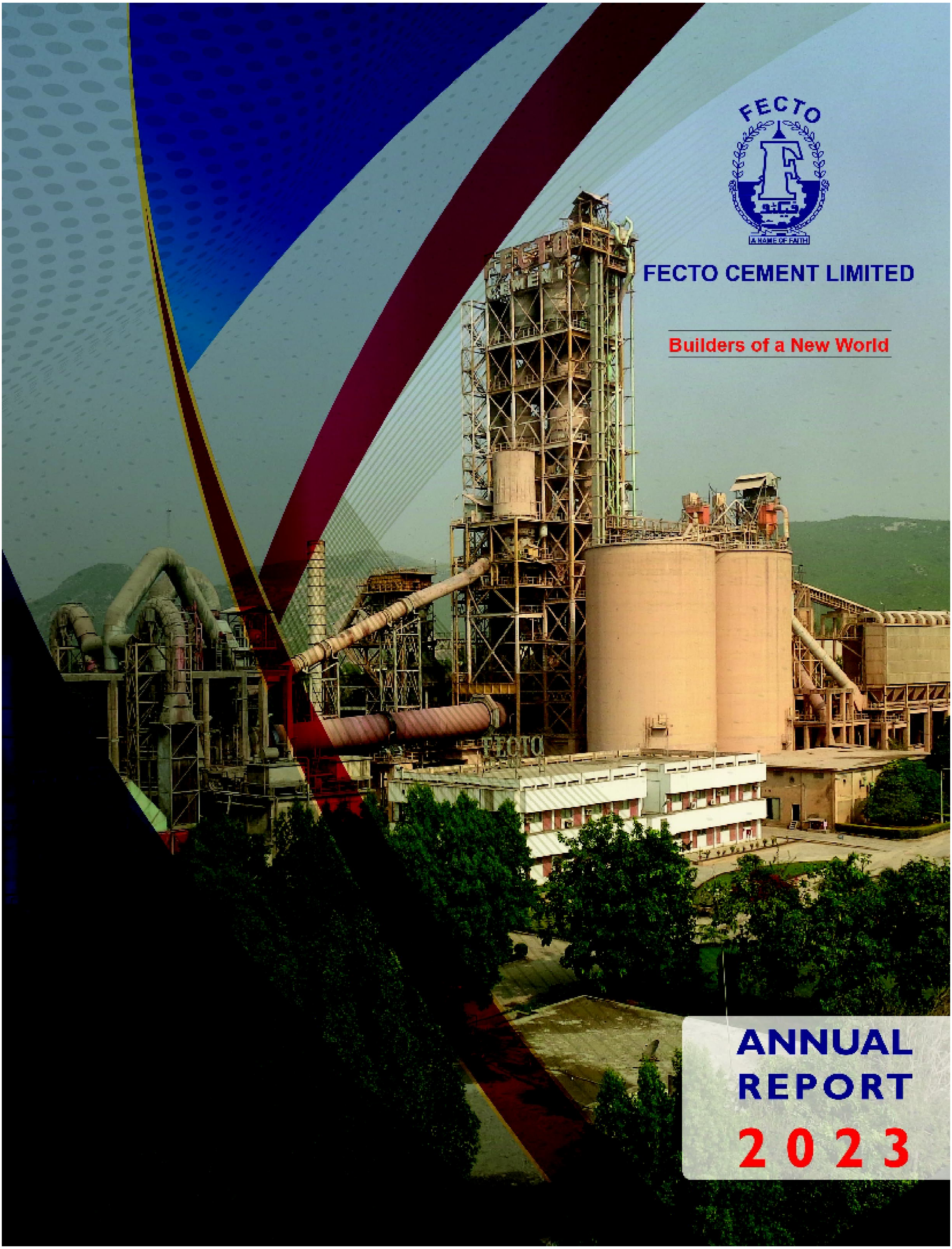

FECTO
A NAME OF FAITH
FECTO CEMENT LIMITED
Builders of a New World
ANNUAL
REPORT
2023

Contents

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
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) 2296065-8

BANKERS

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

WEBSITE:

www.fectogroup.com

VISION STATEMENT, MISSION STATEMENT AND CORPORATE STRATEGY

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

Notice is hereby given that the 42nd Annual General Meeting of the Members of **FECTO CEMENT LIMITED** will be held on Saturday, October 28, 2023 at 12.00 noon at Royal Rodale Sports and Recreational Complex situated at TC-V, 34th Street, Kh-e-Sehar, Phase V, Ext, Defence Housing Authority, Karachi to transact the following businesses:

ORDINARY BUSINESS

1) To confirm the minutes of last Annual General Meeting held on Friday October 28, 2022.

2) To receive, consider and adopt the Annual Audited Financial Statements of the Company for the year ended June 30, 2023 together with the Directors' and Auditors' Reports thereon.

3) To appoint Auditors for the year ending June 30, 2024 and fix their remuneration. Present auditors M/s. Rahman Sarfarz Rahim Iqbal Rafiq, Chartered Accountants retires and being eligible have offered themselves for the re-appointment.

SPECIAL BUSINESS

4) To consider and if deemed ft, to pass the following ordinary resolution in pursuance of S.R.O. 389(1)/2023 dated March 21, 2023 of the Securities and Exchange Commission of Pakistan, with or without modification, as recommended by the Directors:

   “RESOLVED THAT the consent and approval of the members of Fecto Cement Limited (the Company) be and is hereby accorded and the Company be and is hereby authorized to circulate its annual audited financial statements to its members through QR enabled code and web link as part of the notice of Annual General meeting.

   FURTHER RESOLVED THAT the Company be and is hereby authorized to discontinue the circulation of annual financial statements through CD/DVD/USB.

   FURTHER RESOLVED THAT the Company Secretary of the Company be and is hereby authorized to do all acts, deeds, and things, take or cause to be taken any action as may be necessary, incidental, or consequential to give effect to this resolution."

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

By Order of the Board

(ABDUL WAHAB)
COMPANY SECRETARY

Karachi: October 02, 2023

Notes:

1) Closure of Share Transfer Books

The Share Transfer Books of the Company will remain closed from Friday, October 20, 2023 to Saturday, October 28, 2023 (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 at the close of business on Thursday, October 19, 2023 will be considered in time for the purpose of Annual General Meeting.

2) Participation in General Meeting and appointment of proxies

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) Request for Video Conference Facility

a. To attend the AGM through video-conferencing facility, members are requested to register themselves by providing the following information through email at abdul_wahab@fectogroup.com at least forty-eight (48) hours before the AGM: (i) the Name of Member; (ii) CNIC / NTN No.; (iii) Folio No. / CDC IAS No.; (iv) Cell No.; and (v) Email Address.

b. Only those members will be accepted at the AGM via video-conferencing whose names match the details shared with the Company for registration (as mentioned in point 'a' above).

c. The login facility will remain open from 11:30 a.m., till the end of AGM.

d. Video conferencing facility shall be provided subject to compliance of section 134(1) (b) of the Act.

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 for the special business(es) in the AGM, in accordance with the conditions mentioned in the aforesaid regulations. The Company shall provide its members with the following options for voting:

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 20, 2023.

(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.

(d) E-Voting lines will start from October 24, 2023, 12 a.m. and shall close on October 27, 2023 at 5 p.m.

Members can cast their votes any time in this period. Once the vote on a resolution is cast by a member, he / she shall not be allowed to change it subsequently.

ii) Postal Ballot

(a) Members may alternatively opt for voting through postal ballot. For convenience of the members, Ballot Paper is annexed to this notice and the same is also available on the Company's website www.fectogroup.com to download.

(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. on October 27, 2023 before 5:00 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 annual report of the Company has been uploaded on the Company's website.

STATEMENT OF MATERIAL FACTS UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017

This Statement sets out the material facts pertaining to the Special Business to be transacted at the General Meeting of Fecto Cement Limited (the "Company") to be held on Saturday, October 28, 2023.

Agenda Item no. 4

The Securities and Exchange Commission of Pakistan, vide its SRO. 389 (1)/2023 dated March 21, 2023 has allowed listed companies to circulate the Annual Audited Financial Statements to their members through QR enabled code and web-link (instead of CD/DVD/USB), subject to approval of the shareholders in the general meeting. To comply with the requirement of said SRO shareholders approval is being sought.

None of the Directors of the Company have any personal interest in the aforesaid special businesses, except in their capacity as members and Directors of the Company.

BALLOT PAPER

Ballot Paper for voting through post for the Special Businesses at the General Meeting to be held on Saturday, October 28, 2023, at 12:00 Noon at Royal Rodale Sports and Recreational Complex situated at TC-V, 34th Street, Kh-e-Sehar, Phase V, Defence Housing Authority, Karachi and through video conferencing.

Contact Details of the Chairman at which the duly filled in ballot paper may be sent:

Address: The Chairman, Fecto Cement Limited, Plot # 60-C, Khayaban e Shahbaz, Phase VI, Defence Housing Authority, Karachi. Attention of the Company Secretary.

E-mail address: abdul_wahab@fectogroup.com Phone: +92-21-35248921-4 Website: www.fectogroup.com

Folio / CDS Account Number	
Name of Shareholder / Proxy Holder	
Registered Address	
Number of shares Held	
CNIC/Passport No. (in case of foreigner) (copy to be attached)	

Additional information and enclosures (in case of representative of body corporate, corporation, and federal Government)

Name and CNIC of Authorized Signatory	

I/we hereby exercise my/our vote in respect of the following resolutions through postal ballot by conveying my/our assent or dissent to the resolutions by placing tick (✓) mark in the appropriate box below: (In case if both the boxes are marked as (✓), your poll shall be treated as "Rejected")

S.NO.	Agenda / Description of Resolutions	I/We assent to the Resolution(s) (FOR)	I/We dissent to the Resolution(s) (FOR)
1.	**"RESOLVED THAT** the consent and approval of the members of Fecto Cement Limited (the Company) be and is hereby accorded and the Company be and is hereby authorized to circulate its annual audited financial statements to its members through QR enabled code and web link as part of the notice of Annual General meeting. **FURTHER RESOLVED THAT** the Company be and is hereby authorized to discontinue the circulation of annual financial statements through CD/DVD/USB. **FURTHER RESOLVED THAT** the Company Secretary of the Company be and is hereby authorized to do all acts, deeds, and things, take or cause to be taken any action as may be necessary, incidental, or consequential to give effect to this resolution."		

Notes:

1. Duly filled ballot paper should be sent to the Chairman of Fecto Cement Limited at Plot # 60-C, Khayaban e Shahbaz, Phase VI, Defence Housing Authority, Karachi. Attention of the Company Secretary or e-mail at abdul_wahab@fectogroup.com

2. Copy of CNIC/ Passport (in case of foreigner) should be enclosed with the postal ballot form.

3. Ballot paper should reach the Chairman within business hours by or before Friday, October 27, 2023. Any postal Ballot received after this date, will not be considered for voting.

4. Signature on ballot paper should match with signature on CNIC/ Passport. (In case of foreigner).

5. Incomplete, unsigned, incorrect, defaced, torn, mutilated, over written poll paper will be rejected.

6. In case of a representative of a body corporate, corporation or Federal Government, the Ballot Paper Form must be accompanied by a copy of the CNIC of an authorized person, an attested copy of Board Resolution, / Power of Attorney, / Authorization Letter etc., in accordance with Section(s) 138 or 139 of the Companies Act, 2017 as applicable. In the case of foreign body corporate etc., all documents must be attested by the Counsel General of Pakistan having jurisdiction over the member.

7. Ballot Paper form has also been placed on the website of the Company at: www.fectogroup.com. Members may download the Ballot paper from the website or use an original/photocopy published in newspapers.

8. Shareholder / Proxy holder Signature/Authorized Signatory (In case of corporate entity, please affix company stamp)

CHAIRMAN'S REVIEW
FOR THE YEAR ENDED JUNE 30, 2023

OVERVIEW OF THE ECONOMY

Financial year under review, remained challenging for the world economies including Pakistan. High inflation forcing central banks around the world to raise interest rates thus increasing cost of doing business. Supply chain disruption has also caused increase in prices of commodities specially oil. Pakistan economy has been facing serious challenges due to higher interest rate, depreciation of PKR against USD, import restrictions and severe flood in first quarter of the financial year under review.

Cement industry faced significant challenges during the year resulting lower dispatches in both local and exports markets. Production cost also increased due to higher commodities prices and increased electricity rates. Signing of agreement with IMF improved business confidence to some extent. The overall performance of the Company also affected due to the above factors whereby dispatches reduced whereas cost of production increased. Increase in selling price mitigated the higher costs effects to certain extent. Dispatches in first quarter of current financial year have improved compared to same period last year. Cost of coal has also reduced slightly, however, energy rates are still high. The Company will continue to improve operational efficiencies to minimize cost of production.

BOARD OF DIRECTORS PERFORMANCE

The Board of Directors of the Company has performed their fiduciary duties diligently in upholding the best interest of all stakeholders in efficient and effective manners. The Board has exercised its powers and has performed its duties as stated in the Companies Act, 2017 and the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Code) contained in the Rule Book of the Pakistan Stock Exchange (the Rule Book) where the Company is listed.

The Board during the year ended June 30, 2023 played an effective role in managing the affairs of the Company and achieving its objectives in the following manner;

- The Board has ensured that there is adequate representation of non-executive and independent directors on the Board and its committees as required under the Code and that members of the Board and its respective committees have adequate skill, experience and knowledge to manage the affairs of the Company;

- The Board has developed and put in place an effective mechanism for an annual evaluation of its own performance and that of its committees and individual directors. The findings of the annual evaluation are assessed and re-evaluated by the Board periodically;

- The Board has ensured that the directors are aware of their duties and responsibilities under the Companies Act, 2017, relevant Rules and Regulations and Articles of Associations of the Company. Further, they are provided with orientation courses to enable them to perform their duties in an effective manner;

- The Board has ensured that the meetings of the Board and that of its committee were held with the requisite quorum. The Board members have received agenda for the meetings containing all relevant information require to helping them for constructive discussions are delivered in timely manner. All the decision making were taken through Board resolutions and that the minutes of all the meetings (including committees) are appropriately recorded and maintained;

- The Board has developed a code of conduct setting forth the professional standards and corporate values adhered through the Company and have developed significant policies for smooth functioning;

- All the significant issues throughout the year were presented before the Board or its committees to strengthen and formalize the corporate decision making process and particularly all the related party transactions executed by the

Company were approved by the Board on the recommendation of the Audit Committee;

- The Board has ensured that the adequate system of internal control is in place and its regular assessment through self-assessment mechanism and /or internal audit activities;
- The Board has prepared and approved the directors' report and has ensured that it is published with the quarterly and annual financial statement of the Company and the contents of the report are in accordance with the requirement of applicable laws and regulations;
- The Board has ensured that adequate information is shared among its members in a timely manner and the Board members are kept abreast of developments between meetings; and
- The Board has exercised its powers in light of the power assigned to the Board in accordance with the relevant laws and regulation applicable to the Company and the Board has always prioritized the Compliance with all the applicable laws and regulations in term of their conduct as directors and exercising their powers and decision making.

In the end I would like to express on my behalf and on behalf of the Board, our sincere gratitude to the regulators for their professional guidance. I am also thankful to the board members for their valuable contribution and express my pride in the Company's team for this excellent performance.

AAMIR GHANI
Chairman of the Board of Directors

Karachi: October 02, 2023

DIRECTORS' REPORT TO THE MEMBERS

Dear Members

The Board of Directors has pleasure in presenting before you the annual report together with Audited Financial Statements of the Company for the year ended June 30, 2023.

OVERVIEW

During the year under review, overall dispatches of industry reduced by 15.71% with total sales volume of 44.58 million tons as against 52.90 million tons of last year. Main reason for such reduction was of reduction in both local and export sales volume due to political and economic conditions of the country coupled with severe flood. Local sales volume of the industry reduced by 16.00% and reached to 40.00 million tons as against 47.64 million tons of last year. Exports also reduced by 13.13% and reached to 4.57 million tons as against 5.30 million tons of last year.

Overall sales volume of plants located in north reduced to 33.85 million tons witnessing a decline of 16.11%. Local sales volume of plants located in north recorded to 32.78 million tons whereas exports were of 1.07 million tons. Local sales volume of plants located in north hence, reduced by 16.88% whereas exports increased by 17.42%. Total sales volume of plants located in South reduced by 15.71%, out of which local sales reduced by 15.99%, whereas exports reduced by 13.13% respectively

OPERATING PERFORMANCE

Production and dispatches of the Company for the year under review with comparison to last year were as follows:

	------------ TONS ------------		
	2023	**2022**	**CHANGE IN %**
Production			
Clinker	**632,116**	618,559	2.19
Cement	**646,530**	712,757	(9.29)
Dispatches			
Local	**619,849**	686,077	(9.65)
Export	**22,107**	26,567	(16.79)
Total	**641,956**	712,644	(9.92)

Production of clinker for the year under review increased by 2.19% whereas production of cement reduced by 9.29% respectively, main reason for reduction in cement production was of subdued demand in the market due to market conditions.

Both Local and export sales of the Company, during the year under review, reduced by 9.65%, and 16.69% respectively.

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	
	2023	**2022**
Net sale - Local	**8,432,393**	6,601,725
Net sale - export	**249,790**	172,842
Total Net Sale	**8,682,183**	6774,567
Cost of sales	**8,369,763**	5,900,946
Gross Profit	**312,420**	873,621
(Loss)/Profit before taxation	**(172,929)**	428,860
(Loss)/Profit after taxation	**(133,245)**	286,703
(Loss)/Earnings Per Share(in Rupees)	**(2.66)**	5.72

SALES REVENUE

During the year under review, local gross sales revenue of the Company increased by 24.28% as compared to last year as against decrease in local sales volume by 9.65%. Prices in local market increase during the year under review due to substantial increase in cost of production specially coal, electricity and diesel. Net local sales revenues for the year increased to Rs. 8,432 million as against Rs. 6,602 million of last year registering growth of 27.72% as against increase of gross sales revenue by 24.28% and decrease in local sales volume by 9.65%. Better retention prices helped company to achieve this growth. Export sales revenue of the Company increased by 44.52% as against reduction in volume by 16.79%. Export price both in term of USD and PKR remained better during the year due to PKR depreciation against USD.

Over all net sales revenue of the company increased to Rs. 8,682 million as against Rs. 6,775 million of last year showing increase of 28.15% as against decrease in volume by 9.92%.

PROFITABILITY

Cost of sales of the Company during the year under review increased by 41.84% though overall sales volume reduced by 9.92%. Cost of sales per ton increased by Rs. 4,758 per ton as compared to last year mainly on account of increase in overall input costs. The Company achieved gross profit of Rs. 312 million for the year under review as against gross profit of Rs.874 million of last year.

Administrative expenses increased mainly due to increase in salaries and wages and depreciation. Distribution expenses increased due to increase in salaries and wages during the year though overall sales volume reduced. Increase in finance costs was due to rising interest rates and higher utilization of financing facilities. Other income increased due to gain on sale of operating assets.

The Company suffered loss before taxation of Rs. 173 million as against profit before taxation of Rs. 429 million of last year.

The Company suffered loss after taxation of after taxation Rs. 133 million as against profit after taxation of Rs. 287million of last year. Loss per share for the year was of Rs. 2.66 as against earnings per share of Rs. 5.72 of last year.

PRINCIPAL RISKS AND UNCERTAINITIES

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 recent expansion in the sector.
- Adverse movement in prices of input costs and foreign exchange rates specially imported coal.
- Data security and privacy.

The Company takes necessary steps with the external and internal stakeholders to mitigate these risks to appropriate level.

IMPACT OF COMPANY'S BUSINESS ON ENVIRONMENT

The Company is in the business of manufacture and sale of cement and any emission from the manufacturing process may affect the area where its operations are conducted. The Company is conscious of this affect and has taken several steps to control the environment in which it works. 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.

FUTURE OUTLOOK

As we had mentioned in our last report, that financial year 2022-23 would remain challenging not only for the industry but overall economy of Pakistan due to high inflation, rising interest rates, commodity super cycle, continuous depreciation of PKR against USD and uncertain political situation in the country coupled with flood in the country.

Situation is still grim and uncertain, though signing of SBA with IMF would help ease of import restriction but continuous increase in electricity and fuel rates to comply with SBA conditions will pose challenge on cost of production. High interest rate will hamper revival of economic activities in the country. The management being cognizant of these cost elements will continue to look avenues for improvement in operational efficiencies and cost saving measures to remain competitive.

