



# **FECTO CEMENT LIMITED**

*Cementing a Greener Future*

## **HALF YEARLY REPORT DECEMBER 31, 2025**

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## COMPANY INFORMATION

### COMPANY INFORMATION

#### BOARD OF DIRECTORS

Mr. Jamil Ahmed Khan Chairman  
Mr. Mohammed Yasin Fecto Chief Executive  
Mrs. Lubna Yasin  
Mr. Juwad Saboor  
Mr. Rohail Ajmal  
Mr. Ahmed Mujtaba Memon  
Mr. Safdar Abbas Morawala

#### CHIEF FINANCIAL OFFICER

Mr. Abdul Wahab, FCA

#### COMPANY SECRETARY

Mr. Tariq Iqbal Bawani, FCCA

#### 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, Defense 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. Ahmed Mujtaba Memon, Chairman  
Mr. Rohail Ajmal  
Mr. Safdar Abbas Morawala

#### HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Safdar Abbas Morawala, Chairman  
Mr. Rohail Ajmal  
Mr. Juwad Saboor

#### AUDITORS

BDO Ebrahim & Co.  
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  
United Bank Limited  
National Bank of Pakistan  
Allied Bank Limited  
MCB Bank Limited  
The Bank of Khyber

#### WEBSITE:

[www.fectogroup.com](http://www.fectogroup.com)



## DIRECTORS' REVIEW

Dear Members,

The Directors of your company are pleased to present before you their review report for the half year ended December 31, 2025.

### ECONOMIC OVERVIEW

During the half year ended and second quarter of FY 2025-26, Pakistan's economy demonstrated further signs of stabilization, strengthened fiscal management, and improving macroeconomic indicators. Inflationary pressures eased gradually, external account conditions remained manageable, and investor sentiment showed measured improvement. Economic activity gained modest momentum across key sectors, with agriculture maintaining resilience, industrial output benefiting from improved energy availability and cost stability, and the services and trade sectors reflecting cautious but sustained recovery. These indicators reflect the impact of prudent monetary and fiscal measures undertaken during the period. However, while macroeconomic conditions have improved, the resultant effects on real economic activity and overall business confidence are expected to materialize gradually in the coming periods. Consequently, GDP growth for FY 2026 is projected in the range of approximately 2.6% to 3.6%, indicating a gradual yet broad-based economic recovery.

After achieving its first full-year current account surplus in 14 years (USD 2.1 billion in FY 2024-25), Pakistan recorded a current account deficit of approximately USD 437 million during the second quarter of FY 2025-26 (October-December 2025) and a cumulative deficit of USD 1174 million for the half year ended December 2025 (July - December 2025), compared to a surplus of USD 1660 million (October -December 2024) and a cumulative surplus of USD 1210 million (July - December 2024) in the corresponding period last year respectively, as industry demand and industrial activity recovered and imports expanded resulting in widening of current account deficit, while external balances remained manageable amid continued remittance support, having inflows of 19.7 billion, up from 17.8 billion as compared to same period last year. Foreign exchange reserves with State Bank of Pakistan ("SBP") remained stable at USD 21.01 billion by the end of December 2025.

Inflation continued to ease during the half year ended December 31, 2025, reflecting the combined impact of disciplined fiscal management, moderation in global commodity prices, and sustained monetary stability. Average annual inflation, which stood at 29.1% in FY 2023, declined to 23.4% in FY 2024 and further moderated to 4.6% in FY 2025, maintaining a clear downward trajectory. For the half yearly ended December 2025, average inflation declined to 5.2%, compared to 7.3% in the corresponding period last year, indicating improved currency stability and easing supply-side pressures.

Monetary conditions continue to ease during the period, with policy rate reduced by 50 basis points to 10.5%. The cautious and gradually easing monetary stance supported investor confidence, improved financial planning, and enabled a more enabling environment for sustainable economic growth.



Overall, the macroeconomic outlook remains cautiously optimistic, with consistency in policies, contained inflation, and relatively stable external account conditions.

#### CEMENT INDUSTRY OVERVIEW

In line with the improving macroeconomic indicators, the overall performance of the cement industry showed a notable recovery during the half year ended December 2025 compared to the corresponding period last year. The Overall Industry volumes for the half year ended December 31, 2025 stood at 25.783 million tons as compared to 23.510 million tons for the corresponding period last year representing an increase of 9.67%. Domestic cement dispatches for the half year ended increased by 13.11%, reaching 21.152 million tons against 18.700 million tons in the same period last year, reflecting broad-based improvement across both the North and South Zones.

Export volumes declined by 3.73% in the first half of FY 2025-26 (FY 2026 4.631 tons v FY 2025 4.810 tons). Southern manufacturers maintained their strong export orientation, with exports making up 54.15% of their total dispatches, only slightly lower than 55.38% a year earlier. In contrast, northern producers remained focused on the domestic market, with exports accounting for just 4.32% of their dispatches compared to 5.97% last year, indicating consistent focus on exports by the Southern manufacturers.

Capacity utilization across the sector, however, remained below optimal levels, averaging between 50% and 60%, reflecting persistent overcapacity particularly in the North Zone; in contrast, Fecto Cement Limited maintained capacity utilization exceeding 90% during the period, demonstrating strong operational efficiency, effective demand management and sustained market presence

Total industry dispatches during the quarter stood at 13.239 million tons, compared to 13.049 million tons in the corresponding quarter last year, reflecting a 1.46% quarter-to-quarter increase, driven primarily by steady domestic demand recovery.

The North Zone showcased notable expansion as the total dispatches increased by 12.68% to 18.723 million tons from 16.616 million tons in the same period last year. Domestic sales in the North rose by 14.67% to 17.915 million tons from 15.623 million tons, while exports decreased by 18.53% to 0.809 million tons from 0.992 million tons.

