



**INTERIM REPORT
MARCH 2017
FECTO
CEMENT LIMITED**

BOOK POST
UNDER POSTAL CERTIFICATE



FECTO CEMENT LIMITED
35, Darul Aman Housing Society, Block 7 & 8
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CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Aamir Ghani	Chairman
Mr. Mohammed Yasin Fecto	Chief Executive
Mr. Mohammed Asad Fecto	
Mr. Khalid Yacoob	
Mr. Ijaz Ali	
Mr. Safdar Abbas Morawala	
Mr. Altaf A Hussain	
Mr. Mohammed Anwar Habib	
Mr. Rohail Ajmal (Nominee of Saudi Pak Industrial & Agricultural Investment Co. Ltd.)	

AUDIT COMMITTEE

Mr. Mohammed Anwar Habib	Chairman
Mr. Safdar Abbas Morawala	
Mr. Altaf A. Hussain	

HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Mohammed Asad Fecto	Chairman
Mr. Aamir Ghani	
Mr. Mohammed Anwar Habib	

SECRETARY

Mr. Abdul Samad, FCA

AUDITORS

Rahman Sarfaraz Rahim Iqbal Rafiq,
Chartered Accountants

LEGAL ADVISOR

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

SHARE REGISTRAR

Technology Trade (Private) Limited
241-C, Block 2, P.E.C.H.S.
Karachi

REGISTERED OFFICE

35-Darulaman Housing Society
Block 7/8, Shakra-e-Faisal
Karachi
Website <http://www.fectogroup.com>

FACTORY

Sangjani, Islamabad

MARKETING OFFICE

House # 13, Najam Shaheed Street
Atta ul Haq Road, Westridge-1
Rawalpindi



DIRECTORS' REVIEW

Your Directors are pleased to present before you their report together with Un Audited Condensed Interim Financial information of the Company for the Quarter and Nine Months ended March 31, 2017.

OVERVIEW

During the first nine months of current financial year ending June 30, 2017, overall dispatches of the industry witnessed a growth of 6.90% as compared to same period last year with total sales volume of 30.30 million tons as against 28.35 million tons of same period last year. Local sales volume of the industry was of 26.55 million tons as against 23.94 million tons of same period last year witnessing an increase of 10.90%. On export side industry achieved sales volume of 3.75 million tons as against sales volume of 4.40 million tons of same period last year witnessing a negative growth of 14.83%.

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,		March 31,	
	2017	2016	2017	2016
Production:				
Clinker	179,929	182,110	574,980	497,136
Cement	184,251	182,257	599,838	543,552
Dispatches:				
Local	158,614	143,336	501,467	426,633
Export	25,992	42,686	97,829	118,876
Total	184,606	186,204	599,296	545,509

During the quarter, production of clinker reduced by 1.20% whereas production of cement increased by 1.09 % as compared to same period last year. On nine months basis production



of both clinker and cement increased by 15.66% and 10.36% respectively in comparison to same period last year.

Overall sales volume of the Company for the nine months increased by 9.86% as against growth of 6.90% of the industry, local sales volume of the Company increased by 17.54% whereas exports of the Company reduced by 17.70%. On quarter to quarter basis local sales volume increased by 10.66% whereas exports reduced by 39.11%.

FINANCIAL RESULTS

During the nine months period, net sales revenue of the Company increased to Rs. 4,006 Million as against the net sales revenue of Rs. 3,731 Million of same period last year thus registering an increase of Rs. 275 Million which is 7.37%.

Net local sales revenue for the nine months period increased to Rs. 3,498 Million as against Rs. 3,037 Million of same period last year witnessing a growth of 15.18%. This growth was achieved mainly due to improved local sales volume which increased by 17.54%, however, prices reduced by 2.36%. Export revenue for the nine months period reduced by 26.83 % as against reduction in volume by 17.70%. Export prices remained depressed during Nine Months period then same period last year.

Net sales revenue of the Company for the quarter remained same at Rs.1,240 Million as compared to same period last year despite decrease in volume by 0.86%. Local sales for the quarter increased to Rs. 1,102 Million as against Rs.1,011 Million thus depicting an increase of 9.00% as against increase in volume by 10.66%. Export sales of the Company reduced to Rs. 138 Million as against Rs. 229 Million of same period last year showing reduction of 39.74%.

Overall Cost of sales for the nine months increased to Rs. 2,771 Million as compared to same period last year registering increase of 9.66% in line with increase in volume by 9.86%. During the Quarter, however, it increased by 8.84% as against reduction in sales volume by 0.86%. Main reason for such increase was increase in cost of fuel and power which increased due to higher prices of coal in international market coupled with increase in cost of spares consumption.

Gross profit of the Company for the nine months increased to Rs. 1,235 Million however, for the Quarter it reduced to Rs. 345 Million as against the gross profit of Rs. 1,204 Million and Rs. 416 Million for the same periods last year.

