

**HALF YEARLY REPORT
DECEMBER 31, 2018**



FECTO CEMENT LIMITED

CONTENTS

Company Information	2
Directors' Review	3
Auditors' Report to Members on Review of 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	21



COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Aamir Ghani Chairman
 Mr. Mohammed Yasin Fecto Chief Executive
 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 & COMPANY SECRETARY

Mr. Abdul Samad, FCA

LEGAL ADVISOR

Mian Nisar Ahmed & Co. (MNACO)
 11-E/II, Main Gulberg
 Lahore

REGISTERED OFFICE

35-Darul Aman Housing Society
 Block 7/8, Shahrah-e-Faisal
 Karachi
 Website: www.fectogroup.com

MARKETING OFFICE

339, Main Peshawar Road
 Chairing Cross Service Road
 Westridge-1,
 Rawalpindi

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 REGISTERAR

F. D. Registrar Services (SMC-Pvt) Ltd.
 1705, 17th Floor, Saima Trade Tower-A
 I. I. Chundrigar Road
 Karachi-74000

FACTORY

Sangjani, Islamabad

BANKERS

Askari Bank Limited
 Dubai Islamic Bank Pakistan 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 Condensed Interim Financial Statements and Auditors Review Report thereon for the half year ended December 31, 2018.

OVERVIEW OF THE INDUSTRY

During the half year under review, overall cement dispatches witnessed growth of 3.94% as compared to same period last year. Industry achieved total sales volume of 23.12 Million tons as against 22.24 Million tons of same period last year. Local sales volume declined by 1.41% with sales volume of 19.56 Million tons as against 19.84 Million tons of same period last year. Exports increased by 48.04% with sales volume of 3.56 Million tons as against 2.41 Million tons of same period last year.

Out of increase of 3.94% in total sales volume, plants located in north registered a decline of 7.12% whereas plants located in south registered growth of 54.56%. Local sales volume and exports from plants located in north declined by 5.95% and 17.12% respectively, whereas Local dispatches and exports from plants in south increased by 20.75% and 242.83% respectively.

OPERATING PERFORMANCE

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

	Tons Quarter ended		Half year ended	
	Dec 31, 2018	Dec 31, 2017	Dec 31, 2018	Dec 31, 2017
Production:				
Clinker	126,584	207,300	266,242	327,840
Cement	<u>182,225</u>	<u>205,819</u>	<u>349,240</u>	<u>398,169</u>
Dispatches:				
Local	170,696	188,619	320,851	352,561
Export	<u>13,468</u>	<u>18,016</u>	<u>29,514</u>	<u>44,341</u>
Total	<u>184,164</u>	<u>206,635</u>	<u>350,364</u>	<u>396,892</u>

During half year under review Production of clinker decreased by 18.79% whereas in quarter under review it reduced by 38.94%. Cement production, for the half year and quarter under review decreased by 12.29% and 11.46% respectively.

Total sales volume of the Company for the half year reduced by 11.72% as against reduction in volume of 7.12% for plants located in North. Local sales volume of the Company for half year and quarter reduced by 9.0% and 9.50% respectively, exports, on the other hand for the same periods reduced by 33.44% and 25.24% respectively.



FINANCIAL PERFORMANCE

During the period under review, overall net sales revenue of the Company for the half year increased to Rs. 2,484 Million as against the revenue of Rs. 2,470 Million of same period last year thus depicting an increase of Rs. 14 Million which is 0.57%. Local sales revenue of the Company increased by 2.17% and reached to Rs. 2,305 Million as against Rs. 2,256 Million of same period last year. Retention price in local market improved in 2nd quarter of the half year under review resulting increase in local net sale for the 2nd quarter by 9.76% and reached to Rs. 1,275 Million as against Rs. 1,162 Million of same period last year, though volume during this period reduced by 9.50%.

Export revenue for the half year reduced to Rs. 179 Million as against Rs. 214 Million of same period last year which is 16.35% less, as against reduction in volume by 33.44% during this period. Export retention prices also improved during 2nd quarter mainly due to depreciation of PKR against USD, however, volume of exports to Afghanistan remained subdued during the half year under review.

Cost of sales of the Company during period under review increased by 8.67 % and reached to Rs. 2,117 Million as against Rs. 1,948 Million of same period last year despite reduction in sales volume by 11.72%. Cost of sales for the 2nd quarter increased by 14.26% despite reduction in sales volume by 10.87%. Increase in cost of sales was mainly due to increase in coal prices in international market coupled with depreciation of PKR against USD.

