

**FECTO CEMENT LIMITED**  
*Builder of a New World*

**INTERIM REPORT**  
**MARCH 31, 2022**

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## COMPANY INFORMATION

### BOARD OF DIRECTORS

Mr. Aamir Ghani Chairman  
Mr. Mohammed Yasin Fecto Chief Executive  
Ms. Saira Ibrahim Bawani  
Mr. Khalid Yacoob  
Mr. Mohammed Anwar Habib  
Mr. Jamil Ahmed Khan  
Mr. Rohail Ajmal (Nominee of Saudi Pak Industrial & Agricultural Investment Co. Ltd.)

### CHIEF FINANCIAL OFFICER

Mr. Abdul Samad, FCA

### COMPANY SECRETARY

Mr. Abdul Wahab, FCA

### LEGAL ADVISOR

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

### REGISTERED OFFICE

Plot # 60-C, Khayaban-e-Shahbaz,  
Phase VI, Defence Housing Authority,  
Karachi-75500, Pakistan  
Website: www.fectogroup.com  
Phone Nos. (+ 9221) 35248921-24  
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 (SMC-Pvt) Ltd.  
1705, 17th Floor, Saima Trade Tower-A  
I. I. Chundrigar Road  
Karachi-74000  
Phone Nos. (+9221) 32271905-6

### FACTORY

Sangjani, Islamabad  
Phone Nos. (+9251) 2296065-8

### BANKERS

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



## DIRECTORS' REVIEW

Your Directors are pleased to present before you their report together with Un Audited Condensed Interim Financial Statements of the Company for the period ended March 31, 2022.

### INDUSTRY OVERVIEW

During the first nine months of current financial year ending June 30, 2022, overall sales volume of the industry reduced by 5.81% as compared to same period last year, with total sales volume of 40.82 million tons as against 43.33 million tons of same period last year. During the quarter, overall sales volume of the industry reduced by 9.05% with sales volume of 13.36 million tons as against 14.69 million tons of same quarter last year.

Local sales volume of the industry for the nine months and quarter was of 36.17 million tons and 12.11 million tons respectively as against 36.18 million tons and 12.57 million tons of same periods last year witnessing reduction of 0.03% and 3.18% for the respective periods. On export side, industry achieved sales volume of 4.6 million tons and 1.26 million tons in nine months and quarter respectively as against sales volume of 7.15 million tons and 2.13 million tons of same periods last year. In nine months period, exports reduced by 35.04 % whereas on quarter to quarter it reduced by 40.85%.

During nine months period, overall sales volume of plants located in north reached to 30.61 million tons with local sales volume of 29.94 million tons and exports volume of 0.68 million tons respectively. Total sales volume of plants located in north hence reduced by 5.92%, out of which local sales volume reduced by 2.27% whereas exports reduced by 64.47%.

### COMPANY'S PERFORMANCE

#### OPERATING

During nine months, company produced 456,592 tons of clinker and 536,756 tons of cement as against 543,973 tons of clinker and 562,169 tons of cement of same period last year registering a reduction of 16.06% and 4.52% respectively. In current quarter company produced 121,350 tons of clinker and 171,530 tons of cement as against 175,213 tons of clinker and 192,551 tons of cement of same period last year. Production of clinker and cement hence, reduced by 30.74% and 10.92% during this period. Lesser production of clinker was due to closure to kiln for BMR activities.

Overall sales volume of the Company for the nine months reduced by 4.43% out of which local sales volume increased by 1.24% whereas exports reduced by 61.68%. For the quarter total sales volume reduced by 11.45% out of which local volume reduced by 2.37%, and exports reduced by 84.10%.

#### FINANCIAL

Total net sales revenue of the Company for the nine months period increased to Rs. 4,738 million as against Rs. 3,691 million of same period last year. This increase in term of percentage comes to 28.37% as against reduction in volume by 4.43%.

Net local sales revenue for the nine months period increased to Rs. 4,626 million as against Rs. 3,406 million of same period last year witnessing a growth of 35.82% as against growth in local



sales volume by 1.24%. Main reason for increase in local sales revenue was rising of prices to pass on higher cost impact of coal, electricity and other input cost materials. Export revenue for the nine months period reduced to Rs. 110 million as against Rs. 285 million of same period last year witnessing a negative growth of 61.40 % in line with decrease in volume by 61.68%. Export prices and volume remained depressed during the nine months period due to uncertain situation at the border. Net sales revenue for the quarter increased to Rs. 1,661 million as against Rs. 1,359 million of same period last year showing an increase of 22.22% as against reduction in sales volume by 11.45%.

Overall Cost of sales for the nine months increased to Rs. 4,156 Million as against Rs. 3,485 million of same period last year registering increase of 19.25% though overall sales volume reduced by 4.43%. Main reasons for increase in cost of sales were higher fuel and power cost. Increase in cost of electricity continued its upward trend due to imposition of multiple charges by the Government. Coal prices in international market have reached to a level never seen before. Abnormal increase in commodity prices in international markets coupled with PKR depreciation against USD have resulted higher inflation in the country causing increase in overall cost of cement production.

Due to improved local selling price and efficient cost controlling measures taken by the management, the Company during the nine months and quarter achieved gross profit of Rs. 582 million and Rs. 169 million respectively as compared to gross profit of Rs. 206million and Rs. 111 million of same periods last year. Finance cost increased during the period due to loans obtained for solar energy, higher utilization of working capital facilities and increase in interest rates.

Company achieved profit before tax of Rs. 257 million during Nine Months as against loss before tax of Rs. 49 million of same period last year. During the quarter under review, Company earned profit before tax of Rs. 46 million as against profit before tax of Rs. 20 million of same period last year.