Administrative cost remained same with marginal increase due to inflation, however, distribution cost increased during the period, export commission reduced in line with reduction in export volume but commission against local sales increased due to higher volume. Other income during the period increased as compared to same period last year as surplus liquidity was invested to earn extra income.

Company earned profit before taxation of Rs. 865 Million and Rs. 237 Million during nine months and quarter respectively as against the profit before taxation of Rs. 845 Million and Rs.307 Million of same periods last year.

Provision for taxation increased to Rs. 258 Million during nine months periods as against Rs. 240 Million of same period last year. Company earned profit after taxation of Rs. 607 Million and Rs. 158 Million during nine months and quarter as against Rs. 642 Million and Rs. 230 Million of same periods last year.

Earning per share for the nine months and quarter was Rs. 12.11 and Rs. 3.14 as against the earning per share of Rs. 12.79 and Rs. 4.58 of same periods last year.

FUTURE PROSPECT

Local demand of cement is expected to continue its upward journey in last quarter of current financial year on the back of improved economic and construction activities coupled with initiation of projects under China Pakistan Economic Corridor (CPEC). Exports to Afghanistan are expected to further reduce due to influx of Iranian cement and enhanced security measures taken at the border restricting smooth trade.

ACKNOWLEDGMENT

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

For and on behalf of the Board.


(MOHAMMED YASIN FECTO)
Chief Executive

Karachi: April 26, 2017



FECTO CEMENT LIMITED

PECTO CEMENT LIMITED
CONDENSED INTERIM BALANCE SHEET
AS AT 31 MARCH 2017

		Un-audited 31 March 2017	Audited 30 June 2016
		Rupees in thousand	
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized Capital			
75,000,000 Ordinary shares of Rs. 10/- each		750,000	750,000
Issued, subscribed and paid up capital			
50,160,000 Ordinary shares of Rs.10/- each		501,600	501,600
General reserve		550,000	550,000
Accumulated profit		2,688,896	2,181,850
		3,740,496	3,233,450
NON-CURRENT LIABILITIES			
Deferred taxation	6	381,214	403,944
CURRENT LIABILITIES			
Trade and other payables	7	601,210	439,314
Contingencies and commitments	8	-	-
TOTAL EQUITY AND LIABILITIES		4,722,920	4,076,708
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipments	9	1,833,089	1,867,644
Long term loans and deposits		8,916	11,588
		1,842,005	1,879,232
CURRENT ASSETS			
Stores, spares and loose tools		880,042	901,305
Stock-in-trade	10	1,069,902	922,043
Trade debtors - considered good		45,979	12,563
Short term investments		102,125	-
Loans, advances, deposits, prepayments and accrued markup		60,106	32,623
Cash and bank balances		722,761	328,942
		2,880,915	2,197,476
Total assets		4,722,920	4,076,708

The annexed notes from 1 to 14 form an integral part of this condensed interim financial information.


(MOHAMMED YASIN FECTO)
Chief Executive


(MOHAMMED ANWAR HABIB)
Director



PECTO CEMENT LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2017

		Nine months ended 31 March		Quarter ended 31 March	
		2017	2016	2017	2016
Note		Rupees in thousand			
Sales - net	11	4,005,541	3,731,126	1,239,958	1,239,563
Cost of sales	12	(2,770,885)	(2,526,664)	(896,260)	(823,465)
Gross profit		1,234,656	1,204,462	343,698	416,098
Administrative expenses		(191,818)	(182,998)	(58,208)	(55,098)
Distribution cost		(133,442)	(112,513)	(38,233)	(32,040)
Finance cost		(1,878)	(11,911)	(264)	(2,665)
Other income		21,872	10,662	7,941	3,459
		(305,266)	(296,760)	(88,764)	(86,344)
		929,390	907,702	254,934	329,754
Worker's funds		(64,128)	(62,632)	(17,590)	(22,754)
Profit before taxation		865,262	845,070	237,344	307,000
Provision for taxation					
-Current		(280,626)	(240,253)	(80,231)	(86,495)
-Deferred		22,730	36,734	634	9,332
		(257,896)	(203,519)	(79,597)	(77,163)
Profit after taxation		607,366	641,551	157,747	229,837
		Rupees			
Earnings per share - basic and diluted		12.11	12.79	3.14	4.58

The annexed notes from 1 to 14 form an integral part of this condensed interim financial information.


(MOHAMMED YASIN FECTO)
 Chief Executive


(MOHAMMED ANWAR HABIB)
 Director



PECTO CEMENT LIMITED

PECTO CEMENT LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2017

	Nine months ended 31 March		Quarter ended 31 March	
	2017	2016	2017	2016
	Rupees in thousand			
Profit after taxation	607,366	641,551	157,747	229,837
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	607,366	641,551	157,747	229,837

The annexed notes from 1 to 14 form an integral part of this condensed interim financial information.


