



*Builders of A New World*

**INTERIM REPORT  
MARCH 31, 2023**



**FACTORY CEMENT LIMITED**

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## COMPANY INFORMATION

### 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. Abdul Samad, FCA

### 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  
Website: www.fectogroup.com  
Phone Nos. (+ 9221) 35248921-4  
Fax: (+ 9221) 35248925

### MARKETING OFFICE

339, Main Peshawar Road  
Chairing Cross Service Road  
Westridge-1,  
Rawalpindi  
Phone Nos. (+9251) 5467111-3

### 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) 2296065-8

### BANKERS

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



## DIRECTORS' REVIEW

Your Directors are pleased to present before you their report together with Un Audited Condensed Interim Financial Statements of the Company for the period ended March 31, 2023.

### INDUSTRY OVERVIEW

During the first nine months of current financial year ending June 30, 2023, overall sales volume of the industry reduced by 17.69% as compared to same period last year, with total sales volume of 33.60 million tons as against 40.82 million tons of same period last year. During the quarter, overall sales volume of the industry reduced by 11.38% with sales volume of 11.84 million tons as against 13.36 million tons of same quarter last year.

Local sales volume of the industry for the nine months and quarter was of 30.56 million tons and 10.53 million tons respectively as against 36.17 million tons and 12.11 million tons of same periods last year witnessing reduction of 15.51% and 13.05% for the respective periods. On export side, industry achieved sales volume of 3.04 million tons and 1.30 million tons in nine months and quarter respectively as against sales volume of 4.6 million tons and 1.26 million tons of same periods last year. In nine months period, exports reduced by 33.91 % whereas on quarter to quarter it increased by 3.17%.

During nine months period, overall sales volume of plants located in north reached to 25.83 million tons with local sales volume of 25.05 million tons and exports volume of 0.78 million tons respectively. Total sales volume of plants located in north hence reduced by 15.65%, out of which local sales volume reduced by 16.33% whereas exports increased by 14.56%.

### COMPANY'S PERFORMANCE

#### OPERATING

During nine months, company produced 497,176 tons of clinker and 493,854 tons of cement as against 456,592 tons of clinker and 536,756 tons of cement of same period last year registering increase in production of clinker by 8.89% and reduction in production of cement by 7.99% respectively. In current quarter company produced 162,579 tons of clinker and 178,018 tons of cement as against 121,350 tons of clinker and 171,530 tons of cement of same period last year. Production of clinker and cement hence, increased by 33.98% and 3.78% during quarter under review.

Overall sales volume of the Company for the nine months reduced by 8.91% out of which local sales volume reduced by 9.38% whereas exports increased by 3.38%. For the quarter total sales volume increased by 1.43% out of which local volume increased by 1.40%, whereas exports increased by 3.34%.



## FINANCIAL

Total net sales revenue of the Company for the nine months period increased to Rs. 6,551 million as against Rs. 4,738 million of same period last year. This increase in term of percentage comes to 38.27% as against reduction in volume by 8.91%.

Net local sales revenue for the nine months period increased to Rs. 6,329 million as against Rs. 4,626 million of same period last year witnessing a growth of 36.81% as against reduction in local sales volume by 9.38%. Main reason for increase in local sales revenue was rising of prices to pass on higher cost impact of coal, electricity and other input cost materials. Export revenue for the nine months period increased to Rs. 223 million as against Rs. 110 million of same period last year witnessing a growth of 102.73 % as against increase in volume by 3.38%. Export prices improved during the nine months period due to depreciation of PKR against USD.

Overall Cost of sales for the nine months increased to Rs. 6,227 Million as against Rs. 4,156 million of same period last year registering increase of 49.83% though overall sales volume reduced by 8.91%. Main reasons for increase in cost of sales were higher fuel and power cost. Increase in cost of electricity continued its upward trend due to imposition of multiple charges by the Government. Prices of Afghan coal continued to increase due to sliding of PKR against USD.

Due to higher increase in costs as against increase in selling price, the Company during the nine months and quarter achieved gross profit of Rs. 324 million and Rs. 150 million respectively as compared to gross profit of Rs. 582 million and Rs. 169 million of same periods last year. Finance cost increased during the period due to successive increase in discount rate by the SBP.

Company suffered loss before tax of Rs. 110 million during Nine Months as against profit before tax of Rs. 257 million of same period last year. During the quarter under review, Company achieved profit before tax of Rs. 17 million as against profit before tax of Rs. 46 million of same period last year.

The Company suffered loss after tax of Rs. 115 million during nine months whereas in current quarter it achieved profit after tax of Rs. 7 million as against profit after tax of Rs. 182 million during nine months and profit after tax of Rs. 33 million during quarter respectively.

