



FECTO CEMENT LIMITED

Builders of a New World



**HALF YEARLY REPORT
DECEMBER 31, 2024**

CONTENTS

Company Information	2
Directors' Review	3
Auditor's Review Report to the Members on Condensed Interim Financial Statements	6
Condensed Interim Statement of Financial Position	7
Condensed Interim Statement of Profit or Loss	8
Condensed Interim Statement of Comprehensive Income	9
Condensed Interim Statement of Changes in Equity	10
Condensed Interim Statement of Cash Flows	11
Notes to the Condensed Interim Financial Statements	12
Directors' Review Urdu	27



COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Aamir Ghani Chairman
Mr. Mohammed Yasin Fecto Chief Executive
Mrs. Lubna Yasin
Mr. Juwad Saboor
Mr. Mohammed Anwar Habib
Mr. Jamil Ahmed Khan
Mr. Rohail Ajmal

CHIEF FINANCIAL OFFICER

Mr. Abdul Wahab, FCA

COMPANY SECRETARY

Mr. Tariq Iqbal Bawani, FCCA

LEGAL ADVISOR

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

REGISTERED OFFICE

Plot # 60-C, Khayaban-e-Shahbaz
Phase-VI, Defense Housing Authority
Karachi-75500, Pakistan
Phone Nos. (+92-21) 35248921-24
Fax: (+92-21) 35248925

MARKETING OFFICE

339, Main Peshawar Road
Chairing Cross Service Road
Westridge-1,
Rawalpindi
Phone Nos. (+ 92-51) 5467111-13

AUDIT COMMITTEE

Mr. Mohammed Anwar Habib Chairman
Mr. Aamir Ghani
Mr. Jamil Ahmed Khan

HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Mohammed Anwar Habib Chairman
Mr. Aamir Ghani
Mr. Jamil Ahmed Khan

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. (+92-21) 32271905-6

FACTORY

Sangjani, Islamabad
Phone Nos. (+92-51) 2296065-68

BANKERS

Askari Bank Limited
National Bank of Pakistan
Silk Bank Limited
Allied Bank Limited
Habib Metropolitan Bank Limited
MCB Bank Limited
The Bank of Khyber

WEBSITE:

www.fectogroup.com

DIRECTORS' REVIEW

Dear Members,

The Directors of your company are pleased to present before you their review report together with the Condensed Interim Financial Statements and Auditors Review Report thereon for the half-year ended December 31, 2024.

ECONOMIC AND INDUSTRY OVERVIEW

The economic landscape during the review period has shown positive developments. Notable improvements include declining rates of inflation and discount rates, increasing foreign exchange reserves and contracting current account deficit. However, their resulting impact is yet to be witnessed.

Overall industry volumes during the quarter were 12.66 million tons representing a 5.50% increase as compared to the corresponding period last year. However, the volumes for the half year ended December 31, 2024 stood at 22.93 million tons as compared to 23.88 million tons for the corresponding period last year representing a decline of 3.97%. The increase in sales volume during the quarter is primarily driven by the increase in export sales with export volumes of 4.81 million tons in the half year and 2.67 million tons in 2nd quarter ended i.e. a growth of 31.69% and 40.29% respectively. Domestic volumes during the half year ended and 2nd quarter ended were 18.12 million tons and 9.99 million tons respectively i.e. a decline of 10.41% and 1.06% as compared to corresponding periods last year.

Volumes of the North Zone during the half year were 16.18 million tons i.e. a decline of 7.78% over the corresponding period of last year with export volumes of 0.99 million tons i.e. a growth of 28.81%. Domestic volumes during the half year were 15.18 million tons, i.e. a decline of 9.46% over the corresponding period of last year.

Volumes of the South Zone during the half year were 6.76 million tons i.e. an increase of 6.57% over the corresponding period of last year with export volumes of 3.82 million tons i.e. a growth of 32.47%. Domestic volumes during the half year were 2.94 million tons, i.e. a decline of 15.02% over the corresponding period of last year.

OPERATING & FINANCIAL PERFORMANCE OF THE COMPANY

Overall sales volume of the Company in the domestic market declined by 14.18% over the corresponding period of last year, which has been offset by export volumes growing exponentially at 2.8 times of the corresponding period of last year resulting in overall decline by around 10.75%. However, the overall sales value during the half year was 5,602.202 million, i.e. a decrease of 2.07% over the corresponding period of last year. Domestic sales decreased by 4.33% whereas revenue from exports was 2.59 times of the export revenue for the corresponding period.

As a result of subdued demand production of Cement during the half year was 339,197 tons i.e. lower by 11.72% over the corresponding period of last year. Overall capacity utilization of Cement has been 68% as compared to 76% in corresponding period of last year.



The cost of sales during the half year decreased by 11.56%. Fuel and power decreased by 12.08% mainly driven by a decrease in coal charges by 15.58%. Stores and spares consumed and salaries and wages increased by 18.60% and 31.08% respectively mainly driven by inflationary trends. Gross profit for the half year is Rs. 1,196.537 million i.e. 21.36% of the turnover as compared to Rs. 739.354 million, i.e. 12.92% of the turnover in the corresponding period of the last year.

Administrative costs increased from 182.602 million to 230.881 million i.e. by 26.44% and distribution cost increased from 55.123 million to 66.660 million i.e. by 20.93% over the corresponding period last year with major contribution from increase in salaries and wages.

As a result of active working capital management and reduction in borrowing levels due to retirement of term loan financial charges have reduced by 16.71% over the corresponding period of last year.

