

**INTERIM REPORT
MARCH 31, 2019**



FECTO CEMENT LIMITED

CONTENTS

Company Information	2
Directors' Review	3
Condensed Interim Statement of Financial Position	6
Condensed Interim Statement of Profit or Loss	7
Condensed Interim Statement of Comprehensive Income	8
Condensed Interim Statement of Changes in Equity	9
Condensed Interim Statement of Cash Flows	10
Notes to the Condensed Interim Financial Statements	11
Directors' Review Urdu	23



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 & 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 Commercial 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 Un Audited Condensed Interim Financial Statements of the Company for the Quarter and Nine Months ended March 31, 2019.

OVERVIEW

During the first nine months of current financial year ending June 30, 2019, overall sales volume of the industry witnessed a negative growth of 0.48% as compared to same period last year with total sales volume of 34.59 million tons as against 34.75 million tons of same period last year. During the quarter over all sales volume of the industry reduced by 9.27% with sales volume of 11.35 million tons as against 12.51 million tons of same quarter last year. Local sales volume of the industry for the nine months and quarter was of 29.46 million tons and 9.78 million tons respectively as against 31.31 million tons and 11.47 million tons of same periods last year witnessing negative growth of 5.91% and 14.73% respectively. On export side, industry achieved sales volume of 5.13 million tons and 1.57 million tons in nine months and quarter respectively as against sales volume of 3.44 million tons and 1.03 million tons of same periods last year. In nine months period exports witnessed growth of 49.13 % whereas on quarter to quarter it increased by 52.43%.

During nine months period, overall sales volume of plants located in north was of 25.20 million tons with local sales volume of 23.21 million tons and exports volume of 1.99 million tons respectively. Total sales volume of plants located in north hence witnessed negative growth of 11.03%, out of which local sales volume reduced by 10.35% whereas exports reduced by 18.19%.

OPERATING PERFORMANCE

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

	Tons			
	Quarter ended		Nine Months ended	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Production:				
Clinker	155,308	192,936	421,550	520,776
Cement	<u>159,231</u>	<u>230,694</u>	<u>508,471</u>	<u>628,863</u>
Dispatches:				
Local	137,705	217,411	458,556	569,971
Export	<u>20,142</u>	<u>13,645</u>	<u>49,656</u>	<u>57,976</u>
Total	<u>157,847</u>	<u>231,056</u>	<u>508,212</u>	<u>627,947</u>

During the quarter, production of clinker and cement reduced by 19.50% and 30.98% as compared to same period last year. On nine months basis, production of clinker reduced by 19.05% whereas cement production reduced by 19.14% in comparison to same period last year. Overall sales volume of the Company for the nine months reduced by 19.07% as against negative



growth of 0.48% of the industry and 11.03% of plants located in north. Local sales volume of the Company for the nine months period reduced by 19.55% whereas for the quarter same reduced by 36.66%, exports of the Company for the nine months reduced by 14.35%, however, during the quarter, exports increased by 47.61%.

FINANCIAL RESULTS

Total net sales revenue of the Company for the nine months period reduced to Rs. 3,620 million as against Rs. 3,841 million of same period last year. This reduction in term of percentage comes to 5.74% as against reduction in volume by 19.07%.

Net local sales revenue for the nine months period reduced to Rs. 3,317 million as against Rs. 3,558 million of same period last year witnessing a negative growth of 6.77% as against negative growth in local sales volume by 19.55%. Retention prices in local market improved during the period in line with increase in cost of production but that increase was not to the extent where company can pass on total cost impact. Export revenue for the nine months period increased by 7.15 % as against reduction in volume by 14.35%. Main reason for improved export revenue was depreciation of Pak Rupee against USD.

Net sales revenue of the Company for the quarter reduced to Rs. 1,137 million as against Rs. 1,370 million of same period last year showing a reduction 17.04%. Local sales for the quarter reduced to Rs. 1,013 million as against Rs. 1,302 million thus depicting a reduction of 22.20% as against reduction in volume by 36.66%. Export sales of the Company during the quarter increased to Rs. 124 million as against Rs. 68 million of same period last year showing increases of 82.35% as against increase in volume by 47.61%.

Overall Cost of sales for the nine months increased to Rs. 3,092 Million as against Rs. 3,057 million of same period last year registering increase of 1.14% as against reduction in sales volume by 19.07%. Main reason for such increase was higher coal prices in international market coupled with steep depreciation of Pak Rupee against USD. During the Quarter, it reduced to Rs. 975 million as against Rs. 1,109 million of same period last year which is 12.08% as against reduction in quarter's sales volume by 31.68%.