The South Zone exhibited minimal expansion, with total dispatches increasing by 2.39% to 7.059 million tons from 6.894 million tons in the corresponding period last year. This growth was comprised of 0.12% increase in exports to 3.822 million tons from 3.818 million tons, alongside a 5.22% increase in domestic sales to 3.237 million tons from 3.077 million tons.

#### CEMENT PRODUCTION AND SALES VOLUME PERFORMANCE OF THE COMPANY

Cement production and sales volume performance of your Company for the half year ended

December 31, 2025 as compared to corresponding period last year is presented below:

Particulars	Dec 2025	Dec 2024	% Change
Clinker Production (Tons)	<b>422,180</b>	333,416	26.62%
Cement Production (Tons)	<b>456,637</b>	339,197	34.62%
Local Dispatches (Tons)	<b>450,704</b>	322,242	39.87%
Export Dispatches (Tons)	<b>3,275</b>	18,871	(82.65%)
Total Dispatches (Tons)	<b>453,979</b>	341,113	33.09%
Capacity Utilization	<b>91.33%</b>	67.84%	34.62%
Market share	<b>1.76%</b>	1.45%	21.36%
Market share from North region	<b>2.42%</b>	2.05%	18.11%

During the half year ended December 31, 2025, the Company delivered a robust operational performance, reflecting strong growth in both production and dispatches.

Cement production stood at 456,637 tons, marking a substantial increase of 34.62% compared to 339,197 tons during the corresponding period last year. Clinker production also registered a growth of 26.62%, reaching 422,180 tons against 333,416 tons in the same period last year, demonstrating improved plant efficiency and stable operational continuity.

On the sales front, total cement dispatches increased by 33.09%, reaching 453,979 tons compared to 341,113 tons in the corresponding period last year. The growth was primarily driven by a strong rise in local dispatches, which increased by 39.87% to 450,704 tons, reflecting improved domestic demand and better distribution efficiency.

As a result of higher production and sales volumes, the Company's capacity utilization significantly improved to 91.33%, compared to 67.84% in the same period last year. Consequently, the Company's overall market share increased to 1.76% from 1.45%, while its market share in the North region also strengthened to 2.42% from 2.05%, underscoring enhanced operational efficiency and improved market positioning.

#### FINANCIAL PERFORMANCE OF THE COMPANY

The Financial performance of your Company for the half year ended December 31, 2025 as



compared to corresponding period last year is presented below:

Particulars	Dec 2025 Rs. '000	Dec 2024	% Change
Local Sales	6,508,235	5,397,649	20.58%
Export Sales	36,337	204,553	(82.24%)
Total Sales	6,544,572	5,602,202	16.82%
Cost of sales	5,678,789	4,405,665	28.90%
Gross Profit	865,783	1,196,537	(27.64%)
Gross Profit as % of Sales	13.30%	22.17%	(39.99%)
Operating Profit/ EBIT	477,550	845,776	(43.54%)
Net Profit	590,169	447,677	31.83%
Earnings per Share (EPS)	11.77	8.92	31.83%

The Company's revenue increased by 16.82% during the period, primarily driven by a 33.09% growth in total dispatches, which contributed a positive quantity variance of PKR 1,854 million. However, this growth was partially offset by a negative price variance of PKR 911 million, as the average retention price declined by PKR 2,007 per ton from PKR 16,423 per ton to PKR 14,416 per ton representing a 12.22% reduction.

The Cost of Sales increased by PKR 1,273 million, driven by higher production volumes. This increase includes PKR 1,458 million as quantity variance, arising from the increased in output, which was partially offset by the favorable price variance of PKR 187 million, attributable to reduction of average electricity tariff during the period.

Resultantly, Gross profit reduced to PKR 865.783 million, from PKR 1,197 million as the benefit of increased dispatches was offset by the decrease in average retention prices. Consequently, gross profit margin contracted to 13.30% from 22.17% in the corresponding period last year.

Administrative and distribution expenses increased by 13.60%, from PKR 297.541 million to PKR 338.008 million, mainly due to inflationary factors.

On the financing side, the Company achieved significant savings through effective cash flow management. Finance costs declined by 55.15%, from PKR 108.166 million to PKR 48.513 million.

Other Income includes PKR 269.587 million of gain on the sale of Investment property which the Company sold during the half year ended December 31, 2025 after getting shareholder's approval through special resolution in the annual general meeting held on October 27, 2025.

Earnings per share (EPS) stood at PKR 11.77 compared to PKR 8.92 in the corresponding period last year.



## FUTURE OUTLOOK

Looking ahead, Pakistan's macroeconomic outlook remains broadly stable, reinforced by stable exchange rate, easing inflationary trends, and a disciplined monetary policy framework, translating into recovery-led growth. These measures with subject to policy continuity, are expected to support business confidence, improve liquidity conditions, and broaden economic activities across the key sectors.

The cement industry is anticipated to benefit from a gradual recovery in domestic demand, supported by ongoing infrastructure initiatives, improving private sector investment sentiment, and a more stable macroeconomic environment. However, the sector continues to face certain structural and operational challenges, including elevated input costs, and intensified competition- especially in the northern region, where surplus production capacity remains a concern.

Against this backdrop, Fecto Cement Limited remains focused on enhancing operational efficiency, optimizing capacity utilization and maintaining disciplined cost management. The Board and management are confident that the Company's prudent financial management, commitment to operational efficiency, and focus on sustainable practices will enable it to effectively navigate prevailing industry challenges and strengthen its competitive position. These strategic initiatives position Fecto Cement Limited to preserve profitability, strengthen its competitive standing, and continue delivering long-term value to its shareholders and stakeholders.

## ACKNOWLEDGEMENT

The Board of Directors would like to place on record its sincere appreciation for the continued support and trust of all stakeholders. We extend our gratitude to our employees for their dedication and hard work, our customers and suppliers for their loyalty, our shareholders for their confidence, our financial institutions for their trust, and the regulators for their valuable guidance and support.