The Company suffered loss per share of Rs. 2.29 for the Nine Months as against earnings per share of Rs. 3.64 during same period last year. During current quarter the Company achieved earnings per share of Rs. 0.14 as against earnings per share of Rs. 0.65 of same periods last year.

## **FUTURE OUTLOOK**

During the current financial year demand of cement has dropped due to political instability, higher inflation, depreciation of PKR against USD and higher interest rates. We expect demand will remain depressed during remaining three months; however, revival of IMF program may improve sentiments of business community which can help improve local demand. Recent increase in interest rates by SBP will also result higher finance costs.

## **ACKNOWLEDGMENT**

The Board would like to place on record their appreciation to all the financial institutions, banks, customers for their continued support, co-operation and employees of the Company for their dedicated work.

**For and On behalf of the Board**



**MOHAMMED YASIN FECTO**  
CHIEF EXECUTIVE



**ROHAIL AJMAL**  
DIRECTOR

**Karachi:** April 28, 2023



**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION  
AS AT MARCH 31, 2023**

	Note	Un-audited March 31 2023	Audited June 30 2022
Rupees in thousand			
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
<b>Authorized capital</b>			
75,000,000 (June 30, 2022: 75,000,000) ordinary shares of Rs. 10/- each		750,000	750,000
Issued, subscribed and paid up capital			
50,160,000 (June 30, 2022: 50,160,000) ordinary shares of Rs.10/- each		501,600	501,600
<b>Revenue reserves</b>			
General reserve		550,000	550,000
Unappropriated profits		2,456,686	2,571,481
		3,006,686	3,121,481
<b>Capital reserve</b>			
Surplus on revaluation of investment in unquoted shares		127,693	127,693
		3,635,979	3,750,774
<b>Non-current liabilities</b>			
Long term financing - secured	3	905,541	1,017,637
Lease liability		53,112	67,173
Deferred income - Government grant	4	151,027	184,544
Deferred taxation		-	33,874
		1,109,680	1,303,228
<b>Current liabilities</b>			
Trade and other payables		1,390,218	1,249,100
Short term borrowings - secured	5	981,784	355,362
Accrued mark-up		39,938	18,203
Unclaimed dividend		14,489	14,522
Unpaid dividend		185	185
Current maturity of long term financing - secured	6	212,576	179,239
Current maturity of lease liability		27,843	33,030
Current maturity of government grant	4	44,825	46,611
		2,711,858	1,896,252
Contingencies and commitments	7		
<b>Total equity and liabilities</b>		<b>7,457,517</b>	<b>6,950,254</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	8	2,909,193	3,067,900
Right-of-use assets		87,331	108,442
Long term investments		330,850	330,850
Long term deposits		10,101	10,273
Long term loans and advances		8,330	8,776
Deferred taxation - net		39,006	-
		3,384,811	3,526,241
<b>Current assets</b>			
Stores and spares		1,545,929	1,610,221
Stock-in-trade		1,913,100	1,294,183
Trade debts		146,971	75,194
Short term investments		99,920	99,920
Loan to a related party		99,895	25,395
Loans, advances, deposits, prepayments and other receivable		69,528	51,076
Tax refunds due from government		81,812	126,780
Cash and bank balances		115,551	141,244
		4,072,706	3,424,013
<b>Total assets</b>		<b>7,457,517</b>	<b>6,950,254</b>

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

  
**MOHAMMED YASIN FECTO**  
CHIEF EXECUTIVE

  
**ROHAIL AJMAL**  
DIRECTOR

  
**ABDUL SAMAD**  
CHIEF FINANCIAL OFFICER

**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)  
FOR THE PERIOD ENDED MARCH 31, 2023**

	Note	Nine months ended		Quarter ended	
		March 31 2023	March 31 2022	March 31 2023	March 31 2022
Rupees in thousand					
Sales revenue - net	9	6,551,305	4,737,658	2,406,104	1,661,451
Cost of sales	10	(6,226,839)	(4,155,659)	(2,255,633)	(1,492,514)
Gross profit		324,466	581,999	150,471	168,937
Administrative expenses		(234,178)	(194,311)	(88,436)	(67,868)
Distribution costs		(71,147)	(60,242)	(24,753)	(20,981)
		(305,325)	(254,553)	(113,189)	(88,849)
Other expense		(5,315)	(13,538)	-	(2,281)
Other income		88,472	61,102	50,504	16,058
Operating profit		102,298	375,010	87,786	93,865
Finance costs		(211,873)	(117,797)	(70,661)	(47,648)
<b>(Loss) / profit before taxation</b>		<b>(109,575)</b>	257,213	<b>17,125</b>	46,217
Taxation	11	(5,220)	(74,777)	(9,964)	(13,499)
<b>(Loss) / profit after taxation</b>		<b>(114,795)</b>	182,436	<b>7,161</b>	32,718
----- Rupees -----					
<b>(Loss) / Earnings per share - basic and diluted</b>		<b>(2.29)</b>	3.64	<b>0.14</b>	0.65

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.