Gross profit of the Company for the nine months and quarter decreased to Rs. 528 million and Rs. 162 million respectively as compared to Rs. 784 million and Rs. 261 million of same periods last year.

Other costs remained same with marginal increase due to inflation. Other income during the period reduced as compared to same period last year as company invested Rs.150 million in equity of one of the associated company as approved by the shareholders.

Company earned profit before taxation of Rs. 173 million and Rs. 41 million during Nine Months and quarter respectively as against the profit before taxation of Rs. 446 million and Rs. 152 million of same periods last year.

Provision for taxation reduced to Rs. 36 million during Nine Months periods as against Rs. 116 million of same period last year. Company earned profit after taxation of Rs. 137million and



Rs. 32 million during Nine Months and Quarter as against Rs. 330 million and Rs. 102 million of same periods last year.

Earnings per share for the Nine Months and Quarter were of Rs. 2.73 and Rs. 0.63 as against the earning per share of Rs. 6.57 and Rs. 2.03 of same periods last year.

FUTURE PROSPECTS

During the current financial year demand of cement has reduced due to multiple factors including uncertain political and economic conditions. Slow down in overall economic activities especially in construction sector has hampered the demand of cement. Only silver line was of exports of clinker by sea, otherwise exports also remained depressed. Clear economic direction from the government is really a need of the hour to revive overall economic activities in the country. Reversal of coal prices in international market will release some pressure on cost of production; however, coming into operation of ongoing expansions may further aggravate the existing marketing conditions where excess supply against demand has already put pressure on retention prices.

FUTURE PLANS

As per the approval of shareholders in their Extra Ordinary General Meeting, the company has made equity investment of Rs. 150 million in one of associated company namely Frontier Paper Products (Private) Limited whereas investment in other projects will be made in due course of time.

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.

On behalf of the Board



MOHAMMED YASIN FECTO
CHIEF EXECUTIVE



ROHAIL AJMAL
DIRECTOR

Karachi: April 29, 2019



**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2019**

		Un-audited 31 March 2019	Audited 30 June 2018
	Note	— Rupees in thousand —	
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		3,195,208	3,158,561
		3,745,208	3,708,561
		4,246,808	4,210,161
Non-current liabilities			
Liability against assets subject to finance lease	6	36,795	14,757
Deferred taxation	7	313,234	341,866
		350,029	356,623
Current liabilities			
Trade and other payables	8	561,320	628,683
Accrued Mark-up		351	106
Unclaimed dividend		14,398	30,052
Unpaid dividend		377	377
Current maturity of liabilities against assets subject to finance lease		8,225	3,646
		584,671	662,864
Contingencies and commitments	9	-	-
Total equity and liabilities		5,181,508	5,229,648
ASSETS			
Non-current assets			
Property, plant and equipment	10	1,784,886	1,824,532
Long Term Investment	11	150,000	-
Long term deposits		6,636	6,805
Long term loans and advances		10,837	14,534
		1,952,359	1,845,871
Current assets			
Stores, spares and loose tools		1,303,648	1,035,788
Stock-in-trade	12	1,232,294	1,329,041
Trade debts - considered good		64,935	75,428
Short term investments	13	187,725	206,895
Loans, advances, deposits, prepayments and other receivables	14	35,141	125,075
Taxation - net		166,812	138,746
Cash and bank balances		238,594	472,804
		3,229,149	3,383,777
Total assets		5,181,508	5,229,648

The annexed notes from 1 to 19 form an integral part of this 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 NINE MONTHS PERIOD ENDED 31 MARCH 2019**

	Note	Nine months ended 31 March		Quarter ended 31 March	
		2019	2018	2019	2018
		Rupees in thousand			
Turnover - net	15	3,620,308	3,840,574	1,136,704	1,370,252
Cost of sales	16	(3,091,866)	(3,056,588)	(974,853)	(1,109,070)
Gross profit		528,442	783,986	161,851	261,182
Administrative expenses		(221,152)	(196,533)	(77,352)	(63,580)
Distribution cost		(148,805)	(148,873)	(46,424)	(50,908)
Finance cost		(3,394)	(2,370)	(1,257)	(717)
Other income		30,969	42,929	6,917	17,394
		(342,382)	(304,847)	(118,116)	(97,811)
		186,060	479,139	43,735	163,371
Worker's funds		(13,551)	(33,061)	(3,232)	(11,273)
Profit before taxation		172,509	446,078	40,503	152,098
Provision for taxation					
- Current		(64,174)	(144,538)	(16,246)	(50,500)
- Deferred		28,632	28,080	7,361	293
		(35,542)	(116,458)	(8,885)	(50,207)
Profit after taxation		136,967	329,620	31,618	101,891
		Rupees			
Earnings per share - basic and diluted		2.73	6.57	0.63	2.03

The annexed notes from 1 to 19 form an integral part of this condensed interim financial Statements.