The Company achieved profit after tax of Rs. 182 million during nine months whereas in current quarter it earned profit after tax of Rs. 33 million as against loss after tax of Rs. 45 million during nine months and profit after tax of Rs. 15 million during quarter respectively. The Company achieved earnings per share of Rs. 3.64 for the Nine Months as against the loss per share of Rs.0.89 during same period last year. During current quarter the Company achieved earnings per share of Rs. 0.65 as against earnings per share of Rs. 0.30 of same periods last year.

#### **FUTURE OUTLOOK**

During the current financial year demand of cement has remained flat, however, in current quarter it has dropped due to political instability, higher inflation due to rising commodity prices in international markets, depreciation of PKR against USD and higher interest rates. We expect demand will remain flat during remaining three months, however, assuming power by new Government and revival of IMF program may improve local demand. Prices for exports to Afghanistan have increased but due to issues at border dispatches will continue to suffer. Cost of input materials specially coal and electricity are expected to remain high due to Russia



and Ukraine conflict and imposition of additional charges in monthly electricity bills recent interest rate increase by SBP will also result high finance cost. Completion of 5 MW solar power plant has helped company to reduce its overall electricity cost whereas completion of BMR activities will help company to reduce its fuel cost and achieve production efficiency.

#### **ACKNOWLEDGMENT**

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

**On behalf of the Board**



**MOHAMMED YASIN FECTO**  
CHIEF EXECUTIVE



**ROHAIL AJMAL**  
DIRECTOR

**Karachi:** April 27, 2022



**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION  
AS AT 31 MARCH 2022**

	Note	Un-audited 31 March 2022	Audited 30 June 2021
Rupees in thousand			
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
<b>Authorized Capital</b>			
75,000,000 (June 30, 2021: 75,000,000) ordinary shares of Rs. 10/- each		750,000	750,000
<b>Issued, subscribed and paid up capital</b>			
50,160,000 (June 30, 2021: 50,160,000) ordinary shares of Rs.10/- each		501,600	501,600
<b>Revenue reserves</b>			
General reserve		550,000	550,000
Unappropriated profits		2,467,214	2,284,778
		3,017,214	2,834,778
<b>Capital reserve</b>			
Surplus on revaluation of investment in unquoted shares		130,684	130,684
		3,649,498	3,467,062
<b>Non-current liabilities</b>			
Long term financing - secured	3	991,465	520,529
Lease liability		75,609	61,605
Deferred income - Government grant		242,817	94,997
		1,309,891	677,131
<b>Current liabilities</b>			
Trade and other payables		772,162	898,451
Short term borrowings - secured	4	552,939	789,912
Accrued mark-up		19,937	12,668
Unclaimed dividend		14,522	14,539
Unpaid dividend		185	185
Current maturity of long term financing - secured	3	186,803	137,568
Current maturity of lease liability		33,704	35,491
		1,580,252	1,888,814
Contingencies and commitments	5		
<b>Total equity and liabilities</b>		<b>6,539,641</b>	<b>6,033,007</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	6	3,032,569	2,270,083
Right-of-use assets		118,253	106,020
Long term investments	7	318,009	318,009
Long term deposits		5,273	5,321
Long term loans and advances		4,121	6,722
Deferred taxation - net		13,979	29,821
		3,492,204	2,735,976
<b>Current assets</b>			
Stores and spares		1,223,819	1,045,118
Stock-in-trade		1,344,977	1,622,680
Trade debts		66,044	43,766
Short term investments		99,920	99,930
Loan to a related party	8	2,395	79,395
Loans, advances, deposits, prepayments and other receivable		48,433	86,080
Tax refunds due from government		154,588	234,803
Cash and bank balances		107,261	85,259
		3,047,437	3,297,031
<b>Total assets</b>		<b>6,539,641</b>	<b>6,033,007</b>

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.

  
**MOHAMMED YASIN FECTO**  
CHIEF EXECUTIVE

  
**ROHAIL AJMAL**  
DIRECTOR

  
**ABDUL SAMAD**  
CHIEF FINANCIAL OFFICER



**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)  
FOR THE PERIOD ENDED 31 MARCH 2022**

	Note	Nine months ended		Quarter ended	
		31 March 2022	31 March 2021	31 March 2022	31 March 2021
Rupees in thousand					
Sales revenue - net	9	4,737,658	3,691,087	1,661,451	1,359,231
Cost of sales		(4,155,659)	(3,484,972)	(1,492,514)	(1,248,679)
<b>Gross profit</b>		<b>581,999</b>	<b>206,115</b>	<b>168,937</b>	<b>110,552</b>
Administrative expenses		(194,311)	(174,927)	(67,868)	(60,662)
Distribution costs		(60,242)	(71,678)	(20,981)	(23,671)
Workers' profit participation fund expense		(13,538)	-	(2,281)	-
Other income		61,102	36,285	16,058	12,316
<b>Operating profit / (loss)</b>		<b>375,010</b>	<b>(4,205)</b>	<b>93,865</b>	<b>38,535</b>
Finance costs		(117,797)	(44,754)	(47,648)	(18,036)
<b>Profit / (loss) before taxation</b>		<b>257,213</b>	<b>(48,959)</b>	<b>46,217</b>	<b>20,499</b>
Taxation	10	(74,777)	4,192	(13,499)	(5,631)
<b>Profit / (loss) after taxation</b>		<b>182,436</b>	<b>(44,767)</b>	<b>32,718</b>	<b>14,868</b>
Rupees					
<b>Earnings / (loss) per share - basic and diluted</b>		<b>3.64</b>	<b>(0.89)</b>	<b>0.65</b>	<b>0.30</b>