The confidence and goodwill of all stakeholders have played a pivotal role in enabling Fecto Cement Limited to sustain, grow, and deliver value over the years.

We pray to Almighty Allah for the continued success of the Company and the prosperity of all our stakeholders and the country at large.

On behalf of the Board of Directors



**MOHAMMED YASIN FECTO**  
CHIEF EXECUTIVE



**AHMED MUJTABA MEMON**  
DIRECTOR



INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF FECTO CEMENT LTD.  
REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS



Tel: +92 21 3568 3030  
Fax: +92 21 3568 4239  
www.bdo.com.pk

2nd Floor, Block-C  
Lakson Square, Building No.1  
Sarwar Shaheed Road  
Karachi-74200  
Pakistan

INDEPENDENT AUDITOR'S REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS TO  
THE MEMBERS OF FECTO CEMENT LIMITED

**Introduction**

We have reviewed the accompanying condensed interim statement of financial position of FECTO CEMENT LIMITED ("the Company") as at December 31, 2025 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, condensed interim statement of cash flows and notes to the condensed interim financial statements for the half year period then ended (here-in-after referred as the "interim financial statements"). Management is responsible for the preparation and fair presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

**Scope of review**

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

**Other matters**

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

The financial statements of the Company for the year ended June 30, 2025 were audited by another firm of chartered accountants who through their audit report dated September 26, 2025, and review report dated February 20, 2025 expressed an unmodified opinion and conclusion thereon respectively.

The engagement partner on the review resulting in this independent auditors' report is Tariq Feroz Khan.

KARACHI

DATED: 24 FEB 2026

UDIN: RR202510166BGCg1Q0tY

  
BDO EBRAHIM & Co  
CHARTERED ACCOUNTANTS



**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION  
AS AT DECEMBER 31, 2025**

	Note	Un-Audited December 31 2025	Audited June 30 2025
Rupees in '000'			
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	5	3,146,184	3,140,182
Intangible asset	6	12,977	12,691
Right-of-use assets	7	14,764	25,260
Investment property	8	8,576	102,260
Long term investments	9	225,745	199,862
Long term deposits		17,459	10,901
Long term loans and advances		4,461	2,965
		<u>3,430,166</u>	<u>3,494,121</u>
<b>CURRENT ASSETS</b>			
Stores and spares		1,935,620	1,388,382
Stock-in-trade	10	2,516,710	2,089,158
Trade debts - unsecured		574,367	569,636
Short term investment - unsecured		-	49,930
Short term loan to a related party		19,990	19,990
Loans, advances, deposits, prepayments and other receivable		80,790	88,763
Tax refunds due from government		111,840	14,735
Cash and bank balances		189,066	252,206
		<u>5,428,383</u>	<u>4,472,800</u>
<b>TOTAL ASSETS</b>		<u><u>8,858,549</u></u>	<u><u>7,966,921</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
<b>Authorized share capital</b>			
75,000,000 (June 30, 2025: 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 (June 30, 2025: 50,160,000) ordinary shares of Rs.10/- each		501,600	501,600
<b>Revenue reserves</b>			
General reserve		550,000	550,000
Unappropriated profit		3,989,779	3,499,930
<b>Capital Reserve</b>			
Share of other comprehensive loss of associate		(2,113)	(2,113)
		<u>4,537,666</u>	<u>4,047,817</u>
<b>NON-CURRENT LIABILITIES</b>			
Long term financing	11	516,904	562,558
Lease liability	12	-	139
Deferred income - Government grant	13	55,660	69,630
Deferred taxation	14	293,707	253,308
		<u>866,271</u>	<u>885,635</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	15	1,850,465	1,862,023
Short term borrowing - secured	16	844,169	384,412
Current maturity of long term financing - secured		195,486	194,533
Current maturity of lease liabilities	12	11,821	15,512
Current maturity of government grant	13	29,279	32,430
Unclaimed dividend		15,248	14,658
Accrued mark-up		3,116	6,917
Provision for taxation		3,428	21,384
		<u>2,953,012</u>	<u>2,531,869</u>
<b>CONTINGENCIES AND COMMITMENTS</b>			
<b>TOTAL EQUITY AND LIABILITIES</b>	17	<u><u>8,858,549</u></u>	<u><u>7,966,921</u></u>

The annexed notes from 1 to 31 form an integral part of these condensed interim financial statements.



**MOHAMMED YASIN FECTO**  
CHIEF EXECUTIVE

**AHMED MUJTABA MEMON**  
DIRECTOR

**ABDUL WAHAB**  
CHIEF FINANCIAL OFFICER

**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2025**

	Note	Half year ended		Quarter ended	
		December 31 2025	December 31 2024 (Restated)	December 31 2025	December 31 2024 (Restated)
Rupees in '000'					
Sales revenue - net	18	<b>6,544,572</b>	5,602,202	<b>2,983,258</b>	2,727,164
Cost of sales	19	<b>(5,678,789)</b>	(4,405,665)	<b>(2,779,264)</b>	(2,193,323)
<b>Gross profit</b>		<b>865,783</b>	1,196,537	<b>203,994</b>	533,841
Administrative expenses		<b>(262,701)</b>	(230,881)	<b>(135,982)</b>	(120,675)
Distribution costs		<b>(75,307)</b>	(66,660)	<b>(41,469)</b>	(30,766)
Other expenses		<b>(50,225)</b>	(53,220)	<b>(15,592)</b>	(24,856)
Operating profit		<b>477,550</b>	845,776	<b>10,951</b>	357,544
Finance costs	20	<b>(48,513)</b>	(108,166)	<b>(22,680)</b>	(54,997)
Other income	21	<b>321,639</b>	52,491	<b>295,161</b>	28,109
Share of profit/(loss) from associate		<b>25,883</b>	(34,847)	<b>27,056</b>	(33,674)
Profit before levy and taxation		<b>776,559</b>	755,254	<b>310,488</b>	296,982
Levy		-	-	<b>44,520</b>	-
<b>Profit before taxation</b>		<b>776,559</b>	755,254	<b>355,008</b>	296,982
Taxation	22	<b>(186,390)</b>	(307,577)	<b>27,381</b>	(103,981)
<b>Profit after taxation</b>		<b>590,169</b>	447,677	<b>382,389</b>	193,001

Rupees

<b>Earnings per share - basic and diluted</b>	<b>11.77</b>	8.92	<b>7.62</b>	3.85
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The annexed notes from 1 to 31 form an integral part of these condensed interim financial statements.