CORPORATE GOVERNANCE

The Directors are pleased to inform that the company has fully complied with the Code of Corporate Governance as contained in the listing regulations of Stock Exchange where the Company is listed.

In compliance with the Code of Corporate Governance, the Directors are pleased to state that:

1. The financial statements, prepared by the company, present fairly its state of affairs, the result of its operations, cash flows and changes in equity;

2. Proper books of account have been maintained by the company;

3. Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment;

4. International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements;

5. The system of internal control is sound in design and has been effectively implemented and monitored;

6. There are no significant doubts upon the company's ability to continue as a going concern;

7. The value of Provident Fund Investments as per un audited accounts of Provident Fund Trust for the year ended June 30, 2023 was Rs. 500 million (2022 Rs. 492 million) as per audited accounts.

8. 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 40 to the financial statements and respective notes.

COMPOSITION OF THE BOARD

The Board Comprises of 7 (seven) members, out of which 6 (six) members are male and 1(one) is female. Composition of the Board is as below:

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 5 (five) meetings of the Board of Directors were held. Attendance by each Director is given below:

	Attended
Mr. Mohammed Yasin Fecto	5
Mr. Aamir Ghani	3
Mr. Rohail Ajmal	5
Mr. Mohammed Anwar Habib	3
Mr. Khalid Yacoob	5
Mr. Jamil Ahmed Khan	5
Ms. Saira Ibrahim Bawani	2

Directors who could not attend the meeting due to illness or some other engagements were granted Leave of absence.

REMUNERATION POLICY FOR NON EXECUTIVE DIRECTORS

All Directors of the Company are non executive directors except CEO. Remuneration to CEO is approved by the Board of Directors in their meetings. Non executive directors are paid remuneration for attending Board and its committee meetings are per approved policy. The detail of remuneration paid to CEO and non executive directors is given in Note 39 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. Term of reference of the Committee was duly communicated to the members by the Board. 2(two) members of the committee are independent directors, whereas 1(one) director is non-executive

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	3
Mr. Rohail Ajmal	Member	4

HUMAN RESOURCE AND REMUNERATION COMMITTEE

In compliance with the requirements of Listed Companies (Code of Corporate Governance), Regulations, 2019, 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

Out of 7 (seven) directors, 5 (five) directors have already attained the training program whereas 1 (one) director meets the exemption criteria from directors training program. 1 (one) Director namely Saira Ibrahim Bawani will obtain certification in due course of time as encouraged by the code.

CORPORATE SOCIAL RESPONSIBILTY

Your Company being a responsible corporate citizen always conscious to discharge its obligations towards the people who work for it 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:

- 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. 6.15 million (2022: 3.5 million) for health, social welfare and education.

CONTRIBUTION TO NATIONAL EXECHEQURE

Your company contributed around Rs. 2,867 million in national exchequers as sales tax and federal excise duty compared to Rs 2,469 million of last year. Company also brought in foreign and exchange of around USD 1.00 MILLION in the country by exporting cement. In addition to that the Company also paid and made contribution to national exchequer on account of royalty payment and also collected and deposited income tax from its suppliers and staff on behalf of FBR.

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.

LIME STONE MINING LEASE

Mining lease of lime stone was cancelled in 2015 and a notice of recovery was served on the Company by the Deputy Director (protection/forest) Capital Development Authority (CDA) creating a demand of RS. 427 million for alleged damage caused by the Company's mining activities.

The matter was raised before the Senior Magistrate CDA, Islamabad. The Company challenged the said notice on the grounds that mining activities conducted by it were under valid license issued to it by the concerned authorities, inter alia, penalty has been without any prior notice and giving an opportunity of being heard to the Company, further no basis is provided for calculating the damage.

During last financial year, the Senior Magistrate, CDA, decided the matter in favour of the Company whereby he acquitted the Company from the charges leveled against it by the concerned department of CDA together with penalty of Rs. 427 million. Mining activities meanwhile are suspended; however, the Company has made alternate arrangements to continue its production and dispatch operations.

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 Rafiq, 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

Considering the Company has suffered loss during the year, the Board of Directors in its meeting held on October

02, 2023 has decided not to recommend payment of dividend for the year.

ACKNOWLEDGMENT

The Directors would like to place on record their appreciation for the strenuous efforts and dedicated work of the staff and workers and for the efforts made by the dealers in giving full support to our marketing policies. We would also like to express our sincere thanks to all the financial institutions and banks for their continued support and co-operation and regulators for their guidance.

On behalf of the Board

MOHAMMED YASIN FECTO
CHIEF EXECUTIVE

ROHAIL AJMAL
DIRECTOR

Karachi: October 02, 2023

KEY OPERATING AND FINANCIAL HIGHLIGHTS
For Six Years from Year 2018 to Year 2023

	FY 2023	FY 2022	FY 2021	FY 2020	FY 2019	FY 2018
	---------- Quantity in Ton ----------					
Clinker:						
- Production	**632,116**	618,559	734,323	599,016	593,312	744,402
- Capacity Utilization	**70%**	69%	89%	72%	72%	90%
Cement:						
- Production	**646,530**	712,757	729,167	640,576	680,133	793,063
- Sales	**641,956**	712,644	731,069	641,450	682,612	791,555
	---------- Rupees in '000' ----------					
Financial Position						
Assets Employed						
Property, plant and equipment	**2,708,837**	3,067,900	2,270,083	1,792,313	1,895,270	1,976,349
Right of use assets	**76,812**	108,442	106,020	51,730	51,164	21,651
Investment Property	**102,260**	-	-	-	-	-
Long term investments	**401,511**	330,850	318,009	284,350	319,650	-
Long term deposits	**10,101**	10,273	5,321	6,294	6,486	6,805
Long term loans and advances	**8,466**	8,776	6,722	10,757	12,606	14,534
Deferred tax asset	**113,586**	-	29,821	-	-	-
Current Assets	**3,904,906**	3,424,013	3,297,031	2,688,362	2,781,387	3,210,309
Total Assets	**7,326,479**	6,950,254	6,033,007	4,833,806	5,066,563	5,229,648
Financed By						
Shareholders' Equity	**3,596,755**	3,750,774	3,467,062	3,508,011	4,331,567	4,210,161
Long-term liabilities						
Long term financing	**860,641**	1,017,637	520,529	87,217	-	-
Lease liabilities	**48,398**	67,173	61,605	24,809	34,322	14,757
Deferred Grant Income	**140,528**	184,544	69,343	10,476	-	-
Deferred Liabilities	**-**	33,874	-	33,430	355,892	341,866
Current Liabilities	**2,680,157**	1,896,252	1,914,468	1,169,863	344,782	662,864
Total Equity and Liabilities	**7,326,479**	6,950,254	6,033,007	4,833,806	5,066,563	5,229,648
Turnover & Profit						
Sales						
Sales - Gross	**11,549,441**	9,243,510	7,059,214	5,437,681	6,654,725	6,884,338
Less : Excise duty	**(1,040,271)**	(1,029,161)	(1,014,506)	(1,142,212)	(924,475)	(912,662)
Sales tax	**(1,826,987)**	(1,439,782)	(1,083,333)	(831,565)	(989,754)	(1,068,892)
Sales - Net	**8,682,183**	6,774,567	4,961,375	3,463,904	4,740,496	4,902,784
Profitability						
Gross Profit / (loss)	**312,420**	873,621	287,499	(715,437)	594,303	1,027,305
EBITDA	**421,572**	786,507	150,898	(893,286)	255,354	716,633
EBIT	**130,274**	584,095	12,434	(1,005,673)	135,720	602,894
Profit / (loss) before tax	**(172,929)**	428,860	(63,381)	(1,034,246)	130,343	599,628
Provision for taxation	**39,684**	(142,157)	(3,906)	264,175	(41,368)	(157,890)
Profit / (loss) after tax	**(133,245)**	286,703	(67,287)	(770,071)	88,975	441,738
Cash Flow						
Net Cash generated from / (used in) Operating Activities	**(194,635)**	835,314	(259,341)	(735,513)	(9,607)	327,582
Net Cash generated from / (used in) Investing Activities	**42,387**	(873,374)	(541,910)	56,134	(172,941)	(193,505)
Net Cash generated from / (used in) Financing Activities	**(237,301)**	313,595	554,941	351,681	(125,901)	(118,641)
Increase / (Decrease) in Cash and Cash Equivalents	**(389,549)**	275,535	(246,310)	(327,698)	(308,449)	15,436
Cash and Cash Equivalents at beginning of the Year	**(134,118)**	(409,653)	(163,343)	164,355	472,804	457,368
Cash and Cash Equivalents at end of the Year	**(523,667)**	(134,118)	(409,653)	(163,343)	164,355	472,804

ANALYSIS OF FINANCIAL RATIOS
For Six Years from Year 2018 to Year 2023

Ratios Description	UoM	FY 2023	FY 2022	FY 2021	FY 2020	FY 2019	FY 2018
Profitability Ratios:							
Gross Profit Margin	percent	**3.60%**	12.90%	5.79%	-20.65%	12.54%	20.95%
EBITDA Margin to Sales	percent	**4.86%**	11.61%	3.04%	-25.79%	5.39%	14.62%
EBIT Margin to Sales	percent	1.50%	8.62%	0.25%	-29.03%	2.86%	12.30%
Net Profit Margin	percent	**-1.53%**	4.23%	-1.36%	-22.23%	1.88%	9.01%
Return on Equity	percent	**-3.70%**	7.64%	-1.94%	-21.95%	2.05%	10.49%
Return on Capital Employed	percent	**3.62%**	15.57%	0.36%	-28.67%	3.13%	14.32%
Effective Tax Rate	percent	**22.95%**	-33.15%	-6.16%	25.54%	-31.74%	-26.33%
Liquidity Ratios:							
Current ratio	times	**1.46**	1.81	1.72	2.30	8.07	4.84
Quick / Acid test ratio	times	**0.22**	0.27	0.33	0.51	2.20	1.54
Cash to Current Liabilities	times	**0.07**	0.07	0.04	0.10	0.48	0.71
Cash from Operations to Sales	times	**(0.02)**	0.12	(0.05)	(0.21)	(0.002)	0.07
Activity / Turnover Ratios:							
Inventory turnover ratio	times	**5.41**	4.05	3.22	3.30	3.21	2.97
No. of Days in inventory	days	**67.49**	90.21	113.19	110.67	113.88	122.73
Debtors turnover ratio	times	**78.24**	113.90	144.52	74.57	66.10	107.15
No. of Days in Receivables	days	**4.66**	3.20	2.53	4.89	5.52	3.41
Creditors turnover ratio	**times**	**8.31**	7.40	10.63	19.22	12.88	9.19
No. of Days in Creditors	days	**43.95**	49.30	34.32	18.99	28.33	39.73
Operating Cycle	days	**28.21**	44.12	81.40	96.58	91.07	86.40
Total Assets turnover ratio	times	**1.19**	0.97	0.82	0.72	0.94	0.94
Fixed Assets turnover ratio	times	**3.12**	2.13	2.09	1.88	2.44	2.45
Investment Valuation Ratios:							
Earnings / (Loss) per share (EPS / (LPS))	rupees	**(2.66)**	5.72	(1.34)	(15.35)	1.77	8.81
Price / Earning ratio	times	**(7.53)**	3.43	(24.78)	(1.36)	11.02	4.74
Market value per share as on June 30	rupees	**19.99**	19.62	33.24	20.88	19.54	41.74
Breakup value per share	rupees	**71.71**	74.78	69.12	69.94	86.36	83.93
Price to book ratio	percent	**27.36%**	26.24%	48.08%	29.85%	22.63%	49.73%
Dividend Yield	percent	**-**	-	-	-	0.00%	0.00%
Dividend Payout ratio	percent	**-**	-	-	-	0.00%	0.00%
Dividend Cover ratio	times	**-**	-	-	-	-	-
Capital Structure Ratios:							
Financial leverage ratio	times	**0.59**	0.44	0.45	0.21	0.01	0.004
Net Borrowing / EBITDA	times	**0.54**	0.40	0.42	0.17	(0.03)	(0.11)
Debt to Equity Ratio	times	**26:74**	26:74	18:82	4:96	1:99	0:100
Av. Operating Working Capital to Sales Ratio	percent	**22.81%**	27.17%	35.43%	50.43%	38.40%	34.76%
Interest Cover ratio	times	**0.43**	3.76	0.16	(35.20)	25.24	184.60

VERTICAL ANALYSIS - SIX YEARS

	FY 2023		FY 2022		FY 2021		FY 2020		FY 2019		FY 2018	
	Rs. '000'	%	Rs. '000'	%	Rs. '000'	%	Rs. '000'	%	Rs. '000'	%	Rs. '000'	%
Financial Position												
Total equity	**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	4,210,161	80.51
Total non-current liabilities	**1,049,567**	**14.33**	1,303,228	18.75	651,477	10.80	155,932	3.23	390,214	7.70	356,623	6.82
Total current liabilities	**2,680,157**	**36.58**	1,896,252	27.28	1,914,468	31.73	1,169,863	24.20	344,782	6.81	662,864	12.68
Total equity and liabilities	**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	5,229,648	100.00
Tangible Fixed assets	**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	1,998,000	38.21
Other non-current assets	**635,924**	**8.68**	349,899	5.03	359,873	5.97	301,401	6.24	338,742	6.69	21,339	0.41
Total current assets	**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	3,210,309	61.39
Total assets	**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	5,229,648	100.00
Profit or Loss Account												
Sales - net	**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	4,902,784	100.00
Cost of sales	**(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)	(3,875,479)	(79.05)
Gross profit / (loss)	**312,420**	**3.60**	873,621	12.90	287,499	5.79	(715,437)	(20.65)	594,303	12.54	1,027,305	20.95
Administrative expenses	**(309,741)**	**(3.57)**	(263,905)	(3.90)	(228,678)	(4.61)	(241,909)	(6.98)	(290,472)	(6.13)	(295,591)	(6.03)
Distribution cost	**(92,564)**	**(1.07)**	(81,390)	(1.20)	(88,039)	(1.77)	(94,164)	(2.72)	(203,122)	(4.28)	(195,636)	(3.99)
Other operating expenses	**(5,315)**	**(0.06)**	(22,572)	(0.33)	-	-	-	-	(11,400)	(0.24)	(44,440)	(0.91)
Other operating income	**225,474**	**2.60**	78,341	1.16	41,652	0.84	45,837	1.32	46,411	0.98	111,256	2.27
(Loss) / profit from operations	**130,274**	**1.50**	584,095	8.62	12,434	0.25	(1,005,673)	(29.03)	135,720	2.86	602,894	12.30
Finance Cost	**(303,203)**	**(3.49)**	(155,235)	(2.29)	(75,815)	(1.53)	(28,573)	(0.82)	(5,377)	(0.11)	(3,266)	(0.07)
(Loss) / profit after taxation	**(172,929)**	**(1.99)**	428,860	6.33	(63,381)	(1.28)	(1,034,246)	(29.86)	130,343	2.75	599,628	12.23
Taxation	**39,684**	**0.46**	(142,157)	(2.10)	(3,906)	(0.08)	264,175	7.63	(41,368)	(0.87)	(157,890)	(3.22)
Profit / (loss) before taxation	**(133,245)**	**(1.53)**	286,703	4.23	(67,287)	(1.36)	(770,071)	(22.23)	88,975	1.88	441,738	9.01

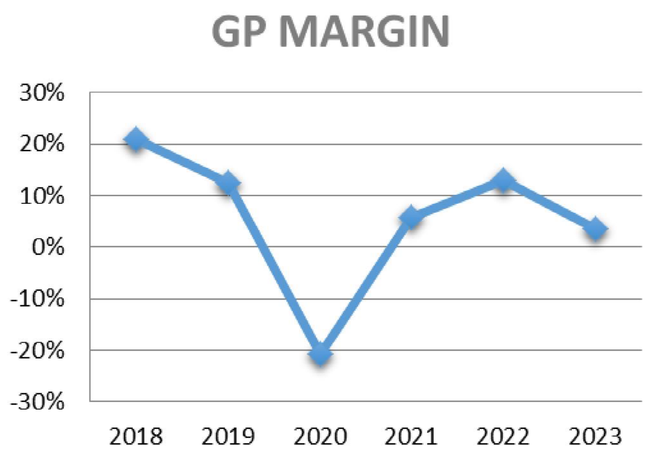
HORIZONTAL ANALYSIS - SIX YEARS

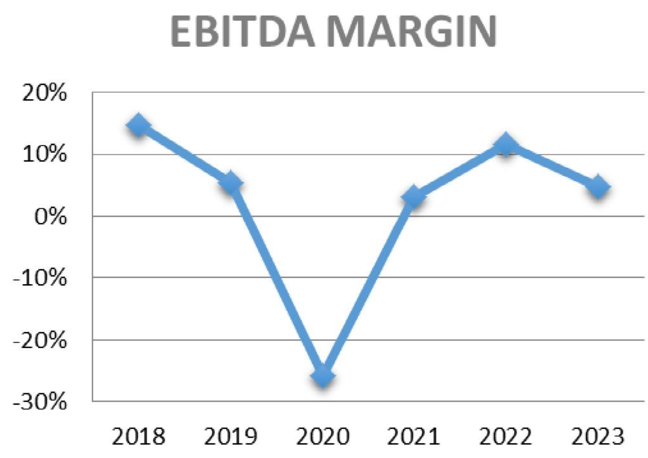
	FY 2023 Rs. '000'	23 vs 22 %	FY 2022 Rs. '000'	22 vs 21 %	FY 2021 Rs. '000'	21 vs 20 %	FY 2020 Rs. '000'	20 vs 19 %	FY 2019 Rs. '000'	19 vs 18 %	FY 2018 Rs. '000'	18 vs 17 %	FY 2017 Rs. '000'
Financial Position													
Total equity	**3,596,755**	**(4.11)**	3,750,774	8.18	3,467,062	(1.17)	3,508,011	(19.01)	4,331,567	2.88	4,210,161	8.12	3,893,823
Total non-current liabilities	**1,049,567**	**(19.46)**	1,303,228	100.04	651,477	317.80	155,932	(60.04)	390,214	9.42	356,623	(5.65)	377,960
Total current liabilities	**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	20.68	549,275
Total equity and liabilities	**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	8.48	4,821,058
Total non-current assets	**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	1.68	1,985,999
Total current assets	**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	13.24	2,835,059
Total assets	**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	8.48	4,821,058
Profit or Loss Account													
Sales - net	**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	(4.44)	5,130,744
Cost of sales	**(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)	(8.44)	(3,573,968)
Gross profit / (loss)	**312,420**	**(64.24)**	873,621	203.87	287,499	140.19	(715,437)	(220.38)	594,303	(42.15)	1,027,305	(34.01)	1,556,776
Administrative expenses	**(309,741)**	**(17.37)**	(263,905)	(15.40)	(228,678)	5.47	(241,909)	16.72	(290,472)	1.73	(295,591)	(22.45)	(241,393)
Distribution cost	**(92,564)**	**(13.73)**	(81,390)	7.55	(88,039)	6.50	(94,164)	53.64	(203,122)	(3.83)	(195,636)	(13.72)	(172,034)
Other operating expenses	**(5,315)**	**-**	(22,572)	-	-	-	-	100.00	(11,400)	74.35	(44,440)	45.06	(80,894)
Other operating income	**225,474**	**187.81**	78,341	88.08	41,652	(9.13)	45,837	(1.24)	46,411	(58.28)	111,256	264.88	30,491
(Loss) / profit from operations	**130,274**	**(77.7)**	584,095	4,597.6	12,434	101.24	(1,005,673)	(840.99)	135,720	(77.49)	602,894	(44.84)	1,092,946
Finance Cost	**(303,203)**	**(95.32)**	(155,235)	(104.75)	(75,815)	(165.34)	(28,573)	(431.39)	(5,377)	(64.64)	(3,266)	(124.62)	(1,454)
(Loss) / profit after taxation	**(172,929)**	**140.32**	428,860	776.64	(63,381)	93.87	(1,034,246)	(893.48)	130,343	(78.26)	599,628	(45.06)	1,091,492
Taxation	**39,684**	**127.9**	(142,157)	(3,539.5)	(3,906)	(101.48)	264,175	738.60	(41,368)	73.80	(157,890)	52.27	(330,799)
Profit / (loss) before taxation	**(133,245)**	**146.47**	286,703	526.09	(67,287)	91.26	(770,071)	(965.49)	88,975	(79.86)	441,738	(41.93)	760,693