During the half year your Company achieved Profit before levies and taxation of Rs. 827.402 million and Profit after Tax of Rs. 470.870 million as compared to Rs. 424.715 million and Rs. 178.503 million during the corresponding periods of last year. Resultantly your Company achieved earnings per share of Rs. 9.39 as compared to Rs. 3.56 for the corresponding period of last year.

FUTURE OUTLOOK

As we move into the second half of the financial year, Fecto Cement Limited remains optimistic about the future, bolstered by encouraging economic indicators. The recent reduction in the State Bank of Pakistan's (SBP) monetary policy rate and the Karachi Interbank Offered Rate (KIBOR) is anticipated to have a positive impact on the overall business environment. These lower borrowing costs should provide significant relief in financial charges, thereby enhancing profitability and liquidity for businesses, including the cement sector.

Our strategy will continue to focus on the export market to mitigate any adverse impacts on domestic volumes. However, we acknowledge the volatility in input costs, particularly coal prices, which could pose challenges. To manage these fluctuations, the company is proactively implementing operational efficiencies and cost optimization measures.

The ongoing capital expenditure project aimed at enhancing product quality is on track for completion within this year. This project is expected to further strengthen our market position and reinforce our commitment to delivering superior products to our customers.

Management remains vigilant and adaptive, continuously monitoring macroeconomic developments and adjusting our strategies accordingly. Our unwavering focus on product quality, customer service, operational efficiencies, and sustainable growth will be key in maintaining Fecto Cement Limited's financial strength in the evolving economic landscape.

ACKNOWLEDGEMENT

The Board of Directors would like to place on record their appreciation for the valuable contribution of all stakeholders including the employees for their dedication and hard work,

customers and vendors for their unwavering support, regulators for their continued support and guidance and financial institutions for the trust reposed on sponsors and management which plays a pivotal role in the successful operational and financial performance of the Company.

For and on behalf of the Board



MOHAMMED YASIN FECTO
CHIEF EXECUTIVE



ROHAIL AJMAL
DIRECTOR

Karachi: February 20, 2025



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

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **M/s. Fecto Cement Limited ("the Company")** as at December 31, 2024 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, condensed interim statement of cash flows and notes thereto for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review.

Scope of review

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

As part of our engagement, we were only required to review the cumulative figures for the six-month period ended December 31, 2024. Accordingly, we have not reviewed the figures in the condensed interim statement of profit or loss and the condensed interim statement of comprehensive income for the three-month period ended December 31, 2024.

Conclusion

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

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

RAHMAN SARFARAZ RAHIM IQBAL RAFIQ
Chartered Accountants

Karachi
Date: 20th February, 2025
UDIN: RR202410210Ck9EJt5zh



CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2024

		Un-Audited December 31 2024	Audited June 30 2024
EQUITY AND LIABILITIES	Note	Rupees in '000'	
Share capital and reserves			
Authorized Capital			
75,000,000 (June 30, 2024: 75,000,000) ordinary shares of Rs. 10/- each		750,000	750,000
Issued, subscribed and paid up capital			
50,160,000 (June 30, 2024: 50,160,000) ordinary shares of Rs.10/- each		501,600	501,600
Revenue reserves			
General reserve		550,000	550,000
Accumulated profit		3,226,429	2,755,559
		3,776,429	3,305,559
Capital Reserve			
Surplus on revaluation of investment in unquoted shares		67,202	54,527
		4,345,231	3,861,686
Non-current liabilities			
Long term financing from a banking company - secured	4	587,019	678,308
Lease Liability	5	54,035	12,285
Deferred income - Government grant	6	84,965	102,067
Deferred taxation	7	186,153	88,006
		912,172	880,666
Current Liabilities			
Trade and other payables	8	1,980,353	1,955,084
Short term borrowing - secured	9	1,051,017	735,513
Accrued mark-up		28,148	38,699
Unclaimed dividend		14,473	14,473
Unpaid dividend		185	185
Provision for taxation		64,905	-
Current maturity of long term financing - secured	10	257,288	262,238
Current maturity of lease liabilities	5	27,716	27,335
Current maturity of deferred government grant	6	35,466	38,471
		3,459,551	3,071,998
Contingencies and commitments	11		
Total equity and liabilities		8,716,954	7,814,350
ASSETS			
Non-current assets			
Property, plant and equipment	12	3,059,355	2,951,117
Intangible asset	13	10,852	-
Right-of-use assets	14	90,046	46,248
Investment Property		102,260	102,260
Long term investments		340,395	327,720
Long term deposits		10,101	10,101
Long term loans and advances		1,730	40,126
		3,614,739	3,477,572
Current assets			
Stores and spares		1,399,341	1,470,666
Stock-in-trade		2,508,952	1,999,639
Trade debts - unsecured		443,522	478,780
Short term loan to a related party		19,990	19,990
Loans, advances, deposits, prepayments and Other Receivable		57,353	44,721
Tax refunds due from government	15	92,330	41,735
Cash and bank balances		580,727	281,247
		5,102,215	4,336,778
Total assets		8,716,954	7,814,350

The annexed notes from 1 to 26 form an integral part of these condensed interim financial statements.



