company has installed a waste heat recovery power plant to re-use waste heat of the manufacturing system and generates clean energy for its operations. The Company has also installed 5 MW Solar Power Plant at its site to reduce electricity cost and its dependence on fossil fuel and is in the process assessing an increase in power production from Solar.

In addition, your Company spends on maintaining gardens around its manufacturing premises in pursuance of its sustainable and eco-friendly practices.

INFORMATION AND COMMUNICATIONS TECHNOLOGY (ICT)

Realizing the importance of the information for business growth and decision-making Company has embarked upon upgrading its legacy information system with an Enterprise Resource Planning (ERP) system which is expected to be completely operation in next financial year. In addition, Company has also upgraded its connectivity between its various sites.

FUTURE OUTLOOK

The fiscal space of the Government will remain under pressure due to low tax to GDP ratio which could lead to further taxation measures affecting business activity and impacting overall demand for cement. Successful conclusion of IMF program, declining fuel prices in international markets and lowering interest rates pose a silver lining. However, continued political instability in the country and uncertainty on the geo-political front can have an adverse

impact.

The management of the Company is alive with the expected challenges and remains committed to focus on product quality, customer service, operational efficiencies and cost optimization to maintain the growth in topline and bottom line.

CORPORATE GOVERNANCE

The Directors of your Company are aware of their responsibilities under Listed Companies (Code of Corporate Governance) Regulations, 2019 and the Rule book of Pakistan Stock Exchange. Your Company has taken all necessary steps to ensure good corporate governance and full compliance with the Code and we confirm the following:

1. The financial statements, prepared by the management of the Company, present fairly its state of affairs, the result of its operations, cash flows and changes in equity;
2. Proper books of account of the Company have been maintained in accordance with requirements of law;
3. Chief Executive Officer and Chief Financial Officer duly endorsed the financial statements before the approval of the Board.
4. Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment;
5. International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departure therefrom has been adequately disclosed and explained;
6. The system of internal control is sound in design and has been effectively implemented and monitored;
7. There are no significant doubts about the company's ability to continue as a going concern;
8. Statement of the pattern of shareholding has been included as part of this Annual Report with shares held by associated undertakings and related persons disclosed separately;
9. The value of Provident Fund Investments as per un audited accounts of Provident Fund Trust for the year ended June 30, 2024 was Rs. 566 million (2023 Rs. 552 million per audited accounts.)
10. There is no outstanding statutory payment due on account of taxes, levies and charges except normal and routine nature and as disclosed in attached financial statements.

Key operating and financial highlights for six years is annexed to this report.

ADEQUACY OF INTERNAL FINANCIAL CONTROL

The Board of Directors of the Company has established an effective and efficient internal financial control system to ensure effective conduct of company's operation, safeguarding of all assets and compliance with applicable laws and regulations and reliable and timely financial reporting. In house internal audit department is equipped with suitable and qualified staff to continuously review the internal control system and its effectiveness. Internal audit department is responsible to identify any weakness in the system in place by the Board and suggest any deviation, its rectification and improvements in a timely manner to the Audit Committee which ultimately takes corrective steps.

RELATED PARTY TRANSACTIONS

All related party transactions entered into during the year were on arm's length basis and duly approved by the Audit Committee and the Board as required by the Act and relevant regulations. Detail of transactions entered into with related parties is given in Note 41 to the financial statements and respective notes.

COMPOSITION OF THE BOARD

The diverse mix of gender, knowledge, expertise and skill sets of the members enhances the effectiveness of our Board. Our Board composition represents the interests of all categories of shareholders and it consists of:

Independent Directors	Khalid Yacoob Aamir Ghani Jamil Ahmed Khan Mohammed Anwar Habib
Non-Executive Directors	Rohail Ajmal Saira Ibrahim Bawani (Female)
Executive Directors	Mohammed Yasin Fecto

MEETINGS OF THE BOARD

During the year four (4) meetings of the Board of Directors were held. Attendance by each Director is given below:

	Attended
Mr. Mohammed Yasin Fecto	3
Mr. Aamir Ghani	2
Mr. Rohail Ajmal	4
Mr. Mohammed Anwar Habib	2
Mr. Khalid Yacoob	4
Mr. Jamil Ahmed Khan	4
Ms. Saira Ibrahim Bawani	0

Directors who could not attend the meetings were granted leave of absence.

REMUNERATION POLICY FOR NON-EXECUTIVE DIRECTORS

All Directors of the Company are non-executive directors except Chief Executive Officer. Remuneration to Chief Executive Officer is approved by the Board of Directors in their meetings. Non-executive directors are paid remuneration for attending Board and its committee meetings as per approved policy. The detail of remuneration paid to Chief Executive Officer and non-executive directors is given in Note 40 to the financial statements.

COMMITTEES OF THE BOARD

AUDIT COMMITTEE

Board of Directors of your Company has established Audit Committee of the Board in compliance with the requirements the Listed Companies (Code of Corporate Governance), Regulations, 2019 regulation no: 27. Term of reference of the Committee was duly communicated to the members by the Board. Two members of the committee are independent directors while Mr. Rohail Ajmal (nominee of Saudi Pak Industrial & Agricultural

Investment Co. Ltd.) is non-executive director.

During the year 4 (four) meetings of the Committee were held. Attendance by each member is given below:

		Attended
Mr. Jamil Ahmed Khan	Chairman	4
Mr. Mohammed Anwar Habib	Member	2
Mr. Rohail Ajmal	Member	4

HUMAN RESOURCE AND REMUNERATION COMMITTEE

In compliance with the requirements of Listed Companies (Code of Corporate Governance), Regulations, 2019 regulation no: 28, The Board of Directors has established this Committee comprising three members, of whom all are independent Directors. Term of reference of the Committee was duly communicated to the members by the Board. During the year 1(one) meeting of the Committee was held.

TRAINING PROGRAM OF DIRECTORS

Your Company takes a keen interest in the professional development of its Board members and regularly updates its Board members with any changes in corporate laws or Code of corporate governance. It ensures that all the Directors of the Board comply with the requirements of Directors Training Certification as such most of the Directors have complied with same as per regulation no. 19 of the Code.

CORPORATE SOCIAL RESPONSIBILITY

Your Company being a responsible corporate citizen always conscious to discharge its obligations towards the people who work for its day and night, people around its work place and to the society as a whole. Few of the highlights of the initiatives undertaken by the Company during the year were:

- Construction, renovation and maintaining a girl school in nearby village.
- Participation with local administration for cleaning of Khan poor Dam canal by providing cement and manpower.
- Provision of clean water to nearby village for which a reservoir and pipe line were constructed by the Company. Company has also installed an electric pump for smooth supply of water.
- The Company donated an amount of Rs. 6.44 million for health, social welfare and education

CONTRIBUTION TO NATIONAL EXECHEQURE

During the year your Company contributed around Rs. 2,520 million to national exchequers in terms of sales tax, federal excise duty and income tax. The Company also brought in foreign exchange of around USD 0.5 MILLION into the country by exporting cement. In addition, the Company also contributed to the national and provincial exchequers as withholding agent for collection and deduction of income tax and sales from its vendors and employees on behalf of revenue authorities.

ENTITY CREDIT RATING

Pakistan Credit Rating Agency (PACRA) has maintained ratings assigned to the Company as long-term rating of A- and short term A2 with stable outlook.

INDUSTRIAL RELATIONS

Company believes that its best assets are the one who work for it and constant efforts are made to provide them all facilities. Hence, management employee relations have always been very cordial and no industrial unrest has ever been witnessed in the company.

AUDITORS

Present auditors M/s. Rahman Sarfaraz Rahim Iqbal Rahim, Chartered Accountants, retire and being eligible, have offered them for re-appointment. The Audit Committee of the Board has also recommended their appointment as Statutory Auditors of the Company for the year ending June 30, 2024 and Board would also like to endorse the recommendations of the Audit Committee.

PATTERN OF SHAREHOLDING

Statements showing the pattern of shareholding as at June 30, 2023 required Section 227(2)(f) of the Companies Act, 2017 is annexed to this report.

APPROPRIATION

Company is pursuing policy of cash preservation to be able to handle uncertainties ahead, to finance the Capital Expenditure for achieving efficiencies without additional borrowings and reduce the borrowings. Therefore, the Board of Directors in its meeting held on October 07, 2024, has decided not to recommend payment of dividend for the year.

ACKNOWLEDGMENT

The Directors would like to place on record their appreciation for the valuable contribution of all stakeholders including the employees for their dedication and hard work, customers and vendors for their unwavering support, regulators for their continued support and guidance and financial institutions for the trust reposed on sponsors and management which plays a pivotal role in the successful operational and financial performance of the Company.

On behalf of the Board



MOHAMMED YASIN FECTO
CHIEF EXECUTIVE



ROHAIL AJMAL
DIRECTOR

Karachi: October 07, 2024

KEY OPERATING AND FINANCIAL HIGHLIGHTS

For Six Years from Year 2019 to Year 2024

	FY 2024	FY 2023	FY 2022	FY 2021	FY 2020	FY 2019
	----- Quantity in Ton -----					
Clinker:						
- Production	651,048	632,116	618,559	734,323	599,016	593,312
- Capacity Utilization	72%	70%	69%	89%	72%	72%
Cement:						
- Production	724,209	646,530	712,757	729,167	640,576	680,133
- Sales	725,054	641,956	712,644	731,069	641,450	682,612
	----- Rupees in '000' -----					
Financial Position						
Assets Employed						
Property, plant and equipment	2,951,117	2,708,837	3,067,900	2,270,083	1,792,313	1,895,270
Right of use assets	46,248	76,812	108,442	106,020	51,730	51,164
Investment Property	102,260	102,260	-	-	-	-
Long term investments	327,720	401,511	330,850	318,009	284,350	319,650
Long term deposits	10,101	10,101	10,273	5,321	6,294	6,486
Long term loans and advances	40,126	8,466	8,776	6,722	10,757	12,606
Deferred tax asset	-	113,586	-	29,821	-	-
Current Assets	4,336,778	3,904,906	3,424,013	3,297,031	2,688,362	2,781,387
Total Assets	7,814,350	7,326,479	6,950,254	6,033,007	4,833,806	5,066,563
Financed By						
Shareholders' Equity	3,861,686	3,596,755	3,750,774	3,467,062	3,508,011	4,331,567
Long-term liabilities						
Long term financing	678,308	860,641	1,017,637	520,529	87,217	-
Lease liabilities	12,285	48,398	67,173	61,605	24,809	34,322
Deferred Grant Income	102,067	140,528	184,544	69,343	10,476	-
Deferred Liabilities	88,006	-	33,874	-	33,430	355,892
Current Liabilities	3,071,998	2,680,157	1,896,252	1,914,468	1,169,863	344,782
Total Equity and Liabilities	7,814,350	7,326,479	6,950,254	6,033,007	4,833,806	5,066,563
Turnover & Profit						
Sales						
Sales - Gross	14,863,390	11,549,441	9,243,510	7,059,214	5,437,681	6,654,725
Less : Excise duty	(1,425,537)	(1,040,271)	(1,029,161)	(1,014,506)	(1,142,212)	(924,475)
Sales tax	(2,529,735)	(1,826,987)	(1,439,782)	(1,083,333)	(831,565)	(989,754)
Sales - Net	10,908,118	8,682,183	6,774,567	4,961,375	3,463,904	4,740,496
Profitability						
Gross Profit / (Loss)	1,429,565	312,420	873,621	287,499	(715,437)	594,303
EBITDA	1,192,198	421,572	786,507	150,898	(893,286)	255,354
EBIT	1,064,476	130,274	584,095	12,434	(1,005,673)	135,720
Profit / (Loss) before levies and tax	788,302	(172,929)	428,860	(63,381)	(1,034,246)	130,343
Provision for levies and taxation	(470,979)	39,684	(142,157)	(3,906)	264,175	(41,368)
Profit / (Loss) after tax	317,323	(133,245)	286,703	(67,287)	(770,071)	88,975
Cash Flow						
Net Cash from / (used in) Operating Activities	1,050,418	(194,635)	835,314	(259,341)	(735,513)	(9,607)
Net Cash (used in) / from Investing Activities	(262,473)	42,387	(873,374)	(541,910)	56,134	(172,941)
Net Cash from / (used in) Financing Activities	(668,544)	(237,301)	313,595	554,941	351,681	(125,901)
Increase / (Decrease) in Cash and Bank Balance	119,401	(389,549)	275,535	(246,310)	(327,698)	(308,449)
Cash and Bank Balance at beginning of the Year	(523,667)	(134,118)	(409,653)	(163,343)	164,355	472,804
Cash and Bank Balance at end of the Year	(404,266)	(523,667)	(134,118)	(409,653)	(163,343)	164,355

ANALYSIS OF FINANCIAL RATIOS

For Six Years from Year 2019 to Year 2024

Ratios Description	UoM	FY 2024	FY 2023	FY 2022	FY 2021	FY 2020	FY 2019
Profitability Ratios:							
Gross Profit Margin	percent	13.11%	3.60%	12.90%	5.79%	-20.65%	12.54%
EBITDA Margin to Sales	percent	10.93%	4.86%	11.61%	3.04%	-25.79%	5.39%
EBIT Margin to Sales	percent	9.76%	1.50%	8.62%	0.25%	-29.03%	2.86%
Net Profit Margin	percent	2.91%	-1.53%	4.23%	-1.36%	-22.23%	1.88%
Return on Equity	percent	8.22%	-3.70%	7.64%	-1.94%	-21.95%	2.05%
Return on Capital Employed	percent	27.57%	3.62%	15.57%	0.36%	-28.67%	3.13%
Effective Tax Rate	percent	-59.75%	-22.95%	-33.15%	-6.16%	25.54%	-31.74%
Liquidity Ratios:							
Current ratio	times	1.41	1.46	1.81	1.72	2.30	8.07
Quick / Acid test ratio	times	0.28	0.22	0.27	0.33	0.51	2.20
Cash to Current Liabilities	times	0.09	0.07	0.07	0.04	0.10	0.48
Cash from Operations to Sales	times	0.10	(0.02)	0.12	(0.05)	(0.21)	(0.002)
Activity / Turnover Ratios:							
Inventory turnover ratio	times	4.99	5.41	4.05	3.22	3.30	3.21
No. of Days in inventory	days	73.18	67.49	90.21	113.19	110.67	113.88
Debtors turnover ratio	times	34.88	78.24	113.90	144.52	74.57	66.10
No. of Days in Receivables	days	10.47	4.66	3.20	2.53	4.89	5.52
Creditors turnover ratio	times	6.62	8.31	7.40	10.63	19.22	12.88
No. of Days in Creditors	days	55.16	43.95	49.30	34.32	18.99	28.33
Operating Cycle	days	28.48	28.21	44.12	81.40	96.58	91.07
Total Assets turnover ratio	times	1.40	1.19	0.97	0.82	0.72	0.94
Fixed Assets turnover ratio	times	3.64	3.12	2.13	2.09	1.88	2.44
Investment Valuation Ratios:							
Earnings / (Loss) per share (EPS / (LPS))	rupees	6.33	(2.66)	5.72	(1.34)	(15.35)	1.77
Price / Earning ratio	times	3.10	(7.39)	3.43	(24.78)	(1.36)	11.02
Market value per share as on June 30	rupees	29.72	19.90	19.62	33.24	20.88	19.54
Breakup value per share	rupees	76.99	71.71	74.78	69.12	69.94	86.36
Price to book ratio	percent	38.60%	27.75%	26.24%	48.08%	29.85%	22.63%
Dividend Yield	percent	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Dividend Payout ratio	percent	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Dividend Cover ratio	times	-	-	-	-	-	-
Capital Structure Ratios:							
Financial leverage ratio	times	0.44	0.59	0.44	0.45	0.21	0.01
Net Borrowing / EBITDA	times	0.37	0.54	0.40	0.42	0.17	(0.03)
Debt to Equity Ratio	times	26:74	26:74	26:74	18:82	4:96	1:99
Av. Operating Working Capital to Sales Ratio	percent	19.33%	22.81%	27.17%	35.43%	50.43%	38.40%
Interest Cover ratio	times	3.85	0.43	3.76	0.16	(35.20)	25.24



VERTICAL ANALYSIS - SIX YEARS

Financial Position	FY 2024		FY 2023		FY 2022		FY 2021		FY 2020		FY 2019	
	Rs. '000'	%	Rs. '000'	%	Rs. '000'	%	Rs. '000'	%	Rs. '000'	%	Rs. '000'	%
Total equity	3,861,686	49.42	3,596,755	49.09	3,750,774	53.97	3,467,062	57.47	3,508,011	72.57	4,331,567	85.49
Total non-current liabilities	880,666	11.27	1,049,567	14.33	1,303,228	18.75	651,477	10.80	155,932	3.23	390,214	7.70
Total current liabilities	3,071,998	39.31	2,680,157	36.58	1,896,252	27.28	1,914,468	31.73	1,169,863	24.20	344,782	6.81
Total equity and liabilities	7,814,350	100.00	7,326,479	100.00	6,950,254	100.00	6,033,007	100.00	4,833,806	100.00	5,066,563	100.00
Tangible Fixed assets	2,997,365	38.36	2,785,649	38.02	3,176,342	45.70	2,376,103	39.39	1,844,043	38.15	1,946,434	38.42
Other non-current assets	480,207	6.15	635,924	8.68	349,899	5.03	359,873	5.97	301,401	6.24	338,742	6.69
Total current assets	4,336,778	55.50	3,904,906	53.30	3,424,013	49.26	3,297,031	54.65	2,688,362	55.62	2,781,387	54.90
Total assets	7,814,350	100.00	7,326,479	100.00	6,950,254	100.00	6,033,007	100.00	4,833,806	100.00	5,066,563	100.00
Profit and Loss Account												
Sales - net	10,908,118	100.00	8,682,183	100.00	6,774,567	100.00	4,961,375	100.00	3,463,904	100.00	4,740,496	100.00
Cost of sales	(9,478,553)	(86.89)	(8,369,763)	(96.40)	(5,900,946)	(87.10)	(4,673,876)	(94.21)	(4,179,341)	(120.65)	(4,146,193)	(87.46)
Gross profit	1,429,565	13.11	312,420	3.60	873,621	12.90	287,499	5.79	(715,437)	(20.65)	594,303	12.54
Administrative expenses	(346,335)	(3.18)	(309,741)	(3.57)	(263,905)	(3.90)	(228,678)	(4.61)	(241,909)	(6.98)	(290,472)	(6.13)
Distribution cost	(107,138)	(0.98)	(92,564)	(1.07)	(81,390)	(1.20)	(88,039)	(1.77)	(94,164)	(2.72)	(203,122)	(4.28)
Other operating expenses	(2,953)	(0.03)	(5,315)	(0.06)	(22,572)	(0.33)	-	-	-	-	(11,400)	(0.24)
Other operating income	91,337	0.84	225,474	2.60	78,341	1.16	41,652	0.84	45,837	1.32	46,411	0.98
Profit / (Loss) from operations	1,064,476	9.76	130,274	1.50	584,095	8.62	12,434	0.25	(1,005,673)	(29.03)	135,720	2.86
Finance Cost	(276,174)	(2.53)	(303,203)	(3.49)	(155,235)	(2.29)	(75,815)	(1.53)	(28,573)	(0.82)	(5,377)	(0.11)
Profit / (Loss) before levies and taxation	788,302	7.23	(172,929)	(1.99)	428,860	6.33	(63,381)	(1.28)	(1,034,246)	(29.86)	130,343	2.75
Levies and taxation	(470,979)	(4.32)	39,684	0.46	(142,157)	(2.10)	(3,906)	(0.08)	264,175	7.63	(41,368)	(0.87)
Profit / (Loss) after levies and taxation	317,323	2.91	(133,245)	(1.53)	286,703	4.23	(67,287)	(1.36)	(770,071)	(22.23)	88,975	1.88

HORIZONTAL ANALYSIS - SIX YEARS

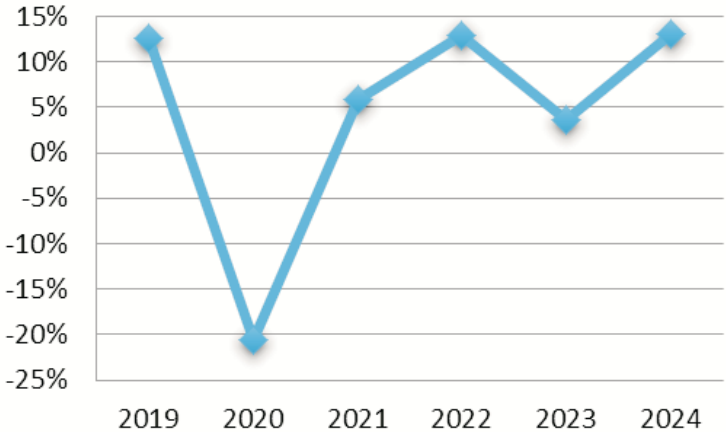
	FY 2024 Rs. '000'	24 vs 23 %	FY 2023 Rs. '000'	23 vs 22 %	FY 2022 Rs. '000'	22 vs 21 %	FY 2021 Rs. '000'	21 vs 20 %	FY 2020 Rs. '000'	20 vs 19 %	FY 2019 Rs. '000'	19 vs 18 %	FY 2018 Rs. '000'
Balance Sheet													
Total equity	3,861,686	7.37	3,596,755	(4.11)	3,750,774	8.18	3,467,062	(1.17)	3,508,011	(19.01)	4,331,567	2.88	4,210,161
Total non-current liabilities	880,666	(16.09)	1,049,567	(19.46)	1,303,228	100.04	651,477	317.80	155,932	(60.04)	390,214	9.42	356,623
Total current liabilities	3,071,998	14.62	2,680,157	41.34	1,896,252	(0.95)	1,914,468	63.65	1,169,863	239.31	344,782	(47.99)	662,864
Total equity and liabilities	7,814,350	6.66	7,326,479	5.41	6,950,254	15.20	6,033,007	24.81	4,833,806	(4.59)	5,066,563	(3.12)	5,229,648
Total non-current assets	3,477,572	1.64	3,421,573	(2.97)	3,526,241	28.88	2,735,976	27.52	2,145,444	(6.11)	2,285,176	13.16	2,019,339
Total current assets	4,336,778	11.06	3,904,906	14.04	3,424,013	3.85	3,297,031	22.64	2,688,362	(3.34)	2,781,387	(13.36)	3,210,309
Total assets	7,814,350	6.66	7,326,479	5.41	6,950,254	15.20	6,033,007	24.81	4,833,806	(4.59)	5,066,563	(3.12)	5,229,648
Profit and Loss Account													
Sales - net	10,908,118	25.64	8,682,183	28.16	6,774,567	36.55	4,961,375	43.23	3,463,904	(26.93)	4,740,496	(3.31)	4,902,784
Cost of sales	(9,478,553)	(13.25)	(8,369,763)	(41.84)	(5,900,946)	(26.25)	(4,673,876)	(11.83)	(4,179,341)	(0.80)	(4,146,193)	(6.99)	(3,875,479)
Gross profit	1,429,565	357.58	312,420	(64.24)	873,621	203.87	287,499	140.19	(715,437)	(220.38)	594,303	(42.15)	1,027,305
Administrative expenses	(346,335)	(11.81)	(309,741)	(17.37)	(263,905)	(15.40)	(228,678)	5.47	(241,909)	16.72	(290,472)	1.73	(295,591)
Distribution cost	(107,138)	(15.74)	(92,564)	(13.73)	(81,390)	7.55	(88,039)	6.50	(94,164)	53.64	(203,122)	(3.83)	(195,636)
Other operating expenses	(2,953)	-	(5,315)	-	(22,572)	-	-	-	-	100.00	(11,400)	74.35	(44,440)
Other operating income	91,337	(59.49)	225,474	187.81	78,341	88.08	41,652	(9.13)	45,837	(1.24)	46,411	(58.28)	111,256
Profit / (Loss) from operations	1,064,476	717.1	130,274	(77.7)	584,095	4,597.6	12,434	101.24	(1,005,673)	(840.99)	135,720	(77.49)	602,894
Finance Cost	(276,174)	8.91	(303,203)	(95.32)	(155,235)	(104.75)	(75,815)	(165.34)	(28,573)	(431.39)	(5,377)	(64.64)	(3,266)
Profit / (Loss) before levies and taxation	788,302	555.85	(172,929)	140.32	428,860	776.64	(63,381)	93.87	(1,034,246)	(893.48)	130,343	(78.26)	599,628
Levies and taxation	(470,979)	1,286.8	39,684	127.9	(142,157)	(3,539.5)	(3,906)	(101.48)	264,175	738.60	(41,368)	73.80	(157,890)
Profit / (Loss) after levies and taxation	317,323	338.15	(133,245)	146.47	286,703	526.09	(67,287)	91.26	(770,071)	(965.49)	88,975	(79.86)	441,738