Company during half year and 2nd quarter under review earned gross profit of Rs. 367 Million and Rs. 214 Million as against Rs. 523 Million and Rs. 244 Million of same periods last year. Other expenses remained same as compared to same periods last year; hence the Company achieved net profit before tax of Rs. 132 Million and Rs. 89 Million during half year and 2nd quarter as against Rs. 294 Million and Rs. 122 Million of same periods last year. Tax provision for the half year under review reduced to Rs. 27 Million as against Rs. 66 Million of last year. The Company accordingly earned profit after taxation of Rs. 105 Million as against Rs. 228 Million of same period last year.

Company achieved EPS of Rs. 2.10 per share and Rs. 1.36 per share for the half year and 2nd quarter respectively as against EPS of Rs. 4.54 and Rs. 1.99 per share for the same periods last year.

FUTURE PROSPECTS

Local cement demand is expected to improve during 2nd half of current financial year as Government intends to build small and mega dams and construction of affordable houses for public at large. Exports to Afghanistan are also expected to improve as depreciation of PKR against USD has improved retention price. Reduction of coal price in international market subsequent to the period under review will subside cost pressure and improves profitability of the industry.

ACKNOWLEDGMENT

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

For and on behalf of the Board



MOHAMMED YASIN FECTO
CHIEF EXECUTIVE



ROHAIL AJMAL
DIRECTOR

Karachi: February 23, 2019



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS ON REVIEW OF INTERIM FINANCIAL STATEMENTS

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **Fecto Cement Limited** ("the Company") as at 31 December 2018 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows and notes to the financial statements for the six months period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of this 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.

The figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the three months ended 31 December 2018 and 2017 have not been reviewed, as we are required to review only the cumulative figures for the six months' period ended 31 December 2018.

Scope of review

We conducted our review in accordance with 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 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.

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 audit resulting in this independent auditor's report is Mr. Muhammad Waseem.



Chartered Accountants

Karachi

Date: February 23, 2019

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2018

	Note	Un-audited 31 December 2018 — Rupees in thousand —	Audited 30 June 2018 —
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized Capital			
75,000,000 (June 2018: 75,000,000) ordinary shares of Rs. 10/- each		750,000	750,000
Issued, subscribed and paid up capital			
50,160,000 (June 2018: 50,160,000) ordinary shares of Rs. 10/- each		501,600	501,600
Revenue Reserves			
General reserve		550,000	550,000
Accumulated profit		3,163,588	3,158,561
		3,713,588	3,708,561
		4,215,188	4,210,161
Non-current liabilities			
Liability against assets subject to finance lease	6	16,276	14,757
Deferred taxation	7	320,599	341,866
		336,875	356,623
Current liabilities			
Trade and other payables	8	535,113	628,683
Accrued Mark-up		144	106
Unclaimed dividend		15,113	30,052
Unpaid dividend		377	377
Current maturity of liabilities against assets subject to finance lease		4,436	3,646
		555,183	662,864
Contingencies and commitments	9	-	-
Total equity and liabilities		5,107,246	5,229,648
ASSETS			
Non-current assets			
Property, plant and equipment	10	1,786,305	1,824,532
Long term deposits		6,812	6,805
Long term loans and advances		11,433	14,534
		1,804,550	1,845,871
Current assets			
Stores, spares and loose tools		1,140,977	1,035,788
Stock-in-trade	11	1,225,984	1,329,041
Trade debts - considered good		69,375	75,428
Short term investments	12	209,511	206,895
Loans, advances, deposits, prepayments and other receivables	13	141,726	125,075
Taxation - net		151,381	138,746
Cash and bank balances		363,742	472,804
		3,302,696	3,383,777
Total assets		5,107,246	5,229,648

The annexed notes from 1 to 18 form an integral part of this condensed interim financial information.



MOHAMMED YASIN FECTO
CHIEF EXECUTIVE

ROHAIL AJMAL
DIRECTOR

ABDUL SAMAD
CHIEF FINANCIAL OFFICER

**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2018**

		Six months ended		Quarter ended	
		31 December 2018	31 December 2017	31 December 2018	31 December 2017
	Note	— Rupees in thousand —			
Turnover - net	14	2,483,604	2,470,322	1,359,774	1,247,480
Cost of sales	15	(2,117,013)	(1,947,516)	(1,146,101)	(1,003,079)
Gross profit		366,591	522,806	213,673	244,401
Administrative expenses		(143,800)	(132,951)	(75,071)	(66,907)
Distribution cost		(102,381)	(97,966)	(54,737)	(61,818)
Finance cost		(2,137)	(1,653)	(1,095)	(932)
Other income		24,052	25,534	13,674	16,646
		(224,266)	(207,036)	(117,229)	(113,011)
		142,325	315,770	96,444	131,390
Worker's funds		(10,318)	(21,789)	(7,153)	(9,067)
Profit before taxation		132,007	293,981	89,291	122,323
Provision for taxation					
- Current		(47,927)	(94,038)	(30,159)	(43,356)
- Deferred		21,267	27,787	9,264	21,020
		(26,660)	(66,251)	(20,895)	(22,336)
Profit after taxation		105,347	227,730	68,396	99,987
Earnings per share - basic and diluted		2.10	4.54	1.36	1.99

The annexed notes from 1 to 18 form an integral part of this condensed interim financial information.