MOHAMMED YASIN FECTO
CHIEF EXECUTIVE

ROHAIL AJMAL
DIRECTOR

ABDUL WAHAB
CHIEF FINANCIAL OFFICER

**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE HALF YEAR PERIOD AND QUARTER ENDED DECEMBER 31, 2024**

	Note	Half year ended		Quarter ended	
		December 31 2024	December 31 2023	December 31 2024	December 31 2023
Rupees in '000'					
Sales revenue - net	16	5,602,202	5,720,833	2,727,164	3,094,932
Cost of sales	17	(4,405,665)	(4,981,479)	(2,193,323)	(2,695,435)
Gross profit		1,196,537	739,354	533,841	399,497
Administrative expenses		(230,881)	(182,602)	(120,675)	(90,168)
Distribution costs		(66,660)	(55,123)	(30,766)	(28,330)
		(297,541)	(237,725)	(151,441)	(118,498)
Other income	20	40,837	54,591	22,283	18,473
Other expenses	19	(4,265)	(1,645)	(3,901)	(12,214)
Operating Profit		935,568	554,575	400,782	287,258
Finance costs	18	(108,166)	(129,860)	(54,997)	(55,205)
Profit before levies and taxation		827,402	424,715	345,785	232,053
Levies	21	(48,955)	(93,098)	(20,955)	(38,790)
Profit before taxation		778,447	331,617	324,830	193,263
Taxation	22	(307,577)	(153,114)	(103,981)	(104,013)
Profit after taxation		470,870	178,503	220,849	89,250

----- (Rupees) -----

Earning per share - basic and diluted	9.39	3.56	4.40	1.78
--	-------------	------	-------------	------

The annexed notes from 1 to 26 form an integral part of these condensed interim financial statements.


MOHAMMED YASIN FECTO
CHIEF EXECUTIVE


ROHAIL AJMAL
DIRECTOR


ABDUL WAHAB
CHIEF FINANCIAL OFFICER



**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR PERIOD AND QUARTER ENDED DECEMBER 31, 2024**

Note	Half year ended		Quarter ended	
	December 31 2024	December 31 2023	December 31 2024	December 31 2023
	Rupees in '000'			
Profit after taxation	470,870	178,503	220,849	89,250
Other comprehensive income	12,675	-	-	-
Total comprehensive income for the period	<u>483,545</u>	<u>178,503</u>	<u>220,849</u>	<u>89,250</u>

The annexed notes from 1 to 26 form an integral part of these condensed interim financial statements.


MOHAMMED YASIN FECTO
CHIEF EXECUTIVE


ROHAIL AJMAL
DIRECTOR


ABDUL WAHAB
CHIEF FINANCIAL OFFICER



**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR PERIOD ENDED DECEMBER 31, 2024**

	Issued, Subscribed & Paid up capital	Revenue Reserves		Capital reserve	Total
		General Reserve	Unappropri- -ted profits	Surplus on revaluation of investment in unquoted shares	
Rupees in '000'					
Balance as at June 30, 2023 (Audited)	501,600	550,000	2,438,236	106,919	3,596,755
Total comprehensive income for the half year ended December 31, 2023					
Profit after taxation	-	-	178,503	-	178,503
Other Comprehensive income	-	-	-	-	-
Balance as at December 31, 2023 (Un-Audited)	<u>501,600</u>	<u>550,000</u>	<u>2,616,739</u>	<u>106,919</u>	<u>3,775,258</u>
Balance as at June 30, 2024 (Audited)	501,600	550,000	2,755,559	54,527	3,861,686
Total comprehensive income for the half year ended December 31, 2024					
- Profit after taxation	-	-	470,870	-	470,870
- Other comprehensive income	-	-	-	12,675	12,675
Balance as at December 31, 2024 (Un-Audited)	<u>501,600</u>	<u>550,000</u>	<u>3,226,429</u>	<u>67,202</u>	<u>4,345,231</u>

The annexed notes from 1 to 26 form an integral part of these condensed interim financial statements.


MOHAMMED YASIN FECTO
CHIEF EXECUTIVE


ROHAIL AJMAL
DIRECTOR


ABDUL WAHAB
CHIEF FINANCIAL OFFICER



**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE HALF YEAR PERIOD ENDED DECEMBER 31, 2024**

	Note	(Un-Audited) December 31 2024	(Un-Audited) December 31 2023
Rupees in '000'			
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before levies and taxation		827,402	424,715
Adjustments for:			
- Finance costs		108,166	129,860
- Depreciation on operating fixed assets		49,540	134,338
- Depreciation on right-of-use assets		11,582	14,000
- Amortization of deferred Government Grant		(20,107)	(22,662)
- Store Write-off		4,265	-
- Mark-up income		(8,705)	(10,112)
- Gain on disposal of operating fixed assets		(4,688)	1,645
		<u>140,053</u>	<u>247,069</u>
Operating profit before working capital changes		967,455	671,784
Working capital changes			
Decrease / (Increase) in current assets			
- Stores and spares		67,060	(122,761)
- Stock-in-trade		(509,313)	(77,421)
- Trade debts		35,258	(22,887)
- Loans, advances, deposit, prepayment and other receivable		13,061	(4,158)
- Sales tax refundable		(72,037)	18,887
(Decrease) / Increase in current liabilities			
Trade and other payables		(23,686)	187,721
		<u>(489,657)</u>	<u>(20,619)</u>
Income tax paid		477,798	651,165
Long term loan and advances		(123,080)	(98,440)
Long term deposits		809	588
		<u>-</u>	<u>40</u>
Cash generated from operating activities		355,527	553,353
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property, plant and equipment		(158,289)	(90,733)
Additions to intangible assets		(1,000)	-
Repayment of short term loan by related party		-	25,010
Interest received		10,747	12,436
Proceeds from disposal of operating fixed assets		5,199	4,310
Net cash used in investing activities		(143,343)	(48,977)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of lease liability (principal portion)		(13,249)	(16,954)
Repayment of long term financing (principal portion)		(114,918)	(84,191)
Finance cost paid		(100,041)	(133,045)
Short term borrowings - net		200,000	(148,520)
Net cash used in financing activities		(28,208)	(382,710)
Net increase in cash and cash equivalents		183,976	121,666
Cash and cash equivalents as at beginning of the period		(404,266)	(523,667)
Cash and cash equivalents as at end of the period	23	(220,290)	(402,001)

The annexed notes from 1 to 26 form an integral part of these condensed interim financial statements.