QUARTERLY PERFORMANCE

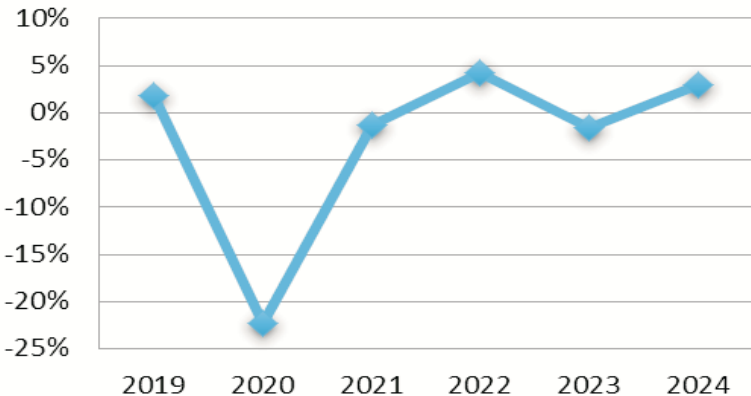
Particulars	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total
----- Quantity in Ton -----					
Clinker:					
- Production	172,504	170,169	145,908	162,467	651,048
- Capacity Utilization	77%	76%	65%	72%	72%
Cement:					
- Production	177,631	206,598	164,748	175,232	724,209
- Sales	176,691	205,497	165,643	177,223	725,054
----- Rupees in '000' -----					
Sales - net	2,625,901	3,094,932	2,502,544	2,684,741	10,908,118
Cost of sales	(2,286,044)	(2,695,435)	(2,360,154)	(2,136,920)	(9,478,553)
Gross profit / (loss)	339,857	399,497	142,390	547,821	1,429,565
Administrative expenses	(92,434)	(90,168)	(78,129)	(85,604)	(346,335)
Distribution expenses	(26,793)	(28,330)	(25,995)	(26,020)	(107,138)
Other operating income & expenses	25,451	6,259	36,810	19,864	88,384
	(93,776)	(112,239)	(67,314)	(91,760)	(365,089)
Operating profit	246,081	287,258	75,076	456,061	1,064,476
Finance cost	(74,655)	(55,205)	(73,859)	(72,455)	(276,174)
Profit before levies and tax	171,426	232,053	1,217	383,606	788,302
Levies and Taxation	(82,173)	(142,803)	30,140	(276,143)	(470,979)
Profit after levies and tax	89,253	89,250	31,357	107,463	317,323

GRAPHICAL PRESENTATION - STAKEHOLDERS' INFORMATION

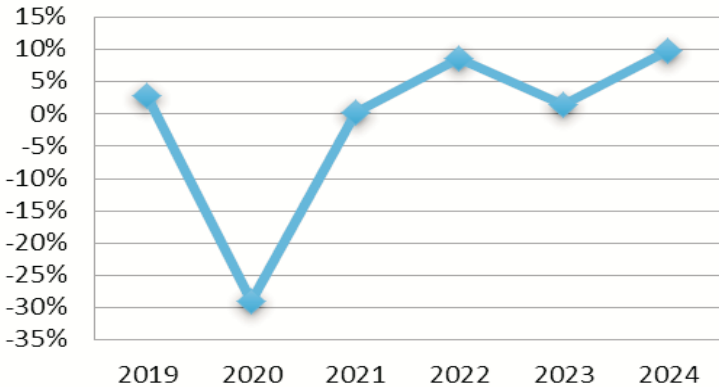
GP MARGIN



NP MARGIN

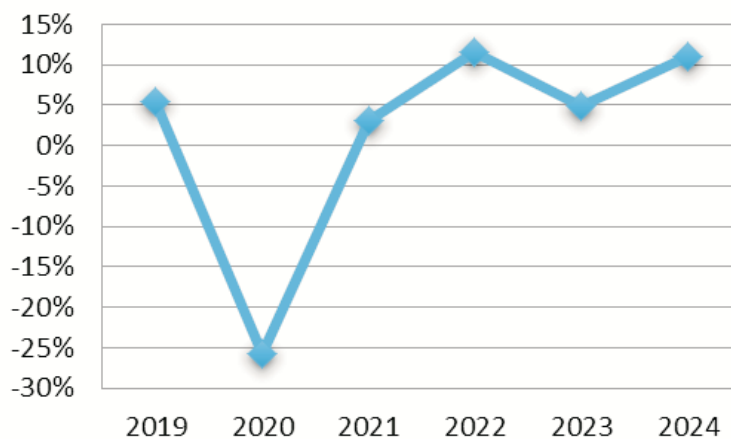


EBIT MARGIN

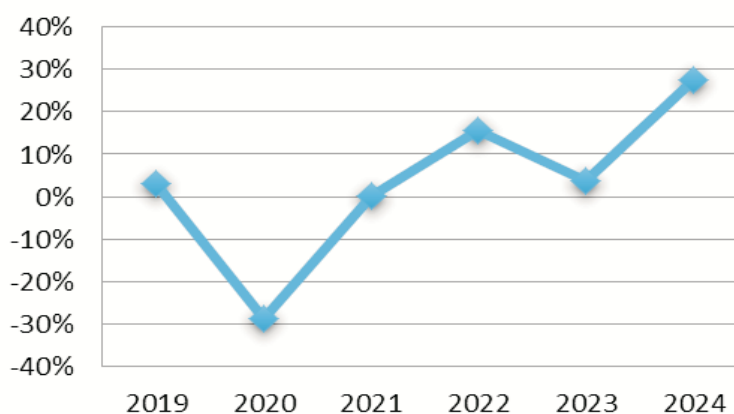


GRAPHICAL PRESENTATION - STAKEHOLDERS' INFORMATION

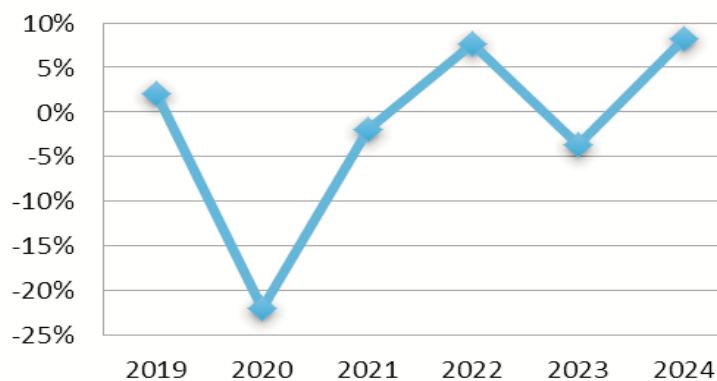
EBITDA MARGIN



RETRUN ON CAPITAL EMPLOYED

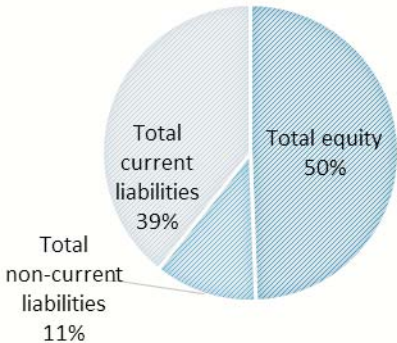


RETURN ON EQUITY

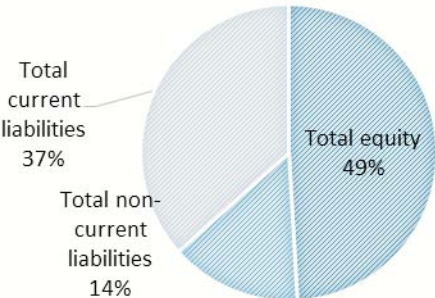


GRAPHICAL PRESENTATION- STAKE HOLDERS' INFORMATION

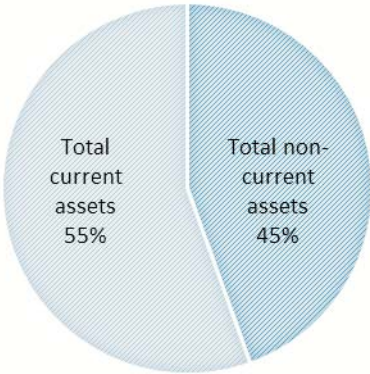
EQUITY AND LIABILITIES 2024



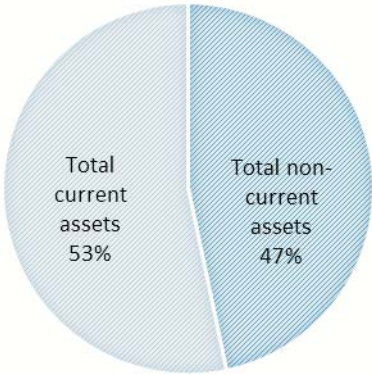
EQUITY AND LIABILITIES 2023



ASSETS 2024

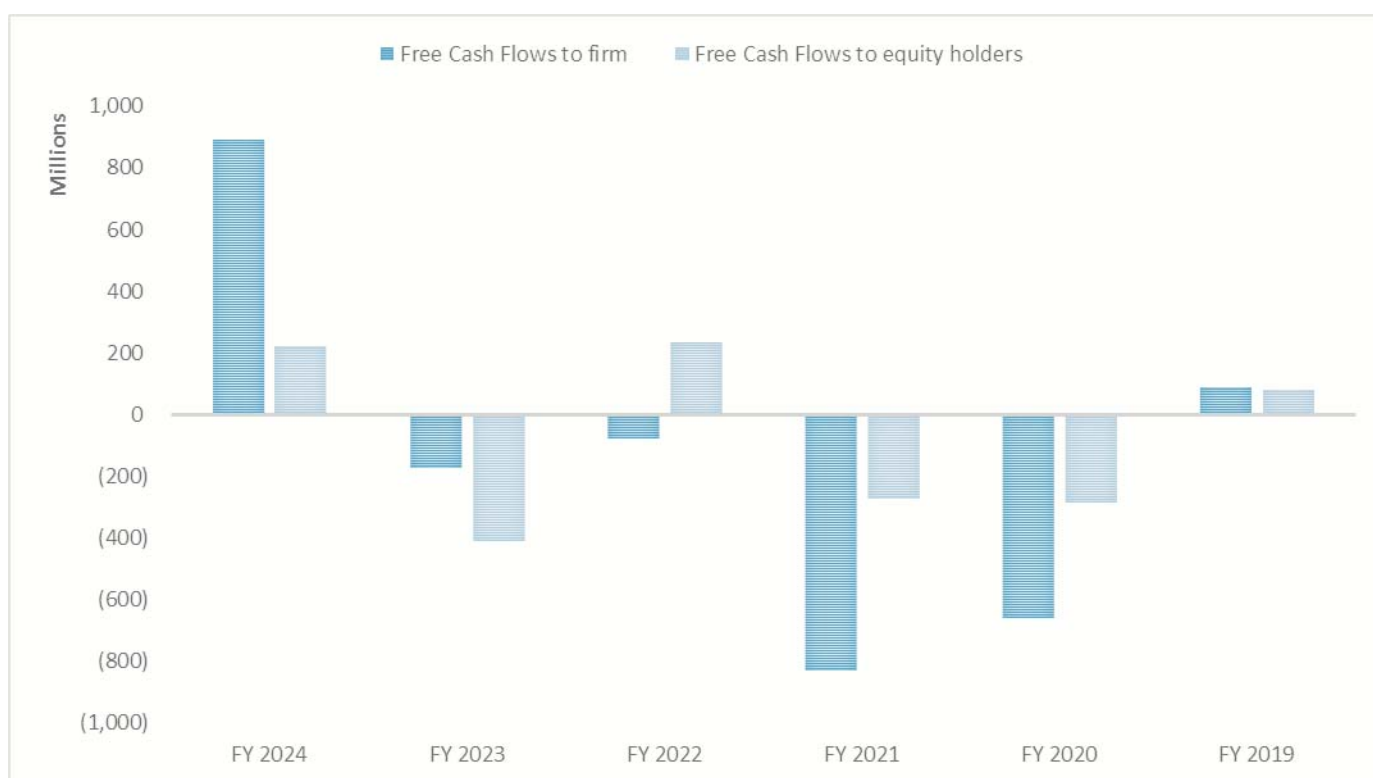


ASSETS 2023



FREE CASH FLOWS

	FY 2024	FY 2023	FY 2022	FY 2021	FY 2020	FY 2019
----- Rupees in '000' -----						
Profit / (Loss) before taxation	788,302	(172,929)	428,860	(63,381)	(1,034,246)	130,343
Adjustment for non-cash items	337,832	434,710	315,924	174,572	118,456	96,362
Working capital changes	112,890	(391,795)	119,485	(343,183)	266,577	(93,691)
Net Cash generated from / (used in) -						
operating activities	1,239,024	(130,014)	864,269	(231,992)	(649,213)	133,014
Capital expenditure	(347,516)	(43,269)	(942,139)	(596,298)	(10,031)	(42,685)
Free Cash flows to firm	891,508	(173,283)	(77,870)	(828,290)	(659,244)	90,329
Net borrowing (repaid) / obtained	(417,508)	(11,914)	443,415	610,896	391,325	(4,718)
Interest payments	(251,020)	(225,354)	(129,803)	(55,933)	(14,623)	(5,120)
Free Cash flows to equity holders	222,980	(410,551)	235,742	(273,327)	(282,542)	80,491



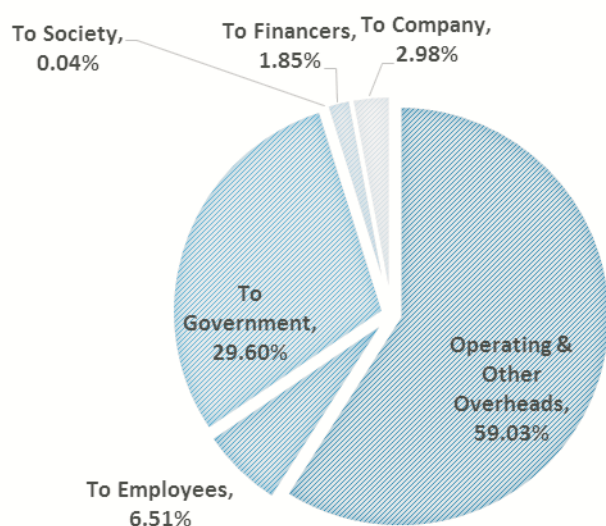
Analysis on Free Cash Flows

Free cash flows represent the cash a company can generate after required investment to maintain or expand its assets base. It is a measurement of a Company's financial performance and health.

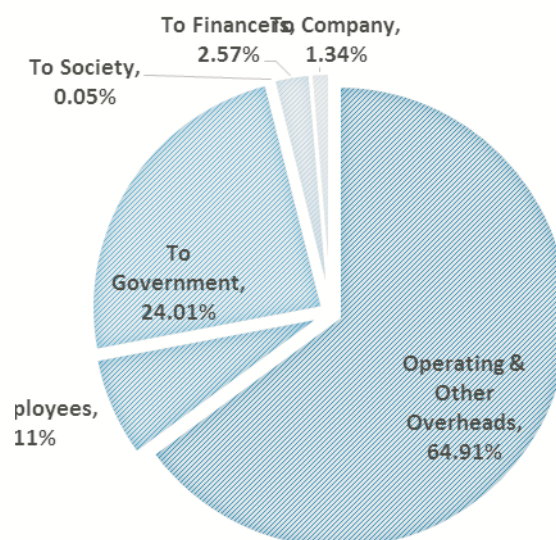
STATEMENT OF VALUE ADDITION AND HOW WEALTH DISTRIBUTED

	FY 2024		FY 2023	
	Rs. '000'	%	Rs. '000'	%
Wealth Generated				
Sales (including taxes)	14,863,390	99.39%	11,549,441	98.09%
Other operating income	91,337	0.61%	225,474	1.91%
Total Wealth generated during the year	14,954,727	100%	11,774,915	100%
Distribution of Wealth				
Operating costs and other general expenses	8,827,204	59.03%	7,642,713	64.91%
To Employees as Remuneration	973,610	6.51%	837,220	7.11%
To Government as Taxes	4,426,251	29.60%	2,827,574	24.01%
To Society as Donations	6,443	0.04%	6,152	0.05%
To Finance Providers as Finance Cost	276,174	1.85%	303,203	2.57%
Retained within the Company	445,045	2.98%	158,053	1.34%
Total Wealth distributed during the year	14,954,727	100%	11,774,915	100%

WEALTH DISTRIBUTION 2024



WEALTH DISTRIBUTION 2023



DEFINITIONS AND GLOSSARY OF TERMS

Gross Profit Ratio

The relationship of the gross profit made for a specified period and net sales achieved during that period.

Net Profit Ratio

Net profit ratio is the ratio of net profit (after taxes) to net sales.

Earnings Before Interest, Tax, Depreciation & Amortization (EBITDA)

The EBITDA ratio indicates how much profit a company makes before paying for Interest, Tax, Depreciation & Amortization.

Current Ratio

A company's current assets divided by its current liabilities. This ratio gives you a sense of a company's ability to meet short-term liabilities, and is a measure of financial strength in the short term. A ratio of 1 implies adequate current assets to cover current liabilities: the higher above 1, the better.

Debt-Equity Ratio

The ratio of a company's liabilities to its equity. The higher the level of debt, the more important it is for a company to have positive earnings and steady cash flow. For comparative purposes, debt-equity ratio is most useful for companies within the same industry.

Earnings per Share (EPS)

The portion of a company's profit allocated to each outstanding share of ordinary shareholders. Earnings per share serve as an indicator of a company's profitability

Profit Margin

Determined by dividing net income by net sales during a time period and is expressed as a percentage. Net profit margin is a measure of efficiency and the higher the margin, the better. Trends in margin can be attributed to rising/falling production costs or rising/falling price of the goods sold.

Return on Capital Employed (ROCE)

The amount of profits earned (before interest and taxes), expressed as a percentage of total equity. This is a widely followed measure of profitability, thus the higher the number the better. ROCE tells you the amount of profit a company is generating per one rupee of capital employed.

Return on Equity (ROE)

A percentage that indicates how well common stockholders' invested money is being used. The percentage is the result of dividing net earnings by common stockholders' equity. The ROE is used for measuring growth and profitability. You can compare a company's ROE to the ROE of its industry to determine how a company is doing compared to its competition.

Cash from Operations to Sales

The cash flow from operations to sales ratio reveals the ability of a business to generate cash flow in proportion to its sales. It is the ratio of operating cash flows to net sales.

PATTERN OF SHAREHOLDING

AS AT JUNE 30, 2024

No. of Shareholders	Shareholding		Total shares	
	From	To		
378	1	-	100	8,069
406	101	-	500	112,808
615	501	-	1000	387,504
309	1001	-	5000	709,670
61	5001	-	10000	484,819
21	10001	-	15000	272,470
15	15001	-	20000	270,860
6	20001	-	25000	143,370
4	25001	-	30000	110,095
2	30001	-	35000	64,086
4	35001	-	40000	157,000
2	40001	-	45000	85,500
1	45001	-	50000	50,000
1	50001	-	55000	51,000
3	55001	-	60000	172,650
1	65001	-	70000	68,290
2	70001	-	75000	148,000
1	75001	-	80000	80,000
1	80001	-	85000	82,900
1	85001	-	90000	89,530
3	95001	-	100000	296,834
1	110001	-	115000	114,000
1	115001	-	120000	120,000
1	120001	-	125000	122,501
1	130001	-	135000	133,500
1	155001	-	160000	157,937
1	170001	-	175000	170,700
1	180001	-	185000	183,700
1	195001	-	200000	200,000
1	240001	-	245000	243,200
1	350001	-	355000	354,072
2	465001	-	470000	935,169
1	495001	-	500000	500,000
1	590001	-	595000	594,500
1	645001	-	650000	645,100
1	1125001	-	1130000	1,127,255
1	3035001	-	3040000	3,039,700
1	10190001	-	10195000	10,191,536
1	27480001	-	27485000	27,481,675
<u>1856</u>				<u>50,160,000</u>



CATEGORIES OF SHAREHOLDERS

AS AT JUNE 30, 2024

Shareholder's Category	Number of Shareholders	Number of Shares held
Associated Companies, undertakings and related parties	–	–
NIT and ICP	2	1,129,855
Directors		
Mr. Mohammed Yasin Fecto	2	37,673,211
Mr. Khalid Yacoob	1	2,750
Mr. Jamil Ahmed Khan	1	2,500
Ms. Saira Ibrahim Bawany	1	3,300
Mr. Aamir Ghani	1	2,750
Mr. Mohammad Anwar Habib	1	2,750
	7	37,687,261
Banks, Development Financial Institutions, Non-Banking Finance Companies, Insurance and Modarabas	10	4,186,041
Mutual Funds		
CDC - Trustee NBP Stock Fund	1	243,200
CDC - Trustee NBP Islamic Sarmaya Izafa Fund	1	230,700
First Crescent Modaraba	1	800
	3	474,480
OTHERS		
Institutions (Joint Stock Companies)	26	1,431,782
Others	4	183,589
Individuals - Local	1,804	5,066,692
	1,834	6,682,063
Total:	1,856	50,160,000
Shareholders holding 5% or more voting interest		
Mr. Mohammed Yasin Fecto		37,673,211
Muslim Commercial Bank Limited - Treasury		3,039,700

There were no trading in shares by any Directors, Chief Executive, Chief Financial Officer, Company Secretary and their Spouses and Minor Children.

