



**INTERIM REPORT
MARCH 2015
FACTO CEMENT LIMITED**



Contents

Corporate Information	2
Directors' Review	3
Condensed Interim Balance Sheet	6
Condensed Interim Profit and Loss Account	8
Condensed Interim Statement of Comprehensive Income	9
Condensed Interim Cash Flow Statement	10
Condensed Interim Statement of Changes in Equity	11
Notes to the Condensed Interim Financial information.....	12



CORPORATE INFORMATION

BOARD OF DIRECTORS

CHAIRPERSON

Mrs. Zubeda Bai

CHIEF EXECUTIVE

Mr. Mohammed Yasin Fecto

DIRECTORS

Mr. Mohammed Asad Fecto

Mr. Ijaz Ali

Mr. Safdar Abbas Morawala

Mr. Altaf A Hussain

Mr. Aamir Ghani

Mr. Mohammed Anwar Habib

Mr. Rohail Ajmal - (Nominee of Saudi Pak Industrial & Agricultural Investment Co. Ltd.)

AUDIT COMMITTEE

Chairman: Mr. Mohammed Anwar Habib

Members: Mr. Mohammed Asad Fecto

Mr. Safdar Abbas Morawala

Mr. Altaf A. Hussain

HUMAN RESOURCE & REMUNERATION COMMITTEE

Chairman: Mr. Mohammed Asad Fecto

Members: Mr. Aamir Ghani

Mr. Mohammed Anwar Habib

SECRETARY

Mr. Abdul Samad, FCA

AUDITORS

KPMG Taseer Hadi & Co.

Chartered Accountants

LEGAL ADVISOR

Nisar Law Associates

51, Mozang Road

Lahore

REGISTERED OFFICE

35-Darulaman Housing Society

Block 7/8, Shahra-e-Faisal

Karachi-75350

Website <http://www.fectogroup.com>

FACTORY

Sangjani, Islamabad

MARKETING OFFICE

House # 13, Najam Shaheed Street

Atta ul Haq Road, Westridge-1

Rawalpindi

SHARE REGISTRAR

Technology Trade (Private) Limited

241-C, Block 2, P.E.C.H.S.

Karachi



DIRECTORS' REVIEW

DIRECTORS' REVIEW

Your Directors are pleased to present before you their report together with Un Audited Condensed Interim Financial information of the Company for the Quarter and Nine Months ended March 31, 2015.

OVERVIEW

During the first nine months of current financial year ending June 30, 2015, overall dispatches of the industry witnessed a growth of 4.06% as compared to same period last year with total sales volume of 25.78 million tons as against 24.78 million tons of same period last year. Local sales volume of the industry was of 20.34 million tons as against 18.76 million tons of same period last year witnessing an increase of 8.43%. On export side industry achieved sales volume of 5.44 million tons as against 6.02 million tons of same period last year witnessing a negative growth of 9.58%.

OPERATING PERFORMANCE

The comparison of the production and dispatches of the Company for the period under review with the same period last year are as follows:

	Tones			
	Quarter ended March 31, 2015	March 31, 2014	Nine Months ended March 31, 2015	March 31, 2014
Production:				
Clinker	138,972	155,390	483,757	480,780
Cement	156,002	158,635	507,995	497,812
Dispatches:				
Local	122,265	123,762	367,698	348,824
Export	33,589	33,689	137,514	148,191
Total	<u>155,854</u>	<u>157,451</u>	<u>505,212</u>	<u>497,015</u>

During the quarter production of clinker and cement reduced by 10.57% and 1.66% respectively. Whereas, on nine months basis production of both clinker and cement increased by 0.62% and 2.00% respectively in comparison to same period last year.