MOHAMMED YASIN FECTO
CHIEF EXECUTIVE


ROHAIL AJMAL
DIRECTOR


ABDUL SAMAD
CHIEF FINANCIAL OFFICER



**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2018**

Note	Six months ended 31 December 2018	Six months ended 31 December 2017	Quarter ended 31 December 2018	Quarter ended 31 December 2017
	Rupees in thousand			
Profit after taxation	105,347	227,730	68,396	99,987
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	105,347	227,730	68,396	99,987

The annexed notes from 1 to 18 form an integral part of this condensed interim financial information.



MOHAMMED YASIN FECTO
CHIEF EXECUTIVE



ROHAIL AJMAL
DIRECTOR



ABDUL SAMAD
CHIEF FINANCIAL OFFICER



**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2018**

	Share Capital	Revenue Reserves		Total
	Issued, Subscribed & Paid up	General Reserve	Accumulated Profit	
Rupees in thousand				
Balance as at July 01, 2017	501,600	550,000	2,842,223	3,893,823
Total comprehensive income for the six-months period ended December 31, 2017	-	-	227,730	227,730
Transaction with owners				
Final cash dividend @ 25% for the year ended June 30, 2017	-	-	(125,400)	(125,400)
Balance as at December 31, 2017	<u>501,600</u>	<u>550,000</u>	<u>2,944,553</u>	<u>3,996,153</u>
Balance as at July 01, 2018	501,600	550,000	3,158,561	4,210,161
Total comprehensive income for the six-month period ended December 31, 2018	-	-	105,347	105,347
Transaction with owners				
Final cash dividend @ 20% for the year ended June 30, 2018	-		(100,320)	(100,320)
Balance as at December 31, 2018	<u>501,600</u>	<u>550,000</u>	<u>3,163,588</u>	<u>4,215,188</u>


The annexed notes from 1 to 18 form an integral part of this condensed interim financial information.



MOHAMMED YASIN FECTO
CHIEF EXECUTIVE



ROHAIL AJMAL
DIRECTOR



ABDUL SAMAD
CHIEF FINANCIAL OFFICER



**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2018**

	Note	31 December 2018	Six months ended 31 December 2017
		— Rupees in thousand —	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		132,007	293,981
Adjustments for:			
- Depreciation		59,537	55,854
- Gain on disposal of operating fixed assets		-	(996)
- Unrealized gain on remeasurement of short term investments		(2,626)	(2,089)
- Finance costs		2,137	1,653
		<u>59,048</u>	<u>54,422</u>
Operating profit before working capital changes		191,055	348,403
Working capital changes			
(Increase) / decrease in current assets			
- Stores, spares and loose tools		(105,189)	(31,190)
- Stock-in-trade		103,057	127,528
- Trade debtors - considered good		6,053	(54,109)
- Loans, advances, deposits, prepayments and accrued markup		(16,651)	(12,925)
(Decrease) / increase in current liabilities			
- Trade and other payables		(93,570)	134,942
Cash generated from operations		84,755	512,649
Finance cost paid		(2,099)	(1,540)
Taxes paid		(60,562)	(108,189)
Long term deposits		(7)	(146)
Long term loans and advances		3,101	(6,585)
Net cash generated from operating activities		25,188	396,189
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure		(17,276)	(41,054)
Short term investments redeemed / (made) during the period		10	(100,000)
Proceeds from sale of operating fixed assets		-	1,527
Net cash used in investing activities		(17,266)	(139,527)
CASH FLOWS FROM FINANCING ACTIVITIES			
Principal repayment of finance lease		(1,725)	(562)
Dividend paid		(115,259)	(112,757)
Net cash used in financing activities		(116,984)	(113,319)
Net increase in cash and cash equivalents		(109,062)	143,343
Cash and cash equivalents at the beginning of the period		472,804	457,368
Cash and cash equivalents at the end of the period		363,742	600,711

The annexed notes from 1 to 18 form an integral part of this condensed interim financial information.