*Mohammed Yasin Fecto*  
MOHAMMED YASIN FECTO  
CHIEF EXECUTIVE

*Rohail Ajmal*  
ROHAIL AJMAL  
DIRECTOR

*Abdul Samad*  
ABDUL SAMAD  
CHIEF FINANCIAL OFFICER



**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)  
FOR THE PERIOD ENDED MARCH 31, 2023**

	Nine months ended		Quarter ended	
	March 31 2023	March 31 2022	March 31 2023	March 31 2022
	Rupees in thousand			
(Loss) / profit after taxation	(114,795)	182,436	7,161	32,718
<b>Other comprehensive income</b>				
Items that will not be reclassified subsequently to profit or loss				
Unrealized gain on remeasurement of the investment in M/s. Frontier Paper Products (Pvt.) Ltd.	-	-	-	-
Deferred tax thereon	-	-	-	-
<b>Total comprehensive (loss) / income for the period</b>	<b>(114,795)</b>	<b>182,436</b>	<b>7,161</b>	<b>32,718</b>

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

  
**MOHAMMED YASIN FECTO**  
 CHIEF EXECUTIVE

  
**ROHAIL AJMAL**  
 DIRECTOR

  
**ABDUL SAMAD**  
 CHIEF FINANCIAL OFFICER



**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)  
FOR THE PERIOD ENDED MARCH 31, 2023**

	Issued, Subscribed & Paid up capital	Revenue Reserves		Capital reserve	Total
		General Reserve	Un- appropriated Profit	Surplus on revaluation of investment in unquoted shares	
<b>Rupees in thousand</b>					
<b>Balance as at July 1, 2021</b>	501,600	550,000	2,284,778	130,684	3,467,062
Total comprehensive income for the nine months ended March 31, 2022					
- Profit after taxation	-	-	182,436	-	182,436
- Other comprehensive income	-	-	-	-	-
	-	-	182,436	-	182,436
<b>Balance as at March 31, 2022</b>	<u>501,600</u>	<u>550,000</u>	<u>2,467,214</u>	<u>130,684</u>	<u>3,649,498</u>
<b>Balance as at July 1, 2022</b>	501,600	550,000	2,571,481	127,693	3,750,774
Total comprehensive income for the nine months ended March 31, 2023					
- Loss after taxation	-	-	(114,795)	-	(114,795)
- Other comprehensive income	-	-	-	-	-
	-	-	(114,795)	-	(114,795)
<b>Balance as at March 31, 2023</b>	<u>501,600</u>	<u>550,000</u>	<u>2,456,686</u>	<u>127,693</u>	<u>3,635,979</u>

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.



  
**MOHAMMED YASIN FECTO**  
CHIEF EXECUTIVE

  
**ROHAIL AJMAL**  
DIRECTOR

  
**ABDUL SAMAD**  
CHIEF FINANCIAL OFFICER

**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)  
FOR THE PERIOD ENDED MARCH 31, 2023**

	Note	Nine months ended	
		March 31 2023	March 31 2022
Rupees in thousand			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash (used in) / generated from operations	12	(244,008)	506,257
Income tax paid		(14,518)	(23,983)
Long term deposits		172	48
Long term loan and advances		446	2,601
Net cash (used in) / generated from operating activities		(257,908)	484,923
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Additions to property, plant and equipment		(38,331)	(862,195)
Additions to right-of-use assets		-	(2,731)
Proceeds from redemption / sale of short term investment (Disbursement) / Repayment of loan by the related party		-	10
Interest received		5,414	11,264
Proceeds from disposal of property, plant and equipment		1,388	7,138
Net cash used in investing activities		(106,029)	(769,514)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of lease liability (principal portion)		(19,248)	(22,734)
Dividend paid		-	(17)
Loan received - TERF		-	609,026
Loan received - Term Finance		-	153,154
Repayment of Long term financing (principal portion)		(110,068)	(91,423)
Loan repaid - Vehicle financing		-	(22,613)
Finance costs paid		(158,862)	(81,827)
Short term borrowings - net		201,730	(166,231)
Net cash (used in) / generated from financing activities		(86,448)	377,335
Net (decrease) / increase in cash and cash equivalents		(450,385)	92,744
Cash and cash equivalents as at the beginning of the period		(134,118)	(409,653)
<b>Cash and cash equivalents as at the end of the period</b>	13	<b>(584,503)</b>	<b>(316,909)</b>

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.



