



# FECTO CEMENT LTD.

**Registered Office :** Plot # 60 - C, Khayaban-e-Shahbaz, Phase VI, Defence Housing Authority, Karachi - 75500 Pakistan. **PBX :** (+9221) 35248921 - 22 - 23 & 24  
**E-mail :** cement@fectogroup.com **Website :** www.fectogroup.com

FCL/SHD/047-2023/

The General Manager  
Pakistan Stock Exchange Limited  
Stock Exchange Building  
Stock Exchange Road  
Karachi

February 20, 2025

## FINANCIAL RESULTS FOR THE PERIOD ENDED DECEMBER 31, 2024

We have to inform you that Board of Director of our Company in their meeting held at 12:00 noon on Thursday, February 20, 2025, has approved the following financial results for the period ended December 31, 2024.

i. CASH DIVIDEND	NIL
ii. BONUS SHARES	NIL
iii. RIGHT SHARE	NIL
iv. ANY OTHER ENTITLEMENT / CORPORATE ACTION	NIL
v. ANY OTHER PRICE SENSITIVE INFORMATION	NIL

The financial results of the Company for the Period ended December 31, 2024 are attached:

You may please inform the TRE Certificate Holder of the Exchange accordingly.

Yours faithfully  
For FECTO CEMENT LIMITED

  
(TARIQ IQBAL)  
Company Secretary

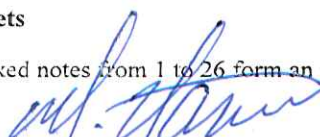
# Fecto Cement Limited

## Condensed Interim Statement of Financial Position

As at December 31, 2024

		(Un-Audited) December 31, 2024	(Audited) June 30, 2024
	Note	Rupees in '000'	
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
<i>Authorized capital</i>			
75,000,000 (June 30, 2024: 75,000,000) ordinary shares of Rs. 10/- each		750,000	750,000
<i>Issued, subscribed and paid up capital</i>			
50,160,000 (June 30, 2024: 50,160,000) ordinary shares of Rs.10/- each		501,600	501,600
<i>Revenue reserves</i>			
General reserve		550,000	550,000
Accumulated profit		3,226,429	2,755,559
		3,776,429	3,305,559
<i>Capital Reserve</i>			
Surplus on revaluation of investment in unquoted shares		67,202	54,527
		4,345,231	3,861,686
<b>Non-current liabilities</b>			
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
<b>Current Liabilities</b>			
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
<b>Contingencies and commitments</b>			
<b>Total equity and liabilities</b>	11	<b>8,716,954</b>	<b>7,814,350</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
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
<b>Current assets</b>			
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
<b>Total assets</b>		<b>8,716,954</b>	<b>7,814,350</b>

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

  
Chief Executive

  
Director

  
Chief Financial Officer


## Fecto Cement Limited

### Condensed Interim Statement of Profit and 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)
<b>Gross profit</b>		<b>1,196,537</b>	<b>739,354</b>	<b>533,841</b>	<b>399,497</b>
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)
<b>Operating Profit</b>		<b>935,568</b>	<b>554,575</b>	<b>400,782</b>	<b>287,258</b>
Finance costs	18	(108,166)	(129,860)	(54,997)	(55,205)
<b>Profit before levies and taxation</b>		<b>827,402</b>	<b>424,715</b>	<b>345,785</b>	<b>232,053</b>
Levies	21	(48,955)	(93,098)	(20,955)	(38,790)
<b>Profit before taxation</b>		<b>778,447</b>	<b>331,617</b>	<b>324,830</b>	<b>193,263</b>
Taxation	22	(307,577)	(153,114)	(103,981)	(104,013)
<b>Profit after taxation</b>		<b>470,870</b>	<b>178,503</b>	<b>220,849</b>	<b>89,250</b>
----- (Rupees) -----					
<b>Earning per share - basic and diluted</b>		<b>9.39</b>	<b>3.56</b>	<b>4.40</b>	<b>1.78</b>

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

  
Chief Executive

  
Director

  
Chief Financial Officer

# Fecto Cement Limited

## Condensed Interim Statement of Comprehensive Income (Un-audited)

For the half year period and quarter ended December 31, 2024

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

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

  
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Chief Executive  
\_\_\_\_\_  
Director  
\_\_\_\_\_  
Chief Financial Officer