MOHAMMED YASIN FECTO
CHIEF EXECUTIVE


ROHAIL AJMAL
DIRECTOR


ABDUL SAMAD
CHIEF FINANCIAL OFFICER



**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2018**

1. STATUS AND NATURE OF BUSINESS

Fecto Cement Limited (the Company) was incorporated in Pakistan on 28 February 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 Companies Act, 2017 on May 30, 2017) with its Registered Office situated at 35-Darulaman Housing Society, Block 7/8, Shahra-e-Faisal, Karachi, Sindh. The Company's Plant is located at Sangjani village Sangjani, Islamabad-4400. The shares of the Company are quoted on Pakistan Stock Exchange Limited. The principal activity of the Company is production and sale of 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 of:

- International Accounting Standard 34: 'Interim Financial Reporting' (IAS 34), 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 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.

This condensed interim financial statements does not include all the information and disclosures as require in the annual financial statements and should be read in conjunction with the Company's annual financial statements for the year ended June 30, 2018.

The comparative figures presented in these condensed interim financial statements as at December 31, 2018 has been extracted from the audited financial statements of the Company for the year ended June 30, 2018, whereas the comparative profit or loss account, statement of comprehensive income, statement of changes in equity and the statement of cash flows are extracted from the unaudited condensed interim financial statements for the six months period ended December 31, 2017.

These condensed interim financial statements is unaudited and is being submitted to the members of the Company as required under section 237 of the Companies Act, 2017 and the listing regulations of Pakistan Stock Exchange Limited as required by the Code of Corporate Governance.



2.2 Functional and presentation currency

These condensed interim financial statements are presented in Pakistani Rupees which is the Company's functional currency and rounded off to the nearest rupee.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 The accounting policies and methods of computation adopted in the preparation of these condensed interim financial statements are consistent with those applied in the preparation of annual audited financial statements for the year ended June 30, 2018 except those stated in note 3.2 below

3.2 Change in accounting standards, interpretations and amendments to published approved accounting standards

(a) New standards, amendments and interpretation to published approved accounting and reporting standards which are effective during the half year ended December 31, 2018

There are certain amendments and an interpretation to approved accounting and reporting standards which are mandatory for the Company's annual accounting period which began on July 1, 2018. However, these do not have any significant impact on the Company's financial reporting and, therefore, have not been detailed in these condensed interim financial statements.

In addition to that two new standards (i.e. IFRS 9 and IFRS 15) have become applicable to the Company effective July 1, 2018. Because of these new standards certain changes to the Company's accounting policies have been made in light of the following paragraphs:

- IFRS 9 'Financial instruments' - This standard replaces the guidance in IAS 39. It includes requirements on the classification and measurement of financial assets and liabilities; it also includes an expected credit losses model that replaces the current incurred loss impairment model.
- IFRS 15 'Revenue from contracts with customers' - IFRS 15 replaces the previous revenue standards: IAS 18 Revenue, IAS 11 Construction Contracts, and the related interpretations on revenue recognition.

IFRS 15 introduces a single five-step model for revenue recognition and establishes a comprehensive framework for recognition of revenue from contracts with customers based on a core principle that an entity should recognise revenue representing the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The changes laid down by these standard do not have any significant impact on these condensed interim financial statements of the Company.



(b) New standards and amendments to published approved accounting and reporting standards that are not yet effective

There is a new standard, certain amendments and an interpretation to the approved accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after July 1, 2019. However, these will not have any significant impact on the financial reporting of the Company and, therefore, have not been disclosed in these condensed interim financial statements.

4. ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of these condensed interim financial statements in conformity with approved accounting standards require management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognized prospectively commencing from the period of revision.

In preparing the 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 that applied to the preceding published annual financial statements of the Company as at and for the year ended June 30, 2018.

5. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended 30 June 2018.

	31 December 2018	30 June 2018
Note	Rupees in thousand	
6. LIABILITY AGAINST ASSETS SUBJECT TO FINANCE LEASE		
Opening balance	18,403	-
Leases obtained during the period / year	4,034	20,700
Payments made during the period / year	(1,725)	(2,297)
	20,712	18,403
Less: Current maturity shown under current liabilities	(4,436)	(3,646)
Closing balance	16,276	14,757

- 6.1** During the period, the Company entered into a finance lease arrangement with M/s. Askari Bank Limited for the acquisition of three vehicles. The interest rate used for discounting the minimum lease payments to their present value is the interest rate implicit in the lease (i.e. 6-Month KIBOR + 2% per annum).