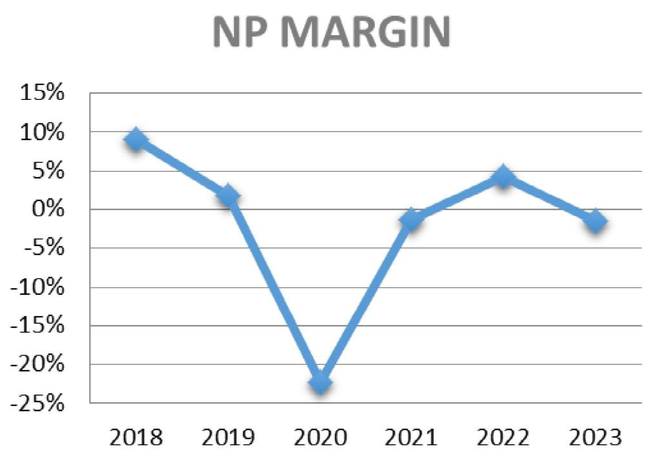
QUARTERLY PERFORMANCE

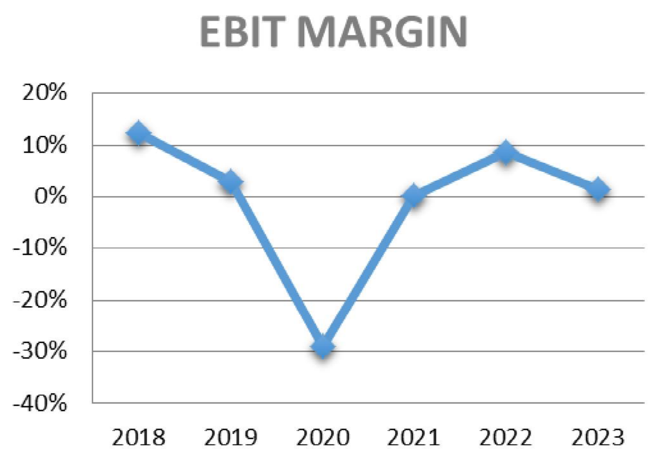
Particulars	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total
	---------------------------------- Quantity in Ton ----------------------------------				
Clinker:					
- Production	140,401	194,196	162,579	134,940	632,116
- Capacity Utilization	62%	86%	72%	60%	70%
Cement:					
- Production	136,383	179,453	178,018	152,676	646,530
- Sales	133,208	177,920	175,531	155,296	641,956
	---------------------- Rupees in '000' ----------------------				
Sales - net	1,770,906	2,374,295	2,406,104	2,130,573	8,681,878
Cost of sales	(1,680,604)	(2,290,602)	(2,255,633)	(2,142,910)	(8,369,749)
Gross profit / (loss)	90,302	83,693	150,471	(12,337)	312,129
Administrative expenses	(70,336)	(75,406)	(88,436)	(75,367)	(309,545)
Distribution expenses	(21,705)	(24,689)	(24,753)	(21,418)	(92,565)
Other operating income & expenses	17,640	15,013	50,504	137,002	220,159
	(74,401)	(85,082)	(62,685)	40,217	(181,951)
Operating profit / (loss)	15,901	(1,389)	87,786	27,880	130,178
Finance cost	(66,914)	(74,298)	(70,661)	(91,330)	(303,203)
Profit / (loss) before tax	(51,013)	(75,687)	17,125	(63,450)	(173,025)
Taxation	(9,824)	14,568	(9,964)	45,306	40,086
Profit / (loss) after tax	**(60,837)**	**(61,119)**	**7,161**	**(18,144)**	**(132,939)**

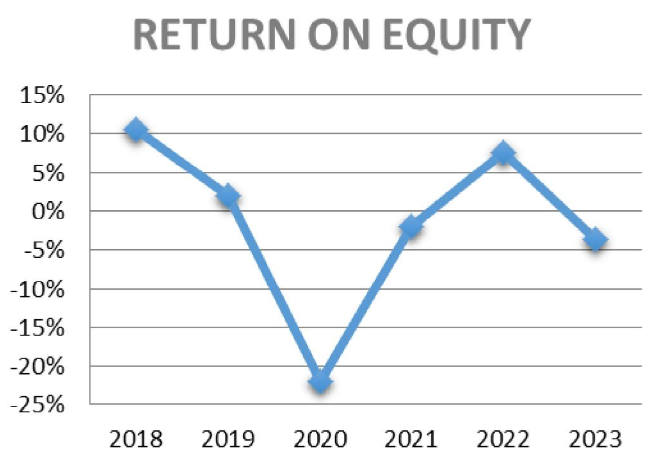
GRAPHICAL PRESENTATION - STAKEHOLDERS' INFORMATION



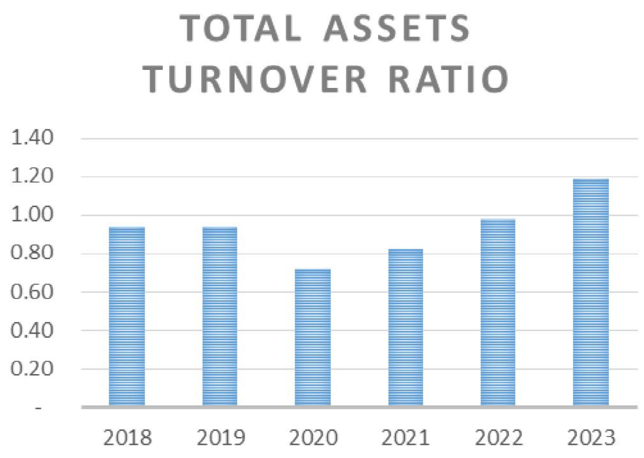


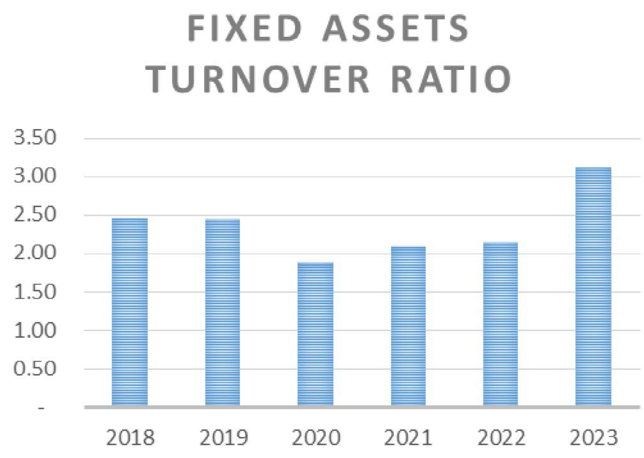


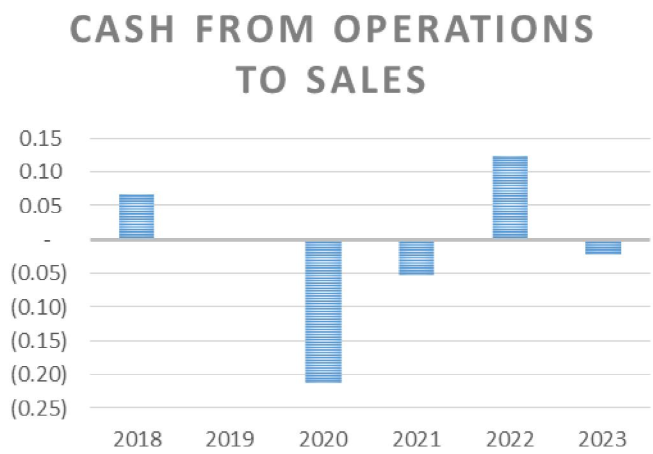


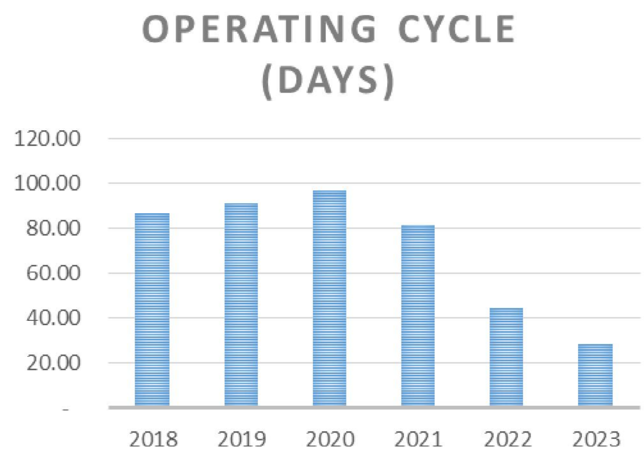


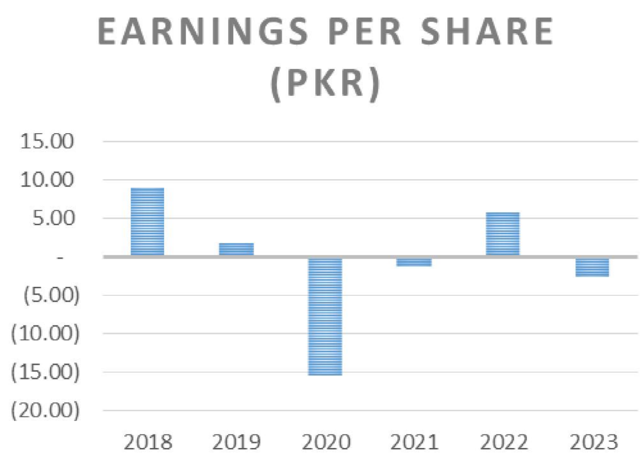
GRAPHICAL PRESENTATION - STAKEHOLDERS' INFORMATION

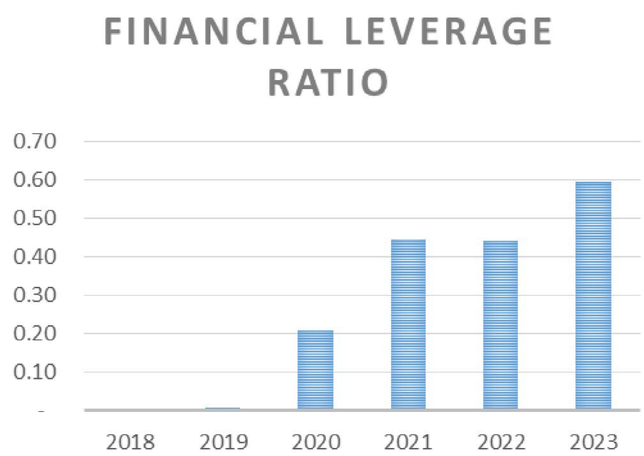




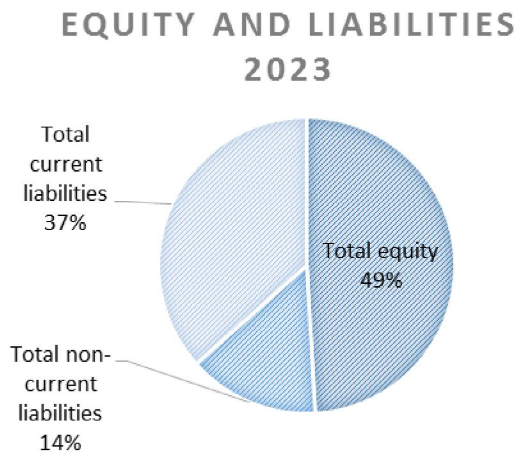


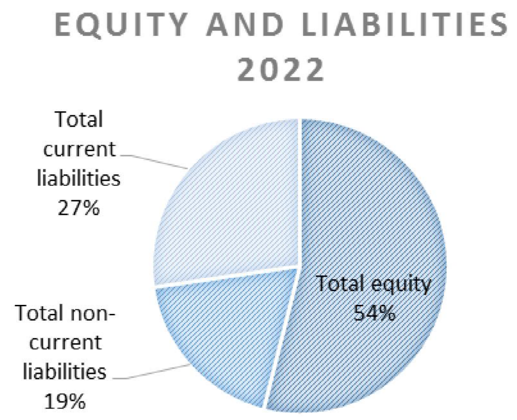


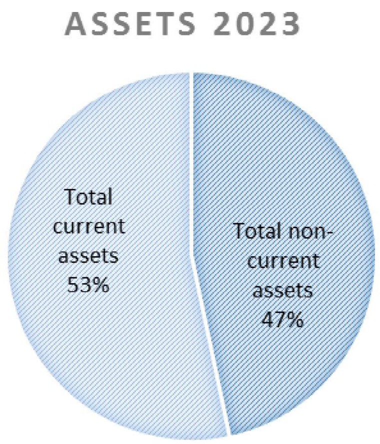


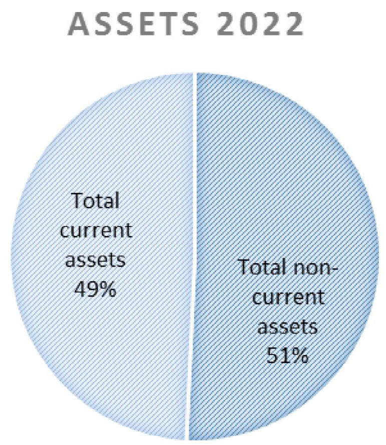


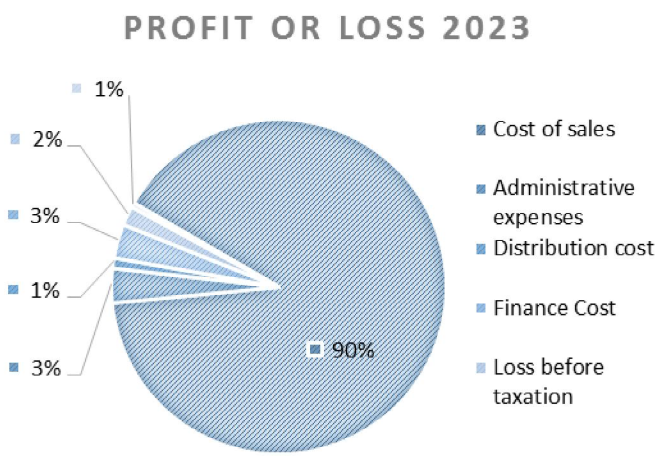
GRAPHICAL PRESENTATION- STAKE HOLDERS' INFORMATION

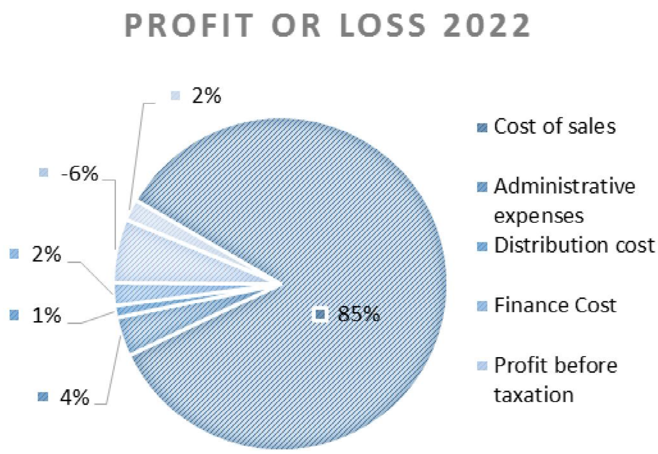






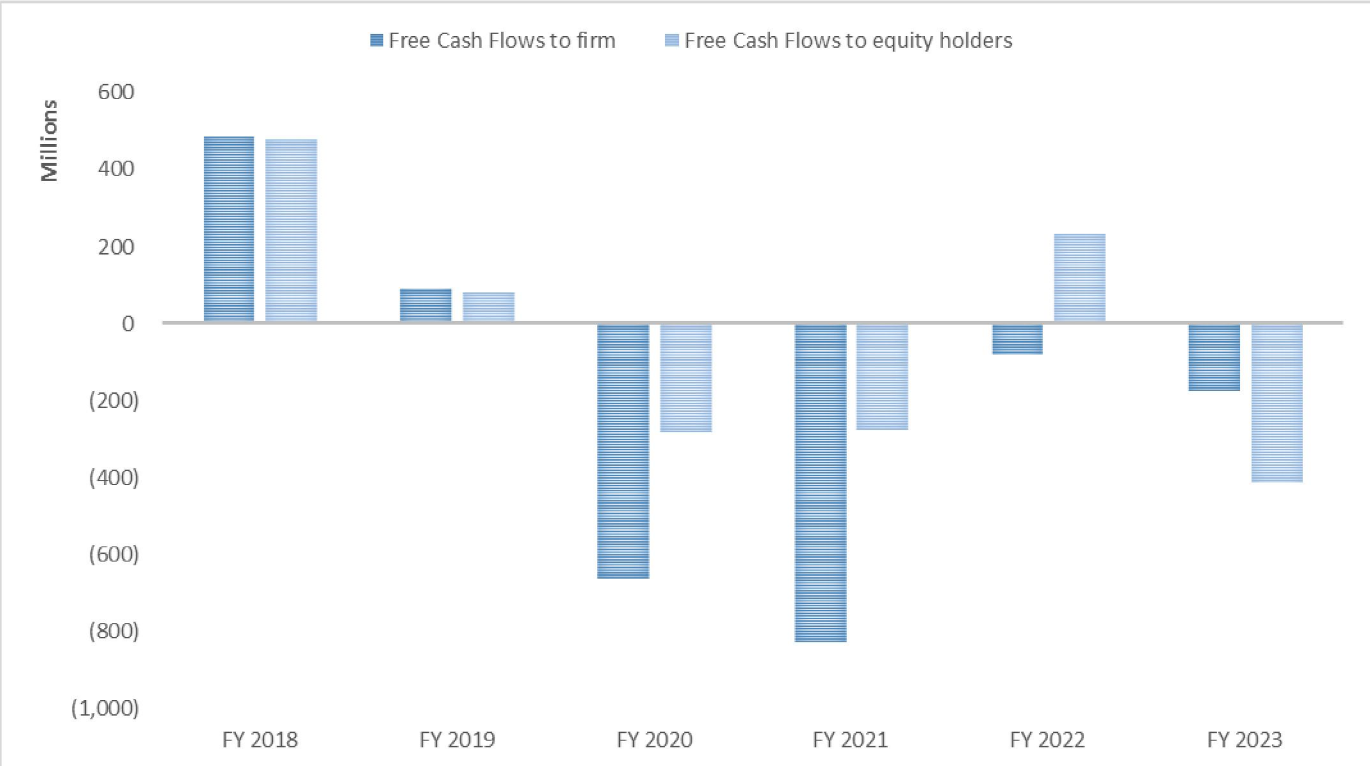






FREE CASH FLOWS

	FY 2023	FY 2022	FY 2021	FY 2020	FY 2019	FY 2018
	---------- Rupees in '000' ----------					
(Loss) / Profit before taxation	**(172,929)**	428,860	(63,381)	(1,034,246)	130,343	599,628
Adjustment for non-cash items	**434,710**	315,924	174,572	118,456	96,362	65,921
Working capital changes	**(391,795)**	119,485	(343,183)	266,577	(93,691)	(48,694)
Net Cash generated from / (used in) - operating activities	**(130,014)**	864,269	(231,992)	(649,213)	133,014	616,855
Capital expenditure	**(43,269)**	(942,139)	(596,298)	(10,031)	(42,685)	(130,304)
Free Cash flows to firm	**(173,283)**	(77,870)	(828,290)	(659,244)	90,329	486,551
Net borrowing (repaid) / obtained	**(11,914)**	443,415	610,896	391,325	(4,718)	(2,297)
Interest payments	**(225,354)**	(129,803)	(55,933)	(14,623)	(5,120)	(3,160)
Free Cash flows to equity holders	**(410,551)**	235,742	(273,327)	(282,542)	80,491	481,094



Analysis on Free Cash Flows

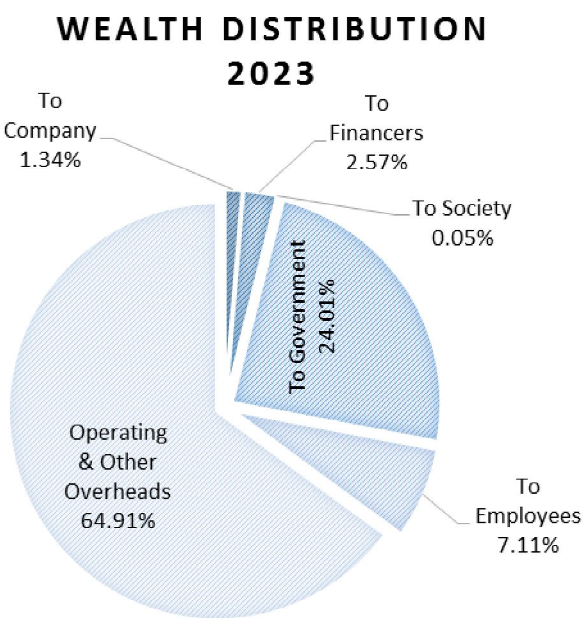
Free cash flows represent the cash a company can generate after required investment to maintain or expand its assets base. It is a measurement of a Company's financial performance and health.