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CHIEF EXECUTIVE

  
ROHAIL AJMAL  
DIRECTOR

  
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**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)  
FOR THE PERIOD ENDED 31 MARCH 2022**

	Nine months ended		Quarter ended	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
	Rupees in thousand			
Profit / (loss) after taxation	182,436	(44,767)	32,718	14,868
<b>Other comprehensive income</b>				
Items that will not be reclassified subsequently to profit or loss				
Unrealized gain on remeasurement of the investment in M/s. Frontier Paper Products (Pvt.) Ltd.	-	-	-	-
Deferred tax thereon	-	-	-	-
<b>Total comprehensive income / (loss) for the period</b>	<b>182,436</b>	<b>(44,767)</b>	<b>32,718</b>	<b>14,868</b>

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.

  
MOHAMMED YASIN FECTO  
CHIEF EXECUTIVE

  
ROHAIL AJMAL  
DIRECTOR

  
ABDUL SAMAD  
CHIEF FINANCIAL OFFICER



**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)  
FOR THE PERIOD ENDED 31 MARCH 2022**

	Issued, Subscribed & Paid up capital	Revenue Reserves		Capital reserve	Total
		General Reserve	Un- appropriated Profit	Surplus on revaluation of investment in unquoted shares	
Rupees in thousand					
<b>Balance as at July 1, 2020</b>	501,600	550,000	2,352,065	104,346	3,508,011
Total comprehensive income for the nine months ended March 31, 2021					
- Loss after taxation	-	-	(44,767)	-	(44,767)
- Other comprehensive income	-	-	-	-	-
	-	-	(44,767)	-	(44,767)
<b>Balance as at March 31, 2021</b>	<u>501,600</u>	<u>550,000</u>	<u>2,307,298</u>	<u>104,346</u>	<u>3,463,244</u>
<b>Balance as at July 1, 2021</b>	501,600	550,000	2,284,778	130,684	3,467,062
Total comprehensive income for the nine months ended March 31, 2022					
- Profit after taxation	-	-	182,436	-	182,436
- Other comprehensive income	-	-	-	-	-
	-	-	182,436	-	182,436
<b>Balance as at March 31, 2022</b>	<u>501,600</u>	<u>550,000</u>	<u>2,467,214</u>	<u>130,684</u>	<u>3,649,498</u>

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.



  
MOHAMMED YASIN FECTO  
CHIEF EXECUTIVE

  
ROHAIL AJMAL  
DIRECTOR

  
ABDUL SAMAD  
CHIEF FINANCIAL OFFICER

**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)  
FOR THE PERIOD ENDED 31 MARCH 2022**

Note	Nine months ended		
	31 March 2022	31 March 2021	
	Rupees in thousand		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from operations	11	506,257	27,518
Income tax paid		(23,983)	(8,200)
Long term deposits		48	2,023
Long term loan and advances		2,601	2,977
<b>Net cash generated from operating activities</b>		<b>484,923</b>	<b>24,318</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Additions to property, plant and equipment		(862,195)	(337,968)
Additions to right-of-use assets		(2,731)	-
Proceeds from redemption / sale of short term investment		10	17,954
Loan given to a related party		-	(47,400)
Repayment of loan by the related party		77,000	48,005
Dividend received		-	54
Interest received		11,264	14,041
Proceeds from disposal of property, plant and equipment		7,138	2,317
<b>Net cash used in investing activities</b>		<b>(769,514)</b>	<b>(302,997)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of lease liability (principal portion)		(22,734)	(19,518)
Dividend paid		(17)	-
Loan received - TERF		609,026	-
Loan received - Term Finance		153,154	-
Loan received - Refinance Scheme for Payment of Salaries		-	121,900
Loan received - Refinance Scheme for Renewable Energy		-	300,127
Loan received - Vehicle financing		-	8,646
Loan repaid - Refinance Scheme for Payment of Salaries		(91,423)	-
Loan repaid - Vehicle financing		(22,613)	-
Finance costs paid		(81,827)	(32,729)
Short term borrowings - net		(166,231)	(94,480)
<b>Net cash generated from financing activities</b>		<b>377,335</b>	<b>283,946</b>
Net increase in cash and cash equivalents		92,744	5,267
Cash and cash equivalents as at the beginning of the period		(409,653)	(163,343)
<b>Cash and cash equivalents as at the end of the period</b>	12	<b>(316,909)</b>	<b>(158,076)</b>

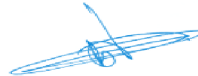
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**MOHAMMED YASIN FECTO**  
CHIEF EXECUTIVE



**ROHAIL AJMAL**  
DIRECTOR



**ABDUL SAMAD**  
CHIEF FINANCIAL OFFICER



**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE PERIOD ENDED 31 MARCH 2021**

**1. INTRODUCTION**

**1.1 Legal status of the Company**

Fecto Cement Limited ('the Company') was incorporated in Pakistan on February 28, 1981 as a public limited company under the repealed Companies Act, 1913 (repealed with the enactment of the Companies Ordinance, 1984 on October 8, 1984 and subsequently by the Companies Act, 2017 on May 30, 2017). The shares of the Company are quoted on Pakistan Stock Exchange Limited.

**1.2 Location of the registered office and the manufacturing facility**

Registered office:

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

Manufacturing facility:

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

**1.3 Principal business activity**

The principal activity of the Company is production and sale of ordinary portland cement.