Overall sales volume of the Company for the nine months increased by 1.65% as against growth of 4.06% of the industry, local sales volume of the Company increased by 5.41% whereas exports of the Company reduced by 7.20%. On quarter on quarter basis local sales volume reduced by 1.20% whereas exports of your company reduced by 0.30% as against the reduction of 7.20% in export volume of nine months. Main reason for reduction in local sales volume during the quarter was heavy rains in up country resulting lesser off take of cement.



FINANCIAL RESULTS

During the nine months period, net sales revenue of the Company increased to Rs. 3,464 Million as against the net sales revenue of Rs. 3,434 Million of same period last year thus registering an increase of Rs. 30 Million. Net local sales revenue for the nine months period increased to Rs. 2,664 Million as against Rs. 2,492 Million of same period last year witnessing a growth of 6.94% out of which 5.41% was due to volumetric growth whereas 1.53% was due to better retention prices. Export revenue for the nine months period reduced by 15.16% as against reduction in volume by 7.20%, export prices to Afghanistan remained under pressure during the period under review.

Net sales revenue of the Company for the quarter reduced to Rs. 1,070 million as against the net sales revenue of Rs. 1,107 million of same period last year. This reduction in revenue was due to reduced local sales volume coupled with lower retention prices in Afghanistan as mentioned herein above.

Overall Cost of sales for the nine months increased by 2.19% in line with increase in production volume, however it remained same during the quarter despite reduction in production volume. Main increase was witnessed in consumption of store and spares, salaries and repair and maintenance cost. Fuel and power cost however, reduced because of slide in coal prices in international markets and adjustment of electricity bills in shape of reversal of Fuel price adjustment.

Gross profit of the Company for the nine months and quarter reduced to Rs. 936 Million and Rs. 277 Million respectively as against the gross profit of Rs. 961 Million and Rs. 314 Million for the same periods last year.

Administrative expenses increased due to enhanced legal expenses due to filing of appeals in court(s) because of cancellation of mining lease and increase in salaries and wages cost. Distribution cost reduced due to lesser export volume whereas finance cost also reduced due to reduction in mark up rates and principal repayment of loans.

Company earned profit before taxation of Rs. 528 Million and Rs. 143 Million during nine months and quarter respectively as against the profit before taxation of Rs. 570 Million and Rs. 189 Million of same periods last year.

Provision for deferred taxation increased during nine months periods resulting reduced profit after taxation. Earning per share for the nine months and quarter was Rs. 7.70 and Rs. 2.02 as against the earning per share of Rs. 9.13 and Rs. 2.81 of same periods last year.

MATERIAL EVENT

On March 17, 2015 Company received a letter from Director Industries and Labour, ICT, Islamabad informing the Company of cancellation of its mining lease. The Company also received a letter from Capital Development Authority (CDA) mentioning therein withdrawal of NOC issued by CDA to ICT.



The Company had not received ANY notice from the Hon'ble Supreme Court or any party to the proceeding that ANY matter was pending against the Company before the Hon'ble Supreme Court of Pakistan. Thus, the Company had no knowledge of earlier hearing on 16-03-2015 and 18-03-2015. Therefore, on the next date of hearing i.e. 19-03-2015, the Company was represented before the Hon'ble Supreme Court by its learned counsel Mr. Aitzaz Ahsan, Senior ASC. The Hon'ble Supreme Court passed a detailed order wherein it was observed, "We, therefore, expressed our surprise that the said Bashir Ahmed had stated in his letter that it was in pursuance of Supreme Court order and on that basis he had proceeded to cancel the mining lease issued to M/s Fecto Cement Limited. The matter was listed for hearing on April 08, 2015 and then on April 24, 2015 where it was adjourned for May 13, 2015.

The Counsel of the Company wrote letters to both ICT and CDA for withdrawal of their letters informing them that Supreme Court has not passed any order for cancellation of mining lease of the Company. The Company has also filed a writ petition in Islamabad High Court against ICT and CDA challenging their actions on the pretext of Supreme Court order. Mining activities meanwhile are suspended till the resolution of the matter; however, the Company has made arrangements to continue its production and dispatch operations.