**MOHAMMED YASIN FECTO**  
CHIEF EXECUTIVE



**ROHAIL AJMAL**  
DIRECTOR



**ABDUL SAMAD**  
CHIEF FINANCIAL OFFICER



**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE PERIOD ENDED MARCH 31, 2023**

**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 facility**

**Registered office:**

The Company's registered office is situated at Plot No. 60-C, Khayaban-e-Shahbaz, Phase-VI, Defense Housing Authority, Karachi - 75500.

**Manufacturing facility:**

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

**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 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:

- International Accounting Standard (IAS) 34 'Interim Financial Reporting', issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of, and the directives issued under, the Companies Act, 2017.

Where the provisions of, and the directives issued under, the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of, and directives issued under, the Companies Act, 2017 have been followed.

These condensed interim financial statements do not include all the information and disclosures as required in the annual financial statements and should be read in conjunction with the Company's annual financial statements for the year ended June 30, 2022.



## 2.2 Basis of measurement

All items in these condensed interim financial statements have been measured at their historical cost except for the following:

- (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; and
- (b) Short term investment in privately placed Term Finance Certificates (TFCs) which is carried at fair value through profit or loss.

## 2.3 Functional and presentation currency

Items included in these condensed interim financial statements are measured using the currency of the primary economic environment in which the Company operates. These condensed interim 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 interim financial statements, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those applied in the annual financial statements of the Company as at and for the year ended June 30, 2022.

## 2.5 Significant accounting policies

The significant accounting policies applied in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Company for the year ended June 30, 2022.

	(Un-audited) March 31 2023	(Audited) June 30 2022
	Rupees in thousand	
<b>3. LONG TERM FINANCING - secured (from a banking company)</b>		
<b>Financing under SBP schemes</b>		
- Financing Scheme for Renewable Energy	353,173	400,434
- Temporary Economic Refinance Facility (TERF)	433,771	443,026
	<u>786,944</u>	<u>843,460</u>
<b>Other financing arrangements</b>		
- Term Finance I	-	24,685
- Term Finance II	118,597	149,492
	<u>118,597</u>	<u>174,177</u>
	<u>905,541</u>	<u>1,017,637</u>



	(Un-audited) March 31 2023	(Audited) June 30 2022
	Rupees in thousand	
<b>4. DEFERRED INCOME - GOVERNMENT GRANT</b>		
Opening balance	231,155	94,997
Add: Grant recognized during the period / year	-	178,511
Less: Amortized for the period / year	<u>(35,303)</u>	<u>(42,353)</u>
	195,852	231,155
Less: Current maturity shown under current liability	<u>(44,825)</u>	<u>(46,611)</u>
<b>Non-current maturity</b>	<u>151,027</u>	<u>184,544</u>
<b>5. SHORT TERM BORROWINGS</b>		
Running finance	700,054	275,362
Export re-finance	83,220	80,000
Cash Finance	<u>198,510</u>	-
	<u>981,784</u>	<u>355,362</u>
<b>6. CURRENT MATURITY OF LONG TERM FINANCING - Secured</b>		
<b>Financing under SBP schemes</b>		
Financing Scheme for Renewable Energy Refinance Scheme for Payment of Wages and Salaries	94,654	35,779
Temporary Economic Refinance Facility (TERF)	<u>49,301</u>	89,988
	143,955	21,786
<b>Other financing facilities</b>	-	-
Term Finance II	<u>68,621</u>	31,686
	<u>212,576</u>	<u>179,239</u>

**7. CONTINGENCIES AND COMMITMENTS**

**7.1 Contingencies**

**7.1.1** The status of the contingency was the same as reported in note 13.1.1 to the annual financial statements of the Company for the year ended June 30, 2022.



	(Un-audited) March 31 2023	(Audited) June 30 2022
	Rupees in thousand	
<b>7.2 Commitments</b>		
As of the reporting date, the outstanding financial commitments of the company were as follows:		
- in respect of import of stores and spares	<u>74,502</u>	<u>27,043</u>
- Letter of guarantee in favour of Sui Northern Gas Pipeline Limited (SNGPL)	<u>110,000</u>	<u>110,000</u>
<b>8. PROPERTY, PLANT AND EQUIPMENT</b>		
Operating fixed assets	<b>2,564,264</b>	2,580,421
Capital work in progress	8.1 <b>1,701</b>	126,682
Capital spares	<u>343,228</u>	<u>360,747</u>
	<u><b>2,909,193</b></u>	<u>3,067,900</u>
<b>8.1 Capital work in progress</b>		
Opening balance	<b>126,682</b>	32,502
Expenditure incurred during the period / year	<u>7,436</u>	<u>894,181</u>
	<b>134,118</b>	926,683
Transferred to operating fixed assets during the period / year	<b>(132,417)</b>	(622,148)
Transferred to capital spares during the period / year	-	(175,476)
Charged of during the period / year	-	(2,377)
	<u><b>(132,417)</b></u>	<u>(800,001)</u>
	<u><b>1,701</b></u>	<u>126,682</u>