MOHAMMED YASIN FECTO
CHIEF EXECUTIVE


ROHAIL AJMAL
DIRECTOR


ABDUL SAMAD
CHIEF FINANCIAL OFFICER

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2019**

Note	Nine months ended 31 March		Quarter ended 31 March	
	2019	2018	2019	2018
Profit after taxation	136,967	329,620	31,618	101,891
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>136,967</u>	<u>329,620</u>	<u>31,618</u>	<u>101,891</u>

The annexed notes from 1 to 19 form an integral part of this 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 NINE MONTHS PERIOD ENDED 31 MARCH 2019**

	Share Capital Issued, Subscribed & Paid up	Revenue Reserves		Total
		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 Nine-months period ended March 31, 2018	-	-	329,620	329,620
Transaction with owners Final cash dividend @ 25% for the year ended June 30, 2017	-	-	(125,400)	(125,400)
Balance as at March 31, 2018	<u>501,600</u>	<u>550,000</u>	<u>3,046,443</u>	<u>4,098,043</u>
Balance as at July 01, 2018	501,600	550,000	3,158,561	4,210,161
Total comprehensive income for the Nine-months period ended March 31, 2019	-	-	136,967	136,967
Transaction with owners Final cash dividend @ 20% for the year ended June 30, 2018	-	-	(100,320)	(100,320)
Balance as at March 31, 2019	<u>501,600</u>	<u>550,000</u>	<u>3,195,208</u>	<u>4,246,808</u>

The annexed notes from 1 to 19 form an integral part of this 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 NINE MONTHS PERIOD ENDED 31 MARCH 2019**

	Nine months ended 31 March	
	2019	2018
	— Rupees in thousand —	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	172,509	446,078
Adjustments for:		
- Depreciation	89,368	84,316
- Gain on disposal of operating fixed assets	(433)	(996)
- Unrealized Loss / (gain) on remeasurement of short term investments	199	(3,282)
- Finance costs	3,394	2,370
	92,528	82,408
Operating profit before working capital changes	265,037	528,486
Working capital changes		
(Increase) / decrease in current assets		
- Stores, spares and loose tools	(267,860)	20,997
- Stock-in-trade	96,747	235,769
- Trade debtors - considered good	10,493	(56,887)
- Loans, advances, deposits, prepayments and accrued markup	89,934	(33,554)
(Decrease) / increase in current liabilities		
- Trade and other payables	(67,363)	88,988
Cash generated from operations	126,988	783,799
Finance cost paid	(3,148)	(2,266)
Taxes paid	(92,240)	(96,388)
Long term deposits	169	(173)
Long term loans and advances	3,696	(14,596)
Net cash generated from operating activities	35,465	670,376
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure	(53,190)	(61,619)
Long Term Investment	(150,000)	-
Short term investments redeemed / (made) during the period	18,951	(100,000)
Proceeds from sale of operating fixed assets	3,900	1,527
Net cash used in investing activities	(180,339)	(160,092)
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal repayment of finance lease	26,618	(1,411)
Redemption of Short Term Investment	20	-
Dividend paid	(115,974)	(113,118)
Net cash used in financing activities	(89,336)	(114,528)
Net (Decrease) / increase in cash and cash equivalents	(234,210)	395,756
Cash and cash equivalents at the beginning of the period	472,804	457,368
Cash and cash equivalents at the end of the period	238,594	853,124

The annexed notes from 1 to 19 form an integral part of this condensed interim financial Statements.



MOHAMMED YASIN FECTO
CHIEF EXECUTIVE

ROHAIL AJMAL
DIRECTOR

ABDUL SAMAD
CHIEF FINANCIAL OFFICER

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2019**

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, Shakra-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 March 31, 2019 has been extracted from the audited financial statements of the Company for the year ended June 30, 2018, whereas the comparative figures of profit or loss statements, 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 nine months period ended March 31, 2018.