FUTURE PROSPECT

Local demand of cement is expected to improve as historically post winter demand of cement picks up. Exports to Afghanistan are also expected to improve post winter but prices would remain depressed. Consistent supply of power has improved during the period under review as a result of reduction of fuel prices in international markets; however, increased domestic demand in summer may disrupt its continuous availability.

ACKNOWLEDGMENT

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

For and on behalf of the Board



MOHAMMED YASIN FECTO
CHIEF EXECUTIVE

Karachi: April 27, 2015



Condensed Interim as at

	Note	Un-audited 31 March, 2015 (Rupees in '000)	Audited 30 June, 2014
SHARE CAPITAL			
Authorised			
75,000,000 Ordinary shares of Rs. 10/- each		<u>750,000</u>	<u>750,000</u>
Issued, subscribed and paid-up			
50,160,000 Ordinary shares of Rs. 10/- each Issued for cash		501,600	501,600
GENERAL RESERVE		550,000	550,000
ACCUMULATED PROFIT		<u>1,638,242</u>	<u>1,327,395</u>
		2,689,842	2,378,995
NON-CURRENT LIABILITIES			
Long term financing - secured	6	80,000	260,000
Deferred taxation	7	352,643	245,133
		432,643	505,133
CURRENT LIABILITIES			
Short term borrowings - secured	8	400,000	407,643
Current maturity of long term liabilities		180,000	140,000
Trade and other payables	9	461,644	461,480
		1,041,644	1,009,123
CONTINGENCIES AND COMMITMENTS	10	<u>4,164,129</u>	<u>3,893,251</u>

The annexed notes 1 to 17 form an integral part of this condensed interim financial statements



Balance Sheet

31 March 2015

	Note	Un-audited 31 March, 2015 (Rupees in '000)	Audited 30 June, 2014
PROPERTY, PLANT AND EQUIPMENT			
Operating assets	11	1,969,900	1,964,768
Capital work in progress		1,848	348
		<u>1,971,748</u>	<u>1,965,116</u>
LONG TERM LOANS AND DEPOSITS			
		21,686	25,720
CURRENT ASSETS			
Stores and spares		863,290	955,915
Stock-in-trade	12	944,738	637,343
Trade debts - considered good		13,702	16,527
Loans, advances, deposits, prepayments and accrued markup	13	214,413	137,278
Cash and bank balances		134,552	155,352
		<u>2,170,695</u>	<u>1,902,415</u>
		<u><u>4,164,129</u></u>	<u><u>3,893,251</u></u>


(MOHAMMED YASIN FECTO)
Chief Executive


(MOHAMMED ASAD FECTO)
Director



Condensed Interim Profit & Loss Account (Un-audited) for the nine months period ended 31 March, 2015

	Note	Nine months ended		Quarter ended	
		31 March,		31 March,	
		2015	2014	2015	2014
		(Rupees in '000)			
Sales -net	14	3,463,677	3,434,305	1,069,536	1,107,384
Cost of sales	15	(2,527,583)	(2,473,433)	(792,208)	(793,229)
Gross Profit		936,094	960,872	277,328	314,155
Administrative expenses		(180,534)	(129,899)	(74,827)	(44,431)
Distribution cost		(130,946)	(145,896)	(31,407)	(38,658)
Finance cost		(68,978)	(80,773)	(24,549)	(29,324)
Other income		11,804	7,839	6,706	1,015
		(368,654)	(348,729)	(124,077)	(111,398)
		567,440	612,143	153,251	202,757
Workers' funds		(39,153)	(42,238)	(10,574)	(13,990)
Profit before taxation		528,287	569,905	142,677	188,767
Provision for taxation					
Current		(34,690)	(21,889)	(10,714)	(6,579)
Deferred		(107,510)	(89,831)	(30,499)	(41,032)
		(142,200)	(111,720)	(41,213)	(47,611)
Profit after taxation		386,087	458,185	101,464	141,156
(Rupees)					
Earning per share - basic & diluted		7.70	9.13	2.02	2.81