	Note	(Un-audited) March 31, 2023 Rupees in thousand	(Un-audited) March 31, 2022
<b>9. SALES REVENUE - net</b>			
Revenue from local sales		6,328,787	4,626,660
Revenue from export sales		222,518	110,998
		<u>6,551,305</u>	<u>4,737,658</u>
<b>10. COST OF SALES</b>			
Opening stock of finished goods		31,777	23,497
Cost of goods manufactured	10.1	6,329,001	4,177,945
		<u>6,360,778</u>	<u>4,201,442</u>
Closing stock of finished goods		(133,939)	(45,783)
		<u>6,226,839</u>	<u>4,155,659</u>
<b>10.1 Cost of goods manufactured</b>			
Raw material and packing material consumed		570,605	496,722
Conversion cost incurred		6,222,971	3,443,571
		<u>6,793,576</u>	<u>3,940,293</u>
Opening work-in-process		193,686	450,490
Closing work-in-process		(658,261)	(212,838)
		<u>(464,575)</u>	<u>237,652</u>
		<u>6,329,001</u>	<u>4,177,945</u>
<b>11. TAXATION</b>			
Current		87,722	58,936
Prior		(9,622)	-
		<u>78,100</u>	<u>58,936</u>
Deferred		(72,880)	15,841
		<u>5,220</u>	<u>74,777</u>





	(Un-audited) March 31 2023	(Un-audited) March 31 2022
Note	Rupees in thousand	
<b>12. CASH USED IN OPERATIONS</b>		
(Loss) / profit before taxation	(109,575)	257,213
<b>Adjustments for:</b>		
- Depreciation on property, plant and equipment	199,149	119,600
- Depreciation on right-of-use assets	18,608	25,450
- Finance costs	211,873	117,797
- Interest income	(22,034)	(11,264)
- Gain on disposal of operating fixed assets	(996)	(5,191)
- Provision against Workers' Profit Participation Fund	-	13,538
- Amortization of deferred government grant	(35,303)	(30,691)
	<u>371,297</u>	<u>229,239</u>
Operating Profit before working capital changes	261,722	486,452
<b>Working capital changes</b>		
Decrease / (Increase) in current assets		
- Stores and spares	(64,292)	(178,701)
- Stock-in-trade	(618,917)	277,703
- Trade debts	(71,777)	(22,278)
- Loans, advances, deposit and prepayment	(1,832)	25,871
- Sales tax refundable	(18,614)	11,776
(Decrease) in current liabilities		
Trade and other payables	141,118	(94,566)
	<u>(505,730)</u>	<u>19,805</u>
Cash (used in) / generated from operations	<u>(244,008)</u>	<u>506,257</u>
<b>13. CASH AND CASH EQUIVALENTS</b>		
Cash and bank balances	115,551	107,261
Short term borrowings - running finance	5 (700,054)	(424,170)
	<u>(584,503)</u>	<u>(316,909)</u>
<b>14. TRANSACTIONS AND BALANCES WITH RELATED PARTIES</b>		
<p>The related parties of the Company comprise of M/s Frontier Paper Products (Private) Limited (an associated company), M/s. Fecto Cement Nooriabad (Private) Limited (a subsidiary), key management personnel (including directors) and their close family members, and the staff provident fund. Transactions entered into, and balances held with, the related parties were as follows:</p>		



			(Un-audited) March 31 2023	(Un-audited) March 31 2022
			— Rupees in thousand —	
<b>Transactions during the period</b>				
Name of the related party	Basis of relationship with the party	Nature of the transaction		
Frontier Paper Products (Private) Limited	Associated company	Purchases made	387,454	338,783
		Payments made	348,862	308,778
		Interest income on loan receivable	7,485	3,126
		Loan disbursed	74,500	-
		Loan recovered	-	77,000
Key management personnel	Key management personnel	Remuneration of the Chief Executive	30,640	27,000
		Directors' meeting fee	100	115
		Remuneration of executives	169,537	142,947
Fecto Cement Limited - Staff Provident Fund	Post-employment benefit plan	Contribution for the period	19,126	17,791

			(Un-audited) March 31, 2023	(Audited) June 30, 2022
			— Rupees in thousand —	
<b>Balances outstanding as of the reporting date</b>				
Name of the related party	Basis of relationship with the party	Nature of the balance outstanding		
Frontier Paper Products (Private) Limited	Associated company	Trade payable	81,063	42,471
		Loan receivable	99,895	25,395
		Interest receivable on loan	4,311	778
Fecto Cement Limited - Staff Provident Fund	Post-employment benefit plan	Contribution payable	5,280	4,389

## 15. FAIR VALUE OF 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. The carrying amounts of all financial assets and liabilities reflected in these condensed interim financial statements approximate their fair value.