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 nine months period ended March 31, 2019.

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 March 2019	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	6.1	29,474	20,700
Payments made during the period / year		<u>(2,857)</u>	<u>(2,297)</u>
		45,020	18,403
Less: Current maturity shown under current liabilities		<u>(8,225)</u>	<u>(3,646)</u>
Closing balance		<u>36,795</u>	<u>14,757</u>

- 6.1** During the period, the Company entered into a finance lease arrangement with M/s. Askari Bank Limited for the acquisition of four 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 March 2019	30 June 2018
	Rupees in thousand	
7. DEFERRED TAXATION		
Taxable temporary differences arising in respect of :		
- Accelerated tax depreciation	315,347	345,334
- Unrealized gain on short term investment	374	1,129
- Lease assets net of leased liability	2,748	874
Deductible temporary difference arising in respect of :		
- Provision against slow moving and obsolete spares	(3,849)	(4,035)
- Provision for bad debts	(1,386)	(1,436)
	<u>313,234</u>	<u>341,866</u>
8. TRADE AND OTHER PAYABLES		
Creditors for Goods:		
- Other creditors	160,042	345,397
- Associated company	18,350	7,371
	<u>178,392</u>	<u>352,768</u>
Accrued liabilities	105,081	65,728
Leave encashment payable	27,815	56,861
Payable to provident fund	3,980	3,878
Workers' Profit Participation Fund	9,303	32,203
Workers' Welfare Fund	43,219	38,969
Advances from customers- unsecured	63,487	42,942
Security deposits payable	10,322	10,167
Royalty payable	-	58
Excise duty payable	61,315	-
Withholding income tax	4,615	4,145
Sales tax payable	32,017	1,331
Other liabilities	21,774	19,633
	<u>561,320</u>	<u>628,683</u>
9. CONTINGENCIES AND COMMITMENTS		
9.1 Contingencies		
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.		
9.2 Commitments		
Commitments in respect of outstanding letters of credit for the import of coal and bearings as at 31 March 2019 amounted to Rs. 175,870.78 million. (30 June 2018: Rs. 27.341 million)		



		31 March 2019	30 June 2018
		————— Rupees in thousand —————	
10. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	10.1	1,784,886	1,822,063
Capital work in progress		-	2,469
		<u>1,784,886</u>	<u>1,824,532</u>

10.1 During the nine-months period ended 31 March 2019, the Company acquired property, plant and equipment aggregating to Rs. 55.659 million (30 June 2018: Rs. 142.82 million) and disposed Rs. 10.667 million (June 30, 2018: Rs. 5.226 million).

		31 March 2019	30 June 2018
		————— Rupees in thousand —————	
11. LONG TERM INVESTMENT			
Frontier Paper Products (Pvt) Limited (Related Party)		<u>150,000</u>	<u>-</u>

11.1 The Company holds 49.21% (30 June 2018: Nil) shares in the Frontier Paper Products (Pvt) Limited, an associated Company.

During the period, Company made equity investment of Rs 150 million equivalent to 15 million ordinary shares of Rs. 10/- each of related party. The investment was approved by shareholders in extra ordinary General Meeting held on 01, December 2018. As per the latest management accounts of Frontier Paper Products (Private) Limited the fair value of Shares is above Par.

		31 March 2019	30 June 2018
		————— Rupees in thousand —————	
12. STOCK IN TRADE			
Finished goods		50,871	41,288
Work in process		225,042	441,613
Raw material		915,307	801,123
Packing material		41,074	45,017
		<u>1,232,294</u>	<u>1,329,041</u>



	31 March 2019	30 June 2018
Note	Rupees in thousand	
13. SHORT TERM INVESTMENTS		
Financial assets at fair value through profit or loss-		
Held for trading:		
Investments in Mutual Funds		
NBP - NAFA	56,975	54,214
UBL - AL AMEEN	-	52,691
UBL - AI AMEEN ISLAMIC CASH FUND	30,780	-
	87,755	106,905
Financial assets at cost		
Investment in Silk Bank Limited		
Term Finance Certificates	13.1 <u>99,970</u>	<u>99,990</u>
	<u>187,725</u>	<u>206,895</u>

13.1 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.