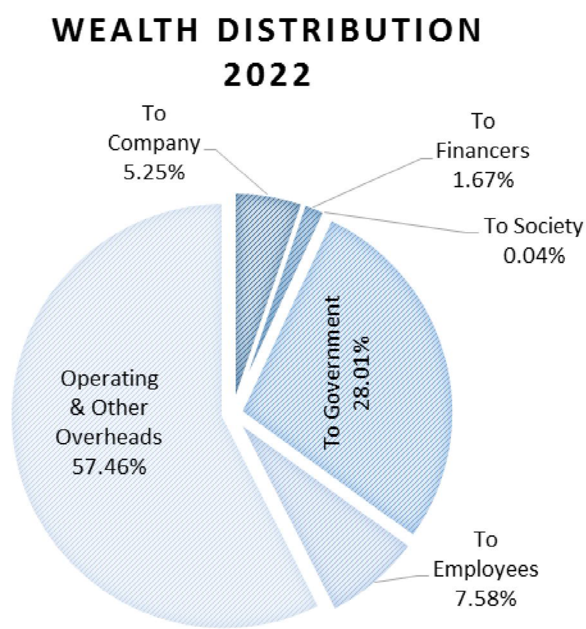
STATEMENT OF CASH FLOWS DIRECT METHOD

	FY 2023	FY 2022
	Rupees in '000'	
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from customers	**8,664,578**	6,849,881
Cash paid to suppliers and employees	**(8,376,485)**	(5,808,448)
Net Cash generated from operations	**288,093**	1,041,433
(Increase) / Decrease in Inventory stores and spares	**101,249**	(565,103)
(Increase) / Decrease in Inventory stock-in-trade	**(506,712)**	328,497
(Increase) / Decrease in long term deposits	**173**	(4,952)
Decrease in long term loans and advances	**310**	2,946
Decrease in loans, advances, deposits & prepayments	**4,596**	18,765
Sales tax (paid) / refundable	**(17,240)**	40,677
Income tax paid -net of refunds received	**(65,104)**	(26,949)
	(482,728)	(206,119)
Net cash (used in) / generated from operating activities	**(194,635)**	835,314
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	**(43,269)**	(942,139)
Proceeds from sale / redemption of short term investment	**-**	10
Advance paid to a software house	**-**	(5,000)
Repayment of short term loan by associated company	**29,000**	(40,000)
Payment of short term loan to associated company	**(74,500)**	94,000
Interest received	**12,041**	11,334
Proceeds from disposal of investment property	**117,787**	-
Proceeds from disposal of property, plant and equipment	**1,328**	8,421
Net cash generated from / (used in) from investing activities	**42,387**	(873,374)
Cash flows from financing activities		
Repayment of lease liability (principal portion)	**(23,905)**	(34,576)
Long term financing received	**-**	814,889
Repayments against long term financing	**(139,729)**	(121,898)
Finance costs paid	**(225,354)**	(129,803)
Short term borrowings - net	**151,720**	(215,000)
Dividend paid	**(33)**	(17)
Net cash (used in) / generated from financing activities	**(237,301)**	313,595
Net (decrease) / increase in cash and cash equivalents	**(389,549)**	275,535
Cash and cash equivalents at the beginning	**(134,118)**	(409,653)
Cash and cash equivalents at end	**(523,667)**	(134,118)

STATEMENT OF VALUE ADDITION AND HOW WEALTH DISTRIBUTED

	FY 2023		FY 2022	
	Rs. '000'	**%**	**Rs. '000'**	**%**
Wealth Generated				
Sales (including taxes)	**11,549,441**	**99.16%**	9,243,510	99.16%
Other operating income	**225,474**	**0.84%**	78,341	0.84%
Total Wealth generated during the year	**11,774,915**	**100%**	9,321,851	100%
Distribution of Wealth				
Operating costs and other general expenses	**7,642,714**	**64.91%**	5,356,671	57.46%
To Employees as Remuneration	**837,220**	**7.11%**	706,221	7.58%
To Government as Taxes	**2,827,574**	**24.01%**	2,611,100	28.01%
To Society as Donations	**6,152**	**0.05%**	3,509	0.04%
To Finance Providers as Finance Cost	**303,203**	**2.57%**	155,235	1.67%
Retained within the Company	**158,052**	**1.34%**	489,115	5.25%
Total Wealth distributed during the year	**11,774,915**	**100%**	9,321,851	100%





DEFINITIONS AND GLOSSARY OF TERMS

Gross Profit Ratio

Therelationship 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 indicate show much profit a company makes before paying for Interest, Tax, Depreciation & Amortization.

Current Ratio

A company's current assets divided by itscurrent liabilities.This ratio gives you a sense of a company'sability to meet short-term liabilities, and is a measure of financial strength in the shortterm. A ratio of 1 impliesad equate 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 out standing 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 awidely 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 isused form easuring 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 cashflow in proportion to its sales. It is the ratio of operating cash flows to net sales.

PATTERN OF SHAREHOLDING
AS AT JUNE 30, 2023

No. of Shareholders	Shareholding From	Shareholding To	Total shares
370	1	100	7,990
407	101	500	113,492
626	501	1000	395,638
297	1001	5000	660,913
67	5001	10000	518,163
24	10001	15000	316,298
16	15001	20000	291,260
3	20001	25000	72,100
7	25001	30000	195,500
4	30001	35000	130,500
3	35001	40000	118,500
1	40001	45000	42,800
1	45001	50000	50,000
2	55001	60000	116,640
1	60001	65000	64,500
1	70001	75000	73,000
2	85001	90000	179,530
2	90001	95000	182,000
2	95001	100000	200,000
1	110001	115000	114,000
1	120001	125000	122,501
3	155001	160000	476,437
1	195001	200000	200,000
1	230001	235000	230,700
1	240001	245000	243,200
1	2550001	360000	260,000
1	350001	355000	354,072
1	465001	470000	467,000
1	590001	595000	594,500
1	645001	650000	645,100
1	880001	885000	883,500
1	1125001	1130000	1,127,255
1	3035001	3040000	3,039,700
1	10190001	10195000	10,191,536
1	27480001	27485000	27,481,675
1854			**50,160,000**

CATEGORIES OF SHAREHOLDERS

AS AT JUNE 30, 2023

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 YasinFecto	2	37,673,211
Mr. Jamil Ahmed Khan	1	2,500
Mr. Khalid Yacoob	1	2,750
Mr. AamirGhani	1	2,750
Mr. Mohammad Anwar Habib	1	2,750
Ms. Saira Ibrahim Bawany	1	3,300
	7	**37,687,261**
Banks, Development Financial Institutions, Non-Banking Finance Companies, Insurance and Modarabas	**13**	**4,244,121**
Mutual Funds		
CDC - Trustee Nafa Stock Fund	1	243,200
CDC - Trustee Nafa Islamic Asset Allocat	1	230,700
CDC - Trustee National Bank Of Pakistan Pension Fund	1	157,937
CDC - Trustee First Capital Mutual Fund	1	7,500
CDC - Trustee Nafa Islamic Pension Fund Equity Account	1	19,600
CDC - Trustee National Bank Of Pakistan Pension Fund	1	5,542
	6	**664,479**
OTHERS		
Institutions	13	928,293
Individuals - Local	1,813	5,505,991
	1,826	**6,434,284**
Total	**1,854**	**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, 2023

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:

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

Male	6
Female	1

2. 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

3. The Directors have confirmed that none of them is serving as a director on more than seven (7) listed companies including this company;

4. 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;

5. 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;

6. 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;

7. 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;

8. The Board has a formal policy and transparent procedures for remuneration of directors in accordance with the Companies Act, 2017 and these Regulations;

9. Up to the date of reporting period (i.e. June 30, 2023), 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.

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

Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;

11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board;

12. The Board has formed committees comprising of members given below.

AUDIT COMMITTEE

Mr. Jamil Ahmed Khan	Chairman	Independent
Mr. Mohammed Anwar Habib	Member	Independent
Mr. Rohail Ajmal	Member	Non-Executive

HR and REMUNERATION COMMITTEE

Mr. Jamil Ahmed Khan	Chairman	Independent
Mr. Khalid Yacoob	Member	Independent
Mr. Mohammed Anwer Habib	Member	Independent

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committees for compliance.

14. The frequency of meetings of the committees were as per following:

i.	Audit Committee	Quarterly
ii.	HR and Remuneration Committee	Annual

15. The Board has set-up an effective internal audit function which is considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company;

16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan (ICAP) and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP and that they and their partners of the firm involved in the audit are not close relative (spouse, parent, dependent and non dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or a director of the company;

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Companies Act 2017, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.

18. We confirm that all other requirements of the regulations 3,6,7,8,27,32,33 and 36 of the regulations have been complied with.

On behalf of the Board

AAMIR GHANI
Chairman of the Board of Directors

Karachi: October 02, 2023

INDEPENDENT AUDITOR'S 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, 2023** 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, 2023.

RAHMAN SARFARAZ RAHIM IQBAL RAFIQ
Chartered Accountants

Karachi.
Date: October 03, 2023
UDIN: CR202310210pDyAe4Gc5

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, 2023**, 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, 2023 and of the loss, total comprehensive loss, 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. However, we have determined that there are no key audit matters to communicate in our report.

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 02, 2023
UDIN: AR20231021007KCq23D4

STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2023

	Note	June 30 2023	June 30 2022
		Rupees in '000'	
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized capital			
75,000,000 (2022: 75,000,000) ordinary shares of Rs. 10/- each		**750,000**	750,000
Issued, subscribed and paid up capital			
50,160,000 (2022: 50,160,000) ordinary shares of Rs.10/- each	5	**501,600**	501,600
Revenue reserves			
General reserve		**550,000**	550,000
Accumulated profit		**2,438,236**	2,571,481
		2,988,236	3,121,481
Capital reserve			
Surplus on revaluation of investment in unquoted shares		**106,919**	127,693
		3,596,755	3,750,774
Non-current liabilities			
Long term financing from a banking company - secured	6	**860,641**	1,017,637
Lease liability	7	**48,398**	67,173
Deferred income - Government grant	8	**140,528**	184,544
Deferred taxation	9	**-**	33,874
		1,049,567	1,303,228
Current Liabilities			
Trade and other payables	10	**1,346,954**	1,249,100
Short term borrowing - secured	11	**954,052**	355,362
Accrued mark-up		**54,205**	18,203
Unclaimed dividend		**14,489**	14,522
Unpaid dividend		**185**	185
Current maturity of long term financing - secured	12	**238,355**	179,239
Current maturity of lease liabilities	7	**27,900**	33,030
Current maturity of government grant	8	**44,017**	46,611
		2,680,157	1,896,252
Contingencies and commitments	13	**-**	-
Total equity and liabilities		**7,326,479**	6,950,254
ASSETS			
Non-current assets			
Property, plant and equipment	14	**2,708,837**	3,067,900
Right-of-use assets	15	**76,812**	108,442
Investment property	16	**102,260**	-
Long term investments	17	**401,511**	330,850
Long term deposits	18	**10,101**	10,273
Long term loans and advances	19	**8,466**	8,776
Deferred taxation	9	**113,586**	-
		3,421,573	3,526,241
Current assets			
Stores and spares	20	**1,508,972**	1,610,221
Stock-in-trade	21	**1,800,895**	1,294,183
Trade debts - unsecured	22	**146,735**	75,194
Short term investment - unsecured	23	**-**	99,920
Short term loan to a related party	24	**70,895**	25,395
Loans, advances, deposits, prepayments and Other Receivable	25	**68,911**	51,076
Tax refunds due from government	26	**109,833**	126,780
Cash and bank balances	27	**198,665**	141,244
		3,904,906	3,424,013
Total assets		**7,326,479**	6,950,254

The annexed notes from 1 to 45 form an integral part of these financial statements.

MOHAMMED YASIN FECTO	**ROHAIL AJMAL**	**ABDUL SAMAD**
CHIEF EXECUTIVE	DIRECTOR	CHIEF FINANCIAL OFFICER

STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023	2022
		Rupees in '000'	
Sales revenue - net	28	**8,682,183**	6,774,567
Cost of sales	29	**(8,369,763)**	(5,900,946)
Gross profit		**312,420**	873,621
Administrative expenses	30	**(309,741)**	(263,905)
Distribution costs	31	**(92,564)**	(81,390)
		(402,305)	(345,295)
Finance costs	32	**(303,203)**	(155,235)
Other expenses	33	**(5,315)**	(22,572)
		(308,518)	(177,807)
Operating (loss) / profit		**(398,403)**	350,519
Other income	34	**225,474**	78,341
(Loss) / profit before taxation		**(172,929)**	428,860
Taxation	35	**39,684**	(142,157)
(Loss) / profit after taxation		**(133,245)**	286,703
		(Rupees)	
(Loss) / Earning per share - basic and diluted	36	**(2.66)**	5.72

The annexed notes from 1 to 45 form an integral part of these financial statements.

MOHAMMED YASIN FECTO	ROHAIL AJMAL	ABDUL SAMAD
CHIEF EXECUTIVE	DIRECTOR	CHIEF FINANCIAL OFFICER

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2023

	2023	2022
	Rupees in '000'	
(Loss) / profit after taxation	**(133,245)**	286,703
Other comprehensive income		
Items that will not be reclassified subsequently to profit or loss		
Unrealized (loss) / gain on remeasurement of the investment in M/s. Frontier Paper Products (Pvt.) Ltd.	**(29,259)**	12,841
Related deferred tax thereon	**8,485**	(15,832)
	(20,774)	(2,991)
Total comprehensive (loss) / income for the year	**(154,019)**	283,712

The annexed notes from 1 to 45 form an integral part of these financial statements.

MOHAMMED YASIN FECTO	**ROHAIL AJMAL**	**ABDUL SAMAD**
CHIEF EXECUTIVE	DIRECTOR	CHIEF FINANCIAL OFFICER

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2023

	Issued, Subscribed & Paid up capital	Revenue Reserves: General Reserve	Revenue Reserves: Accumulated Profit	Capital reserve: Surplus on Revaluation of investment in unquoted shares	Total
	Rupees in '000'				
Balance as at June 30, 2021	501,600	550,000	2,284,778	130,684	3,467,062
Total comprehensive income for the Year ended June 30, 2022					
Profit after taxation	-	-	286,703	-	286,703
Other comprehensive loss	-	-	-	(2,991)	(2,991)
	-	-	286,703	(2,991)	283,712
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**

The annexed notes from 1 to 45 form an integral part of these financial statements.

MOHAMMED YASIN FECTO
CHIEF EXECUTIVE

ROHAIL AJMAL
DIRECTOR

ABDUL SAMAD
CHIEF FINANCIAL OFFICER

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023	2022
		Rupees in '000'	
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss) / profit before taxation		**(172,929)**	428,860
Adjustments for:			
- Finance costs	32	**303,203**	155,235
- Depreciation on property, plant and equipment	14.1.1	**262,171**	168,637
- Depreciation on right-of-use assets	15	**29,127**	33,775
- Gain on disposal of investment property	34	**(77,774)**	-
- Amortization of deferred government grant	34	**(46,610)**	(42,353)
- Interest income	34	**(34,472)**	(16,219)
- Gain on disposal of property, plant and equipment	34	**(935)**	(5,723)
- Provision against Workers' Profit Participation Fund	33	**-**	22,572
		434,710	315,924
Operating Profit before working capital changes		**261,781**	744,784
Working capital changes			
Decrease / (Increase) in current assets			
- Stores and spares		**101,248**	(565,103)
- Loans, advances, deposit and prepayment		**4,596**	18,765
- Stock-in-trade		**(506,712)**	328,497
- Trade debts		**(71,541)**	(31,428)
- Sales tax refundable		**(17,240)**	40,677
Increase in current liabilities			
Trade and other payables		**97,854**	328,077
		(391,795)	119,485
Cash (used in) / generated from operations		**(130,014)**	864,269
Long term loan and advances		**310**	2,946
Long term deposits		**173**	(4,952)
Income tax paid		**(65,104)**	(26,949)
Net cash (used in) / generated from operating activities		**(194,635)**	835,314
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of investment property		**117,787**	-
Repayment of Short Term Loan by related party	24	**29,000**	94,000
Interest received		**12,041**	11,334
Proceeds from disposal of property, plant and equipment		**1,328**	8,421
Disbursement of Short Term Loan to related party	24	**(74,500)**	(40,000)
Additions to property, plant and equipment		**(43,269)**	(942,139)
Advance paid to software house		**-**	(5,000)
Proceeds from redemption of Short Term Investment		**-**	10
Net cash generated from / (used in) investing activities		**42,387**	(873,374)
CASH FLOWS FROM FINANCING ACTIVITIES			
Short Term Borrowings - net	11	**151,720**	(215,000)
Finance cost paid		**(225,354)**	(129,803)
Repayment of Long term financing (principal portion)		**(139,729)**	(121,898)
Repayment of lease liability (principal portion)		**(23,905)**	(34,576)
Dividend Paid		**(33)**	(17)
Long Term Finance Received		**-**	814,889
Net cash (used in) / generated from financing activities		**(237,301)**	313,595
Net (decrease) / increase in cash and cash equivalents		**(389,549)**	275,535
Cash and cash equivalents as at beginning of the year		**(134,118)**	(409,653)
Cash and cash equivalents as at end of the year	37	**(523,667)**	(134,118)

The annexed notes from 1 to 45 form an integral part of these financial statements.

MOHAMMED YASIN FECTO	**ROHAIL AJMAL**	**ABDUL SAMAD**
CHIEF EXECUTIVE	DIRECTOR	CHIEF FINANCIAL OFFICER

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 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 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 Limited	Unobservable inputs used in the valuation of long term investment in M/s. Frontier Paper Products (Private) Limited.
Provision for taxation	Refer Note 4.18
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.

3. NEW ACCOUNTING PRONOUNCEMENTS

3.1 New and amended standards and interpretations effective for the financial year beginning July 01, 2022:

(a) IAS 37 - Onerous contracts — **Effective date: January 01, 2022**

Under IAS 37 'Provisions, Contingent Liabilities and Contingent Assets', a contract is 'onerous' when the unavoidable costs of meeting the contractual obligations – i.e. the lower of the costs of fulfilling the contract and the costs of terminating it – outweigh the economic benefits. The amendments clarify that the 'costs of fulfilling a contract' comprise both the incremental costs – e.g. direct labour and materials; and an allocation of other direct costs – e.g. an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract.

(b) IAS 16 - Proceeds before an asset's intended use — **Effective date: January 01, 2022**

Amendment to IAS 16 'Property, Plant and Equipment' prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss. The amendments apply retrospectively, but only to items of PPE made available for use on or after the beginning of the earliest period presented in the financial statements in which the company first applies the amendments.

The aforesaid, amendments to approved accounting standards and interpretations do not have any significant effect on the Company's financial reporting and operations.

3.2 New / revised accounting standards, amendments to published accounting standards and interpretations that are not yet effective.

The following new standards and amendments to approved accounting standards are not yet effective for the financial year beginning on July 01, 2022 and have also not been earlier adopted by the Company:

(a) IAS 1 - Disclosure of accounting policies — **Effective date: January 01, 2023**

Amendments to IAS 1, 'Presentation of Financial Statements' includes requiring companies to disclose their material accounting policies rather than their significant accounting policies, clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed and also clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements.

(b) IAS 8 - Definition of accounting estimates — **Effective date: January 01, 2023**

The International Accounting Standards Board (the Board) has issued these amendments to end diversity in treatment of accounting estimates and clarified how companies should distinguish changes in accounting policies from changes in accounting estimates, with a primary focus on the definition of and clarifications on accounting estimates. Developing an accounting estimate includes both selecting a measurement technique (estimation or valuation technique) – e.g. an estimation technique used to measure a loss allowance for expected credit losses when applying IFRS 9 Financial Instruments; and – choosing the inputs to be used when applying the chosen measurement technique – e.g. the expected cash outflows for determining a provision for warranty obligations when applying IAS 37 Provisions, Contingent Liabilities and Contingent Assets. The effects of changes in such inputs or measurement techniques are changes in accounting estimates.