MOHAMMED YASIN FECTO
CHIEF EXECUTIVE


ROHAIL AJMAL
DIRECTOR


ABDUL WAHAB
CHIEF FINANCIAL OFFICER



NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR PERIOD ENDED DECEMBER 31, 2024

1. INTRODUCTION

1.1 Legal status of the Company

Fecto Cement Limited ('the Company') was incorporated in Pakistan on February 28, 1981 as a public limited company under the repealed Companies Act, 1913 which subsequently repealed with the enactment of the Companies Ordinance, 1984, and now, Companies Act, 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.

1.3 Principal business activity

The principal activity of the Company is production and sale of Ordinary Portland Cement (OPC).

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

These condensed interim financial statements do not include all the information and disclosures as required in the annual financial statements and should be read in conjunction with the Company's annual financial statements for the year ended June 30, 2024.



2.2 Basis of measurement of items in these financial statements

Items in these condensed interim financial statements have been measured at their historical cost except for 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 condensed interim financial statements are measured using the currency of the primary economic environment in which the Company operates. These condensed interim financial statements are presented in Pak Rupees which is the Company's functional and presentation currency.

2.4 Use of estimates and judgments

In preparing these condensed interim 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.

3. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies applied in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Company for the year ended June 30, 2024 except the following:

3.1 Intangible Assets

These are stated at cost less accumulated amortization and impairment losses, if any. Amortization is charged to the statement of profit or loss applying the straight line method at the determined rate. The assets' residual values, the method of amortization and useful lives are reviewed and adjusted, if appropriate, at each reporting date.

	Note	(Un-Audited) December 31 2024	(Audited) June 30 2024
Rupees in '000'			
4. LONG TERM FINANCING FROM A BANKING COMPANY - secured			
Financing under SBP schemes			
Financing Scheme for Renewable Energy	4.1	238,411	271,903
Temporary Economic Refinance Facility (TERF)	4.2	348,608	373,585
		587,019	645,488
Other financing arrangements			
Term Finance II	4.3	-	32,820
		587,019	678,308



	(Un-Audited) December 31 2024	(Audited) June 30 2024
	Rupees in '000'	
4.1 Financing Scheme for Renewable Energy - secured	Note	
Opening balance	370,083	439,329
Interest recognized on unwinding of the liability	16,258	37,250
Loan installments paid during the period / year	<u>(51,732)</u>	<u>(106,496)</u>
Closing carrying amount - net of deferred grant	334,609	370,083
Less: Current maturity shown under current liabilities	<u>(96,198)</u>	<u>(98,180)</u>
Non-current maturity	<u>238,411</u>	<u>271,903</u>
4.2 Temporary Economic Refinance Facility (TERF)		
Opening balance	469,022	489,605
Interest on unwinding of liability	23,903	51,093
Payment during the period / year	<u>(50,358)</u>	<u>(71,676)</u>
Closing carrying amount - net of deferred grant	442,567	469,022
Less: Current maturity shown under current liabilities	<u>(93,959)</u>	<u>(95,437)</u>
Non-current maturity	<u>348,608</u>	<u>373,585</u>
4.3 Term Finance II		
Opening balance	101,441	170,062
Payment during the period / year	<u>(34,310)</u>	<u>(68,621)</u>
Closing balance	67,131	101,441
Less: Current maturity shown under current liabilities	<u>(67,131)</u>	<u>(68,621)</u>
Non-current maturity	<u>-</u>	<u>32,820</u>
5. LEASE LIABILITY		
Opening balance	39,620	76,298
Unwinding of discount	5,932	9,931
Addition during the period / year	55,380	-
Lease rentals paid during the period / year	<u>(19,181)</u>	<u>(46,609)</u>
Closing balance	81,751	39,620
Less: Current maturity shown under current liabilities	<u>(27,716)</u>	<u>(27,335)</u>
Non-current maturity	<u>54,035</u>	<u>12,285</u>

5.1 During the period, the Company acquired twelve motor vehicles for its employees under the lease arrangement with a commercial bank having a lease term of 5 years for each vehicle. The lease commenced on August 5, 2024 and is subject to an interest rate of 3-month KIBOR plus a 2% spread. The lease is secured by way of hypothecation charge on the leased vehicles.