The term executives includes employees having salary of more than Rs. 300,000/= per month.

STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019 FOR THE YEAR ENDED JUNE 30, 2024

M/s. Fecto Cement Limited ('the Company') has complied with the requirements of the Listed Companies (Code of Corporate Governance) Regulations 2019, ('the Regulations) in the following manner:

- The total number of directors are 7 as per the following:

Male	6
Female	1

- The Composition of board is as follows:

Independent Directors	Khalid Yacoob Aamir Ghani Jamil Ahmed Khan Mohammed Anwar Habib
Non-Executive Directors	Rohail Ajmal Saira Ibrahim Bawani (Female)
Executive Directors	Mohammed Yasin Fecto

- The Directors have confirmed that none of them is serving as a director on more than seven (7) listed companies including this company;
- The Company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures;
- The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of significant policies along with their date of approval or updating is maintained by the Company;
- All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/shareholders as empowered by the relevant provisions of the Companies Act, 2017 and these Regulations;
- The meetings of the Board were presided over by the Chairman, and in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of the Companies Act, 2017 and Regulations with respect to frequency, recording and circulating minutes of meetings of the Board;
- The Board has a formal policy and transparent procedures for remuneration of directors in accordance with the Companies Act, 2017 and these Regulations;
- Up to the date of reporting period (i.e. June 30, 2024), following Directors have attended Directors training program:
 - Mr. Jamil Ahmed Khan
 - Mr. Mohammed Anwar Habib
 - Mr. Rohail Ajmal
 - Mr. Khalid Yacoob
 - Mr. Aamir Ghani

One Director Mr. Mohammed Yasin Fecto, meets the criteria of exemption from Directors Training Program. The remaining director, Ms. Saira Ibrahim Bawani, will obtain certification under the Directors Training Program in due course of time as encouraged under the regulations.

- The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal



INDEPENDENT AUDITORS' REVIEW REPORT TO THE MEMBERS OF FECTO CEMENT LIMITED

REVIEW REPORT ON THE STATEMENT OF COMPLIANCE CONTAINED IN THE LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 ('the Regulations') prepared by the Board of Directors of M/s. Fecto Cement Limited ('the Company') for the year ended June 30, 2024 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended **June 30, 2024.**



RAHMAN SARFARAZ RAHIM IQBAL RAFIQ
Chartered Accountants

Karachi.

Date: October 07, 2024

UDIN: CR202410210XdZB3Yb4h



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FECTO CEMENT LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the annexed financial statements of Fecto Cement Limited ('the Company'), which comprise the statement of financial position as at June 30, 2024, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information ('the financial statements'), and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and, respectively, give a true and fair view of the state of the Company's affairs as at June 30, 2024 and of the profit, total comprehensive income, changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following is the Key Audit Matter:

Key audit matter	How the matter was addressed in our audit
<p>Revenue Recognition</p> <p>During the year ended June 30, 2024, the Company recognized net revenue of Rs. 10,908 million as disclosed in note 27 to the financial statements.</p> <p>As a part of our overall response to the audit risk in identifying and assessing the risk related to revenue recognition, we considered that there is inherent risk that revenue may be overstated as it is key performance measure, which could create an incentive or pressure on the Company's management to meet targets. Further, we have focused our audit activities over the revenue recognized near to the year end as there was a high risk that revenue may be recorded before the control of goods is transferred to the customer and in an incorrect accounting period.</p> <p>Based on the above and considering that the revenue recognition is a significant and high-risk area, we considered this as a key audit matter.</p>	<p>Our audit procedures to address the matter included, but were not limited to, the following:</p> <ul style="list-style-type: none"> ● Obtaining an understanding of the process relating to recognition of revenue and testing the design, implementation, and operating effectiveness of key internal controls over recording of revenue. ● Comparing a sample of revenue transactions recorded during the year with sales orders, sales invoices, delivery documents and other relevant underlying documents. ● Comparing a sample of revenue transactions recorded around the year-end with the sales orders, sales invoices, delivery documents and other relevant underlying documentation to assess if the related revenue was recorded in the appropriate accounting period. ● Assessing whether the accounting policies for revenue recognition complies with the requirements of IFRS 15 'Revenue from Contracts with Customers'. ● Considering the appropriateness of disclosures in the financial statements

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. However, we have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.



In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Based on our audit, we further report that in our opinion:

- (a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- (b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- (c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- (d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Mr. Muhammad Rafiq Dosani.



RAHMAN SARFARAZ RAHIM IQBAL RAFIQ
Chartered Accountants

Karachi

Date: October 07, 2024

UDIN: AR202410210jcpFllqG5

STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2024

	Note	June 30 2024	June 30 2023
Rupees in '000'			
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized capital 75,000,000 (2023: 75,000,000) ordinary shares of Rs. 10/- each		<u>750,000</u>	<u>750,000</u>
Issued, subscribed and paid up capital 50,160,000 (2023: 50,160,000) ordinary shares of Rs.10/- each	4	501,600	501,600
Revenue reserves			
General reserve		<u>550,000</u>	<u>550,000</u>
Accumulated profit		<u>2,755,559</u>	<u>2,438,236</u>
		3,305,559	2,988,236
Capital Reserve			
Surplus on revaluation of investment in unquoted shares		<u>54,527</u>	<u>106,919</u>
		3,861,686	3,596,755
Non-current liabilities			
Long term financing from a banking company - secured	5	<u>678,308</u>	<u>860,641</u>
Lease liability	6	<u>12,285</u>	<u>48,398</u>
Deferred income - government grant	7	<u>102,067</u>	<u>140,528</u>
Deferred taxation	8	<u>88,006</u>	<u>-</u>
		880,666	1,049,567
Current Liabilities			
Trade and other payables	9	<u>1,955,084</u>	<u>1,346,954</u>
Short term borrowing - secured	10	<u>735,513</u>	<u>954,052</u>
Accrued mark-up	11	<u>38,699</u>	<u>54,205</u>
Unclaimed dividend		<u>14,473</u>	<u>14,489</u>
Unpaid dividend		<u>185</u>	<u>185</u>
Current maturity of long term financing - secured	12	<u>262,238</u>	<u>238,355</u>
Current maturity of lease liabilities	6	<u>27,335</u>	<u>27,900</u>
Current maturity of government grant	7	<u>38,471</u>	<u>44,017</u>
		3,071,998	2,680,157
Contingencies and commitments	13	<u>-</u>	<u>-</u>
Total equity and liabilities		<u>7,814,350</u>	<u>7,326,479</u>
ASSETS			
Non-current assets			
Property, plant and equipment	14	<u>2,951,117</u>	<u>2,708,837</u>
Right-of-use assets	15	<u>46,248</u>	<u>76,812</u>
Investment property	16	<u>102,260</u>	<u>102,260</u>
Long term investments	17	<u>327,720</u>	<u>401,511</u>
Long term deposits	18	<u>10,101</u>	<u>10,101</u>
Long term loans, advances and other receivable	19	<u>40,126</u>	<u>8,466</u>
Deferred taxation	8	<u>-</u>	<u>113,586</u>
		3,477,572	3,421,573
Current assets			
Stores and spares	20	<u>1,470,666</u>	<u>1,508,972</u>
Stock-in-trade	21	<u>1,999,639</u>	<u>1,800,895</u>
Trade debts - unsecured	22	<u>478,780</u>	<u>146,735</u>
Short term loan to a related party	23	<u>19,990</u>	<u>70,895</u>
Loans, advances, deposits, prepayments and other receivable	24	<u>44,721</u>	<u>68,911</u>
Tax refunds due from government	25	<u>41,735</u>	<u>109,833</u>
Cash and bank balances	26	<u>281,247</u>	<u>198,665</u>
		4,336,778	3,904,906
Total assets		<u>7,814,350</u>	<u>7,326,479</u>

The annexed notes from 1 to 46 form an integral part of these financial statements.



MOHAMMED YASIN FECTO
CHIEF EXECUTIVE



ROHAIL AJMAL
DIRECTOR



MUHAMMAD HANIF IDREES
CHIEF FINANCIAL OFFICER

STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024	Restated 2023
Rupees in '000'			
Sales revenue - net	27	10,908,118	8,682,183
Cost of sales	28	(9,478,553)	(8,369,763)
Gross profit		1,429,565	312,420
Administrative expenses	29	(346,335)	(309,741)
Distribution costs	30	(107,138)	(92,564)
		(453,473)	(402,305)
Finance costs	31	(276,174)	(303,203)
Other expenses	32	(2,953)	(5,315)
		(279,127)	(308,518)
Operating profit / (loss)		696,965	(398,403)
Other income	33	91,337	225,474
Profit / (loss) before levies and taxation		788,302	(172,929)
Levies	34	(118,174)	(108,913)
Profit / (loss) before taxation		670,128	(281,842)
Taxation	35	(352,805)	148,597
Profit / (loss) after taxation		317,323	(133,245)
----- (Rupees) -----			
Earning / (loss) per share - basic and diluted	36	6.33	(2.66)

The annexed notes from 1 to 46 form an integral part of these financial statements.



MOHAMMED YASIN FECTO
CHIEF EXECUTIVE



ROHAIL AJMAL
DIRECTOR



MUHAMMAD HANIF IDREES
CHIEF FINANCIAL OFFICER



STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2024

	2024	2023
	Rupees in '000'	
Profit / (loss) after taxation	317,323	(133,245)
Other comprehensive income / (loss)		
Items that will not be reclassified subsequently to profit		
Unrealized loss on remeasurement of the investment in M/s. Frontier Paper Products (Private) Ltd.	(73,791)	(29,259)
Deferred tax thereon	21,399	8,485
	(52,392)	(20,774)
Total comprehensive income / (loss) for the year	264,931	(154,019)

The annexed notes from 1 to 46 form an integral part of these financial statements.



MOHAMMED YASIN FECTO
CHIEF EXECUTIVE



ROHAIL AJMAL
DIRECTOR



MUHAMMAD HANIF IDREES
CHIEF FINANCIAL OFFICER

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2024

	Issued, Subscribed & Paid up capital	Revenue Reserves		Capital reserve	Total
		General Reserve	Accumulated Profit	Surplus on Revaluation of investment in unquoted shares	
Rupees in '000'					
Balance as at June 30, 2022	501,600	550,000	2,571,481	127,693	3,750,774
Total comprehensive loss for the year ended June 30, 2023					
Loss after taxation	-	-	(133,245)	-	(133,245)
Other Comprehensive loss	-	-	-	(20,774)	(20,774)
	-	-	(133,245)	(20,774)	(154,019)
Balance as at June 30, 2023	501,600	550,000	2,438,236	106,919	3,596,755
Total comprehensive income / (loss) for the year ended June 30, 2024					
- Profit after taxation	-	-	317,323	-	317,323
- Other comprehensive loss	-	-	-	(52,392)	(52,392)
	-	-	317,323	(52,392)	264,931
Balance as at June 30, 2024	501,600	550,000	2,755,559	54,527	3,861,686

The annexed notes from 1 to 46 form an integral part of these financial statements.



MOHAMMED YASIN FECTO
CHIEF EXECUTIVE



ROHAIL AJMAL
DIRECTOR



MUHAMMAD HANIF IDREES
CHIEF FINANCIAL OFFICER



STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024	2023
		Rupees in '000'	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit / (loss) before levies and taxation		788,302	(172,929)
Adjustments for:			
- Depreciation on operating fixed asset	14.1	102,066	262,171
- Depreciation on right-of-use assets	15	25,656	29,127
- Finance costs	31	276,174	303,203
- Provision for expected credit loss	32	230	-
- Provision against slow moving and obsolete spares	32	2,723	-
- Gain on disposal of investment property	33	-	(77,774)
- Amortization of deferred government grant	33	(44,007)	(46,610)
- Interest income	33	(21,127)	(34,472)
- Gain on disposal of operating fixed asset	33	(3,883)	(935)
		337,832	434,710
Operating Profit before working capital changes		1,126,134	261,781
Working capital changes			
Decrease / (Increase) in current assets			
- Stores and spares		35,583	101,248
- Stock-in-trade		(198,744)	(506,712)
- Trade debts		(332,275)	(71,541)
- Loans, advances, deposits, prepayments and other receivable		(4,595)	4,596
- Sales tax refundable		13,307	(17,240)
Increase in current liabilities			
Trade and other payables		599,614	97,854
		112,890	(391,795)
Cash generated from / (used in) operations		1,239,024	(130,014)
Income tax paid		(184,681)	(65,104)
Long term deposits		-	173
Long term loan and advances		(3,925)	310
Cash generated from / (used in) operating activities		1,050,418	(194,635)
CAH FLOWS FROM INVESTING ACTIVITIES			
Additions to property, plant and equipment		(347,516)	(43,269)
Disbursement of short term loan by related party	23	-	(74,500)
Repayment of short term loan by related party	23	50,905	29,000
Interest received		22,177	12,041
Proceeds from disposal of investment property		-	117,787
Proceeds from disposal of operating fixed asset		11,961	1,328
Cash (used in) / generated from investing activities		(262,473)	42,387
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of lease liability (principal portion)		(36,678)	(23,905)
Dividend paid		(16)	(33)
Repayment of long term financing (principal portion)		(199,110)	(139,729)
Finance cost paid		(251,020)	(225,354)
Short term borrowings - net		(181,720)	151,720
Net cash used in financing activities		(668,544)	(237,301)
Net Increase / (decrease) in cash and cash equivalents		119,401	(389,549)
Cash and cash equivalents as at beginning of the year		(523,667)	(134,118)
Cash and cash equivalents as at end of the year	37	(404,266)	(523,667)

The annexed notes from 1 to 46 form an integral part of these financial statements.



MOHAMMED YASIN FECTO
CHIEF EXECUTIVE



ROHAIL AJMAL
DIRECTOR



MUHAMMAD HANIF IDREES
CHIEF FINANCIAL OFFICER

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

1. INTRODUCTION

1.1 Legal status of the Company

Fecto Cement Limited ('the Company') was incorporated in Pakistan on February 28, 1981 as a public limited company under the repealed Companies Act, 1913 (repealed with the enactment of the Companies Ordinance, 1984 on October 8, 1984 and subsequently by the Companies Act, 2017 on May 30, 2017). The shares of the Company are quoted on Pakistan Stock Exchange Limited.

1.2 Location of the registered office and the manufacturing facilities

Registered office:

The Company's registered office is situated at Plot # 60-C, Khayaban-Shahbaz, Phase-VI, Defense Housing Authority, Karachi-75500.

Manufacturing facility:

The Company's manufacturing facility is situated at Sangjani Village Sangjani, Islamabad-4400.

Marketing office:

The company's marketing office, is situated at , 339, Main Peshawar Road, Chairing Cross Service Road, Westridge-1, Rawalpindi.

1.3 Principal business activity

The principal activity of the Company is production and sale of ordinary Portland cement.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. Accounting and reporting standards comprise of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 (the Act);
- Provisions of, and directives issued under, the Companies Act, 2017.

Where the provisions of, and directives issued under, the Companies Act, 2017 differ from the IFRS Standards, the provisions of, and directives issued under the Companies Act, 2017 have been followed.

2.2 Basis of measurement of items in these financial statements

Items in these financial statements have been measured at their historical cost except for:

- (a) Long term investment in unquoted ordinary shares of M/s. Frontier Paper Products (Private) Limited which is carried at fair value through other comprehensive income.



2.3 Functional and presentation currency

Items included in these financial statements are measured using the currency of the primary economic environment in which the Company operates. These financial statements are presented in Pak Rupees which is the Company's functional and presentation currency.

2.4 Use of estimates and judgments

In preparing these financial statements, management has made judgements and estimates that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

(a) Judgements

Judgements made in applying accounting policies that have the most significant effects on the amounts recognized in these financial statements are as follows:

Area of judgement	Brief description of the judgement applied
Property, plant and equipment	Whether the consumption of future economic benefits embodied in the Company's fixed assets is reduced over time and, accordingly, whether it is appropriate to use 'straight line method' as the depreciation method.
Lease	Lease term and discount rate used to measure the right-of-use assets and the lease liability
Investment in M/s. Frontier Paper Products (Pvt) Limited	Unobservable inputs used in the valuation of long term investment in M/s. Frontier Paper Products (Private) Limited.
Provision for taxation	Refer Note 3.18
Timing of revenue recognition	Whether control of the promised goods is transferred to the customer when the goods are dispatched from the Company's premises;
Financing for payment of wages and salaries / TERF	Discount rate used to determine the value of government grant element embedded in the long term finance received from a commercial bank under the SBP Refinance Scheme for Payment of Wages and Salaries, Renewable Energy Scheme and Temporary Economic Refinance Scheme.

(b) Assumptions and other major sources of estimation uncertainty

Assumptions and estimation uncertainties at the reporting date that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included are as follows:

Area of estimation uncertainty	Brief description of the assumption or the source of estimation uncertainty
Deffered Tax Asset	Whether deferred tax assets should be recorded on unsued tax losses and minimum tax - availability of future taxable profit with in next three tax years against which such losses can be utilised.

2.4.1 Property, plant and equipment

During the year, the Company engaged an independent foreign consultant for conducting an assessment of remaining useful life of its plant and machinery in adherence to the requirement set forth by International Accounting Standard 16 "Property, Plant and Equipment". Based on such assessment, detailed analysis of current performance indicators, maintenance history, experience with similar manufacturing lines and regular inspection, it was concluded that Company's Plant and Machinery will have useful life of 25 years instead of earlier assessed life of 7-23.5 years. Had there been no change in the estimate of useful life, the profit before tax and levy for the year would have been lower by Rs. 165,973 thousand and the balance of property, plant and equipment would have been lower by 174,770 thousand. Further, the future profits per annum before tax would increase by Rs. 165,973 thousand due to this change.

2.5 CHANGES IN ACCOUNTING STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING STANDARDS

2.5.1 Amendments to existing standards that became effective during the year

- The following new or amended standards and interpretations became effective during the period which are considered to be relevant to the Company's financial statements :
- Classification of liabilities as current or non-current (Amendments to IAS 1)
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)
- Definition of Accounting Estimates (Amendments to IAS 8)
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)

The above amendments / interpretations do not likely have an effect on the financial statements of the Company except noted below:

The Company adopted disclosure of Accounting Policies (Amendments to IAS 1 and IFRS practice statements 2 'Making Materiality Judgments') from 01 July, 2023. Although amendments did not result in any changes to the accounting policies themselves, they impact the accounting policy information disclosed in the financial statements.

The amendments require disclosure of 'material', rather than 'significant' accounting policies. The amendments also provide the guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful entity specific accounting policy information that user need to understand other information in the financial statements.

- During the year, the Institute of Chartered Accountants of Pakistan (ICAP) has withdrawn Technical Release 27 'IAS 12, Income Taxes (Revised 2012)' and issued the 'IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes' (the Guidance). Accordingly, in accordance with the Guidance, the Company has changed its accounting policy to recognise minimum and final taxes as 'Levy' under IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" which were previously being recognised as 'Income tax' .

The Company has accounted for the effects of these changes in accounting policy retrospectively under IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" and the corresponding figures have been restated in these financial statements. The effects of restatements are as follows:

	Had there been no change in accounting policy	Impact of change in accounting policy	After incorporating effects of change in accounting policy
Note	----- (Rupees in '000) -----		
Effect on statement of profit or loss			
For the year ended June 30, 2024			
Operating profit before other expense	699,918	-	699,918
Other expenses	(42,516)	39,563	(2,953)
Operating profit / (loss)	657,402	39,563	696,965
Other income	91,337	-	91,337
Profit before levies and taxation	748,739	39,563	788,302
Levies	34	(118,174)	(118,174)
Profit before taxation	748,739	(78,611)	670,128
Taxation	34		
- Current tax	(202,447)	78,611	(123,836)
- Prior year	(5,978)	-	(5,978)
- Deferred tax	(222,991)	-	(222,991)
	(431,416)	78,611	(352,805)
Profit after taxation	317,323	-	317,323
For the year ended June 30, 2023			
Operating loss before other expense	(393,088)	-	(393,088)
Other expenses	(5,315)	-	(5,315)
Operating profit / (loss)	(398,403)	-	(398,403)
Other income	225,474	-	225,474
Profit before levies and taxation	(172,929)	-	(172,929)
Levies	34	(108,913)	(108,913)
Profit before taxation	(172,929)	(108,913)	(281,842)
Taxation	34		
- Current tax	(108,913)	108,913	-
- Prior year	9,622	-	9,622
- Deferred tax	138,975	-	138,975
	39,684	108,913	148,597
Profit after taxation	(133,245)	-	(133,245)

The related changes to the statement of cash flows with respect to the amount of profit before taxation have been made as well. There is no impact on profit after tax and earnings per share, basic and diluted.

2.5.2 Standards, interpretations and amendments to published approved accounting standards that are not yet effective

The following International Financial Reporting Standards (IFRS) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after 1 July 2023:

- Non-current Liabilities with Covenants (amendment to IAS 1 in October 2022) aims to improve the information an entity provides when its right to defer settlement of a liability for at least twelve months is subject to compliance with conditions. The amendment is also intended to address concerns about classifying such a liability as current or non-current. Only covenants with which a company must comply

on or before the reporting date affect the classification of a liability as current or non-current. Covenants with which the company must comply after the reporting date (i.e. future covenants) do not affect a liability's classification at that date. However, when non-current liabilities are subject to future covenants, companies will now need to disclose information to help users understand the risk that those liabilities could become repayable within 12 months after the reporting date. The amendments apply retrospectively for annual reporting periods beginning on or after 1 January 2024, with earlier application permitted. These amendments also specify the transition requirements for companies that may have early-adopted the previously issued but not yet effective 2020 amendments to IAS 1 (as referred above).