The Company measures fair value of its assets and liabilities 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).

For assets that are traded in active markets, the fair value is determined on the basis of quoted market prices. For all other assets, the fair value is determined using valuation techniques.

The table below analyses the 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:

	<b>March 31, 2023 (Un-audited)</b>		
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
	<b>----- Rupees in '000' -----</b>		
Investment in privately placed TFCs	-	<b>99,920</b>	-
Investment in unquoted ordinary shares of M/s. Frontier Paper Products (Private) Limited	-	-	<b>329,850</b>
	<b>June 30, 2022 (Audited)</b>		
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
	<b>----- Rupees in '000' -----</b>		
Investment in privately placed TFCs	-	99,920	-
Investment in unquoted ordinary shares of M/s. Frontier Paper Products (Private) Limited	-	-	329,850

The Company uses the Discounted Free Cash Flows to Equity model of business valuation to arrive at the fair value of its investment in the unquoted ordinary shares of its investment in M/s. Frontier Paper Products (Private) Limited. The assumptions and inputs used in the valuation mainly include the present risk-free rate, equity beta, equity risk premium (used in the derivation of the discount rate) as well as the projected rates of increase in sales, cost of sales, administrative and selling expenses, finance costs, other expenses and terminal growth rates.



## 16. GENERAL

### 16.1 Date of authorization for issue of these condensed interim financial statements

These condensed interim financial statements were authorised for issue by the Board of Directors of the Company in their meeting held on April 28, 2023.

### 16.2 Level of rounding


Unless otherwise stated, figures in these condensed interim financial statements have been rounded off to the nearest thousand rupees.



**MOHAMMED YASIN FECTO**  
CHIEF EXECUTIVE



**ROHAIL AJMAL**  
DIRECTOR



**ABDUL SAMAD**  
CHIEF FINANCIAL OFFICER



## مستقبل پہ نظر

زیر نظر دورانیے میں سیمنٹ کی طلب میں کمی کی بنیادی وجہ سیاسی عدم استحکام، افراط زر کا زیادہ ہونا، ڈالر کے مقابلے میں روپے کی قدر میں کمی اور شرح سود میں اضافہ ہے۔ توقع ہے کہ بقیہ تین مہینوں میں بھی سیمنٹ کی طلب و باؤ کا شمار رہے گی۔ البتہ IMF پروگرام کی بحالی سے امید کی جاتی ہے کہ کاروباری برادری کے اعتماد میں بہتری آجائے جس کے نتیجے میں مقامی سطح پر سیمنٹ کی طلب میں بہتری ہو سکتی ہے۔ اسٹیٹ بینک کی طرف سے بڑھتی ہوئی شرح سود سے مالیاتی لاگت میں اضافہ ہوگا۔

## اظہار تشکر

ڈائریکٹرز کمپنی تمام بینکوں، صارفین اور کمپنی کے ملازمین کا کمپنی کے لیے ان کی مسلسل حمایت، تعاون اور خلوص نیت سے کام کرنے پر تہ دل سے مشکور ہیں۔

## منجانب بورڈ



روحیل اجمل

ڈائریکٹر



محمد یسین فیکنو

چیف ایگزیکٹو

بمقام کراچی: 28/ اپریل 2023

کی پیداوار میں بالترتیب 33.98 فیصد اور 3.78 فیصد کا اضافہ ریکارڈ کیا گیا۔  
 کمپنی کی جانب سے نو ماہ میں سیسٹ کی فروختگی کے حجم میں 8.91 فیصد کمی ہوئی۔ جس میں مقامی فروختگی کے مجموعی حجم میں زیر نظر دورانیے کے دوران نو ماہی میں 9.38 فیصد کمی جبکہ برآمدات میں 3.38 فیصد کا اضافہ ریکارڈ کیا گیا۔ جبکہ اس سہ ماہی میں مجموعی فروختگی میں 1.43 فیصد کا اضافہ ہوا جس میں مقامی فروختگی میں 1.40 فیصد اور برآمدات میں 3.34 فیصد کا اضافہ ریکارڈ کیا گیا۔