	31 March 2019	30 June 2018
Note	Rupees in thousand	
14. LOANS, ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES		
Current portion of long term loans - unsecured, considered good	7,642	7,843
Advances to suppliers and contractors - unsecured, considered good	7,187	13,146
Margin against bank guarantee	11,000	11,000
Advance sales tax and FED	5,270	91,107
Deposits	205	15
Prepayments	3,837	1,964
	<u>35,141</u>	<u>125,075</u>



	Nine months ended		Third quarter ended	
	2019	2018	2019	2018
	31 March		31 March	
	— Rupees in thousand —			
15. TURNOVER - NET				
Sales - Local	4,787,010	5,141,750	1,459,468	1,893,043
Less: Trade Discount	25,722	30,772	7,878	11,311
Excise duty	687,834	712,465	206,558	271,764
Sales tax	755,996	840,588	232,087	308,087
	1,469,552	1,583,825	446,523	591,162
	3,317,458	3,557,925	1,012,945	1,301,881
Sales - Export	298,610	281,437	122,825	67,914
Export rebate	4,240	1,212	934	457
	302,850	282,649	123,759	68,371
	3,620,308	3,840,574	1,136,704	1,370,252

16. COST OF SALES

Raw and packing material consumed:

Opening stock	846,140	792,402	980,104	839,061
Purchases / excavation costs	642,392	515,821	164,816	145,479
	1,488,532	1,308,223	1,144,920	984,540
Closing stock	(956,381)	(827,287)	(956,381)	(827,287)
	532,151	480,936	188,539	157,253
Fuel and power	1,801,561	1,745,987	664,591	668,528
Stores and spares consumed	95,592	106,383	20,151	28,816
Salaries, wages and benefits	319,370	322,699	83,230	113,482
Insurance	19,437	19,825	6,532	6,670
Repairs and maintenance	4,505	3,363	2,161	2,209
Depreciation	60,862	59,930	20,386	20,059
Other manufacturing overheads	51,400	46,810	19,296	15,585
	2,884,878	2,785,933	1,004,886	1,012,602
Opening work-in-process	441,613	452,115	202,314	269,639
Closing work-in-process	(225,042)	(171,712)	(225,042)	(171,712)
Cost of goods manufactured	3,101,449	3,066,336	982,158	1,110,529
Opening stock of finished goods	41,288	32,657	43,566	40,946
Closing finished goods	(50,871)	(42,405)	(50,871)	(42,405)
	3,091,866	3,056,588	974,853	1,109,070

17. 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 March 2019	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	399,735	338,285
Payments during the period / year	<u>(388,756)</u>	<u>(331,127)</u>
Balance at the end of the period / year	<u>18,350</u>	<u>7,371</u>
Loan disbursed during the period / year	<u>50,000</u>	<u>-</u>
Loan outstanding at the end of the period / year	<u>-</u>	<u>-</u>
Interest outstanding at the end of the period / year	<u>958</u>	<u>-</u>
	Nine months ended 31 March	
	2019	2018
	Rupees in thousand	
Interest Charged during the period	<u>958</u>	<u>-</u>
Key Management Personnel		
Transactions during the period		
Remuneration of the Chief Executive	30,640	20,514
Directors' meeting fee	90	105
Remuneration of executives	138,897	116,184
Loans settled	45	1,186
	31 March 2019	30 June 2018
	Rupees in thousand	
Outstanding balance at period / year end		
Loan receivable	<u>310</u>	<u>340</u>
	Nine months ended 31 March	
	2019	2018
	Rupees in thousand	
Others		
Transactions during the period		
Contribution to employees' provident fund	<u>16,497</u>	<u>15,506</u>



	31 March 2019	30 June 2018
	————— Rupees in thousand —————	
Outstanding balance at period / year end		
Contribution payable to employees' provident fund	<u>3,980</u>	<u>3,878</u>

18. CORRESPONDING FIGURES

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

19. GENERAL

19.1 This condensed interim financial statements were authorised for issue by the Board of Directors in their meeting held on April 29, 2019.