  
MOHAMMED YASIN FECTO  
CHIEF EXECUTIVE

  
AHMED MUJTABA MEMON  
DIRECTOR

  
ABDUL WAHAB  
CHIEF FINANCIAL OFFICER



**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2025**

	Half year ended		Quarter ended	
	December 31 2025	December 31 2024	December 31 2025	December 31 2024
	Rupees in '000'			
Profit for the period	590,169	447,677	382,389	193,001
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>590,169</b>	<b>447,677</b>	<b>382,389</b>	<b>193,001</b>

The annexed notes from 1 to 31 form an integral part of these condensed interim financial statements.



**MOHAMMED YASIN FECTO**  
CHIEF EXECUTIVE



**AHMED MUJTABA MEMON**  
DIRECTOR



**ABDUL WAHAB**  
CHIEF FINANCIAL OFFICER



**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY  
FOR THE HALF YEAR ENDED DECEMBER 31, 2025**

	Issued, Subscribed & Paid up capital	Revenue Reserves		Capital reserve	Total
		General Reserve	Unappro- -priated profit	Share of other comprehensive loss of associate	
Rupees in '000'					
Balance as at July 01, 2024 (restated & audited)	501,600	550,000	2,891,238	(22)	3,942,816
Total comprehensive income for the period					
Profit after taxation (restated)	-	-	447,677	-	447,677
Other comprehensive income	-	-	447,677	-	447,677
Balance as at December 31, 2024 (un-audited)	501,600	550,000	3,338,915	(22)	4,390,493
Balance as at July 01, 2025 (audited)	501,600	550,000	3,499,930	(2,113)	4,549,417
Total comprehensive income for the period					
Profit after taxation	-	-	590,169	-	590,169
Other comprehensive income	-	-	-	-	-
	-	-	590,169	-	590,169
Final cash dividend @ 20% for the year ended June 30, 2025	-	-	(100,320)	-	(100,320)
<b>Balance as at December 31, 2025 (un-audited)</b>	<b>501,600</b>	<b>550,000</b>	<b>3,989,779</b>	<b>(2,113)</b>	<b>5,039,266</b>

The annexed notes from 1 to 31 form an integral part of these condensed interim financial statements.



**MOHAMMMAD YASIN FECTO**  
CHIEF EXECUTIVE



**AHMED MUJTABA MEMON**  
DIRECTOR



**ABDUL WAHAB**  
CHIEF FINANCIAL OFFICER



**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2025**

Note	(Un-Audited) December 31 2025	(Un-Audited) December 31 2024 (Restated)
Rupees in '000'		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	776,559	755,254
<b>Adjustments for:</b>		
Finance costs	48,513	108,166
Depreciation on property, plant and equipment	68,514	49,540
Depreciation on right-of-use-assets	10,494	11,582
Amortization	714	-
Amortization of deferred government grant	(17,121)	(20,107)
Provision of workers welfare fund and workers profit participation fund	50,225	48,955
Stock write off	-	4,265
Share of (profit) / loss from associate	(25,883)	34,847
Interest income	(32,398)	(20,359)
Gain on disposal of investment property	(269,587)	-
Gain on disposal of property, plant and equipment	(1,313)	(4,688)
Operating cashflows before changes in working capital	<u>608,717</u>	<u>967,455</u>
<b>Working capital changes</b>		
<b>Decrease/(increase) in current assets:</b>		
Stores and spares	(547,238)	67,060
Stock-in-trade	(427,552)	(509,313)
Trade debts	(4,731)	35,258
Loans, advances, deposit and prepayment	6,043	13,061
Sales tax refundable	(97,105)	(72,037)
<b>(Decrease) in current liabilities:</b>		
Trade and other payables	(61,783)	(23,686)
Cash (used in) / generated from operations	(523,649)	477,798
Income tax paid	(163,950)	(123,080)
Long term deposits	(6,558)	-
Long term loan and advances	(1,496)	809
<b>Net cash (used in) / generated from operating activities</b>	<u>(695,653)</u>	<u>355,527</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payment for property, plant and equipment	(77,451)	(158,289)
Payment for intangible assets	(1,000)	(1,000)
Proceed from long term investment	49,930	-
Interest received	34,328	10,747
Proceeds from disposal of investment property	362,998	-
Proceeds from disposal of property, plant and equipment	2,326	5,199
<b>Net cash inflows from / (used in) investing activities</b>	<u>371,131</u>	<u>(143,343)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of lease liability	(3,830)	(13,249)
Dividend paid	(99,730)	-
Financing obtained against diminishing musharaka	33,261	-
Repayment of long term financing	(91,856)	(114,918)
Finance cost paid	(36,220)	(100,041)
Proceed from short term borrowings	-	200,000
<b>Net cash (used in) financing activities</b>	<u>(198,375)</u>	<u>(28,208)</u>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<u>(522,897)</u>	<u>183,976</u>
Cash and cash equivalents at beginning of the period	<u>(82,206)</u>	<u>(404,266)</u>
<b>Cash and cash equivalents at end of the period</b>	<u>23</u> <u>(605,103)</u>	<u>(220,290)</u>

The annexed notes from 1 to 31 form an integral part of these condensed interim financial statements.