		(Un-Audited) December 31 2024	(Audited) June 30 2024
	Note	Rupees in '000'	
6. DEFERRED INCOME - GOVERNMENT GRANT			
Opening balance		140,538	184,545
Less: Amortized for the period / year	20	<u>(20,107)</u>	<u>(44,007)</u>
Closing balance		120,431	140,538
Less: Current maturity shown under current liability		<u>(35,466)</u>	<u>(38,471)</u>
Non-current maturity		<u><u>84,965</u></u>	<u><u>102,067</u></u>

7. DEFERRED TAXATION - net

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

		(Un-Audited) December 31 2024	(Audited) June 30 2024
		Rupees in '000'	
Deferred tax liability arising in respect of :			
- Accelerated tax depreciation		401,375	391,402
- Unrealized gain on long term investment		22,272	22,272
- Financing under SBP refinance scheme		35,443	40,332
- Right-of-use assets and related lease liability		<u>2,406</u>	<u>1,897</u>
		461,496	455,903
Deferred tax asset arising in respect of :			
- Provision against slow moving and obsolete spares		(5,140)	(5,073)
- Provision for bad debts		(322)	-
- Deferred government grant		(34,925)	(40,228)
- Minimum tax		(183,632)	(183,632)
- Alternate corporate tax (ACT)		(22,348)	-
- Unabsorb tax depreciation losses		<u>(28,976)</u>	<u>(138,964)</u>
		<u>(275,343)</u>	<u>(367,897)</u>
		<u><u>186,153</u></u>	<u><u>88,006</u></u>



	Note	(Un-Audited) December 31 2024	(Audited) June 30 2024
Rupees in '000'			
8. TRADE AND OTHER PAYABLES			
Creditors for goods and services:			
- Creditors other than associated company		1,015,712	1,282,424
- Associated company		64,118	75,443
		<u>1,079,830</u>	<u>1,357,867</u>
Accrued expenses		86,338	11,629
Provision for marking fee		91,996	86,243
Provision for compensated absences		38,254	25,816
Payable to provident fund		6,217	5,351
Worker's Profit Participation Fund payable		80,933	39,563
Worker's Welfare Fund payable		7,585	-
Advances from customers and dealers - unsecured		148,320	132,210
Security deposits payable		10,765	10,515
Excise duty payable		218,112	136,874
Sales tax payable		132,089	94,881
Withholding income taxes payable		16,578	12,088
Other liabilities		63,336	42,047
		<u>1,980,353</u>	<u>1,955,084</u>
9. SHORT TERM BORROWINGS - secured			
Running finance	9.1	801,017	685,513
Cash finance	9.2	200,000	-
Export re-finance	9.3	50,000	50,000
		<u>1,051,017</u>	<u>735,513</u>

9.1 The Company has a total finance facility of Rs. 810 million (June 30, 2024: Rs. 810 million) from various banks. These arrangements are secured by way of first pari passu charge over all the Company's movable and immovable properties and hypothecation of Company's stock-in-trade, stores and spares, trade debts and machinery. The mark-up rate on these facilities range from 3-Month KIBOR plus 1% to 3-Month KIBOR plus 1.5% (June 30, 2024: 3-Month KIBOR plus 1% to 3-Month KIBOR plus 1.5%) per annum. The validity of these facilities ranges from March 31, 2025 to March 31, 2026.

9.2 The Company has obtained a cash finance facility of Rs. 200 million (June 30, 2024: Rs. 200 million) from a commercial bank. The facility is secured by way of pledge of coal @ 25% margin at customer's 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 3-Month KIBOR plus 2% per annum. The facility is valid upto May 31, 2025.



9.3 The Company has obtained Export Refinance Facility of Rs. 50 million (June 30, 2024: Rs. 150 million) from a commercial bank. The facility is secured by way of 1st pari passu charge on current and fixed assets (including land and building, plant and machinery) of the Company inclusive of 25% margin located at Sangjani plant, District Islamabad. The facility carries mark-up at State Bank of Pakistan (SBP) policy rate plus 1.00% per annum (June 30, 2024: SBP policy rate minus 3.00%). The facility is valid upto May 31, 2025.

9.4 As of reporting date, the Company had unutilized facilities for short term borrowings available from various banks amounting to Rs. 210.649 million including FATR (June 30, 2024: Rs. 624.486 million).

		(Un-Audited) December 31 2024	(Audited) June 30 2024
	Note	Rupees in '000'	
10. CURRENT MATURITY OF LONG TERM FINANCING - Secured			
Financing under SBP schemes			
Financing Scheme for Renewable Energy	4.1	96,198	98,180
Temporary Economic Refinance Facility (TERF)	4.2	93,959	95,437
		<u>190,157</u>	<u>193,617</u>
Other financing facilities			
Term Finance II	4.3	67,131	68,621
		<u>257,288</u>	<u>262,238</u>

11. CONTINGENCIES AND COMMITMENTS

11.1 Contingencies

There was no change in the status of contingencies at the period end as reported in the annual audited financial statements for the year ended June 30, 2024.

		(Un-Audited) December 31 2024	(Audited) June 30 2024
		Rupees in '000'	
11.2 Commitments			
As of the reporting date, the outstanding financial commitments of the company were as follows:			
- in respect of import of stores and spares		36,576	69,842
- Letter of guarantee in favour of Sui Northern Gas Pipeline Limited (SNGPL)		-	110,000
		<u>36,576</u>	<u>179,842</u>