**2. BASIS OF PREPARATION**

**2.1 Statement of compliance**

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

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

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

These condensed interim financial statements do not include all the information and disclosures as required in the annual financial statements and should be read in conjunction with the Company's annual financial statements for the year ended June 30, 2021.



## 2.2 Basis of measurement

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

- (a) Long term investment in unquoted ordinary shares of M/s. Frontier Paper Products (Private) Limited which is carried at fair value through other comprehensive income; and
- (b) Short term investment in privately placed Term Finance Certificates (TFCs) which is carried at fair value through profit or loss.

## 2.3 Functional and presentation currency

Items included in these condensed interim financial statements are measured using the currency of the primary economic environment in which the Company operates. These condensed interim financial statements are presented in Pak Rupees which is the Company's functional and presentation currency.

## 2.4 Use of estimates and judgments

In preparing these condensed interim financial statements, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those applied in the annual financial statements of the Company as at and for the year ended June 30, 2021.

## 2.5 Significant accounting policies

The significant accounting policies applied in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Company for the year ended June 30, 2021.

	<b>(Un-audited)</b> <b>31 March</b> <b>2022</b>	<b>(Audited)</b> <b>30 June</b> <b>2021</b>
	<b>———— Rupees in thousand ————</b>	
<b>3. LONG TERM FINANCING - secured (from a banking company)</b>		
<b>Financing under SBP schemes</b>		
- Financing Scheme for Renewable Energy	433,224	420,250
- SBP Refinance Scheme for Payment of Wages and Salaries	119,140	201,474
- Temporary Economic Refinance Facility (TERF)	458,990	-
	<u>1,011,354</u>	<u>621,724</u>
<b>Other financing arrangements</b>		
- Term Finance I	24,685	13,760
- Term Finance II	142,229	-
	166,914	13,760
- Vehicle financing	-	22,613
	<u>1,178,268</u>	<u>658,097</u>
Current portion shown under current liability	<u>(186,803)</u>	<u>(137,568)</u>
	<u>991,465</u>	<u>520,529</u>



	(Un-audited) 31 March 2022	(Audited) 30 June 2021
	Rupees in thousand	
<b>4. SHORT TERM BORROWINGS</b>		
Running finance	424,170	494,912
Export re-finance	128,769	195,000
Finance against Imported Merchandise / Trust Receipts	-	100,000
	<u>552,939</u>	<u>789,912</u>

#### 5. CONTINGENCIES AND COMMITMENTS

##### 5.1 Contingencies

**5.1.1** As disclosed in note 12.1.4 to the annual financial statements of the Company for the year ended June 30, 2021, the Company's appeal before the Commissioner Inland Revenue (Appeals) [CIR(A)] was upheld against impugned order passed by the DCIR based on show cause notice dated January 16, 2015 relating to tax years 2013 and 2014 alleging short payments by the Company on account of sales tax of Rs.293.786 million and FED of Rs. 87.965 million owing to alleged under statement of sale of cement in these years. The department filed appeal there against before the Appellate Tribunal, Inland Revenue that has also been rejected vide its order dated January 06, 2022 and the order passed by CIR(A) has been upheld. The Company has, therefore, not made any provision against the said impugned demand vacated by the above orders.

Except as stated above, as of the reporting date, the status of the contingencies were the same as reported in note 12.1 to the annual financial statements of the Company for the year ended June 30, 2021.

	(Un-audited) 31 March 2022	(Audited) 30 June 2021
	Rupees in thousand	
<b>5.2 Commitments</b>		
As of the reporting date, the outstanding financial commitments of the Company were as follows:		
- in respect of import of raw materials / stores & spares	39,656	365,439
- in respect of capital expenditure	-	592,416
	<u>39,656</u>	<u>957,855</u>



	(Un-audited) 31 March 2022	(Audited) 30 June 2021
	Rupees in thousand	
<b>6. PROPERTY, PLANT AND EQUIPMENT</b>		
Operating fixed assets	2,002,173	2,025,973
Capital work in progress	847,038	32,502
Capital spares	183,358	211,608
	<u>3,032,569</u>	<u>2,270,083</u>
<b>6.1 Capital work in progress</b>		
Opening balance	32,502	-
Expenditure incurred during the period / year		
Buildings	4,921	-
Plant and machinery including transfers	813,272	539,742
	818,193	539,742
Transfers to operating fixed assets during the period / year		
Buildings	(3,657)	-
Plant and machinery	-	(507,240)
	<u>847,038</u>	<u>32,502</u>
<b>7. LONG TERM INVESTMENTS</b>		
<b>At cost</b>		
Investment in M/s. Fecto Cement Nooriabad (Private) Limited - a subsidiary	1,000	1,000
<b>At fair value through other comprehensive income</b>		
Investment in M/s. Frontier Paper Products (Private) Limited - a related party		
Cost of acquisition	150,000	150,000
Unrealized gain on remeasurement to fair value	167,009	167,009
	<u>317,009</u>	<u>317,009</u>
	<u>318,009</u>	<u>318,009</u>
<b>8. LOAN TO RELATED PARTY</b>		
<b>Loan to Ms/. Frontier Paper Products (Private) Limited</b>		
Opening balance	79,395	90,000
Loan disbursed during the period / year	-	47,400
Loan recovered during the period / year	(77,000)	(58,005)
	<u>2,395</u>	<u>79,395</u>