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



MOHAMMED YASIN FECTO
CHIEF EXECUTIVE



ROHAIL AJMAL
DIRECTOR



ABDUL SAMAD
CHIEF FINANCIAL OFFICER



مستقبل کا لائحہ عمل

غیر معمولی اجلاس عامہ میں حصص داروں کی رضامندی کے بعد کمپنی نے 150 ملین روپے کی سرمایہ کاری اپنی ایسوسی ایٹ کمپنی بنام فزٹیم بیپر پروڈکٹ پرائیویٹ لمیٹڈ کے حصص میں کر دی ہے۔ جب کہ بقیہ سرمایہ کاری جو کہ حصص داران نے منظور کی ہے وہ مناسب وقت پر کی جائے گی۔

اظہار تشکر

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

منجانب بورڈ



روحیل اجمل
ڈائریکٹر



محمد یاسین فیکری
چیف ایگزیکٹو

بمقام کراچی: 29 اپریل 2019

ملین روپے تھی۔ اس طرح سے اس عرصے میں فروختگی میں 22.04 فیصد کمی ہوئی جب کہ اس کے مقابلے میں حجم میں 36.66 فیصد کمی دیکھی گئی۔ سہ ماہی میں برآمدات سے ہونے والی آمدن اضافے کے ساتھ 124 ملین روپے جبکہ یہی آمدن گزشتہ سال اسی عرصے کے دوران 68 ملین روپے رہی۔ لہذا آمدن میں 82.35 فیصد اور حجم میں 47.61 فیصد اضافہ ریکارڈ کیا گیا۔

لاگت برائے فروختگی میں نومبر میں 1.14 فیصد کا اضافہ ہوا جس کی وجہ سے لاگت برائے نومبر بڑھ کر 3,092 ملین روپے رہی جو کہ گزشتہ سال اسی عرصے کے دوران 3,057 تھی۔ جب کہ اسی عرصے کے دوران فروختگی کے حجم میں 19.07 فیصد کمی دیکھی گئی۔ لاگت میں یہ اضافہ دراصل کونسلے کی قیمتیں بین الاقوامی منڈی میں بڑھنے کی وجہ کے ساتھ ساتھ ڈالر کے مقابلے میں پاکستانی روپے کی قدر میں کمی کی وجہ سے ہوا۔

اس سہ ماہی کے دوران لاگت برائے فروختگی 975 ملین روپے رہی گزشتہ سال اسی عرصے کے دوران 1,109 روپے رہی۔ اس اعتبار سے لاگت برائے فروختگی 12.08 فیصد جب کہ حجم میں 31.68 فیصد کمی ریکارڈ کی گئی۔

اس نومبر کے دوران کمپنی کا خام منافع کم ہو کر 528 ملین روپے اور سہ ماہی کے دوران خام منافع کم ہو کر 162 ملین روپے رہا جب کہ گزشتہ سال نومبر اور سہ ماہی میں خام منافع بالترتیب 784 ملین روپے اور 261 ملین روپے تھا۔

دیگر اخراجات پچھلے سال کے اسی عرصوں کے دوران ہونے والے اخراجات میں معمولی اضافے کے ساتھ تقریباً برابر رہی رہے۔ مختلف ذرائع سے ہونے والی آمدنی میں گزشتہ سال کے اسی عرصے کے دوران ہونے والی آمدن سے کمی کی وجہ سے داروں کی رضامندی سے اپنی ہی گروپ کمپنی کے حصص میں 150 ملین روپے کی سرمایہ کاری کی وجہ سے ہے۔

نومبر اور سہ ماہی میں کمپنی نے ادا کی گئی ٹیکس سے پہلے منافع بالترتیب 173 ملین روپے اور 41 ملین روپے حاصل کیا۔ جب کہ گزشتہ سال اسی عرصوں کے دوران یہ منافع بالترتیب 446 ملین روپے اور 152 ملین روپے تھا۔

ٹیکس کے پروویژن نومبر میں کم ہو کر 36 ملین روپے جو کہ گزشتہ سال یہ پروویژن اسی عرصے کے دوران 116 ملین روپے تھی۔ کمپنی کا خالص منافع ٹیکس کی پروویژن کے بعد نومبر اور سہ ماہی میں بالترتیب 137 ملین روپے اور 32 ملین روپے رہا جبکہ گزشتہ سال کے اسی عرصوں کے دوران یہ بالترتیب 330 ملین روپے اور 102 ملین روپے تھا۔

نومبر اور سہ ماہی میں آمدن فی حصص بالترتیب 2.73 روپے اور 0.63 روپے رہی۔ جبکہ گزشتہ سال اسی عرصوں کے دوران آمدن فی حصص بالترتیب 6.57 روپے اور 2.03 روپے تھی۔