		(Un-Audited) December 31 2024	(Audited) June 30 2024
	Note	Rupees in '000'	
12. PROPERTY, PLANT AND EQUIPMENT			
Operating assets	12.1	2,325,942	2,370,613
Capital work in progress	12.2	318,248	140,903
Capital spares		415,165	439,601
		<u>3,059,355</u>	<u>2,951,117</u>
12.1 Operating assets			
Opening net book value		2,370,613	2,358,969
Additions		5,381	116,880
Transfer from right of use assets		-	4,908
Disposals		(513)	(8,078)
Depreciation		(49,540)	(102,066)
		<u>2,325,941</u>	<u>2,370,613</u>
12.2 Capital work in progress			
Opening balance		140,903	-
Additions during the period / year			
- Transfers from capital spares	12.2.1	119,984	84,799
- Direct additions		57,361	56,104
		<u>177,345</u>	<u>140,903</u>
Balance as at December 31, 2024		<u>318,248</u>	<u>140,903</u>
12.2.1	This represents capital expenditure being incurred for achieving further efficiencies.		
		(Un-Audited) December 31 2024	(Audited) June 30 2024
	Note	Rupees in '000'	
13. INTANGIBLE ASSET			
Accounting software under testing phase		10,852	-
14. RIGHT-OF-USE ASSETS			
Opening net book value		46,248	76,812
Addition during the period / year	5.1	55,380	-
Transferred to operating fixed assets		-	(4,908)
Depreciation during the period / year		(11,582)	(25,656)
Closing net book value		<u>90,046</u>	<u>46,248</u>



		(Un-Audited) December 31 2024	(Audited) June 30 2024
		Rupees in '000'	
15. TAX REFUNDS DUE FROM GOVERNMENT			
		-	21,442
		<u>92,330</u>	<u>20,293</u>
		<u>92,330</u>	<u>41,735</u>
		(Un-Audited) December 31 2024	(Un-Audited) December 31 2023
		Rupees in '000'	
16. SALES REVENUE - net			
		<u>5,397,649</u>	5,641,850
		<u>204,553</u>	78,983
		<u>5,602,202</u>	<u>5,720,833</u>
16.1 Revenue from local sales			
		<u>8,149,312</u>	7,779,472
		<u>(66,204)</u>	(70,781)
		<u>(1,288,966)</u>	(750,936)
		<u>(1,396,493)</u>	(1,315,905)
		<u>(2,751,663)</u>	(2,137,622)
		<u>5,397,649</u>	<u>5,641,850</u>
17. COST OF SALES			
		<u>94,240</u>	104,221
		<u>4,383,121</u>	5,005,035
		<u>4,477,361</u>	5,109,256
		<u>(71,696)</u>	(127,777)
		<u>4,405,665</u>	<u>4,981,479</u>
17.1 Cost of goods manufactured			
		<u>681,017</u>	581,688
		<u>4,002,423</u>	4,377,171
		<u>4,683,440</u>	4,958,859
		588,526	610,422
		<u>(888,845)</u>	(564,246)
		<u>(300,319)</u>	46,176
		<u>4,383,121</u>	<u>5,005,035</u>



		(Un-Audited) December 31 2024	(Un-Audited) December 31 2023
	Note	Rupees in '000'	
18. FINANCE COST			
Markup on short term borrowings:			
- Running finance		23,736	45,163
- Cash Finance		19,633	4,413
- Export Refinance Scheme		5,081	8,822
		<u>48,450</u>	<u>58,398</u>
Markup on long term borrowing			
- SBP Refinance Scheme for			
Renewable Energy	4.1	16,258	19,530
- SBP Refinance Scheme for TERF II	4.2	23,903	26,051
- Markup on Term Finance II	4.3	7,452	18,184
		47,613	63,765
Markup on leases	5	5,932	4,917
Bank commission and charges		6,171	2,780
		<u>108,166</u>	<u>129,860</u>
19. OTHER EXPENSE			
Loss on sale of operating fixed assets		-	1,645
Store written off		4,265	-
		<u>4,265</u>	<u>1,645</u>
20. OTHER INCOME			
Scrap sales		560	21,817
Amortization of deferred government grant	6	20,107	22,662
Markup income		8,705	10,112
Insurance Claim		6,752	-
Gain on sale of operating fixed assets		4,688	-
Miscellaneous		25	-
		<u>40,837</u>	<u>54,591</u>



	(Un-Audited) December 31 2024	(Un-Audited) December 31 2023-restated
	Rupees in '000'	
21. LEVIES		
Excess of minimum tax over normal tax income tax - final tax regime	-	71,072
	<u>-</u>	<u>790</u>
		71,862
Provision for worker's welfare fund	7,585	-
Provision for Workers' Profit Participation Fund	41,370	21,236
	<u>48,955</u>	<u>93,098</u>
22. TAXATION		
Current	209,060	34,677
Prior	367	(5,296)
	<u>209,427</u>	<u>29,381</u>
Deferred	98,150	123,733
	<u>307,577</u>	<u>153,114</u>
	(Un-Audited) December 31 2024	(Un-Audited) December 31 2023
	Rupees in '000'	
23. CASH AND CASH EQUIVALENTS		
Cash and bank balances	580,727	209,772
Short term borrowings - running finance	(801,017)	(611,773)
	<u>(220,290)</u>	<u>(402,001)</u>

24. 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 period other than those as disclosed elsewhere in these condensed interim financial statements are as follows:



Name of the related party	Basis of relationship with the party	Particulars	(Un-Audited)	(Un-Audited)	
			December 31 2024	December 31 2023	
			Rupees in '000'		
		Purchases made during the period	310,092	362,083	
		Payments made during the period	321,417	356,773	
Frontier Paper Products (Private) Limited	Associated company	Interest charged during the period	2,009	6,724	
		Loan paid	-	25,010	
		Key management personnel	Remuneration of the Chief Executive	39,173	19,820
		Directors' Meeting Fee	210	130	
		Remuneration of Executives	141,155	164,609	
Staff retirement-benefit plan - Provident Fund	Other related party	Contribution to employees' provident fund	16,073	25,856	

Name of the related party	Basis of relationship with the party	Nature of the balance outstanding	(Un-audited)	(Audited)
			December 31 2024	June 30, 2024
			Rupees in '000'	
Balance outstanding as of the reporting date				
Frontier Paper Products (Private) Limited	Associated Company	Payable against purchases	64,118	75,443
		Interest outstanding a period	29,744	4,050
		Loan outstanding at the end of the period	19,990	19,990
Fecto Cement Limited- Staff Provident Fund	Post-employment benefit-plan	Balance payable at period end	6,217	5,351

25. 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.