- Lease Liability in a Sale and Leaseback (amendment to IFRS 16 in September 2022) adds subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements to be accounted for as a sale. The amendment confirms that on initial recognition, the seller-lessee includes variable lease payments when it measures a lease liability arising from a sale-and-leaseback transaction. After initial recognition, the seller-lessee applies the general requirements for subsequent accounting of the lease liability such that it recognizes no gain or loss relating to the right of use it retains. A seller-lessee may adopt different approaches that satisfy the new requirements on subsequent measurement. The amendments are effective for annual reporting periods beginning on or after 1 January 2024 with earlier application permitted. Under IAS 8, a seller-lessee will need to apply the amendments retrospectively to sale-and-leaseback transactions entered into or after the date of initial application of IFRS 16 and will need to identify and re-examine sale-and-leaseback transactions entered into since implementation of IFRS 16 in 2019, and potentially restate those that included variable lease payments. If an entity (a seller-lessee) applies the amendments arising from Lease Liability in a Sale and Leaseback for an earlier period, the entity shall disclose that fact.
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28) – The amendment amends accounting treatment on loss of control of business or assets. The amendments also introduce new accounting for less frequent transaction that involves neither cost nor full step-up of certain retained interests in assets that are not businesses. The effective date for these changes has been deferred indefinitely until the completion of a broader review.
- Supplier Finance Arrangements (amendments to IAS 7 and IFRS 7) introduce two new disclosure objectives for a company to provide information about its supplier finance arrangements that would enable users (investors) to assess the effects of these arrangements on the company's liabilities and cash flows, and the company's exposure to liquidity risk. Under the amendments, companies also need to disclose the type and effect of non-cash changes in the carrying amounts of the financial liabilities that are part of a supplier finance arrangement. The amendments also add supplier finance arrangements as an example to the existing disclosure requirements in IFRS 7 on factors a company might consider when providing specific quantitative liquidity risk disclosures about its financial liabilities. The amendments are effective for periods beginning on or after 1 January 2024, with early application permitted. However, some relief from providing certain information in the year of initial application is available.
- Amendment in IAS 21 'The Effects of Changes in Foreign Exchange Rates', - lack of exchangeability (effective for annual reporting periods beginning on or after January 1, 2025) a currency is exchangeable when an entity is able to exchange that currency for the other currency through markets or exchange mechanisms that create enforceable rights and obligations without undue delay at the measurement date and for a specified purpose; a currency is not exchangeable into the other currency if an entity can only obtain an insignificant amount of the other currency.
- IFRS 17 Insurance Contracts establishes the principles for the recognition, measurement, presentation and disclosure of Insurance contracts within the scope of the Standard. The objective of IFRS 17 is to ensure that an entity provides relevant information that faithfully represents those contracts. This information gives a basis for users of financial statements to assess the effect that insurance contracts have on the entity's financial position, financial performance and cash flows. SECP vide its SRO 1715(I)/2023 dated November 21, 2023 has directed that IFRS 17 shall be followed for the period commencing January 1, 2026 by companies engaged in insurance / takaful and re-insurance / re-takaful

business.

- International Tax Reform - Pillar Two Model Rules – Amendments to IAS 12 (the Amendments). - The Amendments introduce a mandatory temporary exception to the accounting for deferred taxes arising from the Pillar Two model rules and requires new disclosures about an entity's exposure to income taxes arising from the Pillar Two model rules for affected entities to help users of financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation, before its effective date. The mandatory temporary exception applies immediately and retrospectively in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. The disclosure requirements, in relation to periods in which Pillar Two legislation has been enacted but is yet to take effect for the entity, apply for annual reporting periods beginning on or after 1 January 2023, but not for any interim periods ending on or before 31 December 2023.
- The International Accounting Standards (the IASB or the Board) issued Amendments to IFRS 9 and IFRS 7. Amendments to the Classification and Measurement of Financial Instruments. The amendments:
 - Clarify that a financial liability is derecognised on the 'settlement date', i.e., when the related obligation is discharged or cancelled or expires or the liability otherwise qualifies for derecognition. They also introduce an accounting policy option to derecognise financial liabilities that are settled through an electronic payment system before settlement date if certain conditions are met.
 - Clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-Linked features and other similar contingent features.
 - Clarify the treatment of non-recourse assets and contractually linked instruments (CLI).
 - Require additional disclosures in IFRS 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income (FVTOCI).
- Annual Improvements - Volume Eleven:
 - Hedge Accounting by a First-time Adopter (Amendments to IFRS 1) - Paragraphs B5 and B6 of IFRS 1 have been amended to include cross references to the qualifying criteria for hedge accounting in paragraph 6.4.1(a), (b) and (c) of IFRS 9. The amendments are intended to address potential confusion arising from an inconsistency between the wording in IFRS 1 and the requirements for hedge accounting in IFRS 9.
 - Gain or Loss on Derecognition (Amendments to IFRS 7) - Paragraph B38 of IFRS 7 has been amended to update the language on unobservable inputs and to include a cross reference to paragraphs 72 and 73 of IFRS 13 Fair Value Measurement
 - Introduction (Amendments to Guidance on implementing IFRS 7) - Paragraph IG1 of the Guidance on implementing IFRS 7 has been amended to clarify that the guidance does not necessarily illustrate all the requirements in the referenced paragraphs of IFRS 7, nor does it create additional requirements.
 - Disclosure of Deferred Difference between Fair Value and Transaction Price (Amendments to Guidance on implementing IFRS 7) - Paragraph IG14 of the Guidance on implementing IFRS 7 has been amended mainly to make the wording consistent with the requirements in paragraph 28 of IFRS 7 and with the concepts and terminology used in IFRS 9 and IFRS 13.
 - Credit Risk Disclosures (Amendments to Guidance on implementing IFRS 7) - Paragraph IG20B of the Guidance on implementing IFRS 7 has been amended to simplify the explanation of which aspects of the IFRS requirements are not illustrated in the example.

- Lessee Derecognition of Lease Liabilities (Amendments to IFRS 9) - Paragraph 2.1 of IFRS 9 has been amended to clarify that, when a lessee has determined that a lease liability has been extinguished in accordance with IFRS 9, the lessee is required to apply paragraph 3.3.3 and recognise any resulting gain or loss in profit or loss. However, the amendment does not address how a lessee distinguishes between a lease modification as defined in IFRS 16 Leases and an extinguishment of a lease liability in accordance with IFRS 9.
- Transaction Price (Amendments to IFRS 9) - Paragraph 5.1.3 of IFRS 9 has been amended to replace the reference to 'transaction price as defined by IFRS 15 Revenue from Contracts with Customers' with 'the amount determined by applying IFRS 15'. The use of the term "transaction price" in relation to IFRS 15 was potentially confusing and so it has been removed. The term was also deleted from Appendix A of IFRS 9.
- Determination of a 'De Facto Agent' (Amendments to IFRS 10) - Paragraph B74 of IFRS 10 has been amended to clarify that the relationship described in 874 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor. The amendment is intended to remove the inconsistency with the requirement in paragraph B73 for an entity to use judgement to determine whether other parties are acting as de facto agents.
- Cost Method (Amendments to IAS 7) - Paragraph 37 of IAS 7 has been amended to replace the term 'cost method' with 'at cost', following the prior deletion of the definition of 'cost method'.

The above standards, amendments to approved accounting standards and interpretations have not been early adopted by the Company and are not likely to have any material impact on the Company's financial statements.

Other than the aforesaid standards, interpretations and amendments, IASB has also issued the following standards and interpretation, which have not been notified locally or declared exempt by the SECP as at June 30, 2024:

- IFRS 1 (First-time Adoption of International Financial Reporting Standards)
- IFRS 18 (Presentation and Disclosure in Financial Statements)
- IFRS 19 (Subsidiaries without Public Accountability: Disclosures)

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The material accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented.

3.1 Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

A - Leases other than short-term leases and leases of low-value assets**(a) Right-of-use assets**

The Company recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment.

(b) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

B - Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the lease of low-value assets recognition exemption to those leases where the nature of the underlying asset is such that, when new, the asset is typically not of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

3.2 Government grants

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate.

3.3 Provisions and contingent liabilities

Provisions

A provision is recognised in the statement of financial position when the Company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

As the actual outflows can differ from estimates made for provisions due to changes in laws, regulations, public expectations, technology, prices and conditions, and can take place many years in the future, the carrying amounts of provisions are reviewed at each reporting date and adjusted to take account of such changes. Any adjustments to the amount of previously recognised provision is recognised in the statement of profit or loss unless the provision was originally recognised as part of cost of an asset.

Contingent liabilities

A contingent liability is disclosed when the Company has a possible obligation as a result of past events, whose existence will be confirmed only by the occurrence or non-occurrence, of one or more uncertain future events not wholly within the control of the Company; or the Company has a present legal or constructive obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

3.4 Financial liabilities

"Financial liabilities are classified as measured at amortized cost or 'at fair value through profit or loss' (FVTPL). A financial liability is classified as at FVTPL if it is classified as held for trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in the statement of profit or loss.

"

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in the statement of profit or loss. Any gain or loss on de-recognition is also recognized in the statement of profit or loss.

Financial liabilities are derecognized when the contractual obligations are discharged or cancelled or have

expired or when the cash flows relating to the financial liability have been substantially modified.

3.5 Property, plant and equipment and Investment property

Operating assets

Operating assets are stated at cost (including where relevant related borrowing cost) less accumulated depreciation and impairment losses, if any, except for free hold land and capital stores which are stated at cost. Depreciation on additions is charged for the month the asset is put to use and no depreciation is charged in the month of disposal.

Maintenance and repairs are charged to profit and loss as and when incurred. Major renewals and improvements are capitalized. Gains and losses on disposal of assets, if any, are included in income currently.

Depreciation is charged to profit and loss applying the straight line method using the useful lives and residual values specified below:

Assets	Useful lives (Years)	Residual values (% of cost)
Factory building	21.5 - 23.5	-
Non-factory building	21.5 - 23.5	-
Plant, machinery and equipment	25	5
Quarry transport equipment	8 - 10	5
Furniture, fixtures and equipment	3 - 10	0 - 5
Motor vehicles	5	10

Useful lives, depreciation methods and residual values are reassessed annually and change, if any, is applied prospectively.

Capital work in progress

Capital work in progress is stated at cost including, where relevant, related financing costs less impairment losses, if any. These costs are transferred to operating fixed assets as and when they are available for use.

Capital spares

Items of spare parts are classified as capital spares when they meet in the definition of property, plant and equipment provided in the International Accounting Standard (IAS) 16 Property, Plant and Equipment. Such items are transferred to operating fixed assets when they are commissioned into the corresponding item of plant or machinery (i.e. when they are replaced against worn out, obsolete or damaged parts).

Investment property

Investment properties are stated at cost less accumulated depreciation and impairment losses, if any.

Subsequent expenditures including major renewals and improvements are capitalised only when it is probable that respective future economic benefits associated with the expenditure will flow to the Company and the cost of the asset can be measured reliably, while maintenance and normal repairs are charged to the statement of profit or loss, as and when incurred.

Investment property is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Disposal of investment property is recognised when significant risk and rewards, incidental to the ownership of that asset, have been transferred to the buyer. Gains and losses are determined

by comparing proceeds with the carrying amount of the relevant assets. These are included in the statement of profit or loss in the period in which they arise. Gains or losses on disposal of investment properties, if any, are included in other income in the statement of profit or loss.

The carrying values of investment properties are reviewed at each reporting date for indications that an asset may be impaired and carrying values may not be recovered. If such indications exist and where the carrying values exceeds the estimated recoverable amounts, the asset is written down to the recoverable amounts. The recoverable amount of investment properties is the greater of fair value less cost to sell and value in use.

A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the recoverable amount of investment properties since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the investment properties does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the investment properties in prior years. Such reversal is recognised in the statement of profit or loss.

3.6 Stores and spares

These are valued under the moving average cost method (less impairment loss if any) other than stores and spares in transit which are valued at cost comprising invoice value plus other charges paid thereon less impairment loss if any.

Provisions are made in the financial statements for obsolete and slow moving inventory based on management's best estimate regarding their future usability.

3.7 Stock-in-trade

Basis of valuation

All items of stock-in-trade are valued at the lower of cost and their net realizable value as of the reporting date.

Determination of cost

The cost of inventories comprise all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The costs of purchase of inventories comprise the purchase price, import duties and other taxes (other than those subsequently recoverable by the entity from the taxing authorities), and transport, handling and other costs directly attributable to the acquisition of finished goods, materials and services. Trade discounts and other similar items are deducted in determining the costs of purchase.

The costs of conversion of inventories include costs directly related to the quantity of production, such as direct labour. They also include a systematic allocation of fixed and variable production overheads that are incurred in converting materials into finished goods. The allocation of fixed production overheads to the costs of conversion is based on the normal operating capacity of the production facilities (which is the production expected to be achieved on average over a number of days under normal circumstances, taking into account the loss of capacity resulting from planned maintenance).

The cost of the items consumed or sold and those held in stock at the reporting date is determined as follows:

Item of stock in trade	Method of valuation
Raw Materials	First-in-first-out (FIFO) method
Packing materials	First-in-first-out (FIFO) method
Work-in-process	Weighted average cost determined on a quarterly basis
Finished goods	Weighted average cost determined on a quarterly basis

Determination of net realizable value

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. The cost of inventories may not be recoverable if those inventories are damaged, if they have become wholly or partially obsolete, or if their selling prices have declined. The cost of inventories may also not be recoverable if the estimated costs of completion or the estimated costs to be incurred to make the sale have increased.

The Company estimates the net realisable value of inventories based on the most reliable evidence available, at the reporting date, of the amount the inventories are expected to realise. These estimates take into consideration fluctuations of price or cost directly relating to events occurring after the end of the reporting period to the extent that such events confirm conditions existing at the end of the reporting period.

Raw materials and other supplies held for use in the production of inventories are not written down below cost if the finished product in which they will be incorporated are expected to be sold at or above cost. However, when a decline in the price of materials indicates that the cost of the finished product exceeds net realisable value, the materials are written down to net realisable value. In such circumstances, the replacement cost of the materials is used as the measure of their net realisable value.

A new assessment is made of net realisable value in each subsequent period. When the circumstances that previously caused inventories to be written down below cost no longer exist or when there is clear evidence of an increase in net realisable value because of changed economic circumstances, the amount of the writedown is reversed (i.e. the reversal is limited to the amount of the original write-down) so that the new carrying amount is the lower of the cost and the revised net realisable value.

3.8 Trade debts

These are carried at their transaction price less any allowance for lifetime expected credit losses. A receivable is recognized when the goods are delivered to dealers as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

3.9 Cash and cash equivalents

Cash and cash equivalents are carried at cost. For the purpose of the statement of cash flows, cash and cash equivalents comprise cash in hand, bank balances and short term borrowings from banks which are repayable on demand and form an integral part of the Company's cash management.

3.10 Financial assets

3.10.1 Initial recognition, classification and measurement

The Company recognizes a financial asset when and only when it becomes a party to the contractual provisions of the instrument evidencing investment. The Company classifies its financial assets into either of following three categories:

- (a) financial assets measured at amortized cost.
- (b) fair value through other comprehensive income (FVOCI);

(c) fair value through profit or loss (FVTPL); and

(a) Financial assets measured at amortized cost

A Financial asset is measured at amortized cost if it is held within business model whose objective is to hold assets to collect contractual cash flows, and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

Such financial assets are initially measured at fair value plus transaction costs that are directly attributable to the acquisition or issue thereof.

(b) Financial assets at FVOCI

A financial asset is classified as at fair value through other comprehensive income when it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Such financial assets are initially measured at fair value plus transaction costs that are directly attributable to the acquisition or issue thereof.

(c) Financial assets at FVTPL

A financial asset shall be measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income, as aforesaid. However, for an investment in equity instrument which is not held for trading, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value of the investment.

Such financial assets are initially measured at fair value.

3.10.2 Subsequent measurement

(a) Financial assets measured at amortized cost

These assets are subsequently measured at amortized cost (determined using the effective interest method) less accumulated impairment losses.

Interest / markup income, foreign exchange gains and losses and impairment losses arising from such financial assets are recognized in profit or loss.

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(b) Financial assets at FVOCI

These are subsequently measured at fair value less accumulated impairment losses.

A gain or loss on a financial asset measured at fair value through other comprehensive income in accordance is recognised in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses, until the financial asset is derecognised or reclassified. When the financial asset is derecognised the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. Interest is calculated using the effective interest method and is recognised in profit or loss.

(c) Financial assets at FVTPL

These assets are subsequently measured at fair value.

Net gains or losses arising from remeasurement of such financial assets as well as any interest income accruing thereon are recognized in the statement of profit or loss. However, for an investment in equity instrument which is not held for trading and for which the Company has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of the investment, such gains or losses are recognized in other comprehensive income. Further, when such investment is disposed off, the cumulative gain or loss previously recognised in other comprehensive income is not reclassified from equity to profit or loss.

3.10.3 Impairment

The Company recognises a loss allowance for expected credit losses in respect of financial assets measured at amortised cost.

For trade receivables, the Company applies the IFRS 9 'Simplified Approach' to measuring expected credit losses which uses a lifetime expected loss allowance.

For other financial assets, the Company applies the IFRS 9 'General Approach' to measuring expected credit losses whereby the Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. However, if, at the reporting date, the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12 month expected credit losses.

The Company measures expected credit losses on financial assets in a way that reflects an unbiased and probability-weighted amount, time value of money and reasonable and supportable information at the reporting date about the past events, current conditions and forecast of future economic conditions. The Company recognises in profit or loss, as an impairment loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

3.10.4 De-recognition

Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

The Company directly reduces the gross carrying amount of a financial asset when the Company has no reasonable expectations of recovering the financial asset in its entirety or a portion thereof. A write-off constitutes a derecognition event.

3.11 Offsetting of financial assets and financial liabilities

Financial assets and liabilities are offset when the Company has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle liability simultaneously.

3.12 Revenue

Revenue from sale of goods

Revenue from sale of goods (cement) is recognized when the customer obtains control of the goods, being when the goods are delivered to the dealer, the dealer has full discretion over the selling price of the goods subject to maximum retail price printed on bag and there is no unfulfilled obligation that could affect the dealer's acceptance of the goods. Delivery occurs when the goods have been dispatched from the Company premises, the risk of loss has been transferred to the dealer, and either the dealer has accepted the goods in accordance with the sales contract, the acceptance provisions have elapsed, or the Company has objective evidence that all criteria for acceptance have been satisfied.

The Company does not expect to have contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

3.13 Other income

Interest income

Mark-up on TFC's, loans and bank deposits are recognized on a time proportion basis on the principal amount outstanding and at the rate applicable.

Dividend income

Dividends received from investments measured at fair value through profit or loss or at fair value through other comprehensive income are recognized in profit or loss when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

3.14 Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or Cash Generating Units (CGUs).

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated to reduce the carrying amounts of the assets in the CGU on a pro rata basis.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. A reversal of impairment loss for a cash generating unit is allocated to the assets of the unit pro rata with the carrying amounts of those assets. The increase in the carrying amounts shall be treated as reversals of impairment losses for individual assets and recognized in profit or loss unless the asset is measured at revalued amount. Any reversal of impairment loss of a revalued asset shall be treated as a revaluation increase.

3.15 Employee benefits

Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate fund and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current

and prior periods. As a consequence, actuarial risk (that benefits will be less than expected) and investment risk (that assets will be insufficient to meet expected benefits) fall, in substance, on the employee.

The Company operates a funded provident scheme for its employees which is classified as a defined contribution plan. Equal monthly contributions are made by the Company and the employees to the plan at the rate equal to 10% of their basic salary plus cost of living allowance.

When an employee has rendered service to the Company during a period, the Company recognises the contribution payable to a defined contribution plan in exchange for that service as an expense in profit or loss and as a liability in the statement of financial position (payable to provident fund), after deducting any contribution already paid. If the contribution already paid exceeds the contribution due for service before the end of the reporting period, the Company recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund.

Compensated absences

Provision for accumulating compensated absences, whether vesting or non-vesting, is recognized as the employees render services that increase their entitlement to future paid absences to extent of maximum 30 days. Such provision is measured as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the end of the reporting period.

Non-accumulating compensated absences are recognized as expense in the period in which they occur.

3.16 Foreign currency translation

Transactions in foreign currencies are converted into Rupees at the rate of exchange ruling on the date of transaction. Monetary assets and liabilities in foreign currencies are translated into Rupees at the rate of exchange ruling at the statement of financial position date. All exchange differences arising on transaction are charged to the statement of profit or loss in that period.

3.17 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

To the extent that the Company borrows funds specifically for the purpose of obtaining a qualifying asset, the Company determines the amount of borrowing costs eligible for capitalisation as the actual borrowing costs incurred on that borrowing during the period.

To the extent that the Company borrows funds generally and uses them for the purpose of obtaining a qualifying asset, the Company determines the amount of borrowing costs eligible for capitalisation by applying a capitalisation rate to the expenditures on that asset. The capitalisation rate is the weighted average of the borrowing costs applicable to all borrowings of the Company that are outstanding during the period. However, the Company excludes from this calculation borrowing costs applicable to borrowings made specifically for the purpose of obtaining a qualifying asset until substantially all the activities necessary to prepare that asset for its intended use or sale are complete.

The Company begins capitalising borrowing costs as part of the cost of a qualifying asset on the 'commencement date' which is the date when the Company first meets all of the following conditions: (a) it incurs expenditures for the asset; (b) it incurs borrowing costs; and (c) it undertakes activities that are necessary to prepare the asset for its intended use or sale.

The Company suspends capitalisation of borrowing costs during extended periods in which it suspends active development of a qualifying asset.

The Company ceases capitalising borrowing costs when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

3.18 Levies and Taxation

Levies

A levy is an outflow of resources embodying economic benefits imposed by the government that does not meet the definition of income tax provided in the International Accounting Standard (IAS) 12 'Income Taxes' because it is not based on taxable profit.

In these financial statements, levy includes minimum tax under section 113 or other sections of Income tax ordinance, Income tax under final tax regime, workers' welfare fund expense and workers' profit participation. The corresponding effect of levy other than worker's welfare fund expense and workers' profit participation, advance tax paid has been netted off and the net position is shown in the statement of financial position.

Current tax

In these financial statements, minimum tax on local sales revenue is recognized as levy under section 113 of the Income Tax Ordinance and other sections of the said ordinance. Any excess charged under the normal tax regime is recognized as current tax.

In these financial statements, Income tax under final tax regime is recognized as levy and the excess amount charged is recognized as current tax.

Deferred tax

Although temporary differences arises but no deferred tax is recorded in these financial statements. The entity is expected to be in non-tax/ levy regime for foreseeable future as, in such a case, the effective tax rate would be zero.

Offsetting

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

3.19 Dividend distribution

Dividend distribution recognised as a liability in the period in which the dividends are approved by the Company's shareholders.

4. ISSUED, SUBSCRIBED AND PAID UP CAPITAL

2024 (Number of Shares)	2023		2024 Rupees in '000'	2023
45,600,000	45,600,000	Ordinary shares of Rs.10/- each issued as fully paid in cash	456,000	456,000
4,560,000	4,560,000	Ordinary shares of Rs.10/- each issued as fully paid bonus shares	45,600	45,600
<u>50,160,000</u>	<u>50,160,000</u>		<u>501,600</u>	<u>501,600</u>



- 4.1** There are no agreements among shareholders in respect of voting rights, board selection, right of first refusal and block voting.
- 4.2** Ordinary shares rank equally with regard to the Company's residual assets. Holders of these shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company. All rights attached to the Company's shares held by the Company are suspended until those shares are reissued.