		
<b>MOHAMMMAD YASIN FECTO</b> CHIEF EXECUTIVE	<b>AHMED MUJTABA MEMON</b> DIRECTOR	<b>ABDUL WAHAB</b> CHIEF FINANCIAL OFFICER



## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED DECEMBER 31, 2025

### 1 STATUS AND NATURE OF BUSINESS

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.

#### 1.1 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.

#### 1.2 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 condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standard Board (IASB) as notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017; and
- Provisions of directives, and notifications issued under the Companies Act, 2017.

Where provisions of directives, and notifications issued under the Companies Act, 2017 differ from the IAS and IFAS, the provisions directives, and notifications issued under the Companies Act, 2017 have been followed.

These condensed interim financial statements do not include all the information and disclosures required for full annual financial statements and should be read in conjunction



with the annual audited financial statements of the Company as at and for the year ended June 30, 2025, which have been prepared in accordance with accounting and reporting standards as applicable in Pakistan. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last annual financial statements.

The comparative statement of financial position presented in these condensed interim financial statements has been extracted from the annual audited financial statements of the Company for the year ended June 30, 2025, whereas the comparative condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity are extracted from the un-audited condensed interim financial statements for the half year ended December 31, 2024.

The figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the quarters ended December 31, 2025 and December 31, 2024 and notes forming part thereof have not been reviewed by the auditors of the Company, as they have reviewed the cumulative figures for the half-years ended December 31, 2025 and December 31, 2024.

## **2.2 Basis of measurement**

These condensed interim financial statements have been prepared under the historical cost convention, except for the followings:

- long term investment in unquoted ordinary shares of M/s. Frontier Paper Products (Private) Limited which is carried under the equity method of accounting.

## **2.3 Functional and presentation currency**

These condensed interim financial statements are presented in Pakistani rupee ('Rupees' or 'Rs.') which is the functional and presentation currency of the Company.

## **3 ACCOUNTING STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING STANDARDS**

### **3.1 Standards, interpretations and amendments to published accounting and reporting standards that are effective in the current period**

There are certain amendments to the published accounting and reporting standards that are mandatory for the Company's annual accounting period beginning on July 01, 2025. However, these do not have any material impact on the Company's financial information and, therefore, have not been detailed in this condensed interim financial information.

### **3.2 Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective**



There are certain new standards and amendments to the published accounting and reporting standards that will be applicable to the Company for its annual periods beginning on or after July 1, 2026. However, these are not considered to be relevant or will not have any material effect on the Company's financial information except for:

- The new standard - IFRS 18 Presentation and Disclosure in Financial Statements (IFRS 18) (published in April 2024) with applicability date of January 1, 2027 by IASB. IFRS 18 shall impact the presentation of 'Income Statement' with certain additional disclosures in the financial statements; and
- Amendments to IFRS 9 'Financial Instruments' which clarify the date of recognition and derecognition of a financial asset or financial liability including settlement of liabilities through banking instruments and channels including electronic transfers with effective date of January 1, 2026. The amendment when applied may impact the timing of recognition and derecognition of financial liabilities.

#### 4 ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of condensed interim financial statements is in conformity with the approved accounting standards as applicable in Pakistan. It is the responsibility of the management to make estimates, assumptions and use judgements that affect the application of policies and the reported amount of assets and liabilities and income and expenses.

Judgements and estimates made by the management in the preparation of these condensed interim financial statements are same as those applied in the company's annual financial statements for the year ended June 30, 2025.

The company follows the practice to conduct actuarial valuation as at year end. Hence the impact of re-measurement of staff retirement benefit fund has not been incorporated in these condensed interim financial statements.

		<b>December 31 2025 (Un-Audited)</b>	<b>June 30 2025 (Audited)</b>
	<b>Note</b>	<b>Rupees in '000'</b>	
<b>5. PROPERTY, PLANT AND EQUIPMENT</b>			
Operating assets	5.1	<b>2,716,005</b>	2,698,268
Capital work in progress	5.2	<b>63,440</b>	45,633
Capital spares		<b>366,739</b>	396,281
		<b><u>3,146,184</u></b>	<b><u>3,140,182</u></b>





	December 31 2025 (Un-Audited)	June 30 2025 (Audited)
Note	Rupees in '000'	
<b>5.1 Operating assets</b>		
Net carrying value basis		
Opening net book value	<b>2,698,268</b>	2,370,613
Additions during the period / year	<b>89,186</b>	119,710
Transfer from capital work in progress during the period / year (at cost)	-	324,411
	<b>89,186</b>	444,121
Disposals during the period / year	<b>(2,935)</b>	(754)
Depreciation charged during the period / year	<b>(68,514)</b>	(115,712)
	<b>(71,449)</b>	(116,466)
Closing net book value	<b>2,716,005</b>	2,698,268
<b>5.1.1 Detail of additions (at cost) during the period / year are as follows:</b>		
Plant and machinery	<b>43,592</b>	29,705
Furniture, fixtures and equipments	<b>6,335</b>	19,699
Motor vehicles	<b>39,259</b>	70,306
	<b>89,186</b>	119,710
<b>5.1.2 Details of disposals (NBV) during the period / year are as follows:</b>		
Motor vehicles	<b>2,935</b>	754
<b>5.2 Movement of capital work in progress:</b>		
Opening balance	<b>45,633</b>	140,903
Additions during the period / year	<b>17,807</b>	229,141
Transfers during the period / year	-	(324,411)
Closing balance	<b>63,440</b>	45,633
<b>6. INTANGIBLE ASSET</b>		
Net carrying value basis		
Opening net book value (NBV)	<b>12,691</b>	-
Addition during the year	<b>1,000</b>	14,102
Amortization	<b>(714)</b>	(1,411)
Closing net book value (NBV)	<b>12,977</b>	12,691
Amortization rate per annum	<b>10%</b>	10%