(c) IAS 12 - Deferred tax — **Effective date: January 01, 2023**

The amendments narrow the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. As a result, companies will need to recognize a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of a lease and a decommissioning provision.

(d) IAS 1 - Classification of liabilities as current or non current — **Effective date: January 01, 2024**

Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period. As part of this amendments, the requirement for a right to be unconditional has been removed and instead, the amendments requires that a right to defer settlement must have substance and exist at the end of the reporting period. This right may be subject to a company complying with conditions (covenants) specified in a loan arrangement. At October 31, 2022, after reconsidering certain aspects of the amendments, the IASB reconfirmed that 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.

(e) IFRS 16 - Sale and leaseback transaction — **Effective date: January 01, 2024**

Amendments impact how a seller-lessee accounts for variable lease payments that arise in a sale-and-leaseback transaction. 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. The amendments introduce a new accounting model for variable payments and will require seller-lessees to reassess and potentially restate sale-and-leaseback transactions entered.

There are number of other standards, amendments and interpretations to the approved accounting standards that are not yet effective and are also not relevant to the Company and therefore, have not been presented here.

Other than the aforesaid amendments, the IASB has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

- IFRS 1 - First Time Adoption of Financial Reporting Standards
- IFRS 17 - Insurance Contracts

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant 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.

4.1 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.

4.2 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.

4.3 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.

4.4 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.

4.5 Property, plant and equipment

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:

Asset class	Useful lives (Years)	Residual values (% of cost)
Factory building	21.5 - 23.5	-
Non-factory building	21.5 - 23.5	-
Plant, machinery and equipment	7 - 23.5	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).

4.6 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.

4.7 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 Materis's	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 write down 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.

4.8 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.

4.9 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.

4.10 Financial assets

4.10.1 Initial recognition, classification and measurement

The Company recognizes a financial asset when and only when it becomes a party to the contractual provisions .

(a) financial assets measured at amortized cost.
(b) fair value through other comprehensive income (FVOCI);
(c) fair value through profit or loss (FVTPL);

(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 specifed dates to cash fows 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 specifed 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.

4.10.2 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.

(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.

4.10.3 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.

4.10.4 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.

4.11 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.

4.12 Revenue

Revenue from sale of goods

Revenue from sale of goods (cement) is recegnized 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.

4.13 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.

4.14 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.

4.15 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.

4.16 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.

4.17 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.

4.18 Taxation

Income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Current tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses and credits only if it is probable that future taxable amounts will be available to utilise those temporary differences and unused tax losses and credits.

Judgment and estimates

Significant judgment is required in determining the income tax expenses and corresponding provision for tax. There may be transactions and calculations for which the ultimate tax determination is uncertain as these matters are being contested at various legal forums. The Company recognizes liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred tax assets and liabilities in the period in which such determination is made.

Further, the carrying amount of deferred tax assets is reviewed at each reporting date and is adjusted to reflect the current assessment of future taxable profits. If required, carrying amount of deferred tax asset is reduced to the extent that it is no longer probable that sufficient taxable profits to allow the benefit of part or all of that recognised deferred tax asset to be utilised. Any such reduction shall be reversed to the extent that it becomes probable that sufficient taxable profit will be available.

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.

4.19 Dividend distribution

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

5. ISSUED, SUBSCRIBED AND PAID UP CAPITAL

2023	2022		2023	2022
(Number of Shares)			Rupees in '000'	
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
50,160,000	50,160,000		**501,600**	501,600

5.1 There are no agreements among shareholders in respect of voting rights, board selection, right of first refusal and block voting.

	Note	2023	2022
		Rupees in '000'	
6. LONG TERM FINANCING FROM A BANKING COMPANY - secured			
Financing under SBP schemes			
Financing Scheme for Renewable Energy	6.1	**337,199**	400,434
Refinance Scheme for Payment of Salaries and Wages	6.2	**-**	-
Temporary Economic Refinance Facility (TERF)	6.3	**422,001**	443,026
		759,200	843,460
Other financing arrangements			
Term Finance I	6.4	**-**	24,685
Term Finance II	6.5	**101,441**	149,492
		101,441	174,177
		860,641	1,017,637

6.1 Financing Scheme for Renewable Energy - secured

	Note	2023	2022
Opening balance		**436,213**	420,250
Interest recognized on unwinding of the liability	32	**40,721**	39,586
Loan installments paid during the year		**(37,605)**	(23,623)
Closing carrying amount - net of deferred grant		**439,329**	436,213
Less: Current maturity shown under current liabilities	12	**(102,130)**	(35,779)
Non-current maturity		**337,199**	400,434

6.1.1 During the year ended 30th June 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.

6.1.2 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	2023	2022
		Rupees in '000'	

6.2 Refinance Scheme for Payment of Wages and Salaries - secured

	Note	2023	2022
Opening carrying amount - net of deferred grant		**89,988**	201,474
Interest on unwinding of liability	32	**2,580**	14,609
Repayments made during the year		**(92,568)**	(126,095)
		-	89,988
Less: Current maturity shown under current liabilities		**-**	(89,988)
Non-current maturity		**-**	-

6.3 Temporary Economic Refinance Facility (TERF)

	Note	2023	2022
Opening balance		**464,812**	-
Conversion from term finance		**-**	622,786
Less: Element of government grant recognized as deferred income		**-**	(178,511)
		464,812	444,275
Interest on unwinding of liability	32	**49,841**	30,155
Repayments made during the year		**(25,048)**	(9,618)
		489,605	464,812
Less: Current maturity shown under current liabilities	12	**(67,604)**	(21,786)
Non-current maturity		**422,001**	443,026

6.3.1 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 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.

6.3.2 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	2023	2022
		Rupees in '000'	

6.4 Term Finance - I

	Note	2023	2022
Opening balance		**24,685**	13,760
Funds borrowed during the year		**-**	633,711
Conversion to TERF		**-**	(622,786)
Conversion to Term Finance - II	6.5	**(24,685)**	-
		-	24,685
Less: Current maturity shown under current liabilities		**-**	-
Non-current maturity		**-**	24,685

6.5 Term Finance II

	Note	2023	2022
Opening balance		**181,178**	-
Funds borrowed during the year		**-**	181,178
Conversion from Term Finance - I	6.4	**24,685**	-
Repayments made during the year		**(35,801)**	-
		170,062	181,178
Less: Current maturity shown under current liabilities	12	**(68,621)**	(31,686)
Non-current maturity		**101,441**	149,492

6.5.1 This represents the amount availed under a term finance facility amounting to Rs. 181.178 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:

(a) The applicable markup rate is 3-Month KIBOR +2% (2022: 3-Month KIBOR + 2%);

(b) The tenor of the facility is 4 years (including 1-year grace period commencing from the date of first disbursement); and

(c) The loan is to be repaid in 12 equal quarterly instalments (to be commenced after the aforesaid grace period).

7. LEASE LIABILITY

	Note	2023	2022
		Rupees in '000'	
Opening balance		**100,203**	97,096
Unwinding of discount	32	**10,943**	9,156
Lease obtained during the year	15	**-**	37,683
Lease rentals paid during the year		**(34,848)**	(43,732)
		76,298	100,203
Less: Current maturity shown under current liabilities		**(27,900)**	(33,030)
Non-current maturity		**48,398**	67,173

	Note	2023	2022
		Rupees in '000'	
8. DEFERRED INCOME - GOVERNMENT GRANT			
Opening balance		**231,155**	94,997
Deferred government grant recognized during the year		**-**	178,511
Less: Amortized for the year	34	**(46,610)**	(42,353)
		184,545	231,155
Less: Current maturity shown under current liability		**(44,017)**	(46,611)
Non-current maturity		**140,528**	184,544

9. DEFERRED TAXATION

For the year ended June 30, 2023	Opening balance	Charge / (reversal) recognized in profit or loss	Charges / (income) recognized in other comprehensive income	Closing balance
	Rupees in 000			
Taxable temporary differences				
Accelerated tax depreciation	**389,627**	**(16,586)**	**-**	**373,041**
Unrealized gain on remeasurement of long term investment	**52,156**	**-**	**(8,485)**	**43,671**
Long term financing - unsecured	**63,145**	**(12,006)**	**-**	**51,139**
Right-of-use assets and related lease liability	**2,329**	**(2,184)**	**-**	**145**
	507,257	**(30,776)**	**(8,485)**	**467,996**
Deductible temporary differences				
Provision against slow moving and obsolete spares	**(4,240)**	**15**	**-**	**(4,225)**
Provision for expected credit losses	**(255)**	**-**	**-**	**(255)**
Deferred government grant	**(65,334)**	**13,354**	**-**	**(51,980)**
Minimum Tax	**(403,554)**	**(121,568)**	**-**	**(525,122)**
	(473,383)	**(108,199)**	**-**	**(581,582)**
	33,874	**(138,975)**	**(8,485)**	**(113,586)**

For the year ended June 30, 2022	Opening balance	Charge / (reversal) recognized in profit or loss	Charges / (income) recognized in other comprehensive income	Closing balance
	Rupees in 000			
Taxable temporary differences		-		
Accelerated tax depreciation	332,633	56,994	-	389,627
Unrealized gain on remeasurement of long term investment	36,324	-	15,832	52,156
Long term financing - unsecured	24,969	38,176	-	63,145
Right-of-use assets and related lease liability	2,427	(98)	-	2,329
	396,353	95,072	15,832	507,257
Deductible temporary differences				
Provision against slow moving and obsolete spares	(4,080)	(160)	-	(4,240)
Provision for expected credit losses	(255)	-	-	(255)
Deferred government grant	(25,836)	(39,498)	-	(65,334)
Minimum Tax	(396,003)	(7,551)	-	(403,554)
	(426,174)	(47,209)	-	(473,383)
	(29,821)	47,863	15,832	33,874

	Note	2023	2022
		Rupees in '000'	
10. TRADE AND OTHER PAYABLES			
Creditors for goods and services:			
-Creditors other than associated company		**743,590**	663,727
-Associated company		**47,790**	42,471
		791,380	706,198
Accrued expenses		**10,505**	11,335
Advances from customers	10.1	**158,668**	165,100
Excise duty payable		**119,836**	111,642
Sales tax payable		**76,276**	51,801
Worker's Welfare Fund payable		**31,047**	31,047
Provision for compensated absences	10.2	**29,071**	27,313
Provision for marking fee	10.3	**75,182**	66,302
Security deposits payable	10.4	**10,160**	10,160
Withholding income tax		**6,727**	5,942
Payable to provident fund		**5,157**	4,389
Worker's Profit Participation Fund payable		**-**	22,572
Retention money payable to contractors		**-**	11,774
Other liabilities		**32,945**	23,525
		1,346,954	1,249,100

10.1 During the year, the performance obligations underlying the opening contract liability of Rs. 165.1 million were satisfied in full. Accordingly, the said liability was recorded as revenue during the year.

10.1.1 Information regarding the timing of satisfaction of performance obligations underlying the closing contract liability of Rs. 158.368 million is not presented since the expected duration of all the contracts entered into with the customers is less than one year.

	2023	2022
	Rupees in '000'	
10.2 Provision for compensated absences		
Opening balance	**27,313**	23,842
Charge for the year - net of reversals	**4,464**	4,493
Payments made during the year	**(2,706)**	(1,022)
Closing balance	**29,071**	27,313

10.3 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.

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

	Note	2023	2022
		Rupees in '000'	
11. SHORT TERM BORROWINGS - secured			
Running Finance	11.1	**722,332**	275,362
Cash finance loan	11.2	**148,500**	-
Export Re-Finance	11.3	**83,220**	80,000
		954,052	355,362

11.1 The Company has a total finance facility of Rs. 810 million (2022: Rs. 695 million) from various banks. These arrangements are secured by way of first pari passu charge over the Company's present and future, current and fixed assets (including Land, Building, Plant & Machinery), movable and immovable properties and hypothecation of Company's stock-in-trade, stores and spares, book debts, machinery, and personal guarantee of sponsoring director of the Company. The rate of mark-up ranges from 1-Month KIBOR plus 1% to 3-Month KIBOR plus 1.25% (2022: 3-Months KIBOR plus 1.5%) per annum. The validity of these facilities ranges from March 31, 2024 to May 31, 2024.

11.2 The Company has obtained a Cash Finance Facility of Rs. 200 million (June 2022: 200 million) from a commercial bank. The facility is secured by way of pledge of coal @ 25% margin at customer factory premises located in Sangjani 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 Sangjani. The facility carries markup at the rate of 1-Month KIBOR plus 2% per annum. The facility is valid upto May 31, 2024.

11.3 The Company has obtained Export Refinance Facility of Rs. 450 million (2022: Rs. 450 million) from commercial banks. The facility is secured by way of 1st pari passu charge of Rs. 733 million (2022: Rs. 800 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) rate plus 1.00% per annum (2022: SBP rate plus 1.00%). The validity of these facilities ranges from March 31, 2024 to May 31, 2024.

11.4 As of reporting date, the Company had unutilized facilities for short term borrowings available from various banks amounting to Rs. 705.948 Million including FATR (2022: Rs. 1,440 million).

	Note	2023	2022
		Rupees in '000'	
12. CURRENT MATURITY OF LONG TERM FINANCING - secured			
Financing under SBP schemes			
Financing scheme for Renewable Energy	6.1	**102,130**	35,779
Refinance scheme for Payment of Wages and Salaries	6.2	**-**	89,988
Temporary Economic Refinance Facility (TERF)	6.3	**67,604**	21,786
		169,734	147,553
Other financing facilities			
Term Finance II	6.5	**68,621**	31,686
		238,355	179,239

13. CONTINGENCIES AND COMMITMENTS

13.1 Contingencies

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 Law before the Honourable Lahore High Court (LHC) and also the order issued by the CCP. 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). The Company together with other cement manufacturers has filed an appeal before the Honourable Supreme Court of Pakistan ('the Apex Court'). The CCP has also filed an appeal before the Apex Court against the decision of LHC.

The Company has also filed a petition before the Honourable High Court of Sindh in relation to the constitution of CAT, wherein the Honourable Court has restrained the CAT from passing a final order in the matter. The Company's legal counsel is confident that the Company has a good case and there are reasonable chances of success, hence, no provision for the above has been recognized in these financial statements.

	Note	2023	2022
		Rupees in '000'	
13.2 Commitments			
As of the reporting date, the outstanding financial commitments of the company were as follows:			
- Letter of guarantee in favour of Sui Northern Gas Pipeline Limited (SNGPL)		**110,000**	110,000
- in respect of import of stores and spares		**40,799**	27,043
		150,799	137,043

14. PROPERTY, PLANT AND EQUIPMENT

	Note	2023	2022
Operating Assets	14.1	**2,358,969**	2,580,421
Capital Work in Progress	14.2	**-**	126,682
Capital Spares	14.3	**349,868**	360,797
		2,708,837	3,067,900

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, 2021								
Cost	225,923	327,715	237,648	3,826,333	131,860	59,380	98,153	4,907,012
Accumulated depreciation	-	(276,631)	(115,247)	(2,227,691)	(122,871)	(54,370)	(84,229)	(2,881,039)
	225,923	51,084	122,401	1,598,642	8,989	5,010	13,924	2,025,973
Movement during the year ended June 30, 2022								
Opening net book value	225,923	51,084	122,401	1,598,642	8,989	5,010	13,924	2,025,973
Additions during the year:								
- Transfers from CWIP	-	-	5,987	616,161	-	-	-	622,148
- Transfers from capital spares	-	-	-	50,619	-	-	-	50,619
- Other additions	-	-	-	39,378	-	13,147	491	53,016
	-	-	5,987	706,158	-	13,147	491	725,783
Disposals:								
- Cost	-	-	-	-	-	-	(18,501)	(18,501)
- Accumulated depreciation	-	-	-	-	-	-	15,803	15,803
	-	-	-	-	-	-	(2,698)	(2,698)
Depreciation for the year	-	(5,177)	(7,989)	(147,866)	(1,239)	(4,304)	(2,062)	(168,637)
Closing net book value	225,923	45,907	120,399	2,156,934	7,750	13,853	9,655	2,580,421
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)
	225,923	45,907	120,399	2,156,934	7,750	13,853	9,655	2,580,421
Movement during the 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:								
- Transfers from CWIP	-	**-**	**-**	**132,417**	**-**	**-**	**-**	**132,417**
- Transfers from capital spares	**-**	**-**	**-**	**24,779**	**-**	**2,934**	**-**	**27,713**
- Transfers from Right-of-use asset	**-**	**-**	**-**	**-**	**-**	**-**	**2,503**	**2,503**
- Other 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	8**3,651**	**40,730**	**111,888**	**2,093,005**	**7,066**	**12,337**	**10,292**	**2,358,969**
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)**
	83,651	**40,730**	**111,888**	**2,093,005**	**7,066**	**12,337**	**10,292**	**2,358,969**

	Note	2023	2022
		Rupees in '000'	

14.1.1 Allocation of depreciation expense

	Note	2023	2022
Manufacturing costs	29.1.2	**252,748**	159,364
Administrative expenses	30	**3,921**	3,760
Distribution costs	31	**5,502**	5,513
		262,171	168,637

14.1.2 Freehold land represents 237.64 acres of land situated at Sangjani Village Sangjani, 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.

14.2 Capital work in progress

	Note	Plant and Machinery	Civil Works	Total
		Rupees in '000'		
Movement during the year ended June 30, 2022				
Movement during the year ended June 30, 2022				
Opening balance		29,178	3,324	32,502
Additions during the year				
- Transfers from capital spares		18,970		18,970
- Other additions		870,171	5,040	875,211
		889,141	5,040	894,181
Transfer to operating fixed asset		(616,161)	(5,987)	(622,148)
Transfer to capital spares		(175,476)	-	(175,476)
Charged off during the year		-	(2,377)	(2,377)
		(791,637)	(8,364)	(800,001)
Balance as at June 30,2022		126,682	-	126,682
Movement during the year ended June 30, 2023				
Opening balance		**126,682**	**-**	**126,682**
Additions during the year				
- Transfers from capital spares	14.3	**2,900**	**-**	**2,900**
- Direct additions		**2,834**		**2,834**
		5,734	**-**	**5,734**
Transfer to operating fixed asset	14.1	**(132,416)**	**-**	**(132,416)**
Balance as at June 30,2023		**-**	**-**	**-**

		Note	2023	2022
			Rupees in '000'	
14.3	**Capital Spares**			
	Opening Balance		**360,797**	211,608
	Additions during the year		**19,684**	43,302
			380,481	254,910
	Transfers to capital work in progress	14.2	**(2,900)**	(18,970)
	Transfers to operating fixed assets	14.1	**(27,713)**	(50,619)
			(30,613)	(69,589)
	Transfer from capital work in progress		**-**	175,476
	Closing balance		**349,868**	360,797

15. RIGHT-OF-USE ASSETS

	Rented property in Karachi (old)	Rented property in Karachi (new)	Rented property in Islamabad	Leased vehicles	Total
As at June 30, 2021					
Cost	11,440	65,634	11,793	71,316	148,754
Accumulated depreciation	(11,440)	(568)	(9,336)	(32,819)	(42,734)
	-	65,066	2,457	38,497	106,020
Movement during the year ended June 30, 2022					
Opening net book value	-	65,066	2,457	38,497	106,020
Addition	-	4,002	-	33,681	37,683
Disposal:					
Cost	-	-	-	(1,780)	(1,780)
Accumulated depreciation	-	-	-	294	294
		-	-	(1,486)	(1,486)
Depreciation for the year	-	(13,927)	(2,457)	(17,391)	(33,775)
Closing net book value	-	55,141	-	53,301	108,442
As at June 30, 2022					
Cost	-	69,636	11,793	103,217	184,646
Accumulated depreciation	-	(14,495)	(11,793)	(49,916)	(76,204)
	-	55,141	-	53,301	108,442
Movement during the year ended June 30, 2023					
Opening net book value	-	55,141	-	53,301	108,442
Vehicle transferred to operating assets					
-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	-	41,214	-	35,598	76,812
As at June 30, 2023					
Cost	**-**	**69,636**	**-**	**78,187**	**147,823**
Accumulated depreciation	**-**	**(28,422)**	**-**	**(42,589)**	**(71,011)**
WDV as at June 30, 2023	**-**	**41,214**	**-**	**35,598**	**76,812**
Depreciation rate (per annum)	**50%**	**20%**	**50%**	**20%**	

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

Particulars	Rented property in Karachi (new)
Lessor name	Zain Sikander
Lease agreement date	05-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	Markup rate	Nature of the leased assets	Number of the leased assets
121810500014	Askari Bank Limited	No	3-Dec-18	1-Nov-23	60	Monthly	6 month KIBOR + 2%	Motor Vehicles	3
121902500027	Askari Bank Limited	No	12-Apr-19	12-Mar-24	60	Monthly	3 month KIBOR + 2%	Motor Vehicles	1
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
122107500006	Askari Bank Limited	No	30-Aug-21	30-Jul-26	60	Monthly	6 month KIBOR + 2%	Motor Vehicles	1

	Note	2023	2022
		Rupees in '000'	
15.3 Allocation of depreciation expense			
Manufacturing costs	29.1.2	**4,560**	5,217
Administrative expenses	30	**21,527**	25,080
Distribution costs	31	**3,040**	3,478
		29,127	33,775

16. INVESTMENT PROPERTY

	Note	2023	2022
Opening cost		**-**	-
Reclassification from Property, plant and equipment	16.1	**142,272**	-
Disposal of freehold land during the year		**(40,012)**	-
Closing cost	16.2	**102,260**	-

16.1 In 2009, the company initially acquired a piece of land for its operational purposes, categorizing it as part of its operating fixed assets. However, during the current year, a shift in the company's approach led to the partial disposal of this land, with plans for further disposals in the future. Consequently, given this change in strategy, the remaining portion of the land has also been reclassified as investment property in accordance with IAS 40.