	December 31, 2024 (Un-Audited)		
	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) Ltd.	-	-	239,475
	June 30, 2024 (Audited)		
	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) Ltd.	-	-	226,800

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


26. GENERAL

26.1 Date of authorization of these condensed interim financial statements.

These condensed interim financial statements were authorised for issue by the Board of Directors of the Company in their meeting held on 20th February, 2025.

26.2 Level of rounding

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


MOHAMMED YASIN FECTO
 CHIEF EXECUTIVE


ROHAIL AJMAL
 DIRECTOR


ABDUL WAHAB
 CHIEF FINANCIAL OFFICER



ہماری حکمت عملی برآمدات پر مرکوز رہے گی تاکہ مقامی فروخت پر ممکنہ اثرات کو کم کیا جاسکے۔ تاہم، کونسلے کی قیمتوں میں اتار چڑھاؤ ایک چیلنج ہو سکتا ہے، جس کے لیے کمپنی آپریشنل افادیت اور لاگت کی اصلاحی تدابیر اپننا رہی ہے۔

مصنوعات کے معیار کو بہتر بنانے کے لیے جاری سرمایہ کاری منصوبہ رواں سال کے دوران مکمل ہونے کی توقع ہے، جو مارکیٹ میں ہماری پوزیشن کو مزید مضبوط کرے گا اور صارفین کو معیاری مصنوعات فراہم کرنے کے عزم کو تقویت دے گا۔

انتظامیہ مسلسل معاشی حالات کا جائزہ لے رہی ہے اور اپنی حکمت عملی کو وقت کے مطابق ڈھال رہی ہے۔ معیاری مصنوعات، بہترین کسٹمر سروس، آپریشنل بہتری، اور پائیدار ترقی پر ہماری توجہ کمپنی کی مالی مضبوطی کو برقرار رکھنے میں کلیدی کردار ادا کرے گی۔

شکریہ

بورڈ آف ڈائریکٹرز کمپنی کے تمام اسٹیک ہولڈرز کا شکریہ ادا کرتا ہے، جن میں ملازمین کی انتھک محنت، صارفین اور وینڈرز کا اعتماد، ریگولیٹری اداروں کی رہنمائی، اور مالیاتی اداروں کی سپورٹ شامل ہے، جو کمپنی کی کامیاب عملی اور مالی کارکردگی میں اہم کردار ادا کرتے ہیں۔

منجانب بورڈ



روحیل اجمل
ڈائریکٹر



محمد بلال
چیف ایگزیکٹو

بمقام کراچی: 20 فروری 2025

ہے۔ ششماہی کے دوران مجموعی منافع 1,196.537 ملین روپے رہا، جو مجموعی فروخت کا 21.36 فیصد ہے، جبکہ گزشتہ سال یہ 739.354 ملین روپے یعنی 12.92 فیصد تھا۔

انتظامی اخراجات 182.602 ملین سے بڑھ کر 230.881 ملین ہو گئے، یعنی 26.44 فیصد کا اضافہ ہوا، اور تقسیم کے اخراجات 55.123 ملین سے بڑھ کر 66.660 ملین ہو گئے، یعنی 20.93 فیصد کا اضافہ ہوا، جو کہ گزشتہ سال کی اسی مدت کے مقابلے میں ہے۔ اس اضافے میں سب سے بڑا حصہ تنخواہوں اور اجرتوں میں اضافے کا رہا۔

فعال ورکنگ کپیکٹیٹیٹیٹل مینجمنٹ اور قرضوں کی ریٹائرمنٹ کی بدولت مالی اخراجات گزشتہ سال کے مقابلے میں 16.71 فیصد کم ہوئے۔

ششماہی کے دوران کمپنی نے ٹیکس اور دیگر واجبات سے قبل 827.402 ملین روپے کا منافع حاصل کیا، جبکہ بعد از ٹیکس منافع 470.870 ملین روپے رہا۔ گزشتہ سال کے اسی عرصے میں یہ منافع بالترتیب 424.715 ملین اور 178.503 ملین روپے تھا۔ نتیجتاً، کمپنی کی فی شیئر آمدنی 9.39 روپے رہی، جو گزشتہ سال 3.56 روپے تھی۔

مستقبل کا لائحہ عمل

فیکٹوسینٹ لمیٹڈ مالی سال کی دوسری ششماہی میں پر امید ہے، کیونکہ معاشی اشاریے مثبت رجحان ظاہر کر رہے ہیں۔ اسٹیٹ بینک آف پاکستان (SBP) کی مانیٹری پالیسی ریٹ اور کراچی انٹربینک آفر ڈریٹ (KIBOR) کی مانیٹری پالیسی ریٹ اور کراچی انٹربینک آفر ڈریٹ (SBP) ہیں۔ اسٹیٹ بینک آف پاکستان میں حالیہ کمی سے کاروباری ماحول میں بہتری متوقع ہے۔ کم قرضے کے اخراجات مالی چارجز کو کم کرنے میں مدد دیں گے، جس سے منافع اور مائعیت میں اضافہ ہوگا۔