	31 December 2018	30 June 2018
Note	Rupees in thousand	
7. DEFERRED TAXATION		
Taxable temporary differences arising in respect of :		
- Accelerated tax depreciation	324,274	345,334
- Unrealized gain on short term investment	1,488	1,129
- Lease assets net of leased liability	120	874
Deductible temporary difference arising in respect of :		
- Provision against slow moving and obsolete spares	(3,897)	(4,035)
- Provision for bad debts	(1,386)	(1,436)
	<u>320,599</u>	<u>341,866</u>

	31 December 2018	30 June 2018
Note	Rupees in thousand	
8. TRADE AND OTHER PAYABLES		
Creditors for Goods:		
- Other creditors	203,293	345,397
- Associated company	28,913	7,371
	<u>232,206</u>	<u>352,768</u>
Accrued liabilities	84,468	65,728
Leave encashment payable	46,482	56,861
Payable to provident fund	4,160	3,878
Workers' Profit Participation Fund	39,319	32,203
Workers' Welfare Fund	42,171	38,969
Advances from customers- unsecured	48,688	42,942
Security deposits payable	10,167	10,167
Royalty payable	-	58
Excise duty payable	721	-
Sales tax payable	700	1,331
Withholding income tax	4,801	4,145
Other liabilities	21,230	19,633
	<u>535,113</u>	<u>628,683</u>

9. CONTINGENCIES AND COMMITMENTS

Contingencies

- 9.1** There were no change in the status of contingencies at the period end as disclosed in the annual audited financial statements for the year ended 30 June 2018.

Commitments

- 9.2** Commitments in respect of outstanding letters of credit for the import of coal and bearings as at 31 December 2018 amounted to Rs. 366.122 million. (30 June 2018: Rs. 27.341 million)



		31 December 2018	30 June 2018
	Note	Rupees in thousand	
10. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	10.1	1,783,625	1,822,063
Capital work in progress		-	2,469
Advance to suppliers		2,680	-
		1,786,305	1,824,532

10.1 During the six-months period ended 31 December 2018, the Company acquired property, plant and equipment aggregating to Rs. 21.149 million (30 June 2018: Rs. 142.82 million).

	31 December 2018	30 June 2018
Note	Rupees in thousand	
11. STOCK IN TRADE		
Finished goods	43,566	41,288
Work in process	202,314	441,613
Raw material	917,342	801,123
Packing material	62,762	45,017
	<u>1,225,984</u>	<u>1,329,041</u>

12. SHORT TERM INVESTMENTS

Financial assets at fair value through profit or loss-
Held for trading:

Investments in Mutual Funds

NBP - NAFA	55,640	54,214
UBL - AL AMEEN	-	52,691
UBL - AL AMEEN ISLAMIC CASH FUND	53,891	-
	<u>109,531</u>	<u>106,905</u>

Financial assets at cost

Investment in Silk Bank Limited

Term Finance Certificates	12.1	99,980	99,990
		<u>209,511</u>	<u>206,895</u>

12.1 These represents investment in Term Finance Certificates (TFC) issued by Silk Bank Limited carrying markup rate of 6 months KIBOR plus 1.85% (June 30, 2018: 6 months KIBOR plus 1.85%) with maturity in August 2025. The TFC's are unsecured and repayments, including principal and markup, are made semi annually. The Company intends to dispose the investment within next 12 months.



	Note	31 December 2018	30 June 2018
		Rupees in thousand	
13. LOANS, ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES			
Current portion of long term loans - unsecured, considered good		7,570	7,843
Advances to suppliers and contractors - unsecured, considered good		15,724	13,146
Margin against bank guarantee		11,000	11,000
Advance sales tax and FED		52,258	91,107
Deposits		35	15
Prepayments		5,139	1,964
Other receivables	13.1	50,000	-
		<u>141,726</u>	<u>125,075</u>

13.1 This represents advance to M/s Frontier Paper Products (Pvt) Limited (FPPL), being an associated undertaking of the Company, carrying markup at higher of average KIBOR rate at which short term borrowings are availed by FPPL or return on investment of the Company on the outstanding amount. Current rate of return on investment as at reporting date is 10.93%. The maximum aggregate amount outstanding at the end of any month during the period was Rs. 50 million.

	Six months ended		Second Quarter ended	
	31 December 2018	31 December 2017	31 December 2018	31 December 2017
Note	Rupees in thousand			

14. TURNOVER - NET

Sales - Local	3,327,542	3,248,706	1,825,690	1,688,002
Less: Trade Discount	(17,844)	(19,461)	(9,504)	(10,383)
Excise duty	(481,276)	(440,701)	(256,044)	(235,774)
Sales tax	(523,909)	(532,500)	(284,995)	(280,133)
	(1,023,029)	(992,662)	(550,543)	(526,290)
	2,304,513	2,256,044	1,275,147	1,161,712
Sales - Export	175,785	213,523	82,792	85,584
Export rebate	3,306	755	1,835	184
	179,091	214,278	84,627	85,768
	2,483,604	2,470,322	1,359,774	1,247,480



	Six months ended		Second Quarter ended	
Note	31 December 2018	31 December 2017	31 December 2018	31 December 2017
	Rupees in thousand			

15. COST OF SALES

Raw and packing material consumed:

Opening stock	846,140	792,402	871,477	838,453
Purchases / excavation costs	477,576	370,342	279,679	209,518
	<u>1,323,716</u>	<u>1,162,744</u>	<u>1,151,156</u>	<u>1,047,971</u>
Closing stock	(980,104)	(839,061)	(980,104)	(839,061)
	<u>343,612</u>	<u>323,683</u>	<u>171,052</u>	<u>208,910</u>
Fuel and power	1,136,970	1,077,459	551,488	655,661
Stores and spares consumed	75,441	77,566	29,764	38,258
Salaries, wages and benefits	236,140	209,216	124,252	108,535
Insurance	12,905	13,155	6,453	6,547
Repairs and maintenance	2,344	1,154	1,671	421
Depreciation	40,476	39,871	20,256	20,056
Other manufacturing overheads	32,104	31,225	16,226	15,336
	<u>1,879,992</u>	<u>1,773,329</u>	<u>921,162</u>	<u>1,053,724</u>
Opening work-in-process	441,613	452,115	418,887	215,200
Closing work-in-process	(202,314)	(269,639)	(202,314)	(269,639)
Cost of goods manufactured	<u>2,119,291</u>	<u>1,955,805</u>	<u>1,137,735</u>	<u>999,285</u>
Opening stock of finished goods	41,288	32,657	51,932	44,740
Closing stock of finished goods	(43,566)	(40,946)	(43,566)	(40,946)
	<u>2,117,013</u>	<u>1,947,516</u>	<u>1,146,101</u>	<u>1,003,079</u>

16. TRANSACTIONS / BALANCES WITH RELATED PARTIES

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

	31 December 2018	30 June 2018
	Rupees in thousand	
Associated company - M/s. Frontier Paper Products (Private) Limited		
Balance as at the beginning of the period / year	7,371	213
Purchases during the period / year	223,749	338,285
Payments during the period / year	(202,207)	(331,127)
Balance at the end of the period / year	<u>28,913</u>	<u>7,371</u>



	Note	Six months ended	
		31 December 2018	31 December 2017
Key Management Personnel		Rupees in thousand	
Transactions during the period			
Remuneration of the Chief Executive		21,640	10,606
Directors' meeting fee		75	75
Remuneration of executives		96,524	121,261
Loans settled		30	952

	Note	31 December 2018	30 June 2018
		Rupees in thousand	
Outstanding balance at period / year end			
Loan receivable		310	340

	Note	Six months ended	
		31 December 2018	31 December 2017
Others		Rupees in thousand	
Transactions during the period			
Contribution to employees' provident fund		11,050	10,073

	Note	31 December 2018	30 June 2018
		Rupees in thousand	
Outstanding balance at period / year end			
Contribution payable to employees' provident fund		4,160	3,878

17. CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary, for the purposes of comparison and better presentation.

18. GENERAL

18.1 This condensed interim financial statements were authorised for issue by the Board of Directors in their meeting held on February 23, 2019.

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


MOHAMMED YASIN FECTO
 CHIEF EXECUTIVE


ROHAIL AJMAL
 DIRECTOR


ABDUL SAMAD
 CHIEF FINANCIAL OFFICER



مستقبل پر نظر

یہ توقع ہے کہ مقامی سطح پر سیمنٹ کی مانگ میں موجودہ مالی سال کی دوسری شش ماہی میں اضافے کا رجحان رہے گا۔ خاص کر یہ اضافہ حکومت کی طرف سے عوامی فلاح و بہبود کے پروگرام کے تحت ڈیم اور عوام کی قوت خرید کے حساب سے گھروں کی تعمیرات کے لیے ہونے والے ترقیاتی کام کی وجہ سے ہوگا۔ افغانستان کو ہونے والی برآمدات کی مد میں سیمنٹ کی فروختگی کے حجم میں اضافے کا امکان ہے۔ جس کی وجہ ڈالر کے مقابلے میں روپے کی قدر کا گرنا ہے۔ اسی طرح بین الاقوامی منڈیوں میں کوئلے کی قیمتوں میں کمی کی وجہ سے سیمنٹ کی لاگت میں کمی اور آمدن میں بہتری کے امکانات ہیں۔

اظہار تشکر

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

منجانب بورڈ



روحیل اجمل
ڈائریکٹر



محمد یسین فیکٹو
چیف ایگزیکٹو

بمقام کراچی: 23 فروری 2019

زیر نظر دورانیے میں گزشتہ سال اسی عرصے کے مد مقابل کلنٹر کی پیداوار میں شش ماہی میں 18.79 فیصد اور سہ ماہی میں 38.94 فیصد کی ریکارڈ کی گئی۔ سینٹ کی پیداوار میں دوران شش ماہی 12.29 فیصد اور سہ ماہی میں 11.46 فیصد کی دیکھی گئی۔