	Note	2024	2023
————— Rupees in '000' —————			
5. LONG TERM FINANCING FROM A BANKING COMPANY - secured			
Financing under SBP schemes			
Financing Scheme for Renewable Energy	5.1	271,903	337,199
Temporary Economic Refinance Facility (TERF)	5.2	373,585	422,001
		<u>645,488</u>	<u>759,200</u>
Other financing arrangements			
Term Finance II	5.3	32,820	101,441
		<u>678,308</u>	<u>860,641</u>

5.1 Financing Scheme for Renewable Energy - secured

Opening balance		439,329	436,213
Interest recognized on unwinding of the liability	31	37,250	40,721
Loan installments paid during the year		(106,496)	(37,605)
Closing carrying amount - net of deferred grant		370,083	439,329
Less: Current maturity shown under current liabilities	12	(98,180)	(102,130)
Non-current maturity		<u>271,903</u>	<u>337,199</u>

- 5.1.1** In the year 2021, the Company availed a long term financing facility amounting to Rs. 500.212 million from M/s. Askari Bank Limited under the State Bank of Pakistan (SBP's) Financing Scheme for Renewable Energy notified vide IH & SMEFD Circular No. 10 of 2019 dated July 26, 2019. The facility is secured by first pari passu charge, of Rs. 673.33 million, over all fixed assets of the Company, at 25% margin.

The principal terms and conditions of the facility are as follows:

- (a) The applicable markup rate is 5% per annum;
- (b) The tenor of each tranche of the facility is 8 years (including 2-year grace period commencing from the date of the disbursement of the funds); and
- (c) Each tranche of the loan is to be repaid in 24 equal quarterly instalments.

- 5.1.2** Since the facility carries an interest rate which is well below the market interest rate prevailing as on the date of disbursement of funds, the financing is considered to contain an element of government grant as per the IAS 20 'Accounting for Government Grants and Disclosure of Government Assistance'. Accordingly, the Company measured the loan liability at its fair value (determined on a present value basis) and recognized the difference between the disbursement proceeds received from the bank and the said fair value as deferred income in the statement of financial position. This deferred income is being recognized as other income in profit or loss in proportion to the recognition of interest cost on the outstanding loan balance (based on the effective interest rate method).

	Note	2024	2023
		Rupees in '000'	
5.2 Temporary Economic Refinance Facility (TERF)			
Opening balance		489,605	464,812
Interest on unwinding of liability	31	51,093	49,841
Payment during the year		(71,676)	(25,048)
		469,022	489,605
Less: Current maturity shown under current liabilities	12	(95,437)	(67,604)
Non-current maturity		373,585	422,001

5.2.1 This represents long term financing facility amounting to Rs. 622.786 million from M/s. Askari Bank Limited under the SBP's Temporary Economic Refinance Facility (TERF) notified vide IH & SMEFD Circular No. 1 of 2020 dated March 17, 2020. The facility is secured by first pari passu charge amounting to Rs 1,460 million over present and future current and fixed assets of the Company (including land, building, plant and machinery) located at plant Sagjani District, Islamabad @ 25% margin.

The principal terms and conditions of the facility are as follows:

- The applicable markup rate is 4% per annum;
- The tenor of the each tranche of the facility is 10 years (including 2-year grace period commencing from the date of disbursement of the funds); and
- Each tranche of the loan is to be repaid in 32 equal quarterly instalments.

5.2.2 Since the facility carries the markup rate below the prevailing market interest rate, in accordance with a technical opinion issued by the Accounting Standards Board of the Institute of Chartered Accountants of Pakistan (ICAP) in November 2020, the financing is considered to contain an element of government grant as per the IAS 20 'Accounting for Government Grants and Disclosure of Government Assistance'. Accordingly, at initial recognition, the Company measured the loan liability at its fair value (determined on a present value basis) and recognized the difference between the disbursement proceeds received from the bank and the said fair value as deferred government grant in the statement of financial position. This deferred grant is being recognized as income in profit or loss in proportion to the recognition of interest cost on the outstanding loan balance (based on the effective interest rate method).

	Note	2024	2023
		Rupees in '000'	
5.3 Term Finance II			
Opening balance		170,062	181,178
Conversion from Term Finance - 1		-	24,685
Payment during the year		(68,621)	(35,801)
		101,441	170,062
Less: Current maturity shown under current liabilities	12	(68,621)	(68,621)
Non-current maturity		32,820	101,441

5.3.1 This represents the amount availed under a term finance facility amounting to Rs. 181.78 million obtained from M/s. Askari Bank Limited. The facility has been obtained to fund fabrication material and civil works regarding installation, erection and commissioning of imported machineries. The facility is secured by first

pari passu charge amounting to Rs. 1,460 million over present and future current and fixed assets of the Company (including land, building and plant and machinery located at the Company's manufacturing facility in Sangjani, District Islamabad with 25% margin).

The principal terms and conditions of the facility are as follows:

- The applicable markup rate is 3-Month KIBOR +2%;
- The tenor of the facility is 4 years (including 1-year grace period commencing from the date of first disbursement); and
- The loan is to be repaid in 12 equal quarterly instalments (to be commenced after the aforesaid grace period).

	Note	2024	2023
Rupees in '000'			
6. LEASE LIABILITY			
Opening balance		76,298	100,203
Interest on unwinding of the liability	31	9,931	10,943
Lease rentals paid during the year		(46,609)	(34,848)
		<u>39,620</u>	<u>76,298</u>
Less: Current maturity shown under current liabilities		(27,335)	(27,900)
Non-current maturity		<u>12,285</u>	<u>48,398</u>
7. DEFERRED INCOME - GOVERNMENT GRANT			
Opening balance		184,545	231,155
Amortization	33	(44,007)	(46,610)
		<u>140,538</u>	<u>184,545</u>
Less: Current maturity shown under current liability		(38,471)	(44,017)
Non-current maturity		<u>102,067</u>	<u>140,528</u>

8. DEFERRED TAXATION - net

The deferred tax assets and the deferred tax liabilities relate to income tax in the same jurisdiction, and the law allows net settlement. Therefore, they have been offset in the statement of financial position as follows:

Deferred tax liability arising in respect of :

- Accelerated tax depreciation	391,402	373,041
- Unrealized gain on long term investment	22,272	43,671
- Financing under SBP refinance scheme	40,332	51,139
- Right-of-use assets and related lease liability	1,897	145
	<u>455,903</u>	<u>467,996</u>

Deferred tax asset arising in respect of :

- Provision against slow moving and obsolete spares	(5,073)	(4,225)
- Provision for bad debts	-	(255)
- Deferred government grant	(40,228)	(51,980)
- Minimum tax	(183,632)	(259,728)
- Unused business tax losses	-	(68,511)
- Unabsorbed tax depreciation	(138,964)	(196,883)
	<u>(367,897)</u>	<u>(581,582)</u>
	<u>88,006</u>	<u>(113,586)</u>

8.1 Deferred tax asset in respect of minimum tax

Deferred tax asset amounting to Rs. 199.049 million (2023: Rs. 46.062 million) has not been recognized since the Company may not be able to use the benefits therefrom.

	Note	2024	2023
		Rupees in '000'	
9. TRADE AND OTHER PAYABLES			
Creditors for goods and services:			
-Creditors other than associated company		1,282,424	743,590
-Associated company		75,443	47,790
		<u>1,357,867</u>	<u>791,380</u>
Accrued expenses		11,629	10,505
Provision for compensated absences	9.2	25,816	29,071
Provision for marking fee	9.3	86,243	75,182
Payable to provident fund		5,351	5,157
Worker's Welfare Fund payable	9.4	-	31,047
Advances from customers and dealers - unsecured	9.1	132,210	158,668
Security deposits payable	9.5	10,515	10,160
Excise duty payable		136,874	119,836
Sales tax payable		94,881	76,276
Withholding income tax		12,088	6,727
Worker's Profit Participation Fund payable	34	39,563	-
Other liabilities		42,047	32,945
		<u>1,955,084</u>	<u>1,346,954</u>

9.1 During the year, the performance obligations underlying the opening contract liability of Rs. 158.668 million were satisfied in full. Accordingly, the said liability was recorded as revenue during the year.

9.1.1 Information regarding the timing of satisfaction of performance obligations underlying the closing contract liability of Rs. 132.21 million is not presented since the expected duration of all the contracts entered into with the customers is less than one year.

	2024	2023
	Rupees in '000'	
9.2 Provision for compensated absences		
Opening balance	29,071	27,313
Charge for the year	3,991	4,464
Payments made during the year	(7,246)	(2,706)
Closing balance	<u>25,816</u>	<u>29,071</u>
9.3 This represents an amount payable to Pakistan Standards & Quality Control Authority (PSQCA) against marking fee for the period from July 2007 till the reporting date.		
9.4 Worker's Welfare Fund payable		
Opening balance	31,047	31,047
Less: Adjusted against prior period income tax refunds	(31,047)	-
Closing balance	<u>-</u>	<u>31,047</u>

9.5 The Company has not utilized any amount from the security deposits collected from cement dealers for its business purposes.

	Note	2024	2023
		———— Rupees in '000' ————	
10. SHORT TERM BORROWINGS - secured			
Running finance	10.1	685,513	722,332
Cash finance loan	10.2	-	148,500
Export re-finance	10.3	50,000	83,220
		<u>735,513</u>	<u>954,052</u>

10.1 The Company has a total finance facility of Rs. 810 million (2023: Rs. 810 million) from various banks. These arrangements are secured by way of first pari passu charge over all the Company's movable and immovable properties and hypothecation of Company's stock-in-trade, stores and spares, book debts, machinery. The rate of mark-up ranges from 3-Month KIBOR plus 1% to 3-Month KIBOR plus 1.5% (2023: 1-Month KIBOR plus 1% to 3-Month KIBOR plus 1.25%) per annum. The validity of these facilities ranges from August 29, 2024 to March 31, 2025.

10.2 The Company has obtained a Cash Finance Facility of Rs. 200 million (June 2023: 200 million) from a commercial bank. The facility is secured by way of pledge of coal @ 25% margin at customer factory premises located in Sanjani and to be pledge under bank's approved muccadam. Registered charge over pledge of stock with SECP with 25% margin located at the factory premises in Sanjani. The facility carries markup at the rate of 1-Month KIBOR plus 2% per annum. The facility is upto September 28, 2024.

10.3 The Company has obtained Export Refinance Facility of Rs. 150 million (2023: Rs. 450 million) from a commercial bank. The facility is secured by way of 1st pari passu charge of Rs. 733 million (2022: Rs. 733 million) on current and fixed assets (including land and building, plant and machinery) of the Company inclusive of 25% margin located at Sangjani plant, District Islamabad. The facility carries mark-up at State Bank of Pakistan (SBP) policy rate minus 3.00% per annum (2023: SBP rate plus 1.00%). The facility is valid upto September 28, 2024.

10.4 As of reporting date, the Company had unutilized facilities for short term borrowings available from various banks amounting to Rs. 624.486 Million including FATR (2023: Rs. 705.948 million).

	Note	2024	2023
		———— Rupees in '000' ————	
11. ACCRUED MARK-UP			
- Short term borrowing		32,537	43,845
- Long term borrowing		6,051	10,212
- Lease liability		111	148
		<u>38,699</u>	<u>54,205</u>

12. CURRENT MATURITY OF LONG TERM

FINANCING - Secured

Financing under SBP schemes			
Financing Scheme for Renewable Energy	5.1	98,180	102,130
Temporary Economic Refinance Facility (TERF)	5.2	95,437	67,604
		<u>193,617</u>	<u>169,734</u>
Other financing facilities			
Term Finance II	5.3	68,621	68,621
		<u>262,238</u>	<u>238,355</u>

13. CONTINGENCIES AND COMMITMENTS

13.1 Contingencies

13.1.1 Contingent liability existing as at the reporting date

- (a) The Competition Commission of Pakistan (CCP) passed an order on August 27, 2009 and imposed a penalty on all cement manufacturers of the country on the alleged ground of formation of cartel for marketing arrangement. The amount of penalty imposed on the Company was Rs. 174.063 million. The Company challenged the constitutionality of the Competition Act, 2010 before the Honorable Lahore High Court (LHC) and the order dated August 27, 2009 passed by the CCP on merits.

The LHC vide its order dated October 26, 2020 dismissed the petitions filed by the Company together with other petitioners and declared the competition law intra vires. The LHC, however, struck down the constitution of Competition Appellate Tribunal (CAT) as being unconstitutional. The Judgment of the Lahore High Court has been challenged by the Company as well as the CCP before the Supreme Court of Pakistan. The Supreme Court has been pleased to grant leave in the petitions and have converted them in Civil Appeals. The Appeals remain pending adjudication before the Supreme Court.

The constitution of CAT has also been challenged by the Company before the High Court of Sindh (SHC) which has vide order dated January 02, 2018, been pleased to restrain CAT from passing any final order in the Appeals filed against CCP's order dated August 27, 2009. The interim order dated January 02, 2018 remains in the field and the matter is pending adjudication before the SHC.

- (b) In respect of Tax year 2015, the Commissioner Inland Revenue (Appeals) passed an order disallowing certain expenses resulting in a demand of Rs.6.5m. The company challenged the impugned order before the Appellate Tribunal Inland Revenue which is pending. According to the legal counsel Company has a good arguable case. Therefore, no provision has been made for the said demand.

Note	2024	2023
	———— Rupees in '000' ————	

13.2 Commitments

As of the reporting date, the outstanding financial commitments of the company were as follows:

-in respect of import of stores and spares	69,842	40,799
- Letter of guarantee in favour of Sui Northern Gas Pipeline Limited (SNGPL)	<u>110,000</u>	<u>110,000</u>
	<u>179,842</u>	<u>150,799</u>

14. PROPERTY, PLANT AND EQUIPMENT

Operating Assets	14.1	2,370,613	2,358,969
Capital Work in Progress	14.2	140,903	-
Capital Spares	14.3	<u>439,601</u>	<u>349,868</u>
		<u>2,951,117</u>	<u>2,708,837</u>

14.1 Operating assets

	Freehold Land	Factory building	Non-factory building	Plant and machinery	Quarry transport equipments	Furniture, fixtures & equipments	Motor Vehicles	Total
-----Rupees in 000-----								
As at June 30, 2022								
Cost	225,923	327,715	243,635	4,532,491	131,860	72,527	80,143	5,614,294
Accumulated depreciation	-	(281,808)	(123,236)	(2,375,557)	(124,110)	(58,674)	(70,488)	(3,033,873)
	<u>225,923</u>	<u>45,907</u>	<u>120,399</u>	<u>2,156,934</u>	<u>7,750</u>	<u>13,853</u>	<u>9,655</u>	<u>2,580,421</u>
Year ended June 30, 2023								
Opening net book value	225,923	45,907	120,399	2,156,934	7,750	13,853	9,655	2,580,421
Additions during the year:								
Transfer from CWIP	-	-	-	132,417	-	-	-	132,417
Transfer from capital spares	-	-	-	24,779	-	2,934	-	27,713
Transfer from Right of use asset	-	-	-	-	-	-	2,503	2,503
Direct additions	-	-	-	20,135	-	615	-	20,750
	-	-	-	177,331	-	3,549	2,503	183,383
Disposals:								
-Cost	-	-	-	-	-	-	(4,526)	(4,526)
-Accumulated depreciation	-	-	-	-	-	-	4,134	4,134
	-	-	-	-	-	-	(392)	(392)
Reclassification to Investment Property	(142,272)	-	-	-	-	-	-	(142,272)
Depreciation for the year	-	(5,177)	(8,511)	(241,260)	(684)	(5,065)	(1,474)	(262,171)
Closing net book value	<u>83,651</u>	<u>40,730</u>	<u>111,888</u>	<u>2,093,005</u>	<u>7,066</u>	<u>12,337</u>	<u>10,292</u>	<u>2,358,969</u>
As at June 30, 2023								
Cost	83,651	327,715	243,635	4,709,822	131,860	76,076	78,120	5,650,879
Accumulated depreciation	-	(286,985)	(131,747)	(2,616,817)	(124,794)	(63,739)	(67,828)	(3,291,910)
	<u>83,651</u>	<u>40,730</u>	<u>111,888</u>	<u>2,093,005</u>	<u>7,066</u>	<u>12,337</u>	<u>10,292</u>	<u>2,358,969</u>
Year ended June 30, 2024								
Opening net book value	83,651	40,730	111,888	2,093,005	7,066	12,337	10,292	2,358,969
Additions during the year:								
Transfer from capital spares	-	-	-	51,578	-	9,577	-	61,155
Direct additions	-	-	-	54,082	-	1,508	135	55,725
	-	-	-	105,660	-	11,085	135	116,880
Transfer from Right of use asset								
-Cost	-	-	-	-	-	-	38,958	38,958
-Accumulated depreciation	-	-	-	-	-	-	(34,050)	(34,050)
	-	-	-	-	-	-	4,908	4,908
Disposals:								
-Cost	-	-	-	(21,834)	-	-	(12,147)	(33,981)
-Accumulated depreciation	-	-	-	15,983	-	-	9,920	25,903
	-	-	-	(5,851)	-	-	(2,227)	(8,078)
Depreciation for the year	-	(5,177)	(8,305)	(82,532)	(684)	(4,832)	(536)	(102,066)
Closing net book value	<u>83,651</u>	<u>35,553</u>	<u>103,583</u>	<u>2,110,282</u>	<u>6,382</u>	<u>18,590</u>	<u>12,572</u>	<u>2,370,613</u>
As at June 30, 2024								
Cost	83,651	327,715	243,635	4,793,648	131,860	87,161	105,066	5,772,736
Accumulated depreciation	-	(292,162)	(140,052)	(2,683,366)	(125,478)	(68,571)	(92,494)	(3,402,123)
	<u>83,651</u>	<u>35,553</u>	<u>103,583</u>	<u>2,110,282</u>	<u>6,382</u>	<u>18,590</u>	<u>12,572</u>	<u>2,370,613</u>
Usefull life (in years)		<u>21.5-23.5</u>	<u>21.5-23.5</u>	<u>25</u>	<u>8-10</u>	<u>3-10</u>	<u>5</u>	

14.1.1 Allocation of depreation expense

	Note	2024	2023
———— Rupees in '000' ————			
Manufacturing costs	28.1.2	93,459	252,748
Administrative expenses	29	3,320	3,921
Distribution costs	30	5,287	5,502
		<u>102,066</u>	<u>262,171</u>

14.1.2 Freehold land represents 237.64 acres of land situated at Sangjiani Village Sangjiani, Islamabad on which factory and non factory buildings are constructed. The property is utilized as manufacturing facility for the production of cement.

Further, it comprises land of 1,598.33 sq. yds. situated at House # 339, west ridge 1, Peshawar road, Rawalpindi. The property is utilized as marketing office of the Company.

14.1.3 Particulars of operating fixed assets having net book value exceeding Rs. 500,000 disposed off during the year are as follows:

Particula	Cost	Accumulated	Net book Depreciation	Sale Value	Gain / (loss) proceeds	Mode of Disposal	Particulars of buyers	Relationship with purchaser
Burner	21,834,000	15,983,000	5,851,000	4,000,000	(1,851,000)	Negotiation	Deewan Cement Ltd	None
Vehicle	2,595,000	1,323,450	1,271,550	2,000,000	728,450	Negotiation	Abdul Samad	Ex-Employee
Vehicle	6,936,704	6,243,034	693,670	5,450,000	4,756,330	Negotiation	Syed Faraz Aijaz	None

	Note	2024	2023
———— Rupees in '000' ————			
14.2 Capital work in progress			
Opening balance		-	126,682
Additions during the year			
- Transfers from capital spares	14.3	84,799	2,900
- Direct additions		56,104	2,834
Transfer to operating fixed asset		140,903	5,734
	-	(132,416)	
Balance as at June 30,2024	14.2.1	<u>140,903</u>	<u>-</u>

14.2.1 This represents capital expenditure being incurred for achieving further efficiencies.

14.3 Capital Spares

Opening Balance		349,868	360,797
Additions		235,687	19,684
		585,555	380,481
Transfers to capital work in progress	14.2	(84,799)	(2,900)
Transfers to operating fixed assets	14.1	(61,155)	(27,713)
		(145,954)	(30,613)
Closing Balance		<u>439,601</u>	<u>349,868</u>

15. RIGHT-OF-USE ASSETS

	Rented property in Karachi (Note 15.1)	Leased vehicles (Note 15.2)	Total
As at June 30, 2022			
Cost	69,636	103,217	172,853
Accumulated depreciation	(14,495)	(49,916)	(64,411)
	<u>55,141</u>	<u>53,301</u>	<u>108,442</u>
Movement during the year ended June 30, 2023			
Opening net book value	55,141	53,301	108,442
Disposal:			
Cost	-	(25,030)	(25,030)
Accumulated depreciation	-	22,527	22,527
	-	(2,503)	(2,503)
Depreciation for the year	(13,927)	(15,200)	(29,127)
Closing net book value	<u>41,214</u>	<u>35,598</u>	<u>76,812</u>
As at June 30, 2023			
Cost	69,636	78,187	147,823
Accumulated depreciation	(28,422)	(42,589)	(71,011)
	<u>41,214</u>	<u>35,598</u>	<u>76,812</u>
Movement during the year ended June 30, 2024			
Opening net book value	41,214	35,598	76,812
Vehicle transferred to operating assets			
-Cost	-	(38,958)	(38,958)
-Accumulated Depreciation	-	34,050	34,050
	-	(4,908)	(4,908)
Depreciation for the year	(13,927)	(11,729)	(25,656)
Closing net book value	<u>27,287</u>	<u>18,961</u>	<u>46,248</u>
As at June 30, 2024			
Cost	69,636	39,229	108,865
Accumulated depreciation	(42,349)	(20,268)	(62,617)
	<u>27,287</u>	<u>18,961</u>	<u>46,248</u>
Depreciation rate (per annum)	<u>20%</u>	<u>20%</u>	

15.1 The terms and conditions of the lease contracts entered into for rented properties are as follows:

Particulars	Rented property in Karachi
Lease agreement date	5-Mar-21
Lease commencement date	15-Jul-21
Initial contracted term of the lease	11 Months
Availability of extension option	Yes
Assessed lease term	5 years

15.2 The terms and conditions of the lease contracts entered into for vehicles are as follows:

Lease contract no.	Leasor name	Availability of extension option	First installment payable on	Last installment payable on	Total number of installments	Rental payment frequency	Mark up	Nature of the leased assets	Number of the leased assets
122010500002	Askari Bank Limited	No	29-Nov-20	29-Oct-25	60	Monthly	3 month KIBOR + 2%	Motor Vehicles	1
122012500002	Askari Bank Limited	No	21-Jan-21	21-Dec-25	60	Monthly	3 month KIBOR + 2%	Motor Vehicles	3
122104500006	Askari Bank Limited	No	23-Jul-21	23-Jun-26	60	Monthly	6 month KIBOR + 2%	Motor Vehicles	8
122107500005	Askari Bank Limited	No	30-Aug-21	30-Jul-26	60	Monthly	6 month KIBOR + 2%	Motor Vehicles	1
122107500004	Askari Bank Limited	No	30-Aug-21	30-Jul-26	60	Monthly	6 month KIBOR + 2%	Motor Vehicles	1

Note **2024** **2023**
————— Rupees in '000' —————

15.3 Allocation of depreciation expense

Manufacturing costs	28.1.2	3,519	4,560
Administrative expenses	29	19,792	21,527
Distribution costs	30	2,346	3,040
		<u>25,657</u>	<u>29,127</u>

16. INVESTMENT PROPERTY

Opening cost		102,260	-
Reclassification from Property, plant and equipment		-	142,272
Disposal of freehold land during the year		-	(40,012)
Closing Cost	16.1	<u>102,260</u>	<u>102,260</u>

16.1 This represents cost of 124.625 Kanals land located at Thalian near Airport Avenue Road Rawalpindi. The latest valuation of the property was carried out by an independent valuer namely M/s. K.G Traders Private Limited on June 30, 2024, according to which the aggregate fair value and forced sale value of the plots of land amounts to Rs. 312 million and Rs. 265.2 million respectively.