		<b>December 31 2025 (Un-Audited)</b>	<b>June 30 2025 (Audited)</b>
	<b>Note</b>	<b>Rupees in '000'</b>	
<b>7. RIGHT-OF-USE ASSETS</b>			
Opening net book value		25,260	46,248
Addition during the period/year		-	-
Depreciation during the period / year		<u>(10,496)</u>	<u>(20,988)</u>
Closing net book value		<u>14,764</u>	<u>25,260</u>
<b>8. INVESTMENT PROPERTY</b>			
<b>Freehold land</b>			
Opening carrying value		102,260	102,260
Disposals during the period / year	8.1	<u>(93,684)</u>	-
Closing carrying value		<u>8,576</u>	<u>102,260</u>
<b>8.1</b>	<p>The Company entered into agreement with the M/s Faisal Town (Private) Limited for the sale of its investment property at a total consideration of Rs. 398.80 million against total land of 124.625 Kanal. To date, the Company has realised 365.344 million, in respect of 114.17 kanal, while the remaining sales recognition of land in these condensed interim financial statements is pending completion due to land documentation formalities. The land is located at Thalian near Airport Avenue Road Rawalpindi. The fair market value of remaining investment property amounting to Rs. 33.456 million dated September 4, 2025. Pursuant to the requirement of section 240 of the Companies Act, 2017, the Company is restricted to declare any dividend out of the gain on disposal of investment property.</p>		
		<b>December 31 2025 (Un-Audited)</b>	<b>June 30 2025 (Audited)</b>
	<b>Note</b>	<b>Rupees in '000'</b>	
<b>9. LONG TERM INVESTMENT</b>			
<b>Unlisted equity securities:</b>			
<b>At cost</b>			
Fecto Cement Nooriabad (Private) Limited (subsidiary)	9.1	1,000	1,000
<b>Equity method</b>			
Frontier Paper Products (Private) Limited (associate)	9.2	<u>224,745</u>	<u>198,862</u>
		<u>225,745</u>	<u>199,862</u>



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

December 31, 2025 (Un-audited) (Number of shares)	June 30, 2025 (Audited)	December 31, 2025 (Un-audited) ————— Rupees in '000' —————	June 30, 2025 (Audited)
<u>100,000</u>	<u>100,000</u>	Ordinary shares of Rs. 10/- each <u>1,000</u>	<u>1,000</u>

**9.1.1** 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). 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)/2021/42 dated June 17, 2025 issued to the Company.

**9.2 Investment in Frontier Paper Products (Private) Limited - an associate**

**9.2.1** 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. The Company's arrangement with the associate entails diversification of business activities, and is part of its strategic investment. FPPL is principally engaged in the manufacture and sale of polypropylene bags used for packing cement. The registered office is situated at Plot # 60-C, Khayaban-Shahbaz, Phase-VI, Defense Housing Authority, Karachi.

Note	December 31 2025 (Un-Audited) ————— Rupees in '000' —————	June 30 2025 (Audited)
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**9.2.2 Carrying amount of the investment and changes therein**

Cost of investment: 15,000,000 shares of Rs.10/- each	150,000	150,000
Accumulated share of profit / (loss):		
Opening balance	48,862	111,914
Share of other comprehensive income of associate - net of tax	-	(2,091)
Share of profit / (loss) for the period / year	25,883	(60,961)
	<u>74,745</u>	<u>48,862</u>
Carrying amount as of the reporting date	<u>224,745</u>	<u>198,862</u>



**9.2.3** During the period ended December 31, 2025, FPPL did not declare any dividends (June 30, 2025: None).

	Note	December 31 2025 (Un-Audited) Rupees in '000'	June 30 2025 (Audited)
<b>10. STOCK-IN-TRADE</b>			
Raw Material		1,978,190	1,701,674
Packing Material		68,514	60,057
		<u>2,046,704</u>	<u>1,761,731</u>
Work-in-process		344,199	231,432
Finished goods		125,807	95,995
		<u>2,516,710</u>	<u>2,089,158</u>
<b>11. LONG TERM FINANCING</b>			
<b>Financing under SBP schemes</b>			
Financing Scheme for Renewable Energy	11.1	169,366	204,148
Temporary Economic Refinance Facility (TERF)	11.2	296,485	322,781
		<u>465,851</u>	<u>526,929</u>
<b>Other financing arrangements</b>			
Diminishing musharaka		51,053	35,629
		<u>516,904</u>	<u>562,558</u>

**11.1** 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:

- The applicable markup rate is 5% per annum;
- 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
- Each tranche of the loan is to be repaid in 24 equal quarterly instalments.

**11.2** 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 Sangjani District, Islamabad @ 25% margin.

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

- (a) The applicable markup rate is 4% per annum;
- (b) 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
- (c) Each tranche of the loan is to be repaid in 32 equal quarterly instalments.