مستقبل پر نظر

زیر نظر دورانیے میں غیر یقینی سیاسی اور اقتصادی حالات کی وجہ سے سیمنٹ کی طلب میں کمی ریکارڈ کی گئی۔ مجموعی طور پر اقتصادی ترقی میں سست روی نے خاص کر تعمیراتی سرگرمیوں کو متاثر کیا جس کی وجہ سے سیمنٹ کی طلب میں کمی پیدا ہو گئی۔ ان مشکل حالات میں صرف کلکٹر کی برآمدات برائے سیمنڈر امید کی ایک کرن تھی۔ بصورت دیگر برآمدات میں بھی سست روی دیکھی گئی۔ حکومت وقت کی جانب سے واضح اقتصادی منصوبہ بندی ہی مجموعی اقتصادی سرگرمیوں کو دوبارہ زندہ کر سکتی ہے۔ بین الاقوامی منڈیوں میں کونسلے کی قیمتوں میں کمی کی وجہ سے پیداواری لاگت کے دباؤ میں کمی ہو سکتی ہے۔ البتہ موجودہ ٹیکسوں میں توسیع سے مارکیٹ میں جہاں طلب کے مقابلے میں رسد کی زیادتی ہوگی وہاں قیمتوں پر دباؤ میں مزید اضافہ ہو سکتا ہے۔



شوں میں

نومای (مارچ 31)		سہ ماہی (مارچ 31)		تفصیلات
2019	2018	2019	2018	
				پیداوار
421,550	520,776	155,308	192,936	کلنکر
508,471	628,863	159,231	230,694	سیمنٹ
				ترسیل
458,556	569,971	137,705	217,411	مقامی
49,656	57,976	20,142	13,645	برآمدات
508,212	627,947	157,847	231,056	مجموعی

زیر نظر دورانیے میں اس سہ ماہی میں کلنکر اور سیمنٹ کی پیداوار میں 19.50 فیصد اور 30.98 فیصد کمی بالترتیب دیکھی گئی۔ جبکہ نومبر ماہ میں کلنکر اور سیمنٹ کی پیداوار میں بھی بالترتیب 19.05 فیصد اور 19.14 فیصد کمی دیکھی گئی۔

کمپنی کی جانب سے نومبر ماہ میں سیمنٹ کی فروختگی میں 19.07 فیصد کمی ہوئی جب کہ اسی عرصے کے دوران صنعت کے مجموعی حجم میں 0.48 فیصد کمی ہوئی۔ جبکہ شمال میں واقع فیکٹریوں کی فروختگی میں اس عرصے کے دوران 11.03 فیصد کمی ریکارڈ کی گئی۔ کمپنی کی مقامی فروختگی کے مجموعی حجم میں زیر نظر دورانیے کے دوران نومبر ماہ میں 19.55 فیصد اور سہ ماہی میں 36.66 فیصد کمی جب کہ برآمدات میں نومبر ماہ میں 14.35 فیصد کمی دیکھی گئی۔ جبکہ اس سہ ماہی کے دوران برآمدات میں 47.61 فیصد اضافہ ریکارڈ کیا گیا۔

مالیاتی نتائج

زیر نظر دورانیے کے دوران کمپنی کی خالص مجموعی فروختگی کم ہو کر 3,620 ملین روپے ہو گئی۔ جبکہ گزشتہ سال اسی عرصے کے دوران مجموعی فروختگی سے حاصل ہونے والی آمدن 3,841 ملین روپے تھی۔ اس لحاظ سے آمدن میں 5.74 فیصد کمی ہوئی جب کہ حجم میں 19.07 فیصد کمی دیکھی گئی۔

زیر نظر دورانیے میں نومبر ماہ کے دوران مقامی سطح پر خالص مجموعی فروختگی سے حاصل ہونے والی آمدن 3,317 ملین روپے رہی جبکہ گزشتہ سال اسی عرصے کے دوران ہونے والی آمدن 3,558 ملین روپے تھی۔ فروختگی سے ہونے والی آمدن میں 6.77 فیصد کمی جب کہ اس کے مقابلے میں حجم میں 19.55 فیصد کمی ریکارڈ کی گئی۔ مقامی سطح پر قیمتوں میں بہتری ہوئی۔ لیکن یہ بہتری لاگت میں ہونے والے اضافے کے مقابلے میں کم رہی جس کی وجہ سے کمپنی یہ اضافہ صارفین کو منتقل نہ کر سکی۔ برآمدات سے حاصل ہونے والی آمدن میں نومبر ماہ میں 7.15 فیصد اضافہ ہوا۔ جبکہ حجم میں 14.35 فیصد کمی ہوئی۔ برآمدات میں قیمتوں میں بہتری کی وجہ ڈالر کے مقابلے میں پاکستانی روپے کی قدر میں کمی کی وجہ سے ہوئی۔