16.2 The latest valuation of the investment property was carried out by M/s. K.G Traders Private Limited on 28 June 2023 according to which the aggregate fair value and forced sale value of the plots of land as at June 30, 2023 was Rs. 310 million and Rs. 263 million, respectively.

	Note	2023	2022
		Rupees in '000'	
17. LONG TERM INVESTMENTS			
Unquoted equity securities			
Fecto Cement Nooriabad (Private) Limited (subsidiary)	17.1	**1,000**	1,000
Frontier Paper Products (Private) Limited (related party)	17.2	**300,591**	329,850
		301,591	330,850
Unquoted debt securities			
Term Finance Certificates (TFCs)	17.3	**99,920**	-
		401,511	330,850

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

2023	2022		2023	2022
(Number of Shares)			Rupees in '000'	
100,000	100,000	Ordinary shares of Rs. 10/-	**1,000**	1,000

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, Defence 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 endeavouring 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)/2021/46 dated July 21, 2023 issued to the Company.

17.1.4 As per unaudited financial statements of FCNL for the year ended June 30, 2023, as of the reporting date, FCNL had cash balance held in a bank account, amounting to Rs. 1.175 million (2022: Rs. 1.035 million) (mainly representing the initial capital injection made by the Company in the form of equity) and accrued liabilities amounting to Rs. 0.08 million (2022: Rs. Nil). Further, during the year ended June 30, 2023, FCNL earned mark-up on bank deposit amounting to Rs. 0.166 million (2022: Rs. 0.078 million) and incurred administrative and taxation expenses of Rs. 0.079 million (2022: Rs. 0.04 million) and Rs. 0.025 million (2022: Rs. 0.012 million), respectively.

17.1.5 The unaudited financial statements of FCNL for the year ended June 30, 2023, as well as the audited financial statements of FCNL for the year ended June 30, 2022, 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

2023	2022		2023	2022
(Number of Shares)			Rupees in '000'	
15,000,000	15,000,000	Ordinary shares of Rs. 10/- each-at cost	**150,000**	150,000
		Unrealized gain / (loss) on remeasurement:		
		- Opening balance	**179,850**	167,009
		-(Loss) / gain recognize during the year	**(29,259)**	12,841
			150,591	179,850
			300,591	329,850

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. 20.04 per share (2022: 21.99 per share).

17.2.4 During the year ended June 30, 2023, FPPL did not declare any dividends (2022: 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, as disclosed in note 25.3 to the financial statements.

	2023	2022
	Rupees in '000'	
18. LONG TERM DEPOSITS		
Long term deposits	**10,101**	10,273

This includes security deposits maintained with certain government authorities and suppliers / vendors of the Company.

	Note	2023	2022
		Rupees in '000'	
19. LONG TERM LOANS AND ADVANCES			
Long term loan - unsecured, considered good			
Employees - interest free		**5,095**	4,661
Executives - interest free	19.1	**1,289**	735
		6,384	5,396
Advance to software house	19.2	**5,000**	5,000
Advance to dealers - secured, considered good		**3,700**	5,700
		15,084	16,096
Less: Current maturity shown under current assets	25	**(6,618)**	(7,320)
Non-current maturity		**8,466**	8,776

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. 1.289 million (2022: Rs. 1.230 million).

19.2 This represents a 50% mobilization advance provided to a software house in relation to implementation of a new ERP system.

	2023	2022
20. STORES AND SPARES	Rupees in '000'	
Stores - in hand	**839,743**	1,038,914
Store - in transit	**34,515**	32,469
	874,258	1,071,383
Spares	**649,714**	553,838
Provision against slow moving and obsolete spares	**(15,000)**	(15,000)
	634,714	538,838
	1,508,972	1,610,221

	Note	2023	2022
		Rupees in '000'	

21. STOCK IN TRADE

Raw material		**1,052,464**	1,032,089
Packing material		**33,788**	36,631
		1,086,252	1,068,720
Work-in-process		**610,422**	193,686
Finished goods		**104,221**	31,777
		1,800,895	1,294,183

22. TRADE DEBTS - unsecured

Total trade debts outstanding - gross		**147,615**	76,074
Less : Provision for expected credit losses		**(880)**	(880)
		146,735	75,194

23. SHORT TERM INVESTMENTS - unsecured

Opening balance		**99,920**	99,920
Reclassification into Long term investment	17.3 & 25.2	**(99,920)**	-
		-	99,920

24. SHORT TERM LOAN TO RELATED PARTY

Loan to Frontier Paper Products (Private) Limited

Opening balance		**25,395**	79,395
Loan disbursed during the year		**74,500**	40,000
Loan repaid during the year		**(29,000)**	(94,000)
		70,895	25,395

24.1 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.

24.2 Maximum loan outstanding during the year with reference to month-end balances amounted to Rs. 99 million (2022: Rs. 79 million).

		Note	2023	2022
			Rupees in '000'	
25.	**LOANS, ADVANCES, DEPOSITS, PREPAYMENT AND OTHER RECEIVABLE-(considered unsecured)**			
	Advances	25.1	**17,398**	21,380
	Other receivable- accrued markup	25.2	**32,836**	10,405
	Deposit - margin against bank guarantee	25.3	**11,000**	11,000
	Current maturity of long term loans	19	**6,618**	7,320
	Prepayments		**1,059**	971
			68,911	51,076
25.1	**Advances**			
	Advance to suppliers of goods		**17,398**	19,785
	Others		**-**	1,595
			17,398	21,380
25.2	**Other receivable- accrued markup**			
	Markup receivable on loan to associated company		**5,101**	778
	Markup receivable on term finance certificates	25.2.1	**27,735**	9,627
			32,836	10,405

25.2.1 The company has accrued profit on TFC's of M/s. Silk Bank Limited, for the current year, which along with the profit for the year ended June 30, 2022, are outstanding owing to, stoppage of payment by the bank , as per the terms in clause 28 of the trust deed, executed between the company and M/s. Silk Bank Limited, that allow it to do, since it's Minimum Capital Ratio (MCR) and Capital Adequacy Ratio (CAR), stands below the prescribed threshold set by State Bank of Pakistan, till such time, such requirement is fully met.

Under the circumstances, a local bank has completed due diligence, and process of company's acquisition, is expected to be completed soon, that in turn, will lead to the bank meeting it's prescribed limits of Minimum Capital Ratio (MCR) and Capital Adequacy Ratio (CAR). Moreover, in terms of trust deed between Silk bank and trustee, M/s Soneri Bank, is nominated as guarantor, covering immediately succeeding, two installments of the redemption amounts, in terms of clause 2.2, "credit enhancement guarantee".

The company has hence, not made any provision, in view of the guarantee, held by the trustee covering the profit accrued, and expectation of acquisition, of the bank by another bank.

25.3 Deposit - margin against bank guarantee

This represents 10 % (2022: 10%) margin given to M/s. Silk Bank Limited against the bank guarantee of Rs.110 million (2022: Rs. 110 million) issued in favour of Sui Northern Gas Pipeline Limited as security for the payment of gas bills.

		2023	2022
		Rupees in '000'	
26.	**TAX REFUNDS DUE FROM GOVERNMENT**		
	Income tax refundable	**76,233**	110,420
	Un-adjusted input sales tax carried forward	**33,600**	16,360
		109,833	126,780

	Note	2023	2022
		Rupees in '000'	

27. CASH AND BANK BALANCES

	Note	2023	2022
In hand		**663**	1,250
Cash at bank			
-With banks in saving & deposit accounts	27.1	**99,509**	62,445
-With banks in current accounts		**98,493**	77,549
		198,002	139,994
		198,665	141,244

27.1 The return on these balances ranges from 15% to 16% (2022: 10% to 12%) per annum on daily average product basis.

	Note	2023	2022
		Rupees in '000'	

28. SALES REVENUE - net

	Note	2023	2022
Revenue from local sales	28.1	**8,432,393**	6,601,725
Revenue from export sales	28.2	**249,790**	172,842
		8,682,183	6,774,567

28.1 Revenue from local sales

		2023	2022
Sales of goods to local customers - gross		**11,414,098**	9,184,042
Less: Trade Discount		**(114,447)**	(113,374)
Federal Excise duty		**(1,040,271)**	(1,029,161)
Sales tax		**(1,826,987)**	(1,439,782)
		(2,981,705)	(2,582,317)
		8,432,393	6,601,725

28.2 Revenue from export sales

		2023	2022
Sales of goods to foreign customers		**249,485**	171,825
Export rebate		**305**	1,017
		249,790	172,842

29. COST OF SALES

	Note	2023	2022
Opening stock of finished goods		**31,777**	23,497
Cost of goods manufactured	29.1	**8,442,207**	5,909,226
		8,473,984	5,932,723
Closing stock of finished goods	21	**(104,221)**	(31,777)
		8,369,763	5,900,946

29.1 Cost of goods manufactured

	Note	2023	2022
Raw and packing materials consumed	29.1.1	**799,634**	673,364
Conversion cost incurred	29.1.2	**8,059,309**	4,979,058
		8,858,943	5,652,422
Change in work-in-process inventory:			
Opening work-in-process		**193,686**	450,490
Closing work-in-process	21	**(610,422)**	(193,686)
		(416,736)	256,804
		8,442,207	5,909,226

		Note	2023	2022
			Rupees in '000'	
29.1.1	**Raw and packing materials consumed**			
	Opening stock		**1,068,720**	1,148,693
	Purchases		**817,166**	593,391
			1,885,886	1,742,084
	Closing stock	21	**(1,086,252)**	(1,068,720)
			799,634	673,364
29.1.2	**Conversion cost incurred**			
	Fuel and power	29.1.2.1	**6,797,693**	4,033,203
	Salaries, wages and benefits	29.1.2.2	**588,952**	491,901
	Depreciation on operating fixed assets	14.1.1	**252,748**	159,364
	Stores and spares consumed		**225,741**	137,972
	Vehicle running expenses		**57,259**	42,069
	Insurance		**46,043**	38,949
	Repairs and maintenance		**19,354**	9,002
	Loading charges		**16,752**	19,868
	Depreciation on right-of-use assets	15.3	**4,560**	5,217
	Other manufacturing overheads		**50,207**	41,513
			8,059,309	4,979,058
29.1.2.1	**Fuel and power**			
	Coal charges		**5,086,757**	2,814,187
	Electricity charges		**1,576,648**	1,137,679
	Diesel charges		**99,104**	47,442
	Lubricant charges		**26,440**	23,818
	Others		**8,744**	10,077
			6,797,693	4,033,203

29.1.2.2 This includes Company's contribution to provident fund amounting to Rs. 16.502 million (2022: Rs. 15.145 million).

		Note	2023	2022
			Rupees in '000'	
30.	**ADMINISTRATIVE EXPENSES**			
	Salaries, wages and benefits	30.1	**192,683**	166,298
	Depreciation on right-of-use assets	15.3	**21,527**	25,080
	Vehicles running expenses		**20,351**	15,126
	Utilities		**18,097**	11,792
	Legal and professional charges		**13,129**	11,984
	Initial expenditure on new project		**7,937**	2,200
	Donations	30.2	**6,152**	3,509
	Repairs and maintenance		**5,108**	2,145
	Depreciation on operating fixed assets	14.1.1	**3,921**	3,760
	Traveling and conveyance		**3,057**	3,013
	Communications		**2,998**	2,547
	Printing and stationery		**2,449**	1,807
	Rent, rates and taxes		**2,162**	5,146
	Entertainment		**2,072**	1,213
	Fees and subscription		**1,778**	1,920
	Auditors' remuneration	30.3	**1,500**	1,350
	Insurance		**287**	236
	Miscellaneous		**4,533**	4,779
			309,741	263,905

30.1 This includes Company's contribution to provident fund amounting to Rs. 6.993 million (2022: Rs. 6.051 million).

30.2 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.

30.3 Auditors' remuneration

	Note	2023	2022
		Rupees in '000'	
Audit fee		**1,100**	1,000
Half yearly review		**300**	250
Other services		**100**	100
		1,500	1,350

31. DISTRIBUTION COST

	Note	2023	2022
Salaries, wages and benefits	31.1	**55,585**	48,022
Marking fee		**8,880**	6,883
Depreciation on operating fixed assets	14.1.1	**5,502**	5,513
Vehicles running expense		**5,285**	4,444
Depreciation on right-of-use assets	15.3	**3,040**	3,478
Printing and stationary		**2,539**	1,262
Fuel and power		**2,472**	2,435
Communications		**1,782**	1,408
Entertainment		**1,640**	1,119
Rent, rates and taxes		**1,506**	1,998
Export expenses		**1,481**	1,142
Repairs and maintenance		**777**	1,384
Spares and general items consumed		**761**	1,744
Traveling and conveyance		**387**	164
Insurance		**167**	16
Advertisement		**87**	80
Fees and subscription		**-**	63
Miscellaneous		**673**	235
		92,564	81,390

31.1 This includes Company's contribution to provident fund amounting to Rs. 2.362 million (2022: Rs.2.678 million) .

		Note	2023	2022
			Rupees in '000'	
32.	**FINANCE COST**			
	Markup on short term borrowings:			
	- Running finance		**113,075**	51,518
	- Cash Finance		**36,364**	-
	- Export Refinance Scheme		**8,150**	3,814
	- Finance against Trust Receipt		**-**	9,794
			157,589	65,126
	Markup on long term borrowing			
	SBP Refinance Scheme for TERF	6.3	**49,841**	20,425
	SBP Refinance Scheme for Renewable Energy	6.1	**40,721**	39,586
	Markup on Term Finance		**37,096**	2,032
	SBP Refinance Scheme for Payment of Wages and Salaries	6.2	**2,580**	14,609
			130,238	76,652
	Markup on leases	7	**10,943**	9,156
	Bank commission and charges		**4,433**	4,301
			303,203	155,235
33.	**OTHER EXPENSES**			
	Loss on sale of obsolete bags		**5,315**	-
	Provision for Workers' Profit Participation Fund		**-**	22,572
			5,315	22,572
34.	**OTHER INCOME**			
	Gain on sale of investment property		**77,774**	-
	Scrap sales		**46,615**	14,044
	Amortization of deferred government grant		**46,610**	42,353
	Markup income	34.1	**34,472**	16,219
	Insurance claim		**16,870**	-
	Gain on sale of operating fixed assets		**935**	5,723
	Miscellaneous		**2,198**	2
			225,474	78,341
34.1	**Markup income**			
	Markup on term finance certificates (TFCs)	25.2.1	**18,109**	10,657
	Markup on loan to associated company		**12,586**	3,905
	Markup on bank deposits		**3,777**	1,657
			34,472	16,219

		2023	2022
		Rupees in '000'	
35.	**TAXATION**		
	Current	**108,913**	97,423
	Prior	**(9,622)**	(3,129)
		99,291	94,294
	Deferred	**(138,975)**	47,863
		(39,684)	142,157

35.1 Relationship between income tax expense and accounting profit before taxation

Profit before taxation	428,860
Tax at the applicable rate of 29%	124,369
Tax effect of:	
- income under Presumptive Tax Regime	(1,179)
- super tax under section 4C	8,480
- permanent difference	992
- prior year charge	(3,129)
- change in the ratio of income assessed under normal and final tax regime	12,965
- Others	(341)
	142,157

35.1.1 The numerical reconciliation between tax expense and the product of accounting profit multiplied by the applicable tax rate as required by IAS 12 'Income Taxes' has not been presented in these financial statements since the Company has suffered an accounting loss before tax in this year and its income subject to taxation under the normal tax regime has attracted the provisions of section 113 of the Income Tax Ordinance, 2001 (Minimum tax).

35.1.2 The income tax assessments of the Company have been finalized up to, and including, the tax year 2022. 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.

		2023	2022
		Rupees in '000'	
36.	**(LOSS) / EARNING PER SHARE**		
36.1	Basic (Loss) / earnings per share		
	(Loss) / Profit after taxation	**(133,245)**	286,703
		Numbers in '000'	
	Weighted average number of ordinary shares outstanding	**50,160**	50,160
		Rupees	
	(Loss) / earning per share - basic	**(2.66)**	5.72

36.2 Diluted (Loss) / earning per share

There is no dilutive effect on the basic (loss) / earning per share of the Company, since there were no potential ordinary shares in issue as at June 30, 2023 and June 30, 2022.

	Note	2023	2022
		Rupees in '000'	
37. CASH AND CASH EQUIVALENTS			
Cash and bank balances	27	**198,665**	141,244
Short term borrowings - running finance	11	**(722,332)**	(275,362)
		(523,667)	(134,118)

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% (2022: 100%) of the total revenue of the Company.

(b) 98% (2022: 98%) gross sales of the Company were made to customers based in Pakistan.

(c) As at June 30, 2023 and June 30, 2022 all non-current assets of the Company were located in Pakistan.