	(Un-audited) March 31, 2022	(Un-audited) March 31, 2021
	Rupees in thousand	
<b>9. SALES REVENUE - net</b>		
Revenue from local sales	4,626,660	3,406,108
Revenue from export sales	<u>110,998</u>	<u>284,979</u>
	<u><b>4,737,658</b></u>	<u><b>3,691,087</b></u>
<b>10. TAXATION</b>		
Current	58,936	53,948
Deferred	<u>15,841</u>	<u>(58,140)</u>
	<u><b>74,777</b></u>	<u><b>(4,192)</b></u>
<b>11. CASH GENERATED FROM OPERATIONS</b>		
Profit / (loss) before taxation	257,213	(48,959)
<b>Adjustments for non-cash and other items:</b>		
- Depreciation on property, plant and equipment	119,600	78,779
- Depreciation on right-of-use assets	25,450	17,091
- Provision for Workers' Profit Participation Fund	13,538	-
- Interest income	(11,264)	(14,041)
- Dividend income	-	(54)
- Gain on disposal of operating fixed assets	(5,191)	(1,659)
- Amortization of deferred government grant	(30,691)	(12,853)
- Unrealized gain on short term investments	-	(451)
- Realized capital gain on short term investments	-	(11)
- Finance costs	117,797	44,754
	<u>229,239</u>	<u>111,555</u>
Operating profit before working capital changes	<u><b>486,452</b></u>	<u><b>62,596</b></u>
<b>Working capital changes</b>		
Decrease / (increase) in current assets		
- Stores and spares	(178,701)	(8,731)
- Stock-in-trade	277,703	(209,718)
- Trade debts	(22,278)	(2,485)
- Loans, advances, deposits, prepayments and other receivables	37,647	(12,309)
(Decrease) / increase in current liabilities		
- Trade and other payables	(94,566)	198,165
	<u>19,805</u>	<u>(35,078)</u>
<b>Cash generated from operations</b>	<u><b>506,257</b></u>	<u><b>27,518</b></u>



	Note	(Un-audited) March 31, 2022	(Un-audited) March 31, 2021
Rupees in thousand			
<b>12. CASH AND CASH EQUIVALENTS</b>			
Cash and bank balances		107,261	110,027
Short term borrowings - running finance	4	(424,170)	(268,103)
		<u>(316,909)</u>	<u>(158,076)</u>

**13. TRANSACTIONS AND BALANCES WITH RELATED PARTIES**

The related parties of the Company comprise of M/s Frontier Paper Products (Private) Limited (an associated company), M/s. Fecto Cement Nooriabad (Private) Limited (a subsidiary), key management personnel (including directors) and their close family members, and the staff provident fund. Transactions entered into, and balances held with, the related parties were as follows:

			(Un-audited) March 31, 2022	(Un-audited) March 31, 2021
Rupees in thousand				
<b>Transactions during the period</b>				
<b>Name of the related party</b>	<b>Basis of relationship with the party</b>	<b>Nature of the transaction</b>		
Frontier Paper Products (Private) Limited	Associated company	Purchases made	338,783	377,301
		Payments made	308,778	322,638
		Interest income on loan receivable	3,126	5,618
		Loan disbursed	-	47,400
		Loan recovered	77,000	48,005
	Key management personnel	Remuneration of the Chief Executive	27,000	27,000
		Directors' meeting fee	115	125
		Remuneration of executives	142,947	117,089
Fecto Cement Limited - Staff Provident Fund	Post-employment benefit plan	Contribution for the period	17,791	13,944



			(Un-audited) March 31, 2022	(Audited) June 30, 2021
			— Rupees in thousand —	
<b>Balances outstanding as of the reporting date</b>				
Name of the related party	Basis of relationship with the party	Nature of the balance outstanding		
Frontier Paper Products (Private) Limited	Associated company	Trade payable	<b>76,600</b>	46,595
		Loan receivable	<b>2,395</b>	79,395
		Interest receivable on loan	<b>730</b>	1,888
Fecto Cement Limited - Staff Provident Fund	Post-employment benefit plan	Contribution payable	<b>4,618</b>	3,881

#### 14. FAIR VALUE OF ASSETS AND LIABILITIES

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The carrying amounts of all financial assets and liabilities reflected in these condensed interim financial statements approximate their fair value.

The Company measures fair value of its assets and liabilities using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: Fair value measurements using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

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

The table below analyses the assets measured at fair value at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorized:

	March 31, 2022 (un-audited)		
	Level 1	Level 2	Level 3
	----- Rupees in '000' -----		
Investment in privately placed TFCs	-	<b>99,920</b>	-
Investment in unquoted ordinary shares of M/s. Frontier Paper Products (Private) Limited	-	-	<b>317,009</b>



	June 30, 2021 (audited)		
	Level 1	Level 2	Level 3
	----- Rupees in '000' -----		
Investment in privately placed TFCs	-	99,930	-
Investment in unquoted ordinary shares of M/s. Frontier Paper Products (Private) Limited	-	-	317,009

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.

## 15. GENERAL

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

These condensed interim financial statements were authorised for issue by the Board of Directors of the Company in their meeting held on 27 April 2022.