اس سہ ماہی کے دوران کمپنی کی خالص آمدن کم ہو کر 1,137 ملین روپے رہی جو کہ گزشتہ سال اسی عرصے کے دوران 1,370 ملین روپے تھی۔ اس حساب سے آمدن میں 17.04 فیصد کمی ہوئی۔ مقامی سطح پر فروختگی کم ہو کر 1,013 ملین روپے جبکہ گزشتہ سال اسی عرصے کے دوران 1,302



ڈائریکٹرز جائزہ

آپ کی کمپنی کے ڈائریکٹرز کمپنی کی کارکردگی کا جائزہ بمعہ غیر آڈٹ شدہ مالیاتی دستاویزات بابت سہ ماہی اور نو ماہی 31 مارچ 2019 آپ کی خدمت میں پیش کر رہے ہیں۔

جائزہ

موجودہ مالیاتی سال 30 جون 2019ء کے پہلے نو ماہ میں سینٹ کی صنعت میں مجموعی فروختنگلی 34.59 ملین ٹن کے اعتبار سے مجموعی طور پر مال کی رواگتی میں 0.48 فیصد کی شرح کی کمی ریکارڈ کی گئی جبکہ گزشتہ سال اسی عرصے کے دوران مجموعی فروختنگلی کا حجم 34.75 ملین ٹن تھا۔ اس سہ ماہی کے دوران 9.27 فیصد کی کمی کے ساتھ مجموعی فروختنگلی کا حجم 11.35 ملین ٹن ریکارڈ کیا گیا۔ جبکہ گزشتہ سال اسی عرصے کے دوران مجموعی فروختنگلی کا حجم 12.51 ملین ٹن تھا۔ مقامی سطح پر صنعت میں نو ماہ اور سہ ماہی کے دوران فروختنگلی کا حجم بالترتیب 29.46 ملین ٹن، اور 9.78 ملین ٹن رہا۔ جبکہ گزشتہ سال اسی عرصے کے دوران مقامی فروختنگلی کا حجم بالترتیب 31.31 ملین ٹن، اور 11.47 ملین ٹن تھا۔ اس اعتبار سے مقامی سطح پر صنعت کی فروختنگلی کے حجم میں بالترتیب 5.91 فیصد اور 14.73 فیصد کی کمی دیکھی گئی۔ اس کے برعکس برآمدات کی مد میں صنعت کی سطح پر فروختنگلی کا مجموعی حجم نو ماہ اور سہ ماہی کے دوران 15.13 اور 1.57 ملین ٹن رہا۔ جبکہ گزشتہ سال اسی عرصے کے دوران برآمدات کی مد میں فروختنگلی کا یہ حجم بالترتیب 3.44 اور 1.03 ملین ٹن تھا۔ جس کے اعتبار سے نو ماہ اور سہ ماہی کے دوران فروختنگلی کے حجم میں بالترتیب 49.13 فیصد اور 52.43 فیصد کا اضافہ ریکارڈ کیا گیا۔

دوران نو ماہی شمال میں واقع فیکٹریوں کی مجموعی فروختنگلی 25.20 ملین ٹن رہی جس میں مقامی سطح پر فروختنگلی 23.21 ملین ٹن اور برآمدات 1.99 ملین ٹن ریکارڈ کی گئی۔ مجموعی طور پر شمال میں واقع فیکٹریوں کی فروختنگلی میں 11.03 فیصد کی کمی دیکھی گئی جس میں سے مقامی سطح پر فروختنگلی میں 10.35 فیصد اور برآمدات میں 18.19 فیصد کی کمی دیکھی گئی۔

کارکردگی بروہنی کاروباری افعال

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



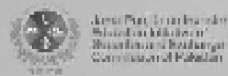
www.jamapunji.pk



**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 Verifications
- 📋 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



Jama Punji is authorized by
Securities and Exchange
Commission of Pakistan

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

*All the application and our data are developed for personal use only.





FECTO CEMENT LIMITED

35, Darul Aman Housing Society, Block 7 & 8
Shahrah-e-Faisal, Karachi-75350

Phones: (+8221) 34530120-2, (+8221) 34530124
Website: www.fectogroup.com