(d) Revenue earned from two major customers having sales excluding Sales Tax and Federal Excise Duty of more than 10% of total sales amounted to Rs. 1,935.04 million respectively. (2022: from one customer amounts to Rs. 1884.23 million). The major customers reside 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:

	2023				2022			
	Chief Executive	Executive Director	Non-Executive Director	Executives	Chief Executive	Executive Director	Non-executive Director	Executive
	Rupees in '000'							
Managerial remuneration	**37,479**	**-**	**-**	**208,375**	33,839	-	-	176,008
Retirement benefits		**-**	**-**	**12,568**	-	-	-	11,181
Reimbursable perquisites	**2,161**	**-**	**-**	**12,008**	2,161	-	-	10,770
Meeting fee	**-**	**-**	**155**	**-**	-	-	150	-
	39,640	**-**	**155**	**232,951**	36,000	-	150	197,959
Number of persons	**1**	**-**	**6**	**45**	1	-	6	41

39.2 The Chief Executive, and certain executives are provided with the use of Company maintained cars and the operating expenses are borne by the Company 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	2023	2022
			-------- Rupees	--------
Frontier Paper Products (Private) Limited	Associated Company	Puchases made during the year	**495,247**	442,269
		Payments made during the year	**489,928**	446,394
		Payable against purchases	**47,790**	2,471
		Loan disbursed during the year	**74,500**	40,000
		Loan repaid during the year	**29,000**	94,000
		Interest charged on loan	**12,586**	3,905
		Interest outstanding at year end	**5,101**	778
		Loan outstanding at the end of the year	**70,895**	25,395
Staff retirement benefit plan - Provident Fund	Other related party	Contribution for the year	**25,856**	23,874
		Balance payable at year end	**5,157**	4,389

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, 2023		June 30, 2022	
		Carrying amount	Maximum exposure	Carrying amount	Maximum exposure
		------------------- Rupees in 000	-------------------	-------------------	-------------------
At amortised cost					
- Long term deposits		**10,101**	**10,101**	10,273	10,273
- Long term loans to employees		**6,384**	**6,384**	3,776	3,776
- Trade debts	(a)	**146,735**	**146,735**	75,194	75,194
- Short term investment		**-**	**-**	99,920	99,920
- Long term investment		**99,920**	**99,920**	-	-
- Short term loan to a related party		**70,895**	**70,895**	25,395	25,395
- Loans, Advances, Deposits, Prepayment					and Other
Receivable		**50,453**	**50,453**	28,725	28,725
- Bank balances	(b)	**198,002**	**198,002**	139,994	139,994
		582,490	**582,490**	383,277	383,277

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, 2023		June 30, 2022	
	Gross carrying amount	Provision for expected credit losses	Gross carrying amount	Provision for expected credit losses
1-90 days	**145,874**	**-**	73,436	-
More than 90 days	**1,740**	**880**	2,638	- 880
	147,614	**880**	76,074	880

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:

	2023	2022
	Rupees in '000'	
Short term rating		
AAA	**149,301**	127,958
AA+	**39,763**	6,151
AA	**78**	-
A	**7,526**	5,809
A+	**1,320**	68
A-	**15**	8
	198,003	139,994

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, 2023			June 30, 2022		
	Total exposure	Concentration	% of total exposure	Total exposure	Concentration	% of toal exposure
	(Rupees in '000')					
Trade debts	**146,735**	**82,012**	**56%**	75,194	35,846	48%
Short term investment	**-**	**-**	**0%**	99,920	99,920	100%
Long term investment	**99,920**	**99,920**	**100%**	-	-	0%
Short term loan to a related party	**70,895**	**70,895**	**100%**	25,395	25,395	100%
Bank balances	**198,002**	**186,147**	**94%**	139,994	127,934	91%
		438,974			289,095	

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, 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**	**154,023**	**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	**874,062**	**874,062**	**874,062**	**-**	**-**	**-**
	3,057,613	**3,505,505**	**2,033,150**	**165,222**	**1,110,233**	**196,899**

	June 30, 2022					
	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	1,196,876	1,751,932	105,894	115,161	1,159,058	371,818
Lease liability	100,203	121,509	22,275	10,942	88,292	-
Short term borrowings - secured	355,362	355,362	355,362	-	-	-
Accrued markup	18,203	18,203	18,203	-	-	-
Trade and other payables	790,305	790,305	790,305	-	-	-
	2,460,949	3,037,311	1,292,039	126,103	1,247,350	371,818

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, 2023 (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.

Exposure to currency risk

As of the reporting date, the Company was exposed to currency risk on trade payables - other creditors that are denominated in a currency other than the respective functional currency of the Company. Those transactions are denominated in Euros.

	June 30, 2023		June 30, 2022	
	Rupees '000'	Euros	Rupees '000'	Euros
Trade payables - other creditors	-	-	28,323	131,275

The following significant exchange rates applied during the year:

	2023		2022	
	Average rate	Reporting date rate	Average rate	Reporting date rate
	Rupees			
Euro to PKR	**267.05**	**312.93**	215.96	215.75

As of the reporting date, 10% strengthening / (weakening) of the Pak Rupee against the Euro would have reduced / (increased) the profit before tax of the Company by the amount shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

	Effect on profit before tax Rupees in '000'
As at June 30, 2023	**-**
As at June 30, 2022	**2,832**

(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:

	2023	2022
	Rupees in '000'	
Financial assets		
Variable rate instruments		
Bank balances - saving and deposit accounts	**99,509**	62,445
Short term loan to related party	**70,895**	25,395
Short term investment - TFCs	**-**	99,920
Long term investment - TFCs	**99,920**	-
Financial liabilities		
Variable rate instruments		
Long term financing - Term Finance II	**170,062**	205,863
Lease liability	**76,298**	100,203
Short term borrowings - secured	**954,052**	355,362

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. 9.3 million (2022: Rs. 4.74 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, 2023, the Company was not exposed any price risk.

	2023	**2022**
	Rupees in '000'	
41.2 Financial instruments by categories		
41.2.1 Financial assets:		
At amortized cost		
Long term investment in subsidiary	**1,000**	1,000
Long term investment in TFC	**99,920**	-
Long term deposits	**10,101**	10,273
Long term loans and advances	**3,466**	3,776
Trade debts	**146,735**	75,194
Short term investment	**-**	99,920
Short term loan to a related party	**70,895**	25,395
Loans, Advances, Deposits, Prepayment and Other Receivable	**50,453**	28,725
Cash and bank balances	**198,665**	141,244
	581,235	385,527
At fair value through other comprehensive income		
Long term investment in associated company	**300,591**	329,850
41.2.2 Financial liabilities:		
At amortized cost		
Long term financing - secured	**1,098,996**	1,196,876
Lease liability	**76,298**	100,203
Trade and other payables	**874,062**	790,305
Short term borrowings	**954,052**	355,362
Accrued mark-up	**54,205**	18,203
	3,057,613	2,460,949

42. 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, 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**

		June 30, 2022	
	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	-	-	329,850

43. 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:

	2023	2022
	Rupees in '000'	
Borrowing:		
Long term financing	**1,098,996**	1,196,876
Short term borrowings	**954,052**	355,362
	2,053,048	1,552,238
Shareholders' equity:		
Issued, subscribed and paid up capital	**501,600**	501,600
General reserves	**550,000**	550,000
Unappropriated profit	**2,438,236**	2,571,481
	3,489,836	3,623,081
Total capital managed by the Company	**5,542,884**	5,175,319

44. CORRESPONDING FIGURES

In these financial statements the following corresponding figures have been rearranged and reclassified, wherever considered necessary for the purposes of comparison and better presentation. The effect of these reclassification is not regarded as material.

45. GENERAL

45.1 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.

45.2 Plant Capacity and Actual Production

	2023	2022
	Metric Tons	
Production capacity - Ordinary Portland Cement (OPC)	**1,000,000**	945,000
Production capacity - Clinker	**900,000**	900,000
Actual production - Ordinary Portland Cement (OPC)	**646,530**	712,757
Actual production - Clinker	**632,116**	618,559

45.2.1 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.

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

	2023	**2022**
45.3 Number of employees		
Total number of employees as at June 30	**336**	328
Average number of employees during the year	**332**	330

45.4 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 October 02, 2023..

45.5 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

ABDUL SAMAD
CHIEF FINANCIAL OFFICER

کمپنی اس بات پر مکمل یقین رکھتی ہے کہ کمپنی کا اصل اثاثہ وہ افراد ہیں جو کہ کمپنی کے لیے اپنی خدمات پیش کرتے ہیں اور کمپنی کی جانب سے اس سلسلے میں بلاتعطل تمام سہولیات فراہم کی جاتی ہیں۔اس طرح کمپنی کے اندر انتظامیہ اور ملازمین کے مابین انتہائی خوشگوار تعلقات پائے گئے ہیں اور کبھی کسی بھی قسم کا کوئی صنعتی تنازع منظر عام پر نہیں آیا

آڈیٹرز

موجودہ آڈیٹرز میسرز رحمٰن سرفراز رحیم اقبال، چارٹرڈ اکاؤنٹنٹس ریٹائر ہونے جا رہے ہیں اور اپنی اہلیت کی بنیاد پر انہوں نے ایک مرتبہ پھر اپنی خدمات پیش کی ہیں۔ بورڈ کی آڈٹ کمیٹی کی جانب سے ان کی ایک مرتبہ پھر کمپنی کے قانونی آڈیٹروں کے بطور برائے مالی سال 30 جون 2024 تعیناتی کی سفارش کی گئی ہے اور بورڈ بھی آڈٹ کمیٹی کی جانب سے کی گئی سفارش کی توثیق کی خواہش رکھتا ہے۔

ترتیب حصص داری

کمپنیز ایکٹ 2017 کے سیکشن (f)(2)227 کے تحت جدول برائے ترتیب حصص داری برائے مالی سال 30 جون 2022 رپورٹ ہذا کے ساتھ منسلک کیا جا چکا ہے

منافع کی تقسیم

سالِ رواں کے دوران مجموعی نقصان کی وجہ سے کمپنی کے بورڈ کی جانب سے اس کے اجلاس مؤرخہ 02 اکتوبر 2023 میں یہ تجویز پیش کی گئی ہے کہ اس سال حتمی طور پر ڈیویڈنڈ نہ دیا جائے۔

اظہار تشکر

کمپنی کے ڈائریکٹرز تمام اسٹاف اور ورکروں کے تہہ دل سے مشکور ہیں کہ ان کی محنت شاقہ ہمارے شامل حال رہی۔اس کے علاوہ تمام ڈیلروں کا بھی تہہ دل سے شکریہ ادا کیا جاتا ہے جنہوں نے ہماری تمام مارکٹنگ پالیسیوں کی مکمل حمایت کی۔ہم اس موقع پر تمام مالیاتی اداروں اور بینکوں کے بھی بے حد مشکور ہیں کہ کمپنی کے کاروباری افعال میں ہمیں ان کا مکمل تعاون حاصل رہا۔

منجانب بورڈ

محمد یسین فیکٹو
چیف ایگزیکیٹو

روحیل اجمل
ڈائریکٹر

کراچی: 02 اکتوبر 2023

☆ کمپنی کے قرب جوار کے دیہاتوں کو پینے کا صاف پانی کا صاف مہیا کیا گیا جس کے لیے پانی کا ذخیرہ اور پائپ لائن کا انتظام بھی کمپنی کی جانب سے ہی کیا گیا تھا۔ پانی کی بلا تعطل فراہمی کو ممکن بنانے کے لیے کمپنی کی جانب سے بجلی کا ایک پمپ بھی نصب کیا گیا۔
☆ کمپنی کی جانب سے صحت، معاشرتی فلاح و بہبود اور تعلیم کے سلسلے میں 6.15 ملین روپے کے عطیات فراہم کیے گئے (2022 میں 3.4 ملین عطیات دیے گئے تھے)۔

قومی خزانے میں حصہ

آپ کی کمپنی کی جانب سے دوران سال رواں 2,867 ملین روپے قومی خزانے میں جمع کروائے گئے، یہ رقم قومی خزانے میں سیلز ٹیکس اور فیڈرل ایکسائز ٹیکس کی مدات جمع کروائی گئی، جبکہ گزشتہ سال ان مدات میں قومی خزانے میں جمع کروائی گئی رقم 2,469 ملین روپے تھی۔ اس کے علاوہ کمپنی وطن عزیز میں 1.00 ملین امریکی ڈالر کا قیمتی زرمبادلہ بھی لے کر آئی جو سیمنٹ کی برآمدات سے حاصل کیا گیا تھا۔ اس کے علاوہ کمپنی نے انکم ٹیکس اور رائلٹی کی مد میں بھی قومی خزانے میں رقم جمع کروائی اور اپنے سپلائروں اور اسٹاف سے ایف بی آر کی جانب سے ٹیکس جمع کیے۔

کمپنی کی کریڈٹ ریٹنگ

زیرنظر مالی سال کے دوران ایک مستند ادارے پاکستان کریڈٹ ریٹنگ ایجنسی (پی اے سی آر اے) نے کمپنی کی کریڈٹ ریٹنگ کو برقرار رکھتے ہوئے کمپنی کو طویل المیعاد قرضوں کے سلسلے میں -A اور قلیل المیعاد قرضوں کے سلسلے میں A2 کی ریٹنگ دی گئی ہے اور کمپنی کو متوازن قرار دیا گیا ہے۔

کان کنی کا لائسنس

کمپنی کا کان کنی کا لائسنس 2015 میں کینسل کر دیا گیا تھا اور اس کے ساتھ ہی کمپنی کو متعلقہ محکمے کی طرف سے ہرجانے کا نوٹس موصول ہوا تھا جو کہ کمپنی کو ڈپٹی ڈائریکٹر (پروٹیکشن/فاریسٹس) کیپٹل ڈیولپمنٹ اتھارٹی (سی ڈی اے) کی جانب سے موصول ہوا تھا جس میں کمپنی سے مطالبہ کیا گیا تھا کان کنی کے عمل کے دوران ہونے والے مبینہ نقصان کے مداوے کے سلسلے میں 427 ملین روپے ادا کیے جائیں۔

اس معاملے کو سینئر مجسٹریٹ سی ڈی اے، اسلام آباد کے سامنے اٹھایا گیا ہے۔ کمپنی نے اپنی درخواست میں یہ مؤقف اپنایا ہے کہ کمپنی کی جانب سے کان کنی کا کام متعلقہ حکام سے حاصل کیے گئے لائسنس کے تحت قانونی طریقے سے کیا گیا اور یہ کہ ہرجانہ کسی پیشگی نوٹس کے بغیر ہی بھیج دیا گیا ہے اور اس سلسلے میں کمپنی کو اپنا مؤقف بیان کرنے کا موقع نہیں دیا گیا۔ مزید برآں اس بات کی کوئی صراحت بھی نہیں پائی جاتی کہ ہرجانے کی رقم کا تخمینہ کس قاعدے کے تحت لگایا گیا ہے۔

پچھلے سال میں سینئر مجسٹریٹ سی ڈی اے نے فیصلہ کمپنی کے حق میں دیا جس کے تحت سی ڈی اے کے متعلقہ محکمے نے بھی کمپنی پر لگائے گئے تمام الزامات سے کمپنی کو بری کر دیا۔

اس دوران کان کنی کی تمام سرگرمیاں معطل ہیں، تاہم کمپنی کی جانب سے پیداواری عمل کو جاری رکھنے اور مال کو روانہ کرنے کے متبادل انتظامات کیے گئے ہیں۔

صنعتی تعلقات

آڈٹ کمیٹی

آپ کی کمپنی کے بورڈ آف ڈائریکٹرز کی جانب سے بورڈ کی آڈٹ کمیٹی قائم کی جاچکی ہے جو کہ سی سی جی قواعد 2019 کے قواعد کے عین مطابق ہے۔ بورڈ آڈٹ کمیٹی کے ممبران کو ان کے کام کی شرائط سے باقاعدہ طور پر آگاہ کردیا گیا تھا۔

دوران سال رواں آڈٹ کمیٹی کے چار (4) اجلاس منعقد کیے گئے۔ ان اجلاسوں میں شرکت کرنے والے ممبران کی حاضری درج ذیل ہے:

ڈائریکٹروں کے نام			حاضری
جناب جمیل احمد خان	چیئر مین	آزاد	4
جناب محمد انور حبیب	ممبر	آزاد	3
جناب روحیل اجمل	ممبر	غیرانتظامی	4

انسانی وسائل اور ادائیگیوں سے متعلق کمیٹی

بورڈ آف ڈائریکٹرز کی جانب سے سی سی جی 2019 کے قواعد کی پاسداری کرتے ہوئے انسانی وسائل اور ادائیگیوں کی کمیٹی تشکیل دی جاچکی ہے۔ یہ کمیٹی تین ممبران پر مشتمل ہے اور یہ تمام ڈائریکٹرز بشمول چیئر مین آزاد ہیں۔ بورڈ کی جانب سے کمیٹی ممبران کو ان کے کام کی شرائط سے باقاعدہ آگاہ کیا جاچکا ہے۔ رواں سال میں کمپنی کا ایک اجلاس منعقد کیا گیا۔

ڈائریکٹروں کا تربیتی پروگرام

کمپنی کے سات (7) ڈائریکٹروں میں سے پانچ (5) ڈائریکٹرز پہلے ہی تربیتی پروگرام میں شرکت کر چکے ہیں۔ جبکہ محمد یٰسین فیکٹو اپنی تعلیمی اور کمپنی میں چودہ سال سے زیادہ ڈائریکٹر ہونے کی وجہ سے اس پروگرام سے مستثنٰی ہیں۔ ڈائریکٹر محترمہ سائرہ ابراہیم باوانی تربیتی پروگرام میں شرکت نہ کرسکیں ہیں مذکورہ ڈائریکٹر جلد از جلد تربیتی پروگرام میں شرکت کریں گی جیسے کہ مذکورہ قوانین میں حوصلہ افزائی دی گئی ہے۔

کارپوریٹ معاشرتی ذمہ داری

ایک ذمہ دار کارپوریٹ شہری ہونے کے ناطے آپ کی کمپنی کو ان تمام افراد جو کہ دن رات اس کے لیے محنت کرتے ہیں، جو اس کے اردگرد آباد ہیں اور مجموعی طور پر پورے معاشرے کے سلسلے میں اپنی معاشرتی ذمہ داریوں سے پوری طرح آگاہ ہے۔ اپنی معاشرتی ذمہ داریوں کو باحسن خوبی نبھانے کے لیے آپ کی کمپنی کی جانب سے دوران سال میں جو اقدامات اٹھائے گئے ان میں سے چیدہ چیدہ اقدامات یہ تھے:

☆ قریب دیہات میں لڑکیوں کے ایک اسکول کی تعمیر و تزئین و آرائش کا کام کیا گیا۔
☆ مقامی انتظامیہ کے ساتھ مل کر خان پور ڈیم نہر کی صفائی میں حصہ لیا گیا اور اس سلسلے میں سیمنٹ اور افرادی قوت مہیا کی گئی۔

بورڈ کی ساخت

بورڈ ممبران کی کل تعداد سات (7)، جو چھ (6) مرد اور ایک عورت ممبر پر مشتمل ہے۔ جس کی ساخت نیچے دی گئی ہے۔

آزاد ڈائریکٹرز	جناب خالد یعقوب
"	جناب عامر غنی
"	جناب جمیل احمد خان
"	جناب محمد انور حبیب
غیر انتظامی ڈائریکٹرز	جناب روحیل اجمل
"	محترمہ سائرہ ابراہیم باوانی
انتظامی ڈائریکٹر	محمد یلیسین فیکٹو

دوران رواں مالی سال بورڈ آف ڈائریکٹرز کے پانچ (5) اجلاس منعقد کیے گئے۔ ان اجلاسوں میں شرکت کرنے والے ڈائریکٹروں کی حاضری ذیل میں پیش کی جا رہی ہے:

ڈائریکٹروں کے نام	حاضری
جناب محمد یلیسین فیکٹو	5
جناب عامر غنی	3
جناب روہیل اجمل	5
جناب محمد انور حبیب	3
جناب خالد یعقوب	5
جناب جمیل احمد خان	5
محترمہ سائرہ ابراہیم باوانی	2

وہ ڈائریکٹرز جو علالت یا کسی دیگر وجوہات کی بنا پر ان اجلاسوں میں شرکت نہیں کر سکے انہیں اس سلسلے میں رخصت دے دی گئی تھی۔

غیر انتظامی ڈائریکٹروں کے لیے مشاہرے کی پالیسی

کمپنی کے تمام ڈائریکٹرز ماسوائے سی ای او غیر انتظامی ڈائریکٹرز ہیں۔ سی ای او کے مشاہرے کی منظوری حصص داران سے ان کے اجلاس میں لی جاتی ہے۔ جبکہ غیر انتظامی ڈائریکٹروں کو بورڈ اور اس کی کمیٹیوں کے اجلاسوں میں شرکت کے لیے مروجہ پالیسی کے تحت مشاہرہ ادا کیا جاتا ہے۔ سی ای او اور غیر انتظامی ڈائریکٹروں کو ادا کیے جانے والے مشاہرے کی تفصیلات مالیاتی دستاویزات کے ساتھ منسلک نوٹ نمبر 39 میں درج کی گئی ہیں۔

بورڈ کی کمیٹیاں

3۔کمپنی کی جانب سے مالیاتی رپورٹس تیار کرنے کے سلسلے میں محاسبی کے مسلمہ اصولوں کی مکمل پاسداری کی گئی اور تمام تر محاسبی کھاتے برمبنی معقولیت اورقرین قیاس ہیں۔

4۔ پاکستان میں نافذالعمل انٹرنیشنل فنانشل رپورٹنگ اسٹینڈرڈز کی مکمل پاسداری کرتے ہوئے تمام مالیاتی رپورٹس تیار کی گئیں ہیں۔

5۔کمپنی میں اندرونی کنٹرول کا نظام صحیح اور مؤثر انداز سے نافذالعمل ہےاوراس کی ہمہ وقت نگرانی کی جارہی ہے۔

6۔اس بات میں شک کی کوئی گنجائش نہیں پائی جاتی کہ کمپنی ہمیشگی کی بنیاد پر اپنا کاروبار مستقبل میں جاری رکھنے کی خواہاں ہے۔