	December 31 2025 (Un-Audited)	June 30 2025 (Audited)
Note	Rupees in '000'	
<b>12. LEASE LIABILITY</b>		
Opening balance	15,651	39,620
Unwinding of discount	1,206	3,705
Lease rentals paid during the period	<u>(5,036)</u>	<u>(27,674)</u>
	11,821	15,651
Less: Current maturity shown under current liabilities	<u>(11,821)</u>	<u>(15,512)</u>
	<u>-</u>	<u>139</u>
<b>13. DEFERRED INCOME - GOVERNMENT GRANT</b>		
Opening balance	102,060	140,538
Less: Amortized for the year	<u>(17,121)</u>	<u>(38,478)</u>
	84,939	102,060
Less: Current maturity shown under current liability	<u>(29,279)</u>	<u>(32,430)</u>
	<u>55,660</u>	<u>69,630</u>
<b>14. DEFERRED TAXATION - NET</b>		

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



	<b>December 31 2025 (Un-Audited)</b>	<b>June 30 2025 (Audited)</b>
	<b>Rupees in '000'</b>	
<b>Deferred tax liability arising in respect of:</b>		
Accelerated tax depreciation	605,964	565,951
Right-of-use assets and related lease liability	1,148	3,555
Others	1,638	1,172
	<u>608,750</u>	<u>570,678</u>
<b>Deferred tax asset arising in respect of:</b>		
Provision against slow moving and obsolete spares	(6,912)	(6,558)
Provision for expected credit losses Minimum tax	(433)	(411)
Alternate corporate tax	(209,585)	(254,041)
Unused business tax losses	(98,113)	(56,418)
	-	58
	<u>(315,043)</u>	<u>(317,370)</u>
	<u>293,707</u>	<u>253,308</u>

#### 15. TRADE AND OTHER PAYABLES

Creditors for goods and services:		
- Creditors other than associated company - goods	1,137,865	921,685
- Creditors other than associated company - services	22,763	7,010
- Associated company	35,683	29,736
	<u>1,196,311</u>	<u>958,431</u>
Accrued expenses	2,407	43,770
Provision for marking fee	104,683	97,781
Provision for compensated absences	83,706	56,082
Payable to provident fund	6,303	-
Worker's profit participation fund payable	99,362	58,023
Worker's welfare fund payable	23,242	14,356
Advances from customers and dealers - unsecured	126,396	159,301
Advance against sale of investment property	-	200,000
Advance against assignment of mining rights	20,000	-
Security deposits payable	11,315	11,290
Excise duty payable	106,689	96,667
Sales tax payable	41,255	156,205
Withholding income tax	25,186	8,613
Other liabilities	3,610	1,504
	<u>1,850,465</u>	<u>1,862,023</u>



		<b>December 31 2025 (Un-Audited)</b>	June 30 2025 (Audited)
		<u>Rupees in '000'</u>	
<b>16. SHORT TERM BORROWINGS - SECURED</b>			
Running finance	16.1	<b>794,169</b>	334,412
Export re-finance	16.2	<b>50,000</b>	50,000
		<b>844,169</b>	384,412

**16.1** The Company has obtained a total finance facility of Rs. 810 million (June 30, 2025: 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 2% (June 30, 2025: 3-Month KIBOR plus 1% to 3-Month KIBOR plus 2%) per annum. The validity of these facilities ranges from March 31, 2026 to May 31, 2026.

**16.2** The Company has obtained Export Refinance Facility of Rs. 50 million (June 30, 2025: Rs. 50 million) from a commercial bank. The facility is secured by way of 1st pari passu charge 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 9.00% per annum (June 30, 2025: SBP rate minus 3.00%). The facility is valid upto February 22, 2026.

**16.3** As of reporting date, the Company had unutilized facilities for short term borrowings available from various banks amounting to Rs. 415.831 million including FATR and cash finance (2025: Rs. 875.587 million including FATR).

## **17 CONTINGENCIES AND COMMITMENTS**

### **17.1 Contingencies**

There was no change in the status of contingencies at the period end as reported in the annual audited financial statements for the year ended June 30, 2025.

### **17.1 Commitments**

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

	<b>December 31 2025 (Un-Audited)</b>	June 30 2025 (Audited)
		<u>Rupees in '000'</u>
- In respect of import of stores and spares	<b>593,525</b>	79,549



		<b>December 31 2025 (Un-Audited)</b>	<b>December 31 2024 (Un-Audited)</b>
		<b>Rupees in '000'</b>	
<b>18.</b>	<b>SALES REVENUE - NET</b>		
	Revenue from local sales	18.1 6,508,235	5,397,649
	Revenue from export	36,337	204,553
		<u>6,544,572</u>	<u>5,602,202</u>
<b>18.1</b>	<b>Revenue from local sales</b>		
	Sales of goods to local customers - gross	10,382,123	8,149,312
	Less: Trade discount	(221,997)	(66,204)
	Excise duty	(1,802,817)	(1,288,966)
	Sales tax	(1,849,074)	(1,396,493)
		<u>(3,873,888)</u>	<u>(2,751,663)</u>
	Net sales	<u>6,508,235</u>	<u>5,397,649</u>
<b>19.</b>	<b>COST OF SALES</b>		
	Opening stock of finished goods	95,995	94,240
	Cost of goods manufactured	19.1 5,708,601	4,383,121
	Goods available for sales	5,804,596	4,477,361
	Closing stock of finished goods	(125,807)	(71,696)
		<u>5,678,789</u>	<u>4,405,665</u>
<b>19.1</b>	<b>Cost of goods manufactured</b>		
	Raw and packing materials consumed	982,036	681,017
	Conversion cost	4,839,332	4,002,423
		<u>5,821,368</u>	<u>4,683,440</u>
	Change in work-in-process inventory:		
	Opening work-in-process	231,432	588,526
	Closing work-in-process	(344,199)	(888,845)
		<u>(112,767)</u>	<u>(300,319)</u>
		<u>5,708,601</u>	<u>4,383,121</u>
<b>20.</b>	<b>FINANCE COST</b>		
	Markup on short term borrowing:		
	Running finance	3,921	23,736
	Cash finance	-	19,633
	Export refinance scheme	2,100	5,081
		<u>6,021</u>	<u>48,450</u>



	December 31 2025 (Un-Audited)	December 31 2024 (Un-Audited)
	Rupees in '000'	
Markup on long term borrowing:		
SBP refinance scheme for TERF II	21,074	23,903
SBP refinance scheme for renewable energy	12,893	16,258
Markup on term finance II	-	7,452
Diminishing musharaka	3,791	-
	<b>37,758</b>	47,613
Markup on leases	1,206	5,932
Bank commission and charges	3,528	6,171
	<b>48,513</b>	108,166