### 15.2 Level of rounding

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



**MOHAMMED YASIN FECTO**  
CHIEF EXECUTIVE



**ROHAIL AJMAL**  
DIRECTOR



**ABDUL SAMAD**  
CHIEF FINANCIAL OFFICER



نومای میں کمپنی کو قبل از محصول 257 ملین روپے کا منافع ہوا جبکہ گزشتہ سال اسی عرصے میں 49 ملین روپے کا نقصان ہوا تھا۔ سہ ماہی کے دوران کمپنی نے قبل از محصول 46 ملین کا منافع کمایا جبکہ گزشتہ سال اس سہ ماہی کے دوران 20 ملین روپے کا منافع حاصل ہوا تھا۔

نومای میں کمپنی کو بعد از محصول 182 ملین روپے کا منافع ہوا جب کہ سہ ماہی میں 33 ملین روپے کا منافع حاصل ہوا۔ جبکہ گزشتہ سال اسی عرصے کے دوران کمپنی کو بعد از محصول بالترتیب نومای اور سہ ماہی میں 45 ملین روپے کا نقصان اور 15 ملین روپے کا منافع ہوا تھا۔

نومای میں آمدن فی حصص 3.64 روپے رہی۔ جبکہ گزشتہ سال اسی عرصے کے دوران نقصان فی حصص 0.89 روپے تھا۔ جب کہ سہ ماہی میں کمپنی کی آمدن فی حصص 0.65 روپے رہی جو کہ گزشتہ سال اسی عرصے کے دوران آمدن فی حصص 0.3 روپے تھی۔

### مستقبل پر نظر

زیر نظر دورانیے میں سینٹ کی طلب مستحکم رہی، البتہ اس سہ ماہی میں یہ طلب کم ہوگئی جس کی وجہ سے اس عدم استحکام، بین الاقوامی منڈی میں ایشیا کی قیمتوں کے بڑھنے کی وجہ سے افراط زر کا زیادہ ہونا، ڈالر کے مقابلے میں روپے کی قدر میں کمی اور شرح سود میں اضافہ ہے۔ ہم توقع رکھتے ہیں کہ بقیہ تین مہینوں میں بھی سینٹ کی طلب اسی سطح پر برقرار رہے گی، البتہ نئی حکومت کے اقتدار سنبھالنے اور آئی ایم ایف منصوبے کی بحالی کی وجہ سے طلب میں اضافہ ہو سکتا ہے۔ افغانستان جانے والی برآمداتی قیمتوں میں اضافہ ہوا ہے لیکن سرحد پر مسائل کی وجہ سے بھیجے گئے مال کو مسائل پیش آنے کے امکانات رہیں گے۔ خام مال میں لگنے والی لاگت خصوصاً کونکے اور بجلی کی قیمتیں زیادہ رہنے کا امکان ہے جس کی وجہ سے روس اور یوکرین کا تنازعہ اور گورنمنٹ کی جانب سے بجلی کے بلوں میں اضافی سرچارجز کا نفاذ ہے۔ پانچ میگا واٹ والے تیشی توانائی کے پلانٹ کے مکمل ہونے کی وجہ سے کمپنی کی بجلی کی لاگت میں کمی ہوئی ہے، جبکہ بی ایم آر سرگرمیوں کے مکمل ہونے کے بعد کمپنی کے ایندھن کی قیمتوں کی لاگت میں کمی ہوگی اور پیداوار کی کارکردگی میں اضافہ ہوگا۔

### اظہار تشکر

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

مشکور ہیں۔

### منجانب بورڈ



روحیل اجیل

ڈائریکٹر



محمد یاسین فیکو

چیف ایگزیکٹو

بہت کم کراچی: 27 اپریل 2022



رہی۔ جبکہ گزشتہ سال اس سہ ماہی میں یہ پیداوار بالترتیب 175,213 ٹن اور 192,551 ٹن رہی۔ اس اعتبار سے اس دورانیے میں کلنکر اور سینٹ کی پیداوار میں بالترتیب 30.74 فیصد اور 10.92 فیصد کمی ریکارڈ کی گئی۔ کلنکر کی کم پیداوار کی وجہ کلن کابی ایم آر کی سرگرمیوں کی وجہ سے بندر بنانا تھا۔ کمپنی کی جانب سے نو ماہ میں سینٹ کی فروختگی کے حجم میں 4.43 فیصد کمی ہوئی۔ جس میں مقامی فروختگی کے مجموعی حجم میں زیر نظر دورانیے کے دوران نو ماہی میں 1.24 فیصد کا اضافہ جبکہ برآمدات میں 61.68 فیصد کمی ریکارڈ کی گئی۔ جبکہ اس سہ ماہی میں مجموعی فروختگی میں 11.45 فیصد کمی ہوئی جس میں مقامی فروختگی میں 2.37 فیصد کمی، اور برآمدات میں 84.10 فیصد کمی ہوئی۔

## مالیاتی نتائج

زیر نظر دورانیے کے دوران کمپنی کی خالص مجموعی فروختگی بڑھ کر 4,738 ملین روپے رہی۔ جبکہ گزشتہ سال اسی عرصے کے دوران مجموعی فروختگی سے حاصل ہونے والی آمدن 3,691 ملین روپے تھی۔ اس لحاظ سے آمدن میں 28.37 فیصد کا اضافہ ہوا جب کہ حجم میں 4.43 فیصد کمی ریکارڈ کی گئی۔