7۔ پروویڈنٹ فنڈ ٹرسٹ برائے مالی سال 30 جون 2023 کے غیر آڈٹ شدہ اکاؤنٹس کی روشنی میں پروویڈنٹ فنڈ انویسٹمنٹ کی قدر 500 ملین روپے بنتی ہے جو کہ مالی سال 2022 کے آڈٹ شدہ حسابات کے مطابق 492 ملین روپے تھی۔

8۔کسی بھی قانونی ذمہ داری کے تحت کمپنی ٹیکسوں، لیویز اور دیگر چارجز کی مد میں کوئی بھی واجب الادا ذمہ داریاں نہیں ہیں ماسوائے ان مالیاتی ذمہ داریوں کے جو کہ کاروبار میں معمول کا حصہ ہیں۔

کمپنی سے متعلق گزشتہ چھ سال کی اہم مالیاتی اور کاروباری معلومات رپورٹ ہٰذا کے ساتھ منسلک کی گئی ہیں۔

مناسب اندرونی مالیاتی کنٹرول

کمپنی کے بورڈ آف ڈائریکٹرز کی جانب سے کمپنی اثاثوں کو محفوظ بنانے، کمپنی کے تمام کاروباری افعال کو مستعدی اور مؤثر انداز سے چلانے، تمام مروجہ قوانین کی پاسداری کرنے اور بروقت مالیاتی رپورٹنگ کو ممکن بنانے کے لیے ایک مستعد اور محفوظ اندرونی کنٹرول کا نظام وضع کیا گیا ہے۔کمپنی کا اندرونی کنٹرول کا نظام ایسے تجربہ کار اسٹاف پر مشتمل ہے جو کہ باقاعدگی کے ساتھ کنٹرول کے اس نظام کا جائزہ لیتے رہتے ہیں اور مزید مؤثر بنانے کی تگ ودو کرتے رہتے ہیں۔اندرونی آڈٹ کا ڈپارٹمنٹ اس بات کا ذمہ دار ہے کہ موجودہ سسٹم میں پائی جانے والی کسی بھی خامی کی نشاندہی بورڈ کو کرے اوراس میں اصلاح کے لیے آڈٹ کمیٹی کو بروقت مطلع کرے کہ اس سلسلے میں کس قسم کے اقدامات اٹھائے جاسکتے ہیں۔

متعلقہ پارٹیوں کے ساتھ لین دین کے معاملات

زیرِ نظر مالی سال کے دوران متعلقہ پارٹیوں کے ساتھ لین دین کے تمام معاملات شفافیت پر مبنی تھے اوران کے سلسلے میں مروجہ قوانین اور قواعد کی رو سے آڈٹ کمیٹی اور بورڈ سے باقاعدہ منظوری بھی حاصل کر لی گئی تھی۔متعلقہ پارٹیوں کے ساتھ لین دین کے معاملات کے سلسلے میں تفصیلات کو نوٹ 40 میں بیان کیا گیا ہےاوراس کے علاوہ مالیاتی دستاویزات میں متعلقہ مقامات پر بھی اس کی وضاحت کردی گئی ہے۔

کمپنی کی جانب سے اندرونی اور بیرونی شراکت داروں کے ساتھ مل کر ایسے اقدامات اٹھائے جا رہے ہیں کہ ان خطرات کو قابل برداشت حد میں رکھا جا سکے۔

کمپنی کے کاروباری افعال کے ماحولیات پر اثرات

کمپنی سیمنٹ سازی اور فروخت کے کاروبار سے منسلک ہے اور سیمنٹ سازی کے عمل میں خارج ہونے والے مادے اس ماحول کے لیے خطرناک ثابت ہو سکتے ہیں جہاں کمپنی سیمنٹ سازی کر رہی ہو۔ کمپنی ان خطرات سے بخوبی واقف ہے اور علاقے کو لاحق ان خطرات کو کم از کم کرنے کے لیے اقدامات بھی کیے گئے ہیں۔ کمپنی کا پلانٹ جدید ترین سہولیات سے آراستہ ہے اور کنٹرول کے تمام تر عالمی اور مقامی معیارات پر پورا اترتا ہے۔ کمپنی کی جانب سے ویسٹ ہیٹ ریکوری پلانٹ بھی نصب کیا گیا ہے تا کہ ضائع ہونے والی حرارت کو بچایا جا سکے اور اس سے بنائی جانے والی توانائی کو اپنے سسٹم میں استعمال کیا جا سکے۔ جب کہ گزشتہ سال کے دوران کمپنی نے پانچ میگا واٹ شمسی توانائی سے چلنے والے پاور پلانٹ کا کام مکمل کیا تھا جس کی وجہ سے نہ صرف بجلی کی لاگت کو کم کرنے کے ساتھ ساتھ کمپنی کا ایندھن پر انحصار میں بھی کم ہو جائے گا۔

مستقبل پر نظر

گزشتہ سال بورڈ نے رپورٹ میں واضح کر دیا تھا کہ یہی حالات مالیاتی سال2022-23 میں نہ صرف سیمنٹ کی صنعت بلکہ پاکستان کی مجموعی معیشت کے لیے بھی خطرات کا باعث ہیں۔ جس کی بنیادی وجہ افراطِ زر، بڑھتی ہوئی شرحِ سود، اشیاء کی بڑھتی ہوئی قیمتیں، امریکی ڈالر کے مقابلے میں پاکستانی روپے کی قدر میں مسلسل کمی، اور ملک میں غیر یقینی صورتِ حال اور سیلاب سے مزید مشکلات کا سامنا رہا۔

صورتِ حال اب بھی سنگین اور غیر یقینی ہے اگر چہ IMF کے ساتھ SBA پر دستخط کرنے سے درآمدی پابندیوں کی کم کرنے میں مدد ملے گی۔ لیکن SBA کی شرائط کے مطابق بجلی، اور ایندھن کی لاگت میں مسلسل اضافہ پیداواری لاگت کا چیلنج ثابت ہوگا۔ بلند شرحِ سود ملک میں نعاشی سرگرمیواں کی بحالی میں رکاوٹ بنے گی۔ انتظامیہ پیدا واری کے ان عناصر سے باخبر ہونے کے باعث آپریشنل کارکردگی میں خوب سے خوب بہتری کے راستے بروئے کار لاتی رہے گی۔

سرمایہ کاری منصوبوں پر نظر

کارپوریٹ گورننس

ڈائریکٹرز انتہائی مسرت کے ساتھ اس بات سے آگاہ کرتے ہیں کہ اسٹاک ایکسچینج کے لسٹنگ قواعد میں مزکور کارپوریٹ گورننس کے اصولوں کی کمپنی کی جانب سے مکمل پاسداری کی جاتی ہے۔

کارپوریٹ گورننس کی مکمل پاسداری کے سلسلے میں کمپنی کے ڈائریکٹر اس بات کا اعلان کرتے ہیں کہ:

1۔ کمپنی کی جانب سے تیار کردہ مالیاتی رپورٹس صحیح اور شفاف انداز سے کمپنی کے تمام معاملات، اس کے کاروباری افعال، نقد رقوم کی ترسیل اور سرمایہ برمبنی حصص میں تبدیلی کی نمائندگی کرتی ہیں۔

2۔ کمپنی کی جانب سے تمام محاسبی کھاتوں کا باقاعدہ ریکارڈ محفوظ رکھا جاتا ہے۔

کی گئی تھی یعنی اس میں 27.72% کا اضافہ ریکارڈ کیا گیا ہے۔ جبکہ اس کے مقابلے میں مقامی فروختگی سے ہونے والی مجموعی آمدنی میں 24.28% کا اضافہ فروختگی کے حجم میں جبکہ 9.65% کی کمی ریکارڈ کی گئی۔ بہتر قیمتوں کی وجہ سے مقامی سطح پر فروختگی میں اضافہ ہوا۔ برآمدات کی آمدن میں 44.52% کا اضافہ جبکہ حجم میں 16.79% کی کمی ہوئی برآمدات کی قیمتیں امریکی ڈالر کے مقابلے میں پاکستانی روپے کی قدر میں کمی کی وجہ سے بہتر ہوئیں۔

کمپنی کی مجموعی خالص آمدن از فروخت گزشتہ سال کی 6,775 ملین روپے کی آمدن کے مقابلے میں بڑھ کر 8,682 ملین روپے ریکارڈ کی گئی ہے۔ اس طرح سے اس میں 28.15% کا اضافہ ہوا۔ جبکہ فروختگی کے حجم میں 9.92% کی کمی ریکارڈ کی گئی۔

منفعت

دوران سال رواں کمپنی کی لاگت برائے فروختگی میں 41.84% کا اضافہ ہوا جبکہ حجم برائے فروخت میں 9.92% کمی واقع ہوئی۔ لاگت برائے فروخت میں گزشتہ سال کے مقابلے میں 4,758 روپے فی ٹن اضافے کی بنیادی وجہ ان پُٹ کی لاگت میں اضافے سے ہوا۔ کمپنی کو رواں سال میں 312 ملین کا خام منافع ہوا جب کہ گزشتہ سال کمپنی کو اس عرصے کے دوران 874 ملین روپے کا خام منافع ہوا تھا۔ انتظامی اخراجات میں اضافہ بنیادی طور پر تنخواہوں/اجرتوں میں اضافے اور استعمال شدہ اثاثوں کے ڈپری سیئشن کی وجہ سے ہوا جبکہ اخراجات برائے ترسیل میں اضافہ بھی بنیادی طور پر تنخواہوں، اجرتوں میں اضافے کی وجہ سے ہوا جبکہ مجموعی فروختگی کے حجم میں کمی ریکارڈ کی گئی۔ مالیاتی اخراجات میں اضافے کی بنیادی وجہ شرح سود میں اضافہ اور زیادہ قرضوں کا استعمال ہے۔ آپریٹنگ اثاثوں کی فروخت سے حاصل ہونے والی آمدن کی وجہ سے دیگر آمدنی میں اضافہ ریکارڈ کیا گیا۔

کمپنی کو رواں مالی سال کے دوران 173 ملین روپے کا نقصان قبل از ٹیکس ہوا جب کہ گزشتہ سال کمپنی کو اس عرصے کے دوران 429 ملین روپے کا قبل از ٹیکس منافع ہوا.

کمپنی کو رواں مالی سال کے دوران ہونے والا بعد از ٹیکس نقصان 133 ملین روپے ہوا۔ جب کہ گزشتہ مالی سال کے دوران بعد از ٹیکس منافع 287 ملین روپے درج کیا گیا تھا۔

دوران سال رواں آپ کی کمپنی کو نقصان فی حصص 2.66 روپے کا نقصان ہوا جب کہ گزشتہ سال منافع فی حصص 5.72 روپے تھی۔

بنیادی خطرات اور غیر یقینی صورتحال

کمپنی کو اپنے کام کی نوعیت کے اعتبار سے چند مسائل اور غیر یقینی صورتحال کا سامنا ہو سکتا ہے، چونکہ کمپنی اسی ماحول میں اپنے کاروباری افعال سرانجام دیتی ہے اور ان مسائل کی وجہ سے کمپنی کے کاروباری افعال متاثر بھی ہو سکتے ہیں۔ تاہم درج ذیل مسائل کو ان مسائل میں انتہائی اہم گردانا جاتا ہے:

- ☆ مارکیٹ میں قیمتوں میں مقابلے کا ماحول جس کی ایک بنیادی وجہ سیمنٹ کی صنعت کی پیداواری صلاحیت میں ہونے والا حالیہ اضافہ ہے۔
- ☆ خام مال کی لاگت بالخصوص درآمد کیے جانے والے کوئلے کی قیمتوں میں اضافے کا رجحان اور شرح مبادلہ
- ☆ ڈیٹا کی سیکیورٹی اور پرائیویسی

مقامی	**619,849**	686,077	(9.65)
برآمدات	**22,107**	26,567	(16.79)
مجموعی	**641,956**	712,644	(9.92)

کمپنی کی جانب سے دوران سال رواں گزشتہ سال کے مدمقابل کلنکر اور سیمنٹ کی پیداوار میں بالترتیب 2.19% اور 9.29% کی کمی دیکھی گئی کمی کی بنیادی وجہ حالات کے پیشِ نظر مارکیٹ میں طلب میں کمی تھی۔

مقامی اور برآمدات کی سطح پر کمپنی کی فروختگی کے حجم میں زیرنظر مالی سال کے دوران بالترتیب 9.65% اور 16.69% کی کمی ہوئی۔

مالیاتی کارکردگی کا جائزہ

ذیل میں کمپنی کی مالیاتی کارکردگی سے متعلق اہم جھلکیاں بمقابلہ گزشتہ مالی سال پیش کی جارہی ہیں:

روپے ہزاروں میں ماسوائے آمدن فی حصص کے		
	2023	2022
کل فروختگی مقامی	**8,432,393**	6,601,725
کل فروختگی برآمدات	**249,790**	172,842
مجموعی کل فروختگی	**8,682,183**	6,774,567
لاگت برائے فروختگی	**8,369,763**	5,900,946
خام منافع	**312,420**	873,621
منافع/(نقصان) قبل از ٹیکس	**(172,929)**	428,860
منافع/(نقصان) بعد از ٹیکس	**(133,245)**	286,703
منافع/(نقصان) فی حصص (روپے میں)	**(2.66)**	5.72

آمدن از فروختگی

دوران سال رواں کمپنی کی کل مقامی مجموعی آمدن از فروختگی میں گزشتہ سال کے مقابلے میں 24.28% کا اضافہ ریکارڈ کیا گیا ہے جب کہ گزشتہ سال اس عرصے کے دوران مقامی سطح پر سیمنٹ کی فروختگی کے حجم میں 9.65% کی کمی ریکارڈ کی گئی۔ مقامی سطح پر سیمنٹ کی قیمتوں میں اضافہ کی وجہ زیرِنظر دورانیے میں پیداواری لاگت میں اضافہ بالخصوص کوئلہ، بجلی اور ڈیزل کی قیمتوں میں خاطرخواہ اضافے کی وجہ سے سیمنٹ کی مقامی قیمتوں میں بھی اضافہ ریکارڈ کیا گیا۔

مقامی فروخت سے حاصل ہونے والی خالص آمدن دوران سال میں بڑھ کر 8,432 ملین روپے ہوگئی۔ جو کہ گزشتہ مالی سال کے دوران 6,602 ملین روپے ریکارڈ

فیکٹو سیمنٹ لمیٹڈ

ڈائریکٹرز رپورٹ برائے ممبران

معزز ممبران گرامی

بورڈ آف ڈائریکٹرز انتہائی مسرت کے ساتھ کمپنی کی سالانہ مالیاتی رپورٹ بمعہ آڈٹ شدہ مالیاتی دستاویزات برائے مالی سال30 جون 2023 آپ کی خدمت میں پیش کررہے ہیں۔

جائزہ

دوران سال رواں مجموعی طور پر سیمنٹ کی صنعت کی جانب سے روانگی مال میں 15.71% کی کمی دیکھی گئی اور فروختگی کا مجموعی حجم44.58ملین ٹن رہا جبکہ مجموعی فروختگی گزشتہ سال اسی عرصے کے دوران52.90ملین ٹن رہی تھی مقامی فروختگی اور برآمدات میں کمی کی بنیادی وجہ ملک کی معاشی وسیاسی حالات اور شدید سیلاب کی وجہ سے دیکھی گئ۔ مقامی سطح پرسیمنٹ کی صنعت کی مجموعی فروختگی کے حجم میں 16% کی کمی کے ساتھ ساتھ فروختگی کا مجموعی حجم 40ملین ٹن رہا جبکہ گزشتہ سال اسی عرصے کے دوران یہ حجم47.64ملین ٹن تھا ۔ برآمدات کے حجم میں13.13% کی کمی کے ساتھ کم ہوکر4.57ملین ٹن جبکہ گزشتہ سال اسی عرصے کے دوران یہ حجم5.30ملین ٹن تھا۔

شمال میں واقع پلانٹس سے مجموعی طور پر فروختگی کا حجم کم ہوکر33.85ملین ٹن تک جا پہنچا جس کے تحت 16.11% کی کمی واقع ہوئی۔جس میں سے مقامی سطح پر ہونے والی فروختگی کا حجم32.78ملین ٹن تھا جب کہ برآمدات کا حجم1.07ملین ٹن تھا۔اس طرح شمال میں واقع پلانٹس میں مقامی سطح پر فروختگی کے حجم میں 16.88% کی کمی ریکارڈ کی گئی۔جب کہ برآمدات میں 17.42% کا اضافہ ریکارڈ کیا گیا۔جنوبی علاقوں میں واقع پلانٹس کی مجموعی فروخت کے حجم میں 15.71% کی کمی ہوئی۔جس میں سے مقامی فروخت میں 15.99% کی کمی جبکہ برآمدات میں13.13% کی کمی ہوئی۔

آپریٹنگ کارکردگی کا جائزہ

کمپنی کی جانب سے دوران سال گزشتہ سال کے مدمقابل کی جانے والی پیداوار اور روانہ کیے جانے والے مال کا تقابلی جائزہ ذیل میں پیش خدمت ہے:

			ٹنوں میں
	2023	2022	تبدیلی%
پیداوار			
کلنکر	**632,116**	618,559	2.19
سیمنٹ	**646,530**	712,757	(9.29)
مال کی روانگی			

BLANK

PROXY FORM

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 be-half at annual general meeting of the company to be held on Saturday, October 28, 2023 at 12:00 noon and/or any adjournment there of.

Signature this _____________________ _______________ year 2023.
(day) (date, month)

Witnesses:

1. Signature: ____________________________
   Name ____________________________
   Address ____________________________
   CNICNo. ____________________________

2. Signature: ____________________________
   Name ____________________________
   Address ____________________________
   CNICNo. ____________________________

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 atleast 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 renderedi nvalid.

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.

تشکیل نیابت داری (پراکسی فارم)

جناب کمپنی سیکریٹری

فیکٹو سیمنٹ لمیٹڈ

پلاٹ نمبر C-60 خیابانِ شہباز فیز 6 ڈی ایچ اے (کراچی)

میں/ہم، مسمی/مسماۃ ______________________________

ساکن ______________________________ ضلع ______________________________

بحیثیت رکن (ممبر) فیکٹو سیمنٹ لمیٹڈ کا مقرر کرتا ہوں/کرتی ہوں/کرتے ہیں مسمی/مسماۃ ______________________________

ساکن ______________________________

کو جو خود بھی فیکٹو سیمنٹ کا رُ ہے کہ وہ بطور میرا/ ہمارا (پراکسی) فیکٹو سیمنٹ لمیٹڈ کے سالانہ اجلاس عام میں جو بروز ہفتہ 28 اکتوبر 2023ء بوقت 12:00 بجے منعقد ہو رہا ہے یا اس کے کسی ملتوی شدہ اجلاس میں شرکت کرے اور میری/ ہماری جگہ میری/ ہماری طرف سے حقِ رائے دہی استعمال کرے۔

مورخہ: 2022ء میرے/ ہمارے دستخط سے جاری ہوا

فولیو نمبر	سی ڈی سی کھاتہ نمبر	حصص کی تعداد	دستخط

گواہ نمبر 1

دستخط ______________________________

نام ______________________________

کمپیوٹرائزڈ قومی شناختی کارڈ نمبر ______________________________

پتہ ______________________________

گوہ نمبر 2

دستخط ______________________________

نام ______________________________

کمپیوٹرائزڈ قومی شناختی کارڈ نمبر ______________________________

پتہ ______________________________

ہدایات:

1......مکمل و دستخط شدہ پراکسی فارم مکمل کمپنی کے رجسٹرڈ آفس فیکٹو سیمنٹ لمیٹڈ پلاٹ نمبر C-60 خیابانِ شہباز فیز 6 ڈی ایچ اے (کراچی) میں اجلاس کے مقررہ وقت سے کم از کم 48 گھنٹے پہلے موصول ہونا چاہیے۔

2......پراکسی کا کمپنی کا رکن (ممبر) ہونا ضروری ہے، اگر کسی ممبر نے ایک سے زائد پراکسی کو نامزد کیا تو تمام پراکسی فارمز صحیح تصور نہیں کیے جائیں گے۔

3......سی ڈی سی اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر کو پراکسی فارم کے ہمراہ کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ کی مصدقہ نقل منسلک کرنا ضروری ہے کارپوریٹ اداروں کے نمائندوں کو معمول کے مطابق دستاویزات ساتھ لانا ضروری ہے۔

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