The annexed notes 1 to 17 form an integral part of this condensed interim financial statements


(MOHAMMED YASIN FECTO)
Chief Executive


(MOHAMMED ASAD FECTO)
Director



Condensed Interim Statement of Comprehensive Income
(un-audited)
for the nine months period ended 31 March, 2015

	<u>Nine months ended</u>		<u>Quarter ended</u>	
	<u>31 March,</u>		<u>31 March,</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
	(Rupees in '000)			
Net Profit after taxation	386,087	458,185	101,464	141,156
Other comprehensive income	-	-	-	-
Total comprehensive Profit for the period	<u>386,087</u>	<u>458,185</u>	<u>101,464</u>	<u>141,156</u>

The annexed notes 1 to 17 form an integral part of this condensed interim financial statements


(MOHAMMED YASIN FECTO)
 Chief Executive


(MOHAMMED ASAD FECTO)
 Director



Condensed Interim Cash Flow Statement (Un-audited) for the nine months period ended 31 March, 2015

	2015	2014
	(Rupees in '000)	
Profit before taxation	528,287	569,905
Adjustments for:		
Depreciation	81,290	79,714
Gain on disposal of operating assets	(4,098)	-
Finance cost	<u>68,978</u>	<u>80,773</u>
Operating Profit before working capital changes	674,457	730,392
Decrease in stores and spares	92,626	37,281
(Increase) in stock-in-trade	(307,395)	(357,674)
Decrease / (Increase) in trade debts	2,824	(3,108)
(Increase) Decrease in loans, advances, deposits, prepayments and accrued markup	(33,852)	9,866
Increase / (Decrease) in trade and other payables	<u>23,802</u>	<u>(216,781)</u>
Cash generated from operations	452,462	199,976
Income tax (paid/deducted) at source	(77,973)	(88,350)
Long term loans and deposits	4,034	(6,156)
Net cash generated from operating activities	<u>378,523</u>	<u>105,470</u>
Cash flows from investing activities		
Fixed capital expenditure	(89,073)	(13,760)
Sale proceeds of operating assets	5,248	-
Net cash (used) in investing activities	(83,825)	(13,760)
Cash flows from financing activities		
Repayment of long term financing	(140,000)	(250,000)
Disbursement of Long Term Loan	-	400,000
Finance cost paid	(76,306)	(91,389)
Dividend paid	(91,549)	(52,710)
Net cash used in financing activities	(307,855)	5,901
Net (decrease) / increase in cash and cash equivalents	<u>(13,157)</u>	<u>97,611</u>
Cash and cash equivalents as at beginning of the period	<u>147,709</u>	<u>(15,466)</u>
Cash and cash equivalents as at end of the period	<u><u>134,552</u></u>	<u><u>82,145</u></u>
Cash and cash equivalent:		
Cash and bank balances	<u>134,552</u>	<u>86,371</u>
Short term running finance	<u>-</u>	<u>(4,226)</u>
	<u><u>134,552</u></u>	<u><u>82,145</u></u>

The annexed notes 1 to 17 form an integral part of this condensed interim financial statements


(MOHAMMED YASIN FECTO)
 Chief Executive


(MOHAMMED ASAD FECTO)
 Director



Condensed Interim Statement of Changes in Equity (Un-audited) for the nine months period ended 31 March, 2015