### مالیاتی نتائج

زیر نظر دورانیے کے دوران کمپنی کی خالص مجموعی فروختگی بڑھ کر 6,551 ملین روپے رہی۔ جبکہ گزشتہ سال اسی عرصے کے دوران مجموعی فروختگی سے حاصل ہونے والی آمدن 4,738 ملین روپے تھی۔ اس لحاظ سے آمدن میں 38.27 فیصد کا اضافہ ہوا جب کہ حجم میں 8.91 فیصد کمی ریکارڈ کی گئی۔

زیر نظر دورانیے میں نو ماہی کے دوران مقامی سطح پر خالص مجموعی فروختگی سے حاصل ہونے والی آمدن 6,329 ملین روپے رہی جبکہ گزشتہ سال اسی عرصے کے دوران ہونے والی آمدن 4,626 ملین روپے تھی۔ اس طرح سے فروختگی سے ہونے والی آمدن میں 36.81 فیصد کا اضافہ جب کہ اس کے مقابلے میں حجم میں 9.38 فیصد کمی ریکارڈ کی گئی۔ مقامی سطح پر آمدن میں اضافے کی بنیادی وجہ قیمتوں میں اضافہ ہے جس کی وجہ کو سکلے، بجلی اور دوسرے لگنے والے مواد کے بڑھتے ہوئے خرچے کو اگے منتقل کرنا تھا۔ برآمدات سے حاصل ہونے والی آمدن نو ماہ میں 223 ملین روپے رہی۔ جب کہ گزشتہ سال اسی عرصے کے دوران برآمدات 110 ملین روپے تھی۔ اس طرح سے آمدن میں 102.73 فیصد کا اضافہ جب کہ اسی عرصے کے دوران حجم میں 3.38 فیصد کا اضافہ ریکارڈ کیا گیا۔ زیر نظر دورانیے میں نو ماہی کے دوران برآمدات کی قیمتوں میں بہتری کی بنیادی وجہ نو ماہی کے دوران امریکی ڈالر کے مقابلے میں پاکستانی روپے کی قدر میں کمی سے ہوئی۔

لاگت برائے فروختگی میں نو ماہ میں 49.83 فیصد کا اضافہ ہوا جس کی وجہ سے لاگت برائے نو ماہ بڑھ کر 6,227 ملین روپے رہی جو کہ گزشتہ سال اسی عرصے کے دوران 4,156 تھی۔ حالانکہ اسی عرصے کے دوران فروختگی کے حجم میں 8.91 فیصد کمی ریکارڈ کی گئی۔ لاگت میں اضافے کی بنیادی وجہ تیل اور بجلی کی قیمتوں میں اضافہ ہے۔ اس عرصے کے دوران بجلی کی قیمتوں میں مستقل اضافہ ہوتا رہا جس کی بنیادی وجہ حکومت کی جانب سے متعدد سرچارجز کا نفاذ ہے۔ افغان کوئلے کی قیمتوں میں مسلسل اضافہ، ڈالر کے مقابلے میں روپے کی قدر میں کمی کی وجہ سے ہوا۔  
 مقامی سطح پر قیمتوں میں اضافے کی وجہ سے اس نو ماہی کے دوران کمپنی کا خام منافع 382 ملین اور سہ ماہی کے دوران کا خام منافع 150 روپے رہا۔ جب کہ گزشتہ سال نو ماہ اور سہ ماہی میں خام منافع بالترتیب 582 ملین اور 169 ملین تھا۔ زیر نظر دورانیے میں اسٹیٹ بینک کی جانب سے ڈسکاؤنٹ ریٹ میں مسلسل اضافے کی وجہ سے مالیاتی لاگت میں اضافہ ہوا۔

نو ماہی میں کمپنی کو قبل از محصول 110 ملین روپے کا نقصان ہوا جبکہ گزشتہ سال اسی عرصے میں 257 ملین روپے کا منافع ہوا تھا۔ سہ ماہی کے دوران کمپنی نے قبل از محصول 17 ملین کا منافع کمایا جبکہ گزشتہ سال اس سہ ماہی کے دوران 46 ملین روپے کا منافع حاصل ہوا تھا۔

نو ماہی میں کمپنی کو بعد از محصول 115 ملین روپے کا نقصان ہوا جب کہ سہ ماہی میں 7 ملین روپے کا منافع حاصل ہوا۔ جبکہ گزشتہ سال اسی عرصے کے دوران کمپنی کو بعد از محصول بالترتیب نو ماہی اور سہ ماہی میں 182 ملین روپے اور 33 ملین روپے کا منافع ہوا تھا۔  
 نو ماہی میں نقصان فی حصص 2.29 روپے رہا۔ جبکہ گزشتہ سال اسی عرصے کے دوران آمدن فی حصص 3.64 روپے تھی۔ جب کہ سہ ماہی میں کمپنی کی آمدن فی حصص 0.14 روپے رہی جو کہ گزشتہ سال اسی عرصے کے دوران آمدن فی حصص 0.65 روپے تھی۔