## Fecto Cement Limited

### Condensed Interim Statement of Changes in Equity (Un-audited)

For the half year period ended December 31, 2024

	Issued, subscribed and paid up capital	Revenue reserves		Capital reserve	Total
		General reserve	Unappropriated profits	Surplus on revaluation of investment in unquoted shares	
Rupees in '000'					
<b>Balance as at June 30, 2023 (Audited)</b>	501,600	550,000	2,438,236	106,919	3,596,755
<i>Total comprehensive income for the half year ended December 31, 2023</i>					
Profit after taxation	-	-	178,503	-	178,503
Other Comprehensive income	-	-	-	-	-
	-	-	178,503	-	178,503
<b>Balance as at December 31, 2023 (Un-Audited)</b>	<u>501,600</u>	<u>550,000</u>	<u>2,616,739</u>	<u>106,919</u>	<u>3,775,258</u>
<b>Balance as at June 30, 2024 (Audited)</b>	501,600	550,000	2,755,559	54,527	3,861,686
<i>Total comprehensive income for the half year ended December 31, 2024</i>					
- Profit after taxation	-	-	470,870	-	470,870
- Other comprehensive income	-	-	-	12,675	12,675
	-	-	470,870	12,675	483,545
<b>Balance as at December 31, 2024 (Un-Audited)</b>	<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.

  
\_\_\_\_\_  
Chief Executive

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Chief Financial Officer

# Fecto Cement Limited

## Condensed Interim Statement of Cashflows (Un-Audited)

For the half year period ended December 31, 2024

	(Un-Audited) December 31, 2024	(Un-audited) December 31, 2023
	----- (Rupees in '000) -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
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
<b>Working capital changes</b>		
<i>Decrease / (Increase) in current assets</i>		
- 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
	<u>(23,686)</u>	<u>187,721</u>
<i>(Decrease) / Increase in current liabilities</i>		
Trade and other payables	(489,657)	(20,619)
	<u>477,798</u>	<u>651,165</u>
Income tax paid	(123,080)	(98,440)
Long term loan and advances	809	588
Long term deposits	-	40
<b>Cash generated from operating activities</b>	<u>355,527</u>	<u>553,353</u>
<b>CAH FLOWS FROM INVESTING ACTIVITIES</b>		
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
<b>Net cash used in investing activities</b>	<u>(143,343)</u>	<u>(48,977)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
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)
<b>Net cash used in financing activities</b>	<u>(28,208)</u>	<u>(382,710)</u>
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)
<b>Cash and cash equivalents as at end of the period</b>	<u>(220,290)</u>	<u>(402,001)</u>

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

  
Chief Executive

  
Director

  
Chief Financial Officer

**FECTO CEMENT LIMITED**  
**DIRECTORS' REVIEW REPORT**

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, its resulting impact is yet to be witnessed.

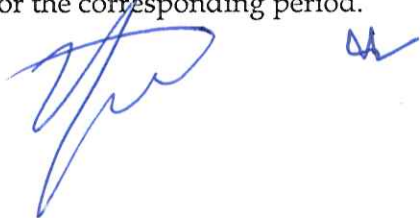
Overall industry volumes during the quarter were 12.66 million tons representing a 5.50% increase as compared to same period last year. However, the volumes for the half year ended December 31, 2024 stood at 22.93 million tons as compared to 23.88 million tons for the corresponding period last year representing 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 2<sup>nd</sup> quarter ended i.e. a growth of 31.69% and 40.29% respectively. Domestic volumes during the half year ended and 2<sup>nd</sup> quarter ended were 18.12 million tons and 9.99 million tons respectively i.e. a decline of 10.41% and 1.06% as compare 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 over decline by around 10.75%. However, the overall sales value during the half yearly 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 yearly 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 yearly 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 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 costs increased from 55.123 million to 66.660 million i.e. by 20.93% over the corresponding period of 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 loans 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.

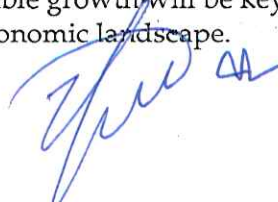
## FUTURE OUTLOOK

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 reductions in the State Bank of Pakistan's (SBP) monetary policy rate and the Karachi Interbank Offered Rate (KIBOR) are 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.



On behalf of the Board of Directors