زیر نظر دورانیے میں نو ماہی کے دوران مقامی سطح پر خالص مجموعی فروختگی سے حاصل ہونے والی آمدن 4,626 ملین روپے رہی جبکہ گزشتہ سال اسی عرصے کے دوران ہونے والی آمدن 3,406 ملین روپے تھی۔ اس طرح سے فروختگی سے ہونے والی آمدن میں 35.82 فیصد کا اضافہ جب کہ اس کے مقابلے میں حجم میں 24.12 فیصد کا اضافہ ریکارڈ کیا گیا۔ مقامی سطح پر آمدن میں اضافے کی بنیادی وجہ قیمتوں میں اضافہ ہے جس کی وجہ کوئلے، بجلی اور دوسرے لگنے والے مواد کے بڑھتے ہوئے خرچے کو آگے منتقل کرنا تھا۔ برآمدات سے حاصل ہونے والی آمدن نو ماہ میں کم ہو کر 110 ملین روپے رہی۔ جب کہ گزشتہ سال اسی عرصے کے دوران یہ آمدن 285 ملین روپے تھی۔ اس طرح سے آمدن میں 61.40 فیصد کمی ہوئی جب کہ اسی عرصے کے دوران حجم میں 61.68 فیصد کمی ریکارڈ کی گئی۔ زیر نظر دورانیے میں نو ماہی کے دوران برآمدات کی قیمتوں پر مسلسل دباؤ سرحدوں پر غیر یقینی صورت حال کی وجہ سے رہا۔ اس سہ ماہی کے دوران کمپنی کی خالص آمدن بڑھ کر 1,661 ملین روپے رہی جو کہ گزشتہ سال اسی عرصے کے دوران 1,359 ملین روپے تھی۔ اس حساب سے آمدن میں بالترتیب 22.22 فیصد کا اضافہ جب کہ حجم میں 11.45 کمی ریکارڈ کی گئی۔

لاگت برائے فروختگی میں نو ماہ میں 19.25 فیصد کا اضافہ ہوا جس کی وجہ سے لاگت برائے نو ماہ بڑھ کر 4,156 ملین روپے رہی جو کہ گزشتہ سال اسی عرصے کے دوران 3,485 ملین روپے تھی۔ حالانکہ اسی عرصے کے دوران فروختگی کے حجم میں 4.43 فیصد کمی ریکارڈ کی گئی۔ لاگت میں اضافے کی بنیادی وجہ تیل اور بجلی کی قیمتوں میں اضافہ ہے۔ اس عرصے کے دوران بجلی کی قیمتوں میں مستقل اضافہ ہوتا رہا جس کی بنیادی وجہ حکومت کی جانب سے متعدد سرچارجز کا نفاذ ہے۔ بین الاقوامی منڈی میں کوئلے کی قیمتیں اس مقام پر پہنچ چکی ہیں جو پہلے کبھی نہیں دیکھی گئیں۔ بین الاقوامی منڈی میں ایشیا کی قیمتوں کا غیر یقینی طور پر بڑھنے کے ساتھ ساتھ ڈالر کے مقابلے میں روپے کی قدر میں کمی کی وجہ سے ملک میں مہنگائی میں اضافہ ہوا جس کے نتیجے میں سینٹ کی مجموعی پیداواری لاگت میں اضافہ ہوا۔

مقامی سطح پر قیمتوں میں اضافے اور انتظامیہ کی جانب سے لاگت کو کنٹرول کرنے کے موثر اقدامات کی وجہ سے اس نو ماہی کے دوران کمپنی کا خام منافع 582 ملین اور سہ ماہی کے دوران کا خام منافع 169 روپے رہا۔ جبکہ گزشتہ سال نو ماہ اور سہ ماہی میں خام منافع بالترتیب 206 ملین اور 111 ملین تھا۔ زیر نظر دورانیے میں مالیاتی لاگت میں اضافہ ہوا جس کی وجہ سبسڈی تو انائی منصوبے کے لیے قرضہ لینا، ورکنگ کپٹل سہولتوں کا زیادہ استعمال کرنا، اور سود کی شرح میں اضافہ ہے۔



آپ کی کمپنی کے ڈائریکٹرز کمپنی کی کارکردگی کا جائزہ بمعہ غیر آڈٹ شدہ مالیاتی دستاویزات بابت سہ ماہی اور نو ماہی 31 مارچ 2022 آپ کی خدمت میں پیش کر رہے ہیں۔

### جائزہ

موجودہ مالیاتی سال 30 جون 2022ء کے پہلے نو ماہ میں سینٹ کی صنعت میں مجموعی فروختگی کا حجم 40.82 ملین ٹن رہا اس کے اعتبار سے مجموعی طور پر ماہ کی روانگی میں 5.81 فیصد کمی ریکارڈ کی گئی جبکہ گزشتہ سال اسی عرصے کے دوران مجموعی فروختگی کا حجم 43.33 ملین ٹن تھا۔ اس سہ ماہی کے دوران 9.05 فیصد کمی کے ساتھ مجموعی فروختگی کا حجم 13.36 ملین ٹن ریکارڈ کیا گیا۔ جبکہ گزشتہ سال اسی عرصے کے دوران مجموعی فروختگی کا حجم 14.69 ملین ٹن تھا۔

مقامی سطح پر صنعت میں نو ماہ اور سہ ماہی کے دوران فروختگی کا حجم بالترتیب 36.17 ملین ٹن، اور 12.11 ملین ٹن رہا۔ جبکہ گزشتہ سال اسی عرصے کے دوران مقامی فروختگی کا حجم بالترتیب 36.18 ملین ٹن، اور 12.57 ملین ٹن تھا۔ اس اعتبار سے مقامی سطح پر صنعت کی فروختگی کے حجم میں بالترتیب 0.03 فیصد اور 3.18 فیصد کمی ریکارڈ کی گئی۔ اس کے برعکس برآمدات کی مد میں صنعت کی سطح پر فروختگی کا مجموعی حجم نو ماہ اور سہ ماہی کے دوران 4.6 اور 1.26 ملین ٹن رہا۔ جبکہ گزشتہ سال اسی عرصے کے دوران برآمدات کی مد میں فروختگی کا یہ حجم بالترتیب 7.15 اور 2.13 ملین ٹن تھا۔ جس کے اعتبار سے نو ماہ اور سہ ماہی کے دوران برآمدات کی فروختگی کے حجم میں بالترتیب 35.04 فیصد اور 40.85 فیصد کمی ریکارڈ کی گئی۔