کمپنی کی جانب سے سینٹ کی فروختگی میں دوران شش ماہی 11.72 فیصد کی ہوئی جب کہ شمال میں واقع سینٹ فیکٹریوں کی فروختگی میں اس عرصے کے دوران 7.12 فیصد کی ریکارڈ کی گئی۔ کمپنی کی مقامی فروختگی کے مجموعی حجم میں زیر نظر دورانیے کے دوران شش ماہی میں 9.00 فیصد اور سہ ماہی میں 9.50 فیصد کی جب کہ برآمدات میں شش ماہی میں 33.44 فیصد اور سہ ماہی میں 25.24 فیصد کی دیکھی گئی۔

مالیاتی نتائج

زیر نظر دورانیے کے دوران کمپنی کی مجموعی فروختگی بڑھ کر 2,484 ملین روپے ہو گئی۔ جبکہ گزشتہ سال اسی عرصے کے دوران مجموعی فروختگی سے حاصل ہونے والی آمدن 2,470 ملین روپے تھی۔ اس لحاظ سے آمدن میں 14 ملین روپے کا اضافہ ہوا، جو کہ 0.57 فیصد ہے۔ مقامی سطح پر مجموعی فروختگی سے حاصل ہونے والی آمدن 2,17 فیصد اضافے کے ساتھ 2,305 ملین روپے رہی۔ جبکہ یہی آمدن گزشتہ سال اسی عرصے کے دوران 2,256 ملین روپے تھی۔ مقامی سطح پر قیمتوں میں دوسری سہ ماہی میں اضافے کی وجہ سے خالص آمدن 9.76 فیصد اضافے کے ساتھ 1,275 ملین روپے رہی۔ جب کہ یہی آمدن گزشتہ سال اسی عرصے کے دوران 1,162 ملین روپے تھی۔ اگرچہ مقامی سطح پر فروختگی کے میں حجم میں دوسری سہ ماہی میں 9.50 کی کمی ہوئی برآمدات سے حاصل ہونے والی آمدن شش ماہی کے دوران 16.35 فیصد کی کے ساتھ 179 ملین روپے رہی جبکہ یہی آمدن گزشتہ سال اسی عرصے کے دوران 214 ملین روپے تھی۔ زیر نظر دورانیے میں شش ماہی کے دوران فروختگی کے حجم میں 33.44 فیصد کی ریکارڈ کی گئی۔ برآمدات کی قیمتوں میں بہتری دوسری سہ ماہی میں ڈالر کے مقابلے میں پاکستانی روپے کی قدر میں کمی کی وجہ سے ہوئی۔ حجم کے اعتبار سے افغانستان کی برآمدات میں شش ماہی کے دوران کمی دیکھی گئی۔

زیر نظر دورانیے میں لاگت برائے فروختگی میں 8.67 فیصد اضافہ ہوا جس کی وجہ سے لاگت برائے شش ماہی 2,117 ملین روپے رہی جو کہ گزشتہ سال اسی عرصے کے دوران 1,948 ملین روپے تھی۔ اگرچہ مجموعی فروختگی کے حجم میں 11.72 فیصد کی کمی دیکھی گئی۔ دوسرے شش ماہی میں فروختگی کے حجم میں 10.87 فیصد کی کمی ہونے کے باوجود بھی لاگت میں 14.26 فیصد اضافہ ہوا۔ یہ اضافہ اس عرصے میں کوئلے کی قیمتیں بین الاقوامی منڈی میں بڑھنے کی وجہ کے ساتھ ساتھ ڈالر کی قدر میں اضافے کی وجہ سے ہوا۔

اس شش ماہی کے دوران کمپنی کا خام منافع 367 ملین روپے اور سہ ماہی میں 214 ملین روپے رہا۔ جو کہ گزشتہ سال اسی شش ماہی میں 523 ملین روپے اور سہ ماہی میں 244 ملین روپے تھا۔

اس شش ماہی کے دوران بقایا اخراجات کی لاگت میں کوئی خاص اضافہ نہیں دیکھا گیا چنانچہ کمپنی نے اس شش ماہی میں 132 ملین روپے اور سہ ماہی میں 89 ملین روپے خالص منافع ٹیکس کی ادائیگی سے پہلے حاصل کیا۔ جو کہ گزشتہ سال اسی عرصے کے دوران بالترتیب 294 ملین اور 122 ملین تھا۔ ٹیکس کی پروویژن شش ماہی کے دوران کم ہو کر 27 ملین رہی۔ جو کہ گزشتہ سال اسی عرصے کے دوران 66 ملین روپے تھی۔ لہذا کمپنی کا خالص منافع ٹیکس ادائیگی کے بعد 105 ملین ریکارڈ کیا گیا جو کہ گزشتہ سال اسی عرصے کے دوران 228 ملین روپے تھا۔