## 21. OTHER INCOME

		(Restated)
Scrap sales	645	560
Amortization of deferred government grant	17,121	20,107
Markup income	32,398	20,359
Insurance claim	-	6,752
Gain on sale of operating fixed assets	1,313	4,688
Gain on sale of investment property	269,587	-
Miscellaneous	575	25
	<b>321,639</b>	52,491

## 22. TAXATION

Current	183,297	209,060
Prior	(37,303)	367
	<b>145,994</b>	209,427
Deferred	40,396	98,150
	<b>186,390</b>	307,577

## 23. CASH AND CASH EQUIVALENTS

Cash and bank balances	189,066	580,727
Short term borrowings - running finance	(794,169)	(801,017)
	<b>(605,103)</b>	(220,290)



## 24. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

The related parties comprise of subsidiary Company, associated Company and key management personnel of the Company, directors and their close family members and staff provident fund. Transactions with related parties during the period other than those disclosed elsewhere in these condensed interim financial statements are as follows:

Name of the related party	Basis of relationship with the party	Particulars	December 31	December 31
			2025 (Un-Audited)	2024 (Un-Audited)
			Rupees in '000'	
		Purchases made during the period	344,194	310,092
Frontier Paper Products (Private) Limited	Associated company	Payments made during the period	338,247	321,417
		Interest charged during the period	1,307	2,009
Directors and Key Management Personnel	Key management personnel	Remuneration of the Chief Executive	52,895	39,173
		Directors' Meeting Fee	120	210
		Remuneration of Executives	239,350	141,155
Staff Provident Fund	Other related party	Contribution to employees' provident fund	9,352	16,073

			December 31	June 30,
			2025 (Un-audited)	2025 (Audited)
			Rupees in '000'	
Balance at the end of the period / year				
Frontier Paper Products (Private) Limited	Associated Company	Balance payable	35,683	29,736
		Interest outstanding	1,479	1,144
		Loan outstanding	19,990	19,990
Key Management Personnel	Other related party	Loan receivable	5,148	2,189
Staff Provident Fund	Other related party	Balance payable	6,303	-

## 25. CORRECTION OF PRIOR PERIOD ERRORS

As fully explained in the relevant note to the audited financial statements of the Company for the year ended June 30, 2025, restatements were made in the reported balances for the prior years. Accordingly, corresponding balances of these condensed interim financial statements have also been restated.

The retrospective effects on the corresponding figures presented in these condensed interim financial statements are as follows:



Effects on condensed interim statement of profit or loss for the half year ended December 31, 2024:

	Half year ended			Quarter ended		
	As previously	As restated reported	Change	As previously reported	As restated	Change
	----- Rupees in '000' -----			----- Rupees in '000' -----		
Effect on condensed interim statement of profit or loss:						
Operating profit	845,776	845,776	-	357,544	357,544	-
Other income	40,837	52,491	11,654	22,283	28,109	5,826
Share of profit from associate	-	(34,847)	(34,847)	-	(33,674)	(33,674)
Profit before taxation	732,061	755,254	23,193	269,134	296,982	27,848
Taxation	(307,577)	(307,577)	-	(103,981)	(103,981)	-
Profit after taxation	470,870	447,677	(23,193)	220,849	193,001	(27,848)

## 26. FAIR VALUE OF FINANCIAL INSTRUMENTS

There were no transfers amongst levels during the period.

## 27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's activities expose it to a variety of financial risks. These condensed interim financial statements do not include all financial risk management information and disclosures which are required in the annual financial statements and should be read in conjunction with the Company's annual financial statements for the year ended 30 June 2025. There have been no change in any risk management policies since the year end.

December 31 2025 (Un-Audited)	June 30 2025 (Audited)
----- Rupees in '000' -----	

## 28. SHARIAH COMPLIANCE STATUS DISCLOSURE

### Disclosures in relation to the statement of financial position - Assets

Bank balances that are Shariah-compliant	7,798	101,095
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### Disclosures in relation to the statement of financial position - Liability

Long term financing as per Islamic mode	63,351	-
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<b>December 31</b>	<b>December 31</b>
<b>2025</b>	<b>2024</b>
<b>(Un-Audited)</b>	<b>(Un-Audited)</b>
<b>————— Rupees in ‘000’ —————</b>	

**Disclosures in relation to the statement of profit or loss and other comprehensive income**

Revenue earned from shariah-compliant business segment	<b>6,544,572</b>	5,602,202
Profit paid on islamic mode of financing	<b>(3,791)</b>	-
Markup paid on conventional mode of financing	<b>(25,100)</b>	(83,315)
Profit earned on saving accounts from shariah-compliant banks	<b>29,890</b>	-
Markup earned on saving accounts from conventional banks	<b>1,343</b>	6,696
Markup earned on loan to associate undertaking	<b>1,307</b>	2,009

**29. CORRESPONDING FIGURES**

Corresponding figures have been rearranged and reclassified, wherever necessary for the purpose of comparison and better presentation.

**30. GENERAL**

Figures have been rounded off to the nearest of rupees unless otherwise stated.

**31. DATE OF AUTHORIZATION FOR ISSUE**

These condensed interim financial statements have been authorized for issue on February 17, 2026 by the Board of Directors of the Company.



**MOHAMMED YASIN FECTO**  
CHIEF EXECUTIVE



**AHMED MUJTABA MEMON**  
DIRECTOR



**ABDUL WAHAB**  
CHIEF FINANCIAL OFFICER





Plot # 60-C, Khayaban-e-Shahbaz, Phase VI, Defence Housing Authority  
Karachi-75500, Pakistan.  
Phone Nos. (+ 92 21) 35248921-24 | Fax: (+ 92 21) 35248925  
website: [www.fectogroup.com](http://www.fectogroup.com)