	Share Capital	General Reserve (Rupees in Thousands)	Accumulated Profit	Total
Balance as at 01 July 2013	501,600	550,000	857,454	1,909,054
Total comprehensive income for the nine months ended 31 March, 2014	-	-	458,185	458,185
Transactions with owners recorded directly in equity Final Cash dividend for the year ended 30 June, 2013	-	-	(75,240)	(75,240)
Interim Cash dividend for the year ending 30 June, 2014			(50,160)	(50,160)
Balance as at 31 March, 2014	501,600	550,000	1,190,239	2,241,839
Total comprehensive income for the three months ended 30 June, 2014	-	-	137,156	137,156
Balance as at 30 June, 2014	501,600	550,000	1,327,395	2,378,995
Total comprehensive income for the nine months ended 31 March, 2015	-	-	386,087	386,087
Transactions with owners recorded directly in equity Final Cash dividend for the year ended 30 June, 2014	-	-	(75,240)	(75,240)
Balance as at 31 March, 2015	501,600	550,000	1,638,242	2,689,842

The annexed notes 1 to 17 form an integral part of this condensed interim financial statements


(MOHAMMED YASIN FECTO)
Chief Executive


(MOHAMMED ASAD FECTO)
Director



Notes to the Condensed Interim Financial Information (Un-audited) for the nine months period ended 31 March, 2015

1. STATUS AND NATURE OF BUSINESS

The Company was incorporated in Pakistan on February 28, 1981 as a public limited company with its Registered Office situated at 35-Darulaman Housing Society, Block 7/8, Shahra-e-Faisal, Karachi, Sindh. Its shares are quoted on Karachi, Lahore and Islamabad Stock Exchanges. It is principally engaged in production and sale of cement.

2. BASIS OF PRESENTATION

2.1 Statement of compliance

This Condensed interim financial information of the Company for the nine months period ended 31 March 2015 has been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting and the provisions of and directives issued under Companies Ordinance, 1984. In case where requirements differ, the provisions and directives issued under the Companies Ordinance, 1984 have been followed.

This condensed interim financial information is unaudited and is being submitted to the shareholders as required under section 245 of the Companies Ordinance, 1984 and the listing regulation of Karachi, Lahore and Islamabad Stock Exchanges.

This condensed interim financial information does not include all the information required for full annual financial statements and should be read in conjunction with the annual audited financial statements of the company as at and for the year ended 30 June 2014.

The comparative balance sheet presented in this condensed interim financial information as at 31 March 2015 has been extracted from the audited financial statements of the Company for the year ended 30 June 2014, whereas the comparative profit and loss account, statement of comprehensive income, statement of changes in equity and the cash flow statement are extracted from the unaudited condensed interim financial information for the nine months period ended 31 March 2014.

2.2 Functional and presentation currency

This condensed interim financial information is presented in Pakistani Rupees which is the Company's functional currency.



3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of these condensed interim unconsolidated financial statements are the same as those applied in preparation of the annual audited financial statements as at and for the year ended 30 June 2014.

Amendment to certain existing standards and new interpretations on approved accounting standards effective during the period were not relevant to company's operations and do not have any impact on the accounting policies of the Company.

4. ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

The preparation of condensed interim financial information requires management to make judgments, estimates and assumption that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. However, actual results may differ from these estimates.

In preparing these condensed interim financial information, the significant judgments made by management in applying the company's accounting policies and the key sources of estimates uncertainty were the same as those that applied to the financial statements as at and for the year ended June 30, 2014

5. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the annual financial statement as at and for the year ended June 30, 2014

6. LONG TERM FINANCING - SECURED

		(Un-audited) 31 March, 2015	(Audited) 30 June, 2014
		(Rupees in '000)	
Pak Brunei Investment Company Limited	(Note 6.1)	100,000	200,000
Saudi Pak Syndicate	(Note 6.2)	160,000	200,000
		<u>260,000</u>	<u>400,000</u>
Less: Current Maturity of term loans		<u>180,000</u>	<u>140,000</u>
		<u><u>80,000</u></u>	<u><u>260,000</u></u>