### ڈائریکٹرز جائزہ

آپ کی کمپنی کے ڈائریکٹرز کمپنی کی کارکردگی کا جائزہ بمعہ غیر آڈٹ شدہ مالیاتی دستاویزات برائے ختم ہونے والے عرصے 31 مارچ 2023 آپ کی خدمت میں پیش کر رہے ہیں۔

### جائزہ

موجودہ مالیاتی سال 30 جون 2023ء کے پہلے نو ماہ میں سیمنٹ کی صنعت میں مجموعی فروختگی کا حجم 33.60 ملین ٹن رہا اس کے اعتبار سے مجموعی طور پر مال کی روایتی میں 17.69 فیصد کمی ریکارڈ کی گئی جبکہ گزشتہ سال اسی عرصے کے دوران مجموعی فروختگی کا حجم 40.82 ملین ٹن تھا۔ اس سہ ماہی کے دوران 11.38 فیصد کمی کے ساتھ مجموعی فروختگی کا حجم 11.84 ملین ٹن ریکارڈ کیا گیا۔ جبکہ گزشتہ سال اسی عرصے کے دوران مجموعی فروختگی کا حجم 13.36 ملین ٹن تھا۔

مقامی سطح پر صنعت میں نو ماہ اور سہ ماہی کے دوران فروختگی کا حجم بالترتیب 30.56 ملین ٹن، اور 10.53 ملین ٹن رہا۔ جبکہ گزشتہ سال اسی عرصے کے دوران مقامی فروختگی کا حجم بالترتیب 36.17 ملین ٹن، اور 12.11 ملین ٹن تھا۔ اس اعتبار سے مقامی سطح پر صنعت کی فروختگی کے حجم میں بالترتیب 15.51 فیصد اور 13.05 فیصد کمی ریکارڈ کی گئی۔ اس کے برعکس برآمدات کی مد میں صنعت کی سطح پر فروختگی کا مجموعی حجم نو ماہ اور سہ ماہی کے دوران 3.04 اور 1.30 ملین ٹن رہا۔ جبکہ گزشتہ سال اسی عرصے کے دوران برآمدات کی مد میں فروختگی کا یہ حجم بالترتیب 4.6 اور 1.26 ملین ٹن تھا۔ جس کے اعتبار سے نو ماہ کے دوران برآمدات کی فروختگی کے حجم میں 33.91 فیصد کمی ریکارڈ کی گئی جبکہ سہ ماہی میں برآمدات کے حجم میں 3.17 فیصد کا اضافہ دیکھا گیا۔

دوران نو ماہی شمال میں واقع فیکٹریوں کی مجموعی فروختگی کا حجم 25.83 ملین ٹن رہا جس میں مقامی سطح پر فروختگی 25.05 ملین ٹن اور برآمدات 0.78 ملین ٹن ریکارڈ کی گئی۔ مجموعی طور پر شمال میں واقع فیکٹریوں کی فروختگی کے حجم میں 15.65 فیصد کمی دیکھی گئی جس میں سے مقامی سطح پر فروختگی کے حجم میں 16.33 فیصد کمی جبکہ برآمدات میں 14.56 فیصد کا اضافہ ریکارڈ کیا گیا۔

### کمپنی کی کارکردگی

#### کارکردگی برقی کاروباری افعال

دوران نو ماہ کمپنی کی جانب سے کلنگر اور سیمنٹ کی پیداوار بالترتیب 497,176 ٹن اور 493,854 ٹن رہی۔ جبکہ گزشتہ سال اسی عرصے کے دوران کلنگر اور سیمنٹ کی پیداوار بالترتیب 456,592 ٹن، اور 536,756 ٹن رہی۔ اس اعتبار سے کلنگر کی پیداوار میں 8.89 فیصد کا اضافہ جبکہ سیمنٹ کی پیداوار میں 7.99 فیصد کمی ریکارڈ کی گئی۔ اس سہ ماہی میں کمپنی کی جانب سے کلنگر اور سیمنٹ کی پیداوار بالترتیب 162,579 ٹن اور 178,018 ٹن رہی۔ جبکہ گزشتہ سال اس سہ ماہی میں یہ پیداوار بالترتیب 121,350 ٹن اور 171,530 ٹن رہی۔ اس اعتبار سے اس دورانیے میں کلنگر اور سیمنٹ







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## **FECTO CEMENT LIMITED**

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