شش ماہی میں آمدن فی حصص 2.10 روپے جبکہ سہ ماہی میں آمدن فی حصص 1.36 روپے رہی۔ جب کہ گزشتہ سال اسی عرصے کے دوران آمدن فی حصص بالترتیب 4.54 روپے اور 1.99 روپے تھے۔



ڈائریکٹرز جائزہ

آپ کی کمپنی کے ڈائریکٹرز انتہائی مسرت کے ساتھ کمپنی کے غیر آڈٹ شدہ مالیاتی نتائج بابت شش ماہی 31 دسمبر 2018 بمع آڈیٹرز جائزہ رپورٹ آپ کی خدمت میں پیش کر رہے ہیں۔

جائزہ

دوران شش ماہی سیمنٹ کی صنعت میں مجموعی فروختگی 23.12 ملین ٹن کے اعتبار سے مجموعی طور پر مال کی رواگتی میں 3.94 فیصد کی شرح نمو ریکارڈ کی گئی جبکہ گزشتہ سال اسی عرصے کے دوران مجموعی فروختگی کا حجم 22.24 ملین ٹن تھا۔ مقامی سطح پر صنعت میں فروختگی کا حجم 19.56 ملین ٹن رہا اور اس اعتبار سے 1.41 فیصد کی کمی دیکھی گئی جبکہ گزشتہ سال اسی عرصے کے دوران مقامی فروختگی کا حجم 19.84 ملین ٹن تھا، اس کے برعکس برآمدات کی مد میں صنعت کی سطح پر فروختگی کا مجموعی حجم 3.66 ملین ٹن رہا جس کے اعتبار سے 48.04 فیصد کا اضافہ ریکارڈ کیا گیا۔ جبکہ گزشتہ سال اسی عرصے کے دوران برآمدات کی مد میں فروختگی کا یہ حجم 2.41 ملین ٹن تھا۔

مجموعی طور پر 3.94 فیصد کے اضافے میں سے شمال میں واقع فیکٹریوں کی مجموعی فروختگی میں 7.12 فیصد کی کمی جب کہ جنوب میں لگی ہوئی فیکٹریوں کی مجموعی فروختگی میں 54.56 فیصد کا اضافہ ریکارڈ کیا گیا۔ شمال میں واقع فیکٹریوں کی مقامی سطح پر فروختگی اور برآمدات میں مجموعی طور پر 5.95 فیصد اور 17.12 فیصد کی کمی بالترتیب دیکھی گئی۔ جب کہ جنوب میں لگی ہوئی فیکٹریوں کی مقامی سطح پر فروختگی میں 20.75 فیصد اور برآمدات میں 242.83 فیصد کا اضافہ ریکارڈ کیا گیا۔

کارکردگی برہنی کاروباری افعال

زیر نظر دورانیے کے دوران کمپنی کی جانب سے پیداوار اور مال کی رواگتی کا جائزہ ذیل میں پیش خدمت ہے۔

ٹنوں میں

شش ماہی (دسمبر 31)		سہ ماہی (دسمبر 31)		تفصیلات
2017	2018	2017	2018	
				پیداوار
327,840	266,242	207,300	126,584	کلنٹر
398,169	349,240	205,819	182,225	سیمنٹ
				ترسیل
352,561	320,851	188,619	170,696	مقامی
44,341	29,514	18,016	13,468	برآمدات
396,892	350,364	206,635	184,164	مجموعی

www.jamapunji.pk



**Be aware, Be alert,
Be safe**
Learn about Investing at
www.jamapunji.pk

Key features:

- 🔍 Licensed Entities Verification
- 🎮 "Scam meter"
- 🎮 Jamapunji games*
- 🧮 Tax credit calculator*
- 🏢 Company Verification
- 📋 Insurance & Investment Checklist
- 💬 FAQs Answered
- 📈 Stock trading simulator (based on live feed from KSE)
- 📖 Knowledge center
- 📊 Risk profiler*
- 📊 Financial calculator
- 📱 Subscription to Alerts (event notifications, corporate and regulatory actions)
- 📱 Jamapunji application for mobile device
- 🧪 Online Quizzes



Agency for Investor Education
and Protection
Ministry of Finance
Government of Pakistan

jamapunji.pk [@jamapunji.pk](https://www.facebook.com/jamapunji.pk)

*Users in application must not liable for damages for losses in stock market





FECTO CEMENT LIMITED

35, Darul Aman Housing Society, Block 7 & 8

Shahrah-e-Faisal, Karachi-75350

Phones: (+9221) 34530120-2, (+9221) 34530124

Website: www.fectogroup.com