- 6.1 Company obtained a Term Finance facility of Rs. 200 million on December 31, 2013 from Pak Brunei Investment Company Limited to meet the requirement of 15 MW coal fired power plant. Initially this was to be a bridge finance facility for a period of two years with one year grace period with equal quarterly principal repayment in the second year. During the period the Company has prepaid one installment of Rs, 50 million. Mark up is payable quarterly at 3 months KIBOR plus 2.5% at the date of disbursement and will subsequently be revised on each installment date. The facility is secured by a registered first pari passu charge on all present and future fixed assets of the Company up to Rs. 267 million.
- 6.2 Company has obtained a Term Finance facility of Rs. 200 million on February 15, 2014 from Saudi Pak Industrial and Agricultural Investment Company Limited to re-profile the WHRPP dimishing Musharaka loan. This loan is repayable in three years including a grace period of six months in 5 equal semi-annual installments. Mark up is payable quarterly at 3 months KIBOR plus 2.5% at the date of disbursement and will subsequently be revised on each installment date. The facility is secured by a registered first pari passu charge on all present and future fixed assets of the Company up to Rs. 267 million.

	(Un-audited) 31 March, 2015	(Audited) 30 June, 2014
	(Rupees in '000)	
7. DEFERRED TAXATION		
Taxable temporary differences arising in respect of : Accelerated tax depreciation	400,950	418,909
Deductible temporary difference arising in respect of Provision against slow moving and obsolete spares carried forward losses	(3,570) (44,737)	(3,570) (170,206)
	<u>352,643</u>	<u>245,133</u>



8. SHORT TERM RUNNING FINANCE-SECURED

The Company has a total finance facility of Rs. 2,120 million (30 June 2014: Rs. 1,770 million) which includes Running Finance of Rs. 570 million, Export Refinance of Rs. 500 million and Finance Against imported Material and Murahbah /Istisna cum Wakala of Rs. 1,050 million from various banks. These arrangements are secured by way of first pari passu charge over all the Company's movable and immovable properties and hypothecation of Company's stock-in-trade, stores and spares, book debts, machinery, pledge of coal and personal guarantee of sponsoring directors of the Company. The rate of mark-up ranges from 3 months KIBOR plus 1.75% - 3% (30 June 2014: 3 months KIBOR plus 1.75% - 3%) per annum except Export Re-Finance on which mark-up rate is 6% (30 June 2014: 9.4%) per annum. The facilities are available for various periods expiring upto 31 December 2015.

	(Un-audited) 31 March, 2015	(Audited) 30 June, 2014
	(Rupees in '000)	
9. TRADE AND OTHER PAYABLES		
Creditors for Goods:		
Other creditors	28,392	32,231
Associated company	24,778	40,457
Bills Payable	-	-
Accrued expenses	93,731	97,218
Workers' funds	77,202	79,397
Accrued markup - secured	2,896	10,224
Advances from customers	42,297	26,199
Deposits from dealers, contractors and suppliers	9,832	9,932
Royalty payable	29	3,428
Excise duty payable	18,923	19,603
Income tax less provision	51,932	34,412
Sales tax payable	51,862	30,981
Income tax withheld	5,081	2,201
Unclaimed dividend	32,252	48,571
Unpaid dividend	290	280
Other liabilities	22,147	26,346
	<u>461,644</u>	<u>461,480</u>



10. CONTINGENCIES AND COMMITMENTS

10.1 CONTINGENCIES

The Competition Commission of Pakistan (the CCP) took Suo Moto action under Competition Commission Ordinance, 2007 and issued a Show Cause Notice on 28 October 2008 for increase in prices of cement across the country. Similar notices were also issued to All Pakistan Cement manufacturers Association (APCMA) and its member cement manufacturers. The Company filed a writ petition before the Honorable Lahore High Court (LHC), the LHC vide its order dated 24 August 2009 allowed the CCP to issue its final order. The CCP accordingly passed an order on 27 August 2009 and imposed a penalty of Rs. 174.063 million on the company. The Lahore High Court vide its order dated 31 August 2009 restrained the CCP from enforcing its order against the Company for the time being.