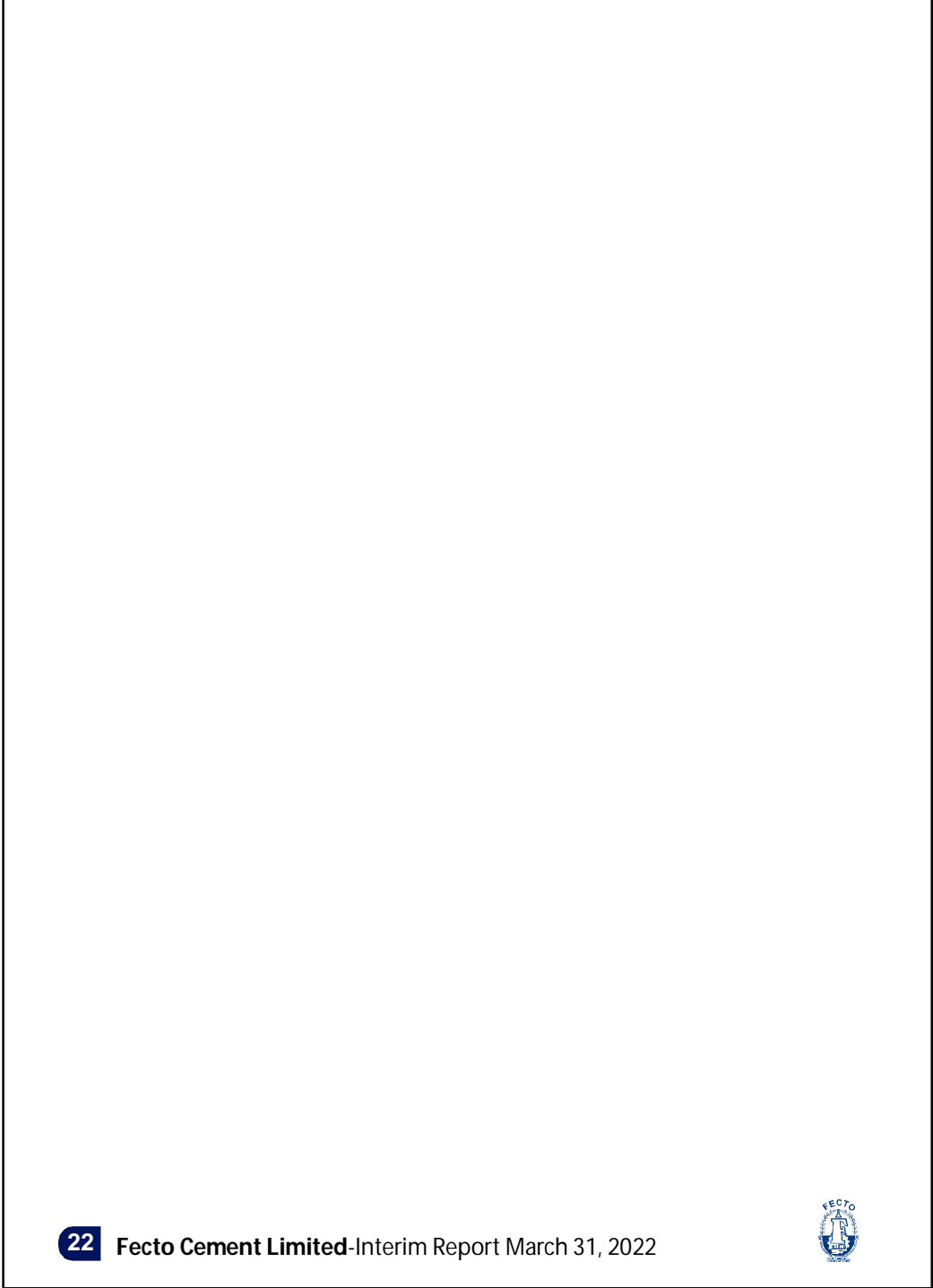
دوران نو ماہی شمال میں واقع فیکٹریوں کی مجموعی فروختگی کا حجم 30.61 ملین ٹن رہا جس میں مقامی سطح پر فروختگی 29.94 ملین ٹن اور برآمدات 0.68 ملین ٹن ریکارڈ کی گئی۔ مجموعی طور پر شمال میں واقع فیکٹریوں کی فروختگی کے حجم میں 5.92 فیصد کمی دیکھی گئی جس میں سے مقامی سطح پر فروختگی کے حجم میں 2.27 فیصد کمی اور برآمدات میں 64.47 فیصد کمی دیکھی گئی۔

### کمپنی کی کارکردگی

#### کارکردگی بڑی کاروباری افعال

دوران نو ماہ کمپنی کی جانب سے کلنٹر اور سینٹ کی پیداوار بالترتیب 456,592 ٹن اور 536,756 ٹن رہی۔ جبکہ گزشتہ سال اسی عرصے کے دوران کلنٹر اور سینٹ کی پیداوار بالترتیب 543,973 ٹن، اور 562,169 ٹن رہی۔ اس اعتبار سے کلنٹر اور سینٹ کی پیداوار میں بالترتیب 16.06 فیصد اور 4.52 فیصد کمی ریکارڈ کی گئی۔ اس سہ ماہی میں کمپنی کی جانب سے کلنٹر اور سینٹ کی پیداوار بالترتیب 121,350 ٹن اور 171,530 ٹن







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## **FECTO CEMENT LIMITED**

Plot # 60-C, Khayaban-e-Shahbaz,  
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