Note **2024** **2023**
————— Rupees in '000' —————

17. LONG TERM INVESTMENT

Unquoted equity securities

- Fecto Cement Nooriabad (Private) Limited (subsidiary)	17.1	1,000	1,000
- Investment in Frontier Paper Products (Private) Limited (related party)	17.2	226,800	300,591

Unquoted debt securities

Term Finance Certificates (TFCs)	17.3	99,920	99,920
		<u>327,720</u>	<u>401,511</u>

17.1 Investment in Fecto Cement Nooriabad (Private) Limited - a subsidiary

2024	2023		2024	2023
(Number of sharess)			————— Rupees in '000' —————	
<u>100,000</u>	<u>100,000</u>	Ordinary shares of Rs. 10/- each	<u>1,000</u>	<u>1,000</u>

17.1.1 In February 2020, the Company got its new subsidiary company incorporated in the name and style of M/s. Fecto Cement Nooriabad (Private) Limited ('FCNL'). The authorized and paid up capital of FCNL is Rs. 2



million and Rs. 1 million, respectively, which is presently wholly owned by the Company. The principal activity of FCNL is to produce and deal in all kinds of cement and its allied products. The registered office of FCNL Plot # 60-C, Khayaban-Shahbaz, Phase-VI, Defense Housing Authority, Karachi-75500. Mr. Mohammad Yasin Fecto, the majority shareholder and director of the Company, also serves on the Board of Directors of FCNL.

- 17.1.2** By the reporting date, FCNL had not yet commenced its operations which was principally due to delay evidenced in granting of mining lease by the regulatory authorities. However, the management of FCNL has been endeavoring to finalize its ongoing negotiations with the concerned government officials and is hopeful that the said license will be issued in due course of time.
- 17.1.3** In accordance with the provisions of section 228(1) of the Companies Act, 2017, the Company would be required to prepare, consolidated financial statements of the group (comprising the Company and the aforementioned subsidiary company) for the year ended June 30, 2023. However, keeping in view the fact that FCNL has not yet commenced its business operations and, at the reporting date, it had no material assets or liabilities, the Company, under section 228(7) of the Companies Act, 2017, applied to the Securities and Exchange Commission of Pakistan (SECP) for seeking exemption from the requirement to prepare consolidated financial statements. The said exemption has been granted by the SECP vide its letter SMD/PRDD/Comp/(2)/2021/63 dated July 12, 2024 issued to the Company.
- 17.1.4** As per unaudited financial statements of FCNL for the year ended June 30, 2024, as of the reporting date, FCNL had cash balance held in a bank account, amounting to Rs. 1.394 million (2023: Rs. 1.175 million) (mainly representing the initial capital injection made by the Company in the form of equity) and accrued liabilities amounting to Rs. 0.20 million (2023: Rs. 0.08 million). Further, during the year ended June 30, 2024, FCNL earned mark-up on bank deposit amounting to Rs. 0.259 (2023: 0.166 million) and incurred administrative and taxation expenses of Rs. 0.125 million (2023: Rs. 0.079 million) and Rs. 0.039 million (2023: 0.025 million), respectively.
- 17.1.5** The unaudited financial statements of FCNL for the years ended June 30, 2024 and June 30, 2023, shall be available for inspection at the registered office of the Company and shall be sent to the members on request without any cost.
- 17.2** Investment in Frontier Paper Products (Private) Limited - a related party

2024 (Number of shares)	2023	2024 Rupees in '000	2023
<u>15,000,000</u>	<u>15,000,000</u>	<u>150,000</u>	<u>150,000</u>
	Ordinary shares of Rs. 10/- each - cost		
	Unrealized gain / (loss) on remeasurment		
	- Opening balance	<u>150,591</u>	<u>179,850</u>
	- Loss recognized during the year	<u>(73,791)</u>	<u>(29,259)</u>
		<u>76,800</u>	<u>150,591</u>
		<u>226,800</u>	<u>300,591</u>

- 17.2.1** In 2019, the Company made an investment in 15 million unquoted ordinary shares of M/s. Frontier Papers Products (Private) Limited (FPPL), its associated company in terms of section 2(4) of the Companies Act, 2017, at a par value of Rs. 10 each. This investment gives the Company 49.21% voting power in FPPL. However, since Mr. Mohammad Yasin Fecto holds the remaining voting power (i.e. 50.79%) in FPPL and also exercises control over the Company (by virtue of his majority shareholding in the Company), the Company is not able to exercise significant influence over FPPL and, accordingly, has not applied the equity method of accounting as described in the International Accounting Standard (IAS) 28 Investments in Associates and Joint Ventures.

17.2.2 In accordance with the International Financial Reporting Standard (IFRS) 9 Financial Instruments, the Company has elected to designate the investment at fair value through other comprehensive income since it is in the nature of a long-term strategic investment made with a view to further strengthen the existing customer-supplier relationship with FPPL.

17.2.3 The Company as per its policy, carried out the valuation of the aforementioned investments. In this connection, the valuation technique used by the Company was Discounted Free Cash Flow to Equity model for business valuation. Assumptions and inputs used in the valuation technique mainly include risk-free rate, equity risk premium, growth rate and projected rates of increase in revenues, other income and expenses. According to such valuation, the fair value of the net assets of FPPL was determined to be Rs. 15.12 per share (2023: 20.04 per share).

17.2.4 During the year ended June 30, 2024, FPPL did not declare any dividends (2023: None).

17.3 Investment in Term Finance Certificates (TFCs)

This represents investment in 20,000 unsecured, privately placed Term Finance Certificates (TFCs), @ 6-month KIBOR plus 1.85%, issued by M/s. Silk Bank Limited, in August 8th, 2007.

The investments in TFCs were initially designated as short-term in previous years, with the intention of divestment. However, due to the presence of a lock-in clause and the prevailing uncertainty regarding repayment upon maturity, they have consequently been reclassified as long-term investments.

	Note	2024	2023
		Rupees in '000'	
18. LONG TERM DEPOSITS			
Long term deposits	18.1	<u>10,101</u>	<u>10,101</u>
18.1 This includes security deposits maintained with certain government authorities and suppliers / vendors of the Company.			
19. LONG TERM LOANS, ADVANCES AND OTHER RECEIVABLE			
Long term loan - -unsecured, considered good			
Employees - interest free		4,342	5,095
Executives - interest free	19.1	<u>1,005</u>	<u>1,289</u>
		5,347	6,384
Advance to software house	19.2	9,852	5,000
Advance to dealers - secured, considered good		500	3,700
Markup receivable on term finance certificates	19.3 & 24.2	<u>27,735</u>	-
		43,434	15,084
Less: Current maturity shown under current assets	24	<u>(3,308)</u>	<u>(6,618)</u>
		40,126	8,466

19.1 The loans to executives and employees are in accordance with the terms of their employment. The maximum aggregate amount due from executives of the Company (by reference to month-end balances) amounted to Rs. 1.708 million (2023: Rs. 1.289 million).

19.2 This represents an advance provided to a software house in relation to implementation of a new ERP system.

- 19.3** As disclosed in note 25.2.1 to the financial statement for the year ended June 30, 2023, M/s. Silk Bank Limited stopped the payments of markup on their TFCs as held by the Company due to the lock-in clause 28 of the Trust deed. Till the terms stipulated in said clause are not fulfilled by the Bank, it is not allowed to make any payment in this regard. As a result of activation of said lock-in clause, the Company as a matter of prudence, has reclassified the previously accrued markup from current to non-current and also has not recognized the markup for the current year amounting to Rs. 23.775 million.

	Note	2024	2023
		Rupees in '000'	
20. STORES AND SPARES			
Stores - in hand		667,729	839,743
- in transit		4,232	34,515
		<u>671,961</u>	<u>874,258</u>
Spares		816,428	649,714
Provision against slow moving and obsolete spares		(17,723)	(15,000)
		<u>798,705</u>	<u>634,714</u>
		<u>1,470,666</u>	<u>1,508,972</u>
21. STOCK IN TRADE			
Raw Material		1,247,943	1,052,464
Packing Material		68,930	33,788
		<u>1,316,873</u>	<u>1,086,252</u>
Work-in-process		588,526	610,422
Finished goods		94,240	104,221
		<u>1,999,639</u>	<u>1,800,895</u>
22. TRADE DEBTS - unsecured			
Local receivables			
Total trade debts outstanding - gross		479,890	147,615
Less: Provision for expected credit losses		(1,110)	(880)
		<u>478,780</u>	<u>146,735</u>
23. SHORT TERM LOAN TO RELATED PARTY			
Loan to Frontier Paper Products (Private) Limited			
Opening balance		70,895	25,395
Loan disbursed during the year		-	74,500
Loan repaid during the year		(50,905)	(29,000)
		<u>19,990</u>	<u>70,895</u>

- 23.1** In their Extra Ordinary General Meeting held on December 01, 2018, the shareholders of the Company resolved that an unsecured short term running finance facility (subject to the maximum limit of Rs. 100 million) be provided by the Company to M/s. Frontier Paper Products (Private) Limited (FPPL), its related party.

Further, as required by the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017, the rate of return on the above financing facility is the higher of the applicable KIBOR rate and the borrowing cost of the Company.

23.2 Maximum loan outstanding during the year with reference to month-end balances amounted to Rs. 70.895 million (2023: Rs. 99 million).

	Note	2024	2023
———— Rupees in '000' ————			
24. LOANS, ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLE			
Advances	24.1	24,821	17,398
Other receivable - accrued markup	24.2	4,051	32,836
Deposit - margin against bank Guarantee	24.3	11,000	11,000
Current maturity of long term loans to employee	19	3,308	6,618
Prepayments		1,541	1,059
		<u>44,721</u>	<u>68,911</u>

24.1 Advances

Advance to suppliers of goods		24,585	17,398
Others		236	-
		<u>24,821</u>	<u>17,398</u>

24.2 Other receivable - accrued markup

Markup receivable on term finance certificates	19.3	-	27,735
Markup receivable on loan to associated company		4,051	5,101
		<u>4,051</u>	<u>32,836</u>

24.3 Deposit - margin against bank guarantee

This represents 10 % (2023: 10%) margin given to Silk Bank Limited against the bank guarantee of Rs.110 million (2023: Rs. 110 million) issued in favour of Sui Northern Gas Pipeline Limited as security for the payment of gas bills.

	Note	2024	2023
———— Rupees in '000' ————			
25. TAX REFUNDS DUE FROM GOVERNMENT			
Income tax refundable		21,442	76,233
Un-adjusted input sales tax carried forward		20,293	33,600
		<u>41,735</u>	<u>109,833</u>

26. CASH AND BANK BALANCES

In hand		975	663
Cash at bank			
With banks in saving & deposit accounts	26.1 & 45	191,708	173,523
With banks in current accounts	45	88,564	24,479
		<u>280,272</u>	<u>198,002</u>
		<u>281,247</u>	<u>198,665</u>

26.1 The return on these balances ranges from 17% to 19% (2023: 15% to 16%) per annum on daily product basis.

	Note	2024	2023
		Rupees in '000'	
27. SALES REVENUE - net			
Revenue from Local Sales	27.1	10,767,088	8,432,393
Revenue from Export Sales	27.2	141,030	249,790
		10,908,118	8,682,183
27.1 Revenue from Local Sales			
Sales of goods to local customers - gross		14,857,636	11,414,098
Less: Trade Discount		(135,276)	(114,447)
Excise duty		(1,425,537)	(1,040,271)
Sales tax		(2,529,735)	(1,826,987)
		(4,090,548)	(2,981,705)
		10,767,088	8,432,393
27.2 Revenue from Export Sales			
Sales of goods to foreign customers		141,030	249,485
Export Rebate		-	305
		141,030	249,790
28. COST OF SALES			
Opening stock of finished goods		104,221	31,777
Cost of goods manufactured	28.1	9,468,572	8,442,207
		9,572,793	8,473,984
Closing stock of finished goods		(94,240)	(104,221)
		9,478,553	8,369,763
28.1 Cost of goods manufactured			
Raw and packing materials consumed	28.1.1	1,204,507	799,634
Conversion cost incurred	28.1.2	8,242,169	8,059,309
		9,446,676	8,858,943
Change in work-in-process inventory:			
Opening work-in-process		610,422	193,686
Closing work-in-process		(588,526)	(610,422)
		21,896	(416,736)
		9,468,572	8,442,207
28.1.1 Raw material consumed			
Opening stock		1,086,252	1,068,720
Purchases		1,435,128	817,166
		2,521,380	1,885,886
Closing stock		(1,316,873)	(1,086,252)
		1,204,507	799,634

	Note	2024	2023
		Rupees in '000'	
28.1.2 Conversion cost incurred			
Fuel and power	28.1.2.1	6,951,199	6,797,693
Salaries, wages and benefits	28.1.2.2	696,179	588,952
Depreciation on operating fixed assets	14.1.1	93,459	252,748
Stores and spares consumed		272,013	225,741
Vehicle running expenses		65,424	57,259
Insurance		55,885	46,043
Repairs and maintenance		13,696	19,354
Loading charges		16,240	16,752
Depreciation on right-of-use assets	15.3	3,519	4,560
Other manufacturing overheads		74,555	50,207
		8,242,169	8,059,309

28.1.2.1 Fuel and power

Coal Charges		4,738,022	5,086,757
Electricity Charges		2,061,194	1,576,648
Diesel Charges		118,707	99,104
Lubricant Charges		32,734	26,440
Others		542	8,744
		6,951,199	6,797,693

28.1.2.2 This includes Company's contribution to provident fund amounting to Rs. 19.519 million (2023: Rs. 16.502 million).

29. ADMINISTRATIVE EXPENSES

Salaries, wages and benefits	29.1	212,331	192,683
Depreciation on right-of-use assets	15.3	19,792	21,527
Vehicles running expenses		20,661	20,351
Utilities		18,260	18,097
Legal and professional charges		21,098	13,129
Initial expenditure on new project		8,657	7,937
Donations	29.2	6,443	6,152
Repairs and maintenance		3,738	5,108
Depreciation on operating fixed assets	14.1.1	3,320	3,921
Traveling and conveyance		9,289	3,057
Communications		4,667	2,998
Printing and stationery		3,006	2,449
Rent, rates and taxes		1,336	2,162
Entertainment		2,400	2,072
Fees and subscription		2,387	1,778
Auditors' remuneration	29.3	2,200	1,500
Insurance		309	287
Miscellaneous		6,441	4,533
		346,335	309,741

29.1 This includes Company's contribution to provident fund amounting to Rs. 6.921 million (2023: Rs. 6.993 million).



29.2 None of the directors or their spouses have any interest in the donee institutions. There is no single party to whom the donation exceeds the higher of 10% of the Company's total amount of donation expense for the year or Rs. 1 million.

	Note	2024	2023
Rupees in '000'			
29.3 Auditors' remuneration			
Audit fee		1,500	1,100
Half yearly review		500	300
Certifications for regulatory purposes		200	100
		<u>2,200</u>	<u>1,500</u>

30. DISTRIBUTION COST

Salaries, wages and benefits	30.1	65,100	55,585
Marking fee		11,062	8,880
Depreciation on operating fixed assets	14.1.1	5,287	5,502
Vehicles running expenses		5,818	5,285
Depreciation on right-of-use assets	15.3	2,346	3,040
Printing and stationary		4,067	2,539
Fuel and power		3,518	2,472
Communications		2,040	1,782
Entertainment		1,932	1,640
Rent, rates and taxes		2,458	1,506
Export expenses		1,368	1,481
Repairs and maintenance		1,142	777
Spares and general items consumed		80	761
Traveling and conveyance		419	387
Insurance		223	167
Advertisement		99	87
Fees and subscription		56	-
Miscellaneous		123	673
		<u>107,138</u>	<u>92,564</u>

30.1 This includes Company's contribution to provident fund amounting to Rs. 2.679 million (2023: Rs.2.362 million) .

31. FINANCE COST

Markup on short term borrowings:			
- Running finance		106,814	113,075
- Cash finance		21,866	36,364
- Export Refinance Scheme		14,189	8,150
- Finance against Trust Receipt (FATR)		-	-
		<u>142,869</u>	<u>157,589</u>
Markup on long term borrowing			
SBP Refinance Scheme for TERF II	5.2	51,093	49,841
SBP Refinance Scheme for Renewable Energy	5.1	37,250	40,721
Markup on Term Finance II		31,152	37,096
SBP Refinance Scheme for Payment of Wages and Salaries		-	2,580
		<u>119,495</u>	<u>130,238</u>
Markup on leases	6	9,931	10,943
Bank commission and charges		3,879	4,433
		<u>276,174</u>	<u>303,203</u>

		2024	2023
		Rupees in '000'	
32.	OTHER EXPENSES		
	Loss on sale of obsolete bags	-	5,315
	Provision for expected credit loss	230	-
	Provision against slow moving and obsolete spares	2,723	
		<u>2,953</u>	<u>5,315</u>
33.	OTHER INCOME		
	Gain on sale of investment property	-	77,774
	Scrap sales	22,320	46,615
	Amortization of deferred government grant	44,007	46,610
	Markup income 33.1	21,127	34,472
	Insurance Claim	-	16,870
	Gain on sale of operating fixed assets	3,883	935
	Miscellaneous	-	2,198
		<u>91,337</u>	<u>225,474</u>
33.1	Markup income		
	Markup on term finance certificates 19.3	-	18,109
	Markup on loan to associated company	10,774	12,586
	Markup on bank deposits	10,353	3,777
		<u>21,127</u>	<u>34,472</u>
			(Restated)
		2024	2023
		Rupees in '000'	
34.	LEVIES		
	Excess of minimum tax over normal tax	77,213	106,419
	Income tax - Final tax regime	1,398	2,494
		<u>78,611</u>	<u>108,913</u>
	Provision for Workers' Profit Participation Fund 9	39,563	-
	2.5.1	<u>118,174</u>	<u>108,913</u>
35.	TAXATION		
	Current 2.5.1	123,836	-
	Prior	5,978	(9,622)
		<u>129,814</u>	<u>(9,622)</u>
	Deferred	222,991	(138,975)
		<u>352,805</u>	<u>(148,597)</u>
35.1	Relationship between income tax expense and accounting profit before taxation		

2024
-- Rupees in thousand --

Profit before levies and taxation	788,302
Tax at the applicable rate of 29% (2023: 29%)	228,608
Tax effects of:	
- permanent difference	(4,282)
- income subject to taxation under final tax regime	(2,033)
- super tax	65,917
- excess of minimum tax over corporate tax	77,213
- prior tax	5,978
- others	(18,596)
	<u>352,805</u>

35.2 The income tax assessments of the Company have been finalized up to, and including, the tax year 2023. Tax returns filed by the Company are deemed to be assessed under section 120 of the Income Tax Ordinance, 2001 unless selected for re-assessment or audit by the taxation authorities. However, at any time during a period of five years from the date of filing of a return, the taxation authorities may select an income tax return filed by the Company for the purpose of re-assessment.

2024 **2023**
----- Rupees in '000' -----

36. EARNING / (LOSS) PER SHARE

36.1 Earnings / (loss) per share / basic

Profit / (loss) after taxation	<u>317,323</u>	<u>(133,245)</u>
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----- Numbers in '000' -----

Weighted average number of ordinary shares	<u>50,160</u>	<u>50,160</u>
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Earnings / (loss) per share - basic	<u>6.33</u>	<u>(2.66)</u>
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36.2 Diluted earnings / (loss) per share

There is no dilutive effect on the basic earning /(loss) per share of the Company, since there were no potential ordinary shares in issue as at June 30, 2024 and June 30, 2023.

2024 **2023**
----- Rupees in '000' -----

37. CASH AND CASH EQUIVALENTS

Cash and bank balances	25	281,247	198,665
Short term borrowings - running finance	10	(685,513)	(722,332)
		<u>(404,266)</u>	<u>(523,667)</u>

38. SEGMENT INFORMATION

These financial statements have been prepared on the basis of single reportable segment i.e. sale and manufacturing of cement. The entity-wide disclosures required by IFRS 8 'Operating Segments' are given below:

(a) Revenue from sale of cement represents 100% (2023 : 100%) of the total revenue of the Company.

- (b) 99% (2023: 98%) gross sales of the Company were made to customers based in Pakistan.
- (c) As at June 30, 2024 and June 30, 2023 all non-current assets of the Company were located in Pakistan.
- (d) Revenue earned from two major customer having sales excluding sales tax and federal excise duty of more than 10% of total sales amounted to Rs. 2,698.56 million (2023: Rs. 1,935.04 million). The major customer resides in Pakistan.

39. REMUNERATION OF THE CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

39.1 The aggregate amounts charged in these financial statements in respect of remuneration, including benefits, to the Chief Executive Officer, Directors and executives of the Company are given below:

	June 30, 2024				June 30, 2023			
	Chief Executive	Executive Director	Non-Executive Director	Executives	Chief Executive	Executive Director	Non-executive Director	Executive
	Rupees in '000'							
Managerial remuneration	40,356	-	-	270,813	37,479	-	-	208,375
Retirement benefits	-	-	-	1,520	-	-	-	12,568
Reimbursable perquisites	2,284	-	-	15,162	2,161	-	-	12,008
Meeting fee	-	-	340	-	-	-	155	-
	42,640	-	340	287,495	39,640	-	155	232,951
Number of persons	1	-	6	62	1	-	6	45

39.2 The Chief Executive, and certain Executives are provided with the use of Company maintained cars and reimbursement of certain expenses to the extent of their entitlement.

40. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

The related parties comprise of Frontier Papers Products (Private) Limited, Fecto Cement Nooriabad (Private) Limited key management personnel of the Company and directors and their close family members and staff provident fund. Transactions with related parties during the year other than those disclosed elsewhere in the financial statements are as follows:

Name of the related party	Basis of relationship with the party	Particulars	June 30	
			2024	2023
			Rupees	
		Purchases made during the year	743,553	495,247
		Payments made during the year	715,900	489,928
		Payable against purchases	75,443	47,790
Frontier Paper Products (Private) Limited	Associated Company	Loan disbursed during the year	-	74,500
		Loan repaid during the year	50,905	29,000
		Interest charged on loan	10,774	12,586
		Interest outstanding at year end	4,050	5,101
		Loan outstanding at the end of the year	19,990	70,895
Staff retirement benefit plan - Provident fund	Other related party	Contribution for the year	29,120	25,856
		Balance payable at year end	5,351	5,157

41. FINANCIAL INSTRUMENTS

41.1 Financial risk analysis

The Board of Directors of the Company has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company has exposure to the following risks from its

use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

41.1.1 Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

A financial asset is regarded as credit impaired as and when it falls under the definition of a 'defaulted' financial asset. For the Company's internal credit management purposes, a financial asset is considered as defaulted when it is past due for 90 days or more.