During the financial year ended 30 June 2010, the company has filed an appeal before the Honourable Supreme Court of Pakistan and Lahore High Court against the Order of the CCP dated 27 August 2009. The petition filed by the company and other cement manufacturers before the Lahore High Court are also pending for adjudication meanwhile order passed by the Lahore High Court on 31 August 2009 is still operative.

- 10.2 On March 17, 2015 Company received a letter from Director Industries and Labour, ICT, Islamabad informing the Company of cancellation of its mining lease. The Company also received a letter from Capital Development Authority (CDA) mentioning therein withdrawal of NOC issued by CDA to ICT.

The Company had not received ANY notice from the Hon'ble Supreme Court or any party to the proceeding that ANY matter was pending against the Company before the Hon'ble Supreme Court of Pakistan. Thus, the Company had no knowledge of earlier hearing on 16-03-2015 and 18-03-2015. Therefore, on the next date of hearing i.e. 19-03-2015, the Company was represented before the Hon'ble Supreme Court by its learned counsel Mr. Aitzaz Ahsan, Senior ASC. The Hon'ble Supreme Court passed a detailed order wherein it was observed, "We, therefore, expressed our surprise that the said Bashir Ahmed had stated in his letter that it was in pursuance of Supreme Court order and on that basis he had proceeded to cancel the mining lease issued to M/s Fecto Cement Limited. The matter was listed for hearing on April 08, 2015 and then on April 24, 2015 where it was adjourned for May 13, 2015.



The Counsel of the Company wrote letters to both ICT and CDA for withdrawal of their letters informing them that Supreme Court has not passed any order for cancellation of mining lease of the Company. The Company has also filed a writ petition in Islamabad High Court against ICT and CDA challenging their actions on the pretext of Supreme Court order. Mining activities meanwhile are suspended till the resolution of the matter; however, the Company has made arrangements to continue its production and dispatch operations.

	(Un-audited) 31 March, 2015	(Audited) 30 June, 2014
10.2 COMMITMENTS		
Outstanding letters of credit	<u>121,549</u>	<u>12,632</u>

11. PROPERTY, PLANT AND EQUIPMENT

Additions / transfers from capital work in progress / disposals during the period are as follows:

	(Un-audited) 31 March, 2015 (Rupees in '000)	(Audited) 30 June, 2014
Opening written down value	1,964,768	2,051,702
Additions during the period / year - at cost		
- Land	65,567	-
- Plant, machinery and equipments	-	1,155
- Quarry transport equipments	-	6,183
- Furniture, fixture and equipments	-	2,763
- Motor vehicles	22,005	9,494
	87,572	19,595
Written down value of deletions during the period / year	(1,150)	-
Depreciation for the period / year	(81,290)	(106,529)
	(82,440)	(106,529)
Closing written down value	<u>1,969,900</u>	<u>1,964,768</u>



	(Un-audited) 31 March, 2015	(Audited) 30 June, 2014
	(Rupees in '000)	
12. STOCK IN TRADE		
Finished goods	45,384	32,878
Work-in-process	228,328	219,874
Raw Material	636,536	347,240
Packing Material	34,491	37,351
	<u>944,738</u>	<u>637,343</u>
13. LOANS, ADVANCES, DEPOSITS,		
Current portion of long term loans -unsecured, considered good	6,216	7,051
Advances to Suppliers and contractors-unsecured, considered good	21,672	5,706
Margin against Bank Guarantee	13.1 11,000	11,000
Income tax payments less provisions	169,146	108,342
Advance sales tax	3,461	3,468
Prepayments	2,877	1,599
Accrued markup	42	112
	<u>214,413</u>	<u>137,278</u>
13.1 This represents Rs. 11 million (June 2014: Rs. 11 million) margin given to Silk bank Limited against the bank guarantee of Rs. 110 million (June 2014: Rs. 110 million) issued in favour of Sui Northern Gas Pipeline Ltd. as security for the payment of gas bill.		
	<u>Nine months period ended</u>	
	31 March, 2015	31 March, 2014
	(Unaudited)	
	(Rupees in '000)	
14. SALES-NET		
Sales - Local	3,351,340	3,133,143
Less: Excise duty	156,171	139,530
Sales tax	530,696	502,064
	<u>686,867</u>	<u>641,594</u>
	2,664,474	2,491,549
- Export	796,863	939,209
Export Rebate	2,340	3,547
	<u>3,463,677</u>	<u>3,434,305</u>