نارتھ زون میں ششماہی کے دوران مجموعی حجم 16.18 ملین ٹن رہا، جو گزشتہ سال کے مقابلے میں 7.78 فیصد کم ہے، جبکہ برآمدات 0.99 ملین ٹن رہیں، جو 28.81 فیصد اضافہ ظاہر کرتی ہیں۔ مقامی حجم فروخت 15.18 ملین ٹن رہا، جو گزشتہ سال کے مقابلے میں 9.46 فیصد کم ہے۔

ساؤتھ زون میں ششماہی کے دوران مجموعی حجم 6.76 ملین ٹن رہا، جو گزشتہ سال کے مقابلے میں 6.57 فیصد زیادہ ہے۔ برآمدات 3.82 ملین ٹن رہیں، جس میں 32.47 فیصد اضافہ دیکھنے میں آیا، جبکہ مقامی حجم فروخت 2.94 ملین ٹن رہی، جو گزشتہ سال کے مقابلے میں 15.02 فیصد کم ہے۔

کمپنی کی عملی و مالی کارکردگی

کمپنی کی مقامی مارکیٹ میں فروخت 14.18 فیصد کم رہی، جب کہ برآمدی فروخت میں 2.8 گنا اضافہ کے ہوا، جس کے نتیجے میں مجموعی فروخت میں 10.75 فیصد کمی ہوئی۔ تاہم، ششماہی کے دوران مجموعی فروخت کی مالیت 5,602.202 ملین روپے رہی، جو گزشتہ سال کے مقابلے میں 2.07 فیصد کم ہے۔ مقامی حجم فروخت میں 4.33 فیصد کمی ہوئی، جبکہ برآمدی آمدنی گزشتہ سال کے مقابلے میں 2.59 گنا زیادہ رہی۔

طلب میں کمی کے نتیجے میں، ششماہی کے دوران سینٹ کی پیداوار 339,197 ٹن رہی، جو گزشتہ سال کے مقابلے میں 11.72 فیصد کم ہے۔ مجموعی پیداواری صلاحیت کا استعمال 68 فیصد رہا، جو کہ گزشتہ سال کے 76 فیصد کے مقابلے میں کم ہے۔

ششماہی کے دوران پیداواری لاگت میں 11.56 فیصد کمی ہوئی۔ ایندھن اور بجلی کے اخراجات 12.08 فیصد کم ہوئے، جس کی بنیادی وجہ کولے کے نرخوں میں 15.58 فیصد کمی ہے۔ اسٹورز، اسپیر پارٹس اور تنخواہوں میں بالترتیب 18.60 فیصد اور 31.08 فیصد اضافہ ہوا، جو بنیادی طور پر مہنگائی کے اثرات کی وجہ سے

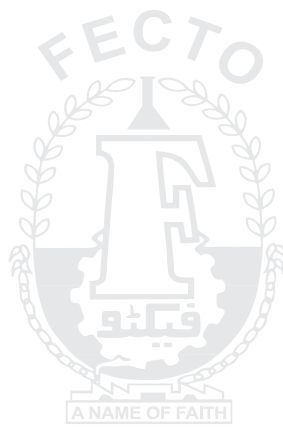
معزز اراکین،

آپ کی کمپنی کے ڈائریکٹرز کو یہ رپورٹ پیش کرتے ہوئے خوشی محسوس ہو رہی ہے، جو 31 دسمبر 2024 کو ختم ہونے والی ششماہی کے لیے عبوری مالیاتی گوشواروں اور اس پر آڈیٹرز کی جائزہ رپورٹ کے ساتھ پیش کی جا رہی ہے۔

معاشی اور صنعتی جائزہ

جائزہ شدہ مدت کے دوران معاشی صورتحال میں مثبت پیش رفت دیکھنے میں آئی ہے۔ نمایاں بہتری میں مہنگائی اور ڈسکاؤنٹ ریٹس میں کمی، زرمبادلہ کے ذخائر میں اضافہ اور جاری کھاتے کے خسارے میں کمی شامل ہے۔ تاہم، اس کے عملی اثرات ابھی مکمل طور پر ظاہر ہونا باقی ہیں۔

رواں سہ ماہی کے دوران مجموعی صنعت کا حجم 12.66 ملین ٹن رہا، جو گزشتہ سال کی اسی مدت کے مقابلے میں 5.50 فیصد زیادہ ہے۔ تاہم، 31 دسمبر 2024 کو ختم ہونے والی ششماہی کے دوران مجموعی حجم 22.93 ملین ٹن رہا جو کہ گزشتہ سال کے اسی عرصے میں 23.88 ملین ٹن تھا، یعنی 3.97 فیصد کمی واقع ہوئی۔ سہ ماہی کے دوران فروخت کے حجم میں اضافہ بنیادی طور پر برآمدات میں اضافے کے باعث ہوا، جہاں برآمدات کا حجم 4.81 ملین ٹن رہا جو کہ گزشتہ سال کے مقابلے میں 31.69 فیصد زیادہ ہے جبکہ دوسری سہ ماہی میں برآمدات 2.67 ملین ٹن رہیں، جو 40.29 فیصد کی نمایاں ترقی ظاہر کرتی ہیں۔ مقامی سطح پر فروخت کی کمی ششماہی اور دوسری سہ ماہی کے دوران بالترتیب 10.41 فیصد اور 1.06 فیصد کی کمی دیکھی گئی۔





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