The Company writes off a defaulted financial asset when there remains no reasonable probability of recovering the carrying amount of the asset through available means.

Maximum exposure to credit risk

The maximum exposure to credit risk at the reporting date is as follows:

	June 30, 2024		June 30, 2023	
	Carrying amount	Maximum exposure	Carrying amount	Maximum exposure
----- Rupees in 000 -----				
At amortised cost				
- Long term deposits	10,101	10,101	10,101	10,101
-Long term loans and other receivable	33,082	33,082	6,384	6,384
-Trade debts (a)	478,780	478,780	146,735	146,735
-Long term investment -TFCs	99,920	99,920	99,920	99,920
-Short term loan to a related party	19,990	19,990	70,895	70,895
-Loans, deposits and other receivable	18,359	18,359	50,453	50,453
-Bank balances (b)	280,272	280,272	198,002	198,002
	<u>940,504</u>	<u>940,504</u>	<u>582,490</u>	<u>582,490</u>

Note (a) - Credit risk exposure on trade debts

To reduce the exposure to credit risk the Company has developed a policy of obtaining advance payments from its customers. Except for customers relating to the Government and certain small and medium sized enterprises, the management strictly adheres to this policy. For any balances receivable from such small and medium sized enterprises, the management continuously monitors the credit exposure towards them and makes provisions against those balances considered doubtful of recovery.

As of the reporting date, the ageing analysis of trade debts was as follows:

	June 30, 2024		June 30, 2023	
	Gross carrying amount	Provision for expected credit losses	Gross carrying amount	Provision for expected credit losses
1-90 days	463,438	-	145,875	-
More than 90 days	16,452	1,110	1,740	880
	<u>479,890</u>	<u>1,110</u>	<u>147,615</u>	<u>880</u>

Note (b) - Credit risk exposure on bank balances

The Company's credit risk on liquid funds is limited because the counter parties are banks with reasonably high credit ratings. As of the reporting date, the external credit ratings of the Company's bankers were as follows:

	2024	2023
	Rupees in '000'	
Short term rating		
AAA	-	149,301
AA+	-	39,763
A1+	237,243	-
A-1+	10,203	-
A1	25,712	-
A-2	10	-
A-1	7,104	-
AA	-	78
A	-	7,525
A+	-	1,320
A-	-	15
	280,272	198,002

Concentration of credit risk

Concentration of credit risk arises when a number of financial instruments or contracts are entered into with the same party, or when counter parties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry. As of the reporting date, the Company was exposed to the following concentrations of credit risk:

	June 30, 2024			June 30, 2023		
	Total exposure	Concentration	% of total exposure	Total exposure	Concentration	% of total exposure
	(Rupees in '000')					
Trade debts	478,780	418,785	87%	146,735	82,012	56%
Long term investment	99,920	99,920	100%	99,920	99,920	100%
Short term loan to a related party	19,990	19,990	100%	70,895	70,895	100%
Bank balances	280,272	262,222	94%	198,002	186,147	94%
		800,917			438,974	

41.1.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Company could be required to pay its liabilities earlier than expected or difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The following are the contractual maturities of financial liabilities, including interest payments:

	June 30, 2024					
	Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	One to five years	More than five years
	(Rupees in '000')					
Long term financing	940,546	1,245,161	147,211	141,028	844,381	112,541
Lease liability	39,620	46,463	5,597	22,859	18,007	-
Short term borrowings						
- secured	735,513	735,513	735,513	-	-	-
Accrued markup	38,699	38,699	38,699	-	-	-
Trade and other payables	1,422,058	1,422,058	1,422,058	-	-	-
	3,176,436	3,487,894	2,349,078	163,887	862,388	112,541

	June 30, 2023					
	Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	One to five years	More than five years
	(Rupees in '000')					
Long term financing	1,098,996	1,529,996	128,840	154,024	1,050,233	196,899
Lease liability	76,298	93,190	21,991	11,199	60,000	-
Short term borrowings						
- secured	954,052	954,052	954,052	-	-	-
Accrued markup	54,205	54,205	54,205	-	-	-
Trade and other payables	844,990	844,990	844,990	-	-	-
	3,028,541	3,476,433	2,004,078	165,223	1,110,233	196,899

The contractual cash flows relating to the above financial liabilities have been determined on the basis of mark-up rates effective as at June 30, 2024 (and includes both principal and interest payable thereon).

41.1.3 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

(a) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Foreign Currency risk arises mainly where receivables and payables exist due to transactions entered into foreign currencies. As of the reporting period the Company was not exposed to foreign currency risk.

(b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Majority of the interest rate exposure arises from short and long term borrowings from banks and term deposits with banks. At the balance sheet date the interest rate profile of the Company's interest-bearing financial instruments was as follows:

	2024	2023
	Rupees in '000'	
Financial assets		
Variable rate instruments		
Bank balances - saving and deposit accounts	<u>191,708</u>	<u>99,509</u>
Short term loan to related party	<u>19,990</u>	<u>70,895</u>
Long term investment - TFCs	<u>99,920</u>	<u>99,920</u>

Financial liabilities

Variable rate instruments		
Long term financing - Term Finance II	<u>101,441</u>	<u>170,062</u>
Lease liability - Vehicles	<u>17,281</u>	<u>30,624</u>
Short term borrowings - secured	<u>735,513</u>	<u>954,052</u>

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit and loss. Therefore, a change in interest rates at the reporting date would not affect the profit or loss and equity of the Company.

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have decreased/increase loss before tax by Rs. 5.43 million (2023: Rs. 8.84 million). This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for last year.

(c) Price risk

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market prices (other than those arising from interest/ mark up rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all or similar financial instruments traded in the market. As at June 30, 2024, the Company was not exposed any price risk.

	2024	2023
	Rupees in '000'	
42. Financial instruments by categories		
42.1 Financial assets:		
At amortized cost		
Long term investment in subsidiary	1,000	1,000
Long term deposits	10,101	10,101
Long term loans and advances	30,274	3,466
Long term investment in TFCs	99,920	99,920
Trade debts	478,780	146,735
Short term loan to a related party	19,990	70,895
Loans, advances, deposits and other receivables	18,359	50,453
Cash and bank balances	<u>281,247</u>	<u>198,665</u>
	<u>939,671</u>	<u>581,235</u>

2024 2023
 ————— Rupees in '000' —————

At fair value through other comprehensive income		
Long term investment in associated company	<u>226,800</u>	<u>300,591</u>

42.2 Financial liabilities:

At amortized cost		
Long term financing - secured	940,546	1,098,996
Lease liability	39,620	76,298
Trade and other payables	1,422,058	844,990
Short term borrowings	735,513	954,052
Accrued mark-up	38,699	54,205
	<u>3,176,436</u>	<u>3,028,541</u>

43. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

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

The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Fair value measurements using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

Fair values of assets that are traded in active markets are based on quoted market prices. For all other assets the Company determines fair values using valuation techniques unless the instruments do not have a market \ quoted price in an active market and whose fair value cannot be reliably measured.

Valuation techniques used by the Company include discounted cash flow model. Assumptions and inputs used in the valuation technique mainly include risk-free rate, equity risk premium, long term growth rate and projected rates of increase in revenues, cost of sales, other income and expenses. The objective of valuation techniques is to arrive at a fair value determination that reflects the price of the financial instrument at the reporting date that would have been determined by market participants acting at arm's length.

Valuation models for valuing securities for which there is no active market requires significant unobservable inputs and a higher degree of judgment and estimation in the determination of fair value. Judgment and estimation are usually required for selection of the appropriate valuation model to be used, determination

of expected future cash flows on the financial instrument being valued and selection of appropriate discount rates, etc.

The table below analyses assets measured at fair value at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorized:

	June 30, 2024		
	Level 1	Level 2	Level 3
	Rupees in '000'		
Investment in privately placed TFCs	-	99,920	-
Investment in unquoted ordinary shares of M/s. Frontier Paper Products (Private) Limited	-	-	226,800

	June 30, 2023		
	Level 1	Level 2	Level 3
	Rupees in '000'		
Investment in privately placed TFCs	-	99,920	-
Investment in unquoted ordinary shares of M/s. Frontier Paper Products (Private) Limited	-	-	300,591

44. CAPITAL MANAGEMENT

The management's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The management closely monitors the return on capital along with the level of distributions to ordinary shareholders. The management seeks to maintain a balance between higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

The Company is not subject to any externally imposed capital requirement.

Following is the quantitative analysis of what the Company manages as capital:

	2024	2023
	Rupees in '000'	
Borrowing:		
Long term financing	40,546	1,098,996
Short term borrowings	735,513	954,052
	1,676,059	2,053,048
Shareholders' equity:		
Issued, subscribed and paid up capital	501,600	501,600
General reserves	550,000	550,000
Unappropriated profit	2,755,559	2,438,236
	3,807,159	3,489,836
Total capital managed by the Company	5,483,218	5,542,884

45. RECLASSIFICATION OF CORRESPONDING FIGURES

In these financial statements, the following corresponding figures have been rearranged and reclassified, for the purposes of comparison and better presentation.



Reclassified from component	Reclassified to component	Note	Rupees
Cash and Bank (current account)	Cash and Bank (saving account)	26	<u>74,014</u>

46. GENERAL**46.1 Investments made by the provident fund**

The investments out of the provident fund have been made in accordance with the provisions of Section 218 of the Companies Act, 2017 and the rules formulated for this purpose.

	2024	2023
	Metric Tons	
46.2 Plant capacity and actual production		
Production capacity - Ordinary Portland Cement (OPC)	<u>1,000,000</u>	<u>1,000,000</u>
Production capacity - Clinker	<u>900,000</u>	<u>900,000</u>
Actual production - Ordinary Portland Cement (OPC)	<u>724,209</u>	<u>646,530</u>
Actual production - Clinker	<u>651,048</u>	<u>632,116</u>

46.2.1 The present normal capacity of the Company's manufacturing facility is to produce 3,000 metric tons of Clinker per day. The above disclosed annual production capacity of 900,000 metric tons of Clinker is based on 300 operating days a year.

46.2.2 Actual production is less than the installed capacity due to planned maintenance shut down and gap between market demand and supply.

46.3 Number of employees

	2024	2023
	Rupees in '000'	
Total number of employees as at June 30	<u>330</u>	<u>336</u>
Average number of employees during the year	<u>333</u>	<u>332</u>

46.4 Date of authorization of the financial statements

These financial statements were authorised for issue by the Board of Directors of the Company in their meeting held on 07th October, 2024.

46.5 Level of rounding

Figures in these financial statements have been rounded off to the nearest thousand rupees.



MOHAMMED YASIN FECTO
CHIEF EXECUTIVE



ROHAIL AJMAL
DIRECTOR



MUHAMMAD HANIF IDREES
CHIEF FINANCIAL OFFICER

گیا۔

آڈیٹرز

موجودہ آڈیٹرز میسرز رحمان سرفراز رحیم اقبال رحیم چارٹرڈ اکاؤنٹنٹس سبکدوش ہو چکے ہیں اور اہلیت کے باعث انہوں نے اپنی دوبارہ تقرری کی پیشکش کی ہے۔ بورڈ کی آڈٹ کمیٹی نے سال 30 جون 2024 کے لئے کمپنی کے آئینی آڈیٹرز کی حیثیت سے ان کی تقرری کی سفارش کی ہے اور امید ہے کہ بورڈ بھی آڈٹ کمیٹی کی سفارشات کی توثیق کر دے گا۔

حصص داری کی ساخت

کمپنیز ایکٹ 2017 کی دفعہ (f)(2) 227 کے تقاضوں کے تحت 30 جون 2023 کی حصص داری کی ساخت کا گوشوارہ اس رپورٹ میں شامل کیا گیا ہے۔

اختصاص

مستقبل میں کسی غیر یقینی صورتحال سے نمٹنے، اضافی قرضوں کے بغیر استعداد کے حصول کے لئے سرمایہ جاتی اخراجات کو پورا کرنے اور قرضوں کو کم کرنے کے لئے کمپنی نقدی کے تحفظ کی پالیسی پر گامزن ہے۔ لہذا بورڈ آف ڈائریکٹرز نے اپنے اجلاس منعقدہ 07 اکتوبر 2024 میں سال کے لئے کسی منافع منقسمہ کی ادائیگی کی سفارش نہیں کی۔

اعتراف

ڈائریکٹران اس موقع پر تمام مستفیدان کی قابل قدر معاونت بشمول ملازمین کی انتھک محنت اور جدوجہد، گاہکوں اور وینڈروں کے غیر متزلزل تعاون، نگران اداروں کی مسلسل سرپرستی و رہنمائی اور مالیاتی اداروں کے اعتماد پر ان کے لئے تہنیت ریکارڈ پر لانا چاہتی ہے جس نے کمپنی کی کامیاب کاروباری اور مالیاتی کارکردگی میں بنیادی کردار ادا کیا۔

منجانب بورڈ

ڈائریکٹر

چیف ایگزیکٹو

کراچی: 07 اکتوبر 2024

دوران کمیٹی کا ایک (01) اجلاس ہوا۔

ڈائریکٹران کا ترقیاتی پروگرام

آپ کی کمپنی اپنے بورڈ ممبران کی پیشہ ورانہ ترقی میں گہری دلچسپی رکھتی ہے اور باقاعدگی سے بورڈ کے ممبران کو کارپوریٹ قوانین یا ادارتی نظم و ضبط کے ضابطے میں کسی بھی تبدیلیوں سے آگاہ کرتی ہے۔ اس بات کو یقینی بنایا جاتا ہے کہ بورڈ کے تمام ڈائریکٹران ڈائریکٹرز ٹریننگ سرٹیفیکیشن کے تقاضوں کی پاسداری کریں، لہذا زیادہ تر ڈائریکٹران نے کوڈ کے ضابطے نمبر 19 کے تحت اس کی پاسداری کی ہے۔

ادارتی سماجی ذمہ داری

آپ کی کمپنی ایک ذمہ دار ادارتی شہری ہونے کے ناطے اس کے لئے دن رات کام کرنے والوں، اس کے کام کی جگہ کے اطراف میں رہنے والے لوگوں اور مجموعی طور پر تمام معاشرے کے لئے ہمیشہ اپنی ذمہ داریوں سے عہدہ برآں ہونے کے لئے آگاہ رہتی ہے۔ سال کے دوران کمپنی کی طرف سے کئے گئے اقدامات کی چند جھلکیاں درج ذیل ہیں:

- ☆ قریبی گاؤں میں لڑکیوں کے اسکول کی تعمیر، تزئین و آرائش اور دیکھ بھال و مرمت وغیرہ
- ☆ سینٹ اور افرادی قوت فراہم کر کے مقامی انتظامیہ کے ساتھ مل کر خان پور ڈیم کی نہر کی صفائی میں شرکت
- ☆ قریبی گاؤں میں صاف پانی کی فراہمی جس کے لئے ایک ذخیرہ گاہ اور پانی کی پائپ لائن کمپنی نے تعمیر کی۔ کمپنی نے ایک بجلی کا پمپ پانی کی مسلسل فراہمی کے لئے نصب کیا ہے۔
- ☆ کمپنی نے صحت، سماجی بہبود اور تعلیم کے لئے 6.44 ملین روپے کے عطیات دیئے ہیں۔

قومی خزانے میں معاونت

سال کے دوران کمپنی نے سیلز ٹیکس، فیڈرل ایکسائز ڈیوٹی اور انکم ٹیکس کی مد میں 2,520 ملین روپے کی قومی خزانے میں معاونت کی۔ سینٹ کی برآمدات کے ذریعے کمپنی ملک میں 0.5 ملین یو ایس ڈالر کا زرمبادلہ بھی لائی۔ اس کے علاوہ کمپنی اپنے مختلف وینڈروں اور ملازمین سے انکم ٹیکس اور سیلز ٹیکس کی وصولی اور کٹوتی کر کے ریونیو اداروں کی طرف سے بطور تھ ہولڈنگ ایجنٹ کام کر کے قومی اور صوبائی خزانے میں معاونت کرتی ہے۔

ادارے کی قرضہ جاتی ریٹنگ

پاکستان کریڈٹ ریٹنگ ایجنسی نے کمپنی کو مستحکم منظر نامے کے ساتھ طویل مدتی ریٹنگ -A اور قلیل مدتی ریٹنگ A2 تفویض کی ہے۔

صنعتی تعلقات

کمپنی اس بات پر یقین رکھتی ہے کہ جو لوگ اس کے لئے کام کرتے ہیں وہ اس کا بہترین اثاثہ ہیں اور انہیں تمام سہولیات فراہم کرنے کے لئے مسلسل کوشاں رہتی ہے۔ تاہم انتظامیہ اور ملازمین کے تعلقات ہمیشہ سے خوشگوار رہے ہیں اور کمپنی میں کبھی کسی صنعتی بد امنی کا مشاہدہ نہیں کیا

2	مسٹر عامر غنی
4	مسٹر روحیل اجمل
2	مسٹر انور حبیب
4	مسٹر خالد یعقوب
4	مسٹر جمیل احمد خان
0	مس سائرہ ابراہیم باوانی

جوڈائریکٹران اجلاس میں شرکت نہ کر سکے ان کی رخصت منظور کر لی گئی۔

نان ایگزیکٹو ڈائریکٹران کے معاوضہ کی پالیسی

کمپنی کے تمام ڈائریکٹران ننان ایگزیکٹو ڈائریکٹران ہیں سوائے چیف ایگزیکٹو آفیسر کے۔ بورڈ آف ڈائریکٹرز نے اپنے اجلاسوں میں چیف ایگزیکٹو آفیسر کا مشاہرہ منظور کیا ہے۔ ننان ایگزیکٹو ڈائریکٹران کو بورڈ اور اس کی کمیٹیوں کے اجلاس میں حاضری پر منظور شدہ پالیسی کے تحت مشاہرہ ادا کیا جاتا ہے۔ چیف ایگزیکٹو آفیسر اور ننان ایگزیکٹو ڈائریکٹران کو ادا کئے گئے مشاہرے کی تفصیل مالیاتی گوشواروں کے نوٹ نمبر 40 میں دی گئی ہے۔

بورڈ کی کمیٹیاں

آڈٹ کمیٹی

آپ کی کمپنی کے بورڈ آف ڈائریکٹرز نے لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 کے ضابطہ نمبر 27 کے تقاضوں کے تحت بورڈ کی آڈٹ کمیٹی تشکیل دی ہے۔ کمیٹی کی ذمہ داریوں سے بورڈ کے ہر ممبر کو آگاہ کر دیا گیا ہے۔ کمیٹی کے دو ممبران آزاد ڈائریکٹرز ہیں جبکہ مسٹر روحیل اجمل (سعودی پاک انڈسٹریل اینڈ ایگریکلچرل انویسٹمنٹ کمپنی لمیٹڈ کے نامزد کردہ) ایک ننان ایگزیکٹو ڈائریکٹرز ہیں۔

سال کے دوران کمیٹی کے چار اجلاس ہوئے جن میں ہر ممبر کی حاضری درج ذیل رہی:

حاضری

4	چیرمین	مسٹر جمیل احمد خان
2	ممبر	مسٹر محمد انور حبیب
4	ممبر	مسٹر روحیل اجمل

انسانی وسائل و معاوضہ کمیٹی

بورڈ آف ڈائریکٹرز نے لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 کے ضابطہ نمبر 28 کے تقاضوں کے تحت اس کمیٹی کو تشکیل دیا ہے جس کے تین ممبران ہیں جو کہ تمام آزاد ڈائریکٹران ہیں۔ کمیٹی کی ذمہ داریوں سے بورڈ کے ممبران کو باضابطہ آگاہ کر دیا گیا ہے۔ سال کے

10 - عمومی اور روزمرہ نوعیت کے ٹیکسوں، محصولات اور چارجز کے علاوہ کوئی آئینی ادائیگی واجب الادا نہیں ہے اور انہیں مالیاتی گوشواروں میں منکشف کر کے شامل کیا گیا ہے۔

چھ سالوں کے اہم کاروباری اور مالیاتی اعداد و شمار اس رپورٹ میں شامل کئے گئے ہیں۔

اندرونی مالیاتی گرفت کے نظام کی موزونیت

کمپنی کے کاروبار کو موثر انداز میں چلانے، تمام اثاثوں کے تحفظ اور لاگو قوانین و ضوابط پر عمل اور قابل اعتماد اور بروقت رپورٹنگ کے لئے کمپنی کے بورڈ آف ڈائریکٹرز نے ایک موثر اور مستعد اندرونی مالیاتی گرفت کا نظام قائم کیا ہے۔ انٹرنل آڈٹ ڈیپارٹمنٹ موزوں اور تعلیم یافتہ عملے سے لیس ہے جو کہ مسلسل اندرونی گرفت کے نظام اور اس کی اثر پذیری کا جائزہ لیتا رہتا ہے۔ انٹرنل آڈٹ ڈیپارٹمنٹ نظام میں موجود کمزوریوں کی شناخت کر کے انہیں بورڈ کے روبرو پیش کرنے کا ذمہ دار ہے اور کسی بھی انحراف، اس کی اصلاح اور بہتریوں کے لئے بروقت انداز میں آڈٹ کمیٹی کو تجاویز پیش کرتا ہے جو کہ ان کے مطابق اصلاحی اقدامات کرتی ہے۔

ملحقہ فریقین کے ساتھ سودے

سال کے دوران ملحقہ فریقین کے ساتھ سودے عمومی طریقہ کار کے مطابق انجام پائے اور ایکٹ اور متعلقہ ضوابط کے تحت آڈٹ کمیٹی اور بورڈ نے باضابطہ منظور کئے۔ ملحقہ فریقین سے کئے گئے سودوں کی تفصیلات مالیاتی گوشواروں کے نوٹ نمبر 41 اور متعلق نوٹس میں فراہم کی گئی ہیں۔

بورڈ کی تشکیل بندی

جنس، تعلیم، تجربے اور مہارت کا متنوع مرکب بورڈ کی اثر پذیری میں اضافہ کرتا ہے۔ ہمارے بورڈ کی تشکیل میں تمام اقسام کے حصص یافتگان کی نمائندگی ہوتی ہے اور یہ درج ذیل پر مشتمل ہے:

آزاد ڈائریکٹران خالد یعقوب

عامر غنی

جمیل احمد خان

محمد انور حبیب

روحیل اجمل

سائرہ ابراہیم باوانی (خاتون)

محمد یاسین فیکو

نان ایگزیکٹو ڈائریکٹران

ایگزیکٹو ڈائریکٹران

بورڈ کے اجلاس

سال کے دوران بورڈ آف ڈائریکٹرز کے چار (04) اجلاس ہوئے۔ ہر ڈائریکٹر کی حاضری درج ذیل رہی:

حاضری

3

مسٹر محمد یاسین فیکو

مستقبل کی پیش بینی

GDP کے لحاظ سے ٹیکس کی زیریں شرح کی وجہ سے حکومت کی مالیاتی صلاحیت دباؤ کا شکار رہے گی جس کے نتیجے میں مزید ٹیکس اقدامات سے کاروباری سرگرمی متاثر ہوگی اور سیمنٹ کی مجموعی طلب پر اثرات مرتب ہونگے۔ IMF پروگرام کے کامیاب نفاذ، عالمی منڈیوں میں گرتی ہوئی ایندھن کی قیمتیں اور شرح سود میں کمی مفید کارگر ہونگی۔ تاہم ملک میں مسلسل سیاسی عدم استحکام اور سیاسی و جغرافیائی محاذ پر غیر یقینی صورتحال سے ناموافق اثرات مرتب کر سکتے ہیں۔

کمپنی کی انتظامیہ متوقع دشواریوں سے آگاہ ہے اور مصنوعات کے معیار، کسٹمر سروس، کاروباری استعداد اور لاگتوں میں کمی کو برقرار رکھنے پر توجہ مرکوز کرتے ہوئے فروخت اور خالص منافع میں اضافے کے لئے کوشاں ہے۔

ادارتی نظم و ضبط

لسڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 اور پاکستان اسٹاک ایکسچینج رول بک کے تحت کمپنی کے ڈائریکٹران اپنی ذمہ داریوں سے آگاہ ہیں۔ آپ کی کمپنی نے اچھے اداری نظم و ضبط اور ضابطے کی مکمل پاسداری کو یقینی بنانے کے لئے تمام ضروری اقدامات کئے ہیں اور تصدیق کی جاتی ہے کہ:

- 1 کمپنی کی انتظامیہ کے تیار کردہ مالیاتی گوشوارے اس کے معاملات کی حالات، آپریشنز کے نتائج، نقدی کے بہاؤ اور ایکویٹی میں تبدیلیوں کو شفاف انداز سے پیش کرتے ہیں۔
- 2 کمپنی میں حسابات کی کتابیں قانون کے مطابق مرتب کی گئی ہیں۔
- 3 بورڈ کی منظوری سے قبل چیف ایگزیکٹو اور چیف فنانشل آفیسر نے باضابطہ مالیاتی گوشواروں کی توثیق کی۔
- 4 موزوں حساباتی پالیسیوں کو تسلسل کے ساتھ مالیاتی گوشواروں کی تیاری کے دوران ملحوظ خاطر رکھا گیا ہے اور حساباتی تخمینوں کی بنیاد معقول اور مضبوط فیصلوں پر ہے۔
- 5 مالیاتی گوشواروں کی تیاری کے دوران عالمی مالیاتی رپورٹنگ معیارات، جو پاکستان میں لاگو ہیں ملحوظ خاطر رکھا گیا ہے اور کسی بھی انحراف کو موزوں طور پر منکشف کیا گیا ہے اور اس کی وضاحت کی گئی ہے۔
- 6 اندرونی گرفت کے نظام کی شکل مضبوط ہے اور موثر انداز میں نافذ العمل ہے اور اس کی نگرانی کی جاتی ہے۔
- 7 کمپنی کی چلتے ہوئے ادارے کی صلاحیت میں کوئی قابل ذکر شک و شبہ نہیں ہے۔
- 8 حصص داری کی ساخت کا گوشوارہ اس رپورٹ کے حصے کے طور شامل کیا گیا ہے جس میں ملحقہ اداروں اور ملحقہ افراد کی حصص داری علیحدہ سے منکشف کی گئی ہے۔
- 9 پروویڈنٹ فنڈ ٹرسٹ کے سال مختتمہ 30 جون 2024 کے غیر آڈٹ مالیاتی گوشواروں کے مطابق پروویڈنٹ فنڈ سے کی گئی سرمایہ کاریوں کی مالیت 566 ملین روپے (2023 کے آڈٹ شدہ مالیاتی گوشواروں کے مطابق 552 ملین روپے) ہے۔

----	(133,245)	317,323	منافع / (خسارہ) بعد از ٹیکس
----	(2.66)	6.33	فی حصص آمدن / (خسارہ) فی حصص

فروخت کی آمدن

زیر جائزہ سال کے دوران کمپنی کا حجم فروخت گزشتہ سال کے 641,956 ملین ٹن سے بڑھ کر 725,054 ملین ٹن رہا یعنی 12.94 فیصد اضافہ ہوا جس کے نتیجے میں فروخت کی آمدن میں 25.64 فیصد اضافہ ہوا جو کہ گزشتہ سال کے 8,682 ملین روپے کے مقابلے میں بڑھ کر 10,908 ملین روپے رہی۔ لاگتوں میں اضافے سے مقامی مارکیٹ کی فروخت کی قیمتوں میں اضافہ ہوا۔ بہتر عمومی قیمتوں کی وجہ سے فروخت میں اضافہ میں معاونت ہوئی۔

مجموعی حجم فروخت میں مقامی حجم فروخت کا حصہ 96.56 فیصد سے بڑھ کر 98.31 فیصد ہو گیا۔ کمپنی کی برآمدی فروخت میں 44.43 فیصد کمی ہوئی یعنی گزشتہ سال کے 22,107 ٹن کے مقابلے میں کم ہو کر 12,285 ٹن رہ گئی اور اسی طرح آمدنی میں 43.54 فیصد کمی ہوئی جو کہ 249.79 ملین روپے سے کم ہو کر 141.03 ملین روپے رہی۔ عالمی منڈیوں میں زیادہ پرکشش قیمتیں نہ ہونے کی وجہ سے برآمدی فروخت کا حجم تنزلی کا شکار رہا۔

منافع

زیر جائزہ سال کے دوران کمپنی کی لاگت فروخت میں 13.25 فیصد کا اضافہ ہوا جس کی بنیادی وجوہات میں حجم فروخت میں 12.94 فیصد اضافہ، توانائی کے بلند نرخ اور افراط زر میں اضافے کا رجحان شامل تھیں تاہم کونکے کی سازگار قیمتوں، لاگتوں میں کمی اور بہتر کارکردگی کے اقدامات اور پیداواری گنجائش کے بہتر استعمال سے ان اثرات میں کمی ہوئی جس کے نتیجے میں خام منافع 13.11 فیصد رہا جبکہ گزشتہ سال 3.60 فیصد تھا۔

تنخواہوں اور اجرتوں میں اضافے کی وجہ سے انتظامی اخراجات اور تنقیمی لاگتوں میں 12.72 فیصد اضافہ ہوا۔

سال کے دوران کمپنی نے اپنے پلانٹ مشینری کی بقایا قابل استفادہ مدت کی تشخیص کے لئے ایک آزاد غیر ملکی کنسلٹنٹ کی خدمات حاصل کیں جس نے 2007 میں کی گئی 7 سے 23.5 سال کی تشخیص کے بجائے استفادہ کی مدت 25 سال تشخیص کی جس کے نتیجے میں فرسودگی (Depreciation) کی لاگت میں 174.77 ملین روپے کمی ہوئی۔

مالیاتی لاگتوں (سرکاری گرانٹس کی ادائیگی کے بعد) میں گزشتہ سال کے مقابلے میں 9.52 فیصد کمی ہوئی جس کی بنیادی وجہ رواں سرمائے کا بہتر انتظام تھا جس کے نتیجے میں گزشتہ سال کے اختتام کے مقابلے میں اس سال کے اختتام پر قرضوں کی سطح میں 20 فیصد کمی ہوئی۔

دیگر آمدن میں 60 فیصد کمی ہوئی جس کی بنیادی وجہ سرمایہ شدہ جائیداد پر سرمایہ جاتی منافع (گزشتہ سال 77.77 ملین) اور ٹرم فنانس سرٹیفکیٹس پر مارک اپ سال کے دوران بک نہیں کئے گئے جیسا کہ مالیاتی گوشواروں کے نوٹ 19.3 میں وضاحت کی گئی ہے۔

اس سال WPPF نکالنے کے بعد کمپنی کا منافع قبل از ٹیکس 748 ملین روپے رہا جبکہ گزشتہ سال محصولات اور ٹیکس نکالنے کے بعد خسارہ

مستقبل کی پیش بینی

GDP کے لحاظ سے ٹیکس کی زیریں شرح کی وجہ سے حکومت کی مالیاتی صلاحیت دباؤ کا شکار رہے گی جس کے نتیجے میں مزید ٹیکس اقدامات سے کاروباری سرگرمی متاثر ہوگی اور سیمنٹ کی مجموعی طلب پر اثرات مرتب ہونگے۔ IMF پروگرام کے کامیاب نفاذ، عالمی منڈیوں میں گرتی ہوئی ایندھن کی قیمتیں اور شرح سود میں کمی مفید کارگر ہوگی۔ تاہم ملک میں مسلسل سیاسی عدم استحکام اور سیاسی و جغرافیائی محاذ پر غیر یقینی صورتحال سے ناموافق اثرات مرتب کر سکتے ہیں۔

کمپنی کی انتظامیہ متوقع دشواریوں سے آگاہ ہے اور مصنوعات کے معیار، کسٹمر سروس، کاروباری استعداد اور لاگتوں میں کمی کو برقرار رکھنے پر توجہ مرکوز کرتے ہوئے فروخت اور خالص منافع میں اضافے کے لئے کوشاں ہے۔

ادارتی نظم و ضبط

لنڈن لیکنسٹر (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 اور پاکستان اسٹاک ایکچینج رول بک کے تحت کمپنی کے ڈائریکٹران اپنی ذمہ داریوں سے آگاہ ہیں۔ آپ کی کمپنی نے اچھے اداری نظم و ضبط اور ضابطے کی مکمل پاسداری کو یقینی بنانے کے لئے تمام ضروری اقدامات کئے ہیں اور تصدیق کی جاتی ہے کہ:

- 1 کمپنی کی انتظامیہ کے تیار کردہ مالیاتی گوشوارے اس کے معاملات کی حالات، آپریشنز کے نتائج، نقدی کے بہاؤ اور ایکویٹی میں تبدیلیوں کو شفاف انداز سے پیش کرتے ہیں۔
- 2 کمپنی میں حسابات کی کتابیں قانون کے مطابق مرتب کی گئی ہیں۔
- 3 بورڈ کی منظوری سے قبل چیف ایگزیکٹو اور چیف فنانشل آفیسر نے باضابطہ مالیاتی گوشواروں کی توثیق کی۔
- 4 موزوں حساباتی پالیسیوں کو تسلسل کے ساتھ مالیاتی گوشواروں کی تیاری کے دوران ملحوظ خاطر رکھا گیا ہے اور حساباتی تخمینوں کی بنیاد معقول اور مضبوط فیصلوں پر ہے۔
- 5 مالیاتی گوشواروں کی تیاری کے دوران عالمی مالیاتی رپورٹنگ معیارات، جو پاکستان میں لاگو ہیں کو ملحوظ خاطر رکھا گیا ہے اور کسی بھی انحراف کو موزوں طور پر منکشف کیا گیا ہے اور اس کی وضاحت کی گئی ہے۔
- 6 اندرونی گرفت کے نظام کی شکل مضبوط ہے اور موثر انداز میں نافذ العمل ہے اور اس کی نگرانی کی جاتی ہے۔
- 7 کمپنی کی چلتے ہوئے ادارے کی صلاحیت میں کوئی قابل ذکر شک و شبہ نہیں ہے۔
- 8 حصص داری کی ساخت کا گوشوارہ اس رپورٹ کے حصے کے طور پر شامل کیا گیا ہے جس میں ملاحظہ اداروں اور ملاحظہ افراد کی حصص داری علیحدہ سے منکشف کی گئی ہے۔
- 9 پروویڈنٹ فنڈ ٹرسٹ کے سال ختم 30 جون 2024 کے غیر آڈٹ مالیاتی گوشواروں کے مطابق پروویڈنٹ فنڈ سے کی گئی سرمایہ کاریوں کی مالیت 566 ملین روپے (2023 کے آڈٹ شدہ مالیاتی گوشواروں کے مطابق 552 ملین روپے) ہے۔

پیداوار اور فروخت

گزشتہ سال کے مقابلے میں اس سال کمپنی کی پیداوار اور ترسیلات درج ذیل رہیں:

----- ٹن -----			
تبدیلی (فیصد)	2023	2024	
			پیداوار
3.00	632,116	651,048	کلنکر
12.01	646,530	724,209	سیمنٹ
			ترسیلات (فروخت)
14.99	619,849	712,769	مقامی
(44.43)	22,107	12,284	برآمدی
12.94	641,956	725,053	کل

پیداوار میں اضافہ کی وجوہات گاہکوں کی طلب، پیداواری گنجائش کا بہتر استعمال اور فی یونٹ جامد لاگتوں میں کمی ہے۔ سال کے دوران شمال میں واقع پلانٹس سے آپ کی کمپنی کے مارکیٹ کے حصے میں 15.79 فیصد اضافہ ہوا یعنی گزشتہ سال کے 1.90 فیصد اضافے کے مقابلے میں اس سال 2.20 فیصد اضافہ ہوا۔ اس نمونے کمپنی کی مقامی مارکیٹ میں مستحکم پوزیشن کی عکاسی ہوتی ہے۔

مالیاتی کارکردگی

گزشتہ سال کے مقابلے میں زیرجائزہ سال میں کمپنی کی کارکردگی درج ذیل رہی:

EPS کے سوا "000" میں روپے			
تبدیلی فیصد میں	2023	2024	
27.69	8,432,393	10,767,088	خالص فروخت - مقامی
(43.54)	249,790	141,030	خالص فروخت - برآمدی
25.64	8,682,183	10,908,118	کل خالص فروخت
13.25	8,369,763	9,478,553	فروخت کی لاگت
357.58	312,420	1,429,565	خام منافع
----	(172,929)	788,302	منافع / (خسارہ) قبل از ٹیکس

فیکو سیمنٹ لمیٹڈ

ڈائریکٹرز رپورٹ برائے ممبران

محترم ممبران

کمپنی کے ڈائریکٹران آپ کی کمپنی کی سالانہ رپورٹ کے ساتھ آڈٹ شدہ مالیاتی گوشوارے برائے مختتمہ سال 30 جون 2024 پیش کرتے ہوئے اظہار مسرت کرتے ہیں۔

یہ رپورٹ کمپنیز ایکٹ 2017 کی دفعہ 227 اور سٹیک ہولڈرز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 (دی ریگولیشنز) کے تقاضوں کے تحت تیار کی گئی ہے اور حصص یافتگان کو کمپنی کے 28 اکتوبر کو ہونے والے سالانہ اجلاس عام میں پیش کیا جائے گا۔

چائنہ

سال کے دوران معاشی دشواریاں بشمول افراط زر خاص طور پر بجلی کی بڑھتی ہوئی لاگتوں اور بلند شرح سود کا مشاہدہ کیا گیا جس کے نتیجے میں نمو زیریں سطح پر رہی۔ معاشی عدم استحکام اور ٹیکس قوانین میں عدم توازن نے مجموعی طور پر کاروبار کرنے کی لاگت میں اضافہ کیا۔ درآمدات کو قابو کرنے اور ترسیلات زر کی معاونت اور بیرونی قرضوں کی آمد سے کرنسی نسبتاً مستحکم رہی۔

آپ کی کمپنی کی حکمت عملی کا مرکز استعداد میں اضافہ، لاگت میں کمی اور کسٹمر پر مرکوز رسائی ہے جس کے نتیجے میں دشواریاں معاشی ماحول کے باوجود سال کے دوران مثبت نتائج حاصل ہوئے۔

صنعتی کارکردگی

زیر چائنہ سال کے دوران صنعت کی مجموعی ترسیلات میں 1.60 فیصد اضافہ ہوا یعنی کل حجم فروخت 45.29 ملین ٹن رہا جو کہ گزشتہ سال 44.58 ملین ٹن تھا، اضافہ کی وجہ برآمدی فروخت میں 55.71 اضافہ تھا جو کہ گزشتہ سال کے 4.57 ملین ٹن کے مقابلے میں بڑھ کر 7.10 ملین ٹن ہو گئی۔ تاہم صنعت میں سست روی کی وجہ سے مقامی فروخت میں 4.58 فیصد کمی ہوئی اور گزشتہ سال کے 40.02 ملین ٹن کے مقابلے میں کم ہو کر 38.19 ملین ٹن رہی۔

شمال میں واقع پلانٹس کا مجموعی حجم فروخت کم ہو کر 33.00 ملین ٹن رہا جبکہ گزشتہ سال 33.85 ملین ٹن تھا یعنی 2.51 فیصد کمی دیکھی گئی۔ شمال میں واقع پلانٹس کا مقامی حجم فروخت میں 31.55 ملین ٹن رہا جو کہ گزشتہ سال 32.78 ملین ٹن تھا یعنی 3.77 فیصد کمی دیکھی گئی جبکہ برآمدات 1.46 ملین ٹن رہیں جو کہ گزشتہ سال 1.07 ملین ٹن تھیں یعنی 36.22 فیصد اضافہ ہوا۔

جنوب میں واقع پلانٹس کا کل حجم فروخت بڑھ کر 12.29 ملین ٹن رہا جو کہ گزشتہ سال 10.73 ملین ٹن تھا یعنی 14.53 فیصد اضافہ ہوا۔ جنوب میں واقع پلانٹس کا مقامی حجم فروخت 6.64 ملین ٹن رہا جو کہ گزشتہ سال 7.24 ملین ٹن تھا یعنی 8.25 فیصد کمی ہوئی جبکہ برآمدی فروخت بڑھ کر 5.65 ملین ٹن رہی جو کہ گزشتہ سال 3.50 ملین ٹن تھی یعنی 61.67 فیصد اضافہ ہوا۔

FORM OF PROXY

Annual Report 2024

The Company Secretary
The Fecto Cement Limited
Plot # 60-C, Khayaban-e-Shahbaz
Phase VI, Defence Housing Authority
Karachi-75500

I/We _____
of (full address) _____

being member of FECTO CEMENT LIMITED holding _____ ordinary shares as
per Share Register Folio No. _____ and/or CDC Participant I.D. No. _____ and
Sub-Account No. _____ hereby appoint _____
of (full address) _____

or failing him/her _____
of (full address) _____ who is
also a member of Fecto Cement Limited, as my/our proxy in my/our absence to attend and vote for me/us and on my/our behalf at annual general meeting of the company to be held on Monday, October 28, 2024 at 12:00 noon and / or any adjournment thereof.

Signature this _____ year 2024.
(day) (date, month)

Witnesses:

1. Signature: _____
Name _____
Address _____
CNIC No. _____

2. Signature: _____
Name _____
Address _____
CNIC No. _____

Signature

Signature of members
should match with the
specimen signature
registered with the
company

Important:

1. In order to be effective, this form of proxy duly completed, stamped, signed and witnessed along with power of attorney, or other instruments (if any), must be deposited at the registered office of the company at Plot # 60-C, Khayaban-e-Shahbaz, Phase VI, Defence Housing Authority, Karachi-75500 at least 48 hours before the time of the meeting.
2. If a member appoints more than one proxy and more than one form of proxy are deposited by a member with the company, all such forms of proxy shall be rendered invalid.
3. In case of proxy for an individual beneficial owner of shares from CDC, attested copies of beneficial owner's computerized national identity card (CNIC) or passport, account and participant's ID numbers must be deposited along with the form of proxy. In case of proxy for representative of corporate members from CDC, board of directors' resolution and power of attorney and the specimen signature of the nominee must be deposited along with the form of proxy. The proxy shall produce his / her original CNIC or passport at the time of meeting



پراکسی فارم

جناب کمپنی سیکریٹری

وی فیکو سینٹ لمیٹڈ

پلاٹ نمبر C-60، خیابان شہباز

فیز VI، ڈیفنس ہاؤسنگ اتھارٹی

کراچی 75500

میں/ہم

سکنہ (کامل پتہ)

فیکو سینٹ کمپنی لمیٹڈ کے ممبر ہونے ناٹے _____ عمومی حصص کے حامل ہوں/ہیں

بذریعہ شیئر رجسٹر فوئیو نمبر _____ اور/یا CDC شرکاء شناختی نمبر _____ اور ذیلی اکاؤنٹ نمبر _____

اپنی طرف سے _____ حصص یا فیصد کے دستخط _____

سکنہ (کامل پتہ)

یا ان کی جگہ

سکنہ (کامل پتہ)

کو بطور پراکسی مقرر کرتا/کرتے ہیں جو کہ فیکو سینٹ لمیٹڈ کے ممبر بھی ہیں کہ وہ میری/ہماری غیر موجودگی میں میری/ہماری طرف سے پیر 28 اکتوبر 2024 کو 12:00 بجے دوپہر ہونے والے سالانہ اجلاس عام اور اجلاس ملتوی ہونے کی صورت میں اگلے اجلاس میں حاضر ہوں اور ووٹ دیں۔

دستخط آج _____ سال 2024



دستخط

ممبران کے دستخط کمپنی کے

ریکارڈ میں موجود نمونہ

دستخط سے مماثل ہونے چاہئیں

(تاریخ، مہینہ)

(دن)

گواہان

1 دستخط _____

نام _____

پتہ _____

CNIC نمبر _____

2 دستخط _____

نام _____

پتہ _____

CNIC نمبر _____

اہم گزارشات

۱- پراکسی فارم کے موثر ہونے کے لئے ضروری ہے کہ یہ باضابطہ پر شدہ، دستخط شدہ ہو اور پراکسی گواہان کے دستخط کے ساتھ پاور آف اٹارنی یا کوئی دیگر دستاویز (اگر کوئی ہو) لازمی طور پر کمپنی کے رجسٹرڈ آفس واقع پلاٹ نمبر C-60، خیابان شہباز، فیز VI، ڈیفنس ہاؤسنگ اتھارٹی، کراچی 75500 پر اجلاس سے کم از کم 48 گھنٹے قبل فراہم کر دیا جائے۔

۲- اگر کوئی ممبر ایک سے زیادہ پراکسی مقرر کرتا ہے اور ایک سے زیادہ پراکسی فارم کمپنی میں جمع کراتا ہے تو ایسے تمام پراکسی فارم باطل تصور کئے جائیں گے۔

۳- CDC میں حصص کے انفرادی انتفاعی مالک کے پراکسی کی صورت میں انتفاعی مالکان کے کمپیوٹرائزڈ قومی شناختی کارڈ (CNIC) یا پاسپورٹ کی مصدقہ نقول اکاؤنٹ اور شرکاء

شناختی نمبر کے ساتھ لازمی طور پر پراکسی فارم کے ساتھ جمع کروائے جائیں۔ CDC سے کارپوریٹ ممبران کے نمائندے کے پراکسی کی صورت میں پراکسی فارم کے ساتھ بورڈ

آف ڈائریکٹرز کی قرارداد اور مختیار نامہ اور نامزد فرد کے نمونہ دستخط لازمی طور پر پراکسی فارم کے ساتھ جمع کرائے جائیں۔ پراکسی اپنا اصل CNIC / پاسپورٹ اجلاس میں

حاضری کے وقت پیش کرے گا/کرے گی۔



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