15. COST OF SALES	Nine months ended		Quarter ended	
	31 March		31 March	
	2015	2014	2015	2014
	(Rupees in '000)			
Raw and packing material consumed:				
Opening stock	384,591	60,910	591,601	260,462
Purchases	269,567	296,389	81,887	79,027
Excavation cost	361,713	361,519	80,713	127,555
	1,015,871	718,818	754,200	467,044
Closing stock	(671,026)	(345,998)	(671,026)	(345,998)
	344,845	372,820	83,174	121,046
Fuel and power	1,721,009	1,760,723	502,057	564,463
Stores and spares consumed	100,490	76,234	49,304	31,805
Salaries, wages and benefits	241,306	210,645	68,984	60,876
Insurance	20,231	19,651	7,127	6,550
Repairs and maintenance	17,095	6,857	11,118	3,710
Depreciation	58,431	58,169	19,494	19,405
Other manufacturing overheads	45,136	40,919	14,902	13,489
	2,548,543	2,546,018	756,160	821,344
Opening work-in-process	219,874	212,319	265,126	255,563
Closing work-in-process	(228,328)	(278,481)	(228,328)	(278,481)
Cost of goods manufactured	2,540,089	2,479,856	792,958	798,426
Opening finished goods	32,878	35,338	44,634	36,564
Closing finished goods	(45,384)	(41,761)	(45,384)	(41,761)
	2,527,583	2,473,433	792,208	793,229

16. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

The related parties comprise of parties related to group companies (associated companies), directors, and their close family members, staff provident fund, executives and major shareholders of the Company. Remuneration and benefits to executives of the Company are in accordance with the terms of their employment while contribution to the provident fund is in accordance with the staff service rule. Transactions with related parties during the period other than those disclosed elsewhere in the financial statements were as follows:



	(Un-audited) 31 March, 2015	(Audited) 30 June, 2014
Associated company	(Rupees in '000)	
At 01 July	40,457	26,470
Purchases during the period / year	116,430	159,206
Payments during the period / year	(132,109)	(145,219)
Balance at the end of the period / year	<u>24,779</u>	<u>40,457</u>
Outstanding Loan to Key Management personnel	<u>1,095</u>	<u>1,049</u>
Provident fund		
Payable to Provident Fund	<u>2,646</u>	<u>1,324</u>

	Nine months ended 31 March		Quarter ended 31 March	
	2015	2014	2015	2014
	(Rupees in '000)			
Others				
Contribution to employees' provident fund	12,190	9,191	4,089	3,055
Chief Executive's remuneration	11,423	8,211	3,000	3,000
Director's fee and remuneration	11,488	8,285	3,025	3,000
Key management personnel remuneration (excluding Chief Executive and Directors)	113,827	88,918	32,147	23,237
Disbursement of advances to key management personnel	1,698	1,050	1,698	50
Repayment of advances by key management personnel	1,652	902	963	197

17. GENERAL

17.1 These condensed interim financial statements were authorised for issue in the Board of Directors meeting held on April 27, 2015.

17.2 Figures have been rounded off to the nearest thousand rupees.


(MOHAMMED YASIN FECTO)
Chief Executive


(MOHAMMED ASAD FECTO)
Director





BOOK POST

UNDER POSTAL CERTIFICATE



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