(MOHAMMED YASIN FECTO)
Chief Executive


(MOHAMMED ANWAR HABIB)
Director



PECTO CEMENT LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2017

	Nine months ended 31 March	
	2017	2016
	Rupees in thousand	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	865,262	845,070
Adjustments for:		
Depreciation	82,661	84,738
Provision for bad debts	-	3,484
Gain on disposal of operating assets	(17)	(200)
Fair value gain on re-measurement of investment	(2,125)	-
Finance cost	1,878	11,911
	82,397	99,933
Operating Profit before working capital changes	947,659	945,003
Stores and Spares	21,264	(115,785)
Stock-in-Trade	(147,858)	80,879
Trade Debts	(33,416)	(121,712)
Loans, Advances, Deposits, Prepayments and Accrued Markup	(27,484)	8,453
Trade and Other Payables	188,838	131,519
Cash generated from operations	949,003	928,357
Income tax (paid/deducted) at source / refund	(259,537)	(146,813)
Long term loans and deposits	2,672	2,463
Net cash generated from operating activities	692,138	784,007
Cash flows from investing activities		
Fixed capital expenditure	(48,197)	(15,444)
Short Term Investment Made	(100,000)	-
Sale proceeds of operating assets	106	1,320
Net cash (used) in investing activities	(148,091)	(14,124)
Cash flows from financing activities		
Repayment of long term financing	-	(260,000)
Repayment of Short term financing	-	(200,000)
Finance cost paid	(1,878)	(19,706)
Dividend paid	(148,350)	(215,811)
Net cash used in financing activities	(150,228)	(695,517)
Net increase in cash and cash equivalents	393,819	74,366
Cash and cash equivalents as at beginning of the period	328,942	220,450
Cash and cash equivalents as at end of the period	722,761	294,816

The annexed notes from 1 to 14 form an integral part of this condensed interim financial information.




(MOHAMMED YASIN FECTO)
Chief Executive


(MOHAMMED ANWAR HABIB)
Director

PECTO CEMENT LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2017

	Share Capital	General reserve	Accumulate Profit	Total
	Rupees in thousand			
Balance as at 30 June, 2015	501,600	550,000	1,869,625	2,921,225
Total comprehensive income for the nine months ended 31 March, 2016	-	-	641,551	641,551
Transactions with owners recorded directly in equity				
Final Cash dividend @ 50% for the year ended 30 June, 2015	-	-	(250,800)	(250,800)
Interim Cash dividend @ 50% for the year ended 30 June , 2016	-	-	(250,800)	(250,800)
Balance as at 31 March, 2016	501,600	550,000	2,009,576	3,061,176
Total comprehensive income for the three months ended 30 June , 2016	-	-	172,274	172,274
Balance as at 30 June, 2016	501,600	550,000	2,181,850	3,233,450
Total comprehensive income for the nine months ended 31 March, 2017	-	-	607,366	607,366
Transactions with owners recorded directly in equity				
Final Cash dividend @ 20% for the year ended 30 June, 2016	-	-	(100,320)	(100,320)
Balance as at 31 March, 2017	501,600	550,000	2,688,896	3,740,496

The annexed notes from 1 to 14 form an integral part of this condensed interim financial information.


(MOHAMMED YASIN FECTO)
 Chief Executive


(MOHAMMED ANWAR HABIB)
 Director



PECTO CEMENT LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2017

1 STATUS AND NATURE OF BUSINESS

The Company was incorporated in Pakistan on February 28, 1981 as a public limited company with its Registered Office situated at 35-Darulaman Housing Society, Block 7/8, Shahra-e-Faisal, Karachi, Sindh. Its shares are quoted on Pakistan Stock Exchange. It is principally engaged in production and sale of cement.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These condensed interim financial information of the company for the six months period ended 31 March 2017 has been prepared in accordance with the requirements of the International Accounting Standard - 34 "Interim Financial Reporting" and the provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions and directives issued under the Companies Ordinance, 1984 have been followed.

This condensed interim financial information is unaudited and is being submitted to the shareholders as required under section 245 of the Companies Ordinance, 1984 and the listing regulation of Pakistan Stock Exchange as required by the Code of Corporate Governance.

This condensed interim financial statements does not include all the information required for full annual financial statements and should be read in conjunction with the annual audited financial statements of the company as at and for the year ended June 30, 2016.

The comparative balance sheet presented in this condensed interim financial statements as at March 31, 2017 has been extracted from the audited financial statements of the Company for the year ended June 30, 2016, whereas the comparative profit and loss account, statement of comprehensive income, statement of changes in equity and the cash flow statement are extracted from the unaudited condensed interim financial statements for the nine months period ended 31 March 2016.

2.2 Functional and presentation currency

This condensed interim financial statements is presented in Pakistani Rupees which is the Company's functional currency.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of this condensed interim financial statements are the same as those adopted in preparation of the annual audited financial statements of the Company as at and for the year ended 30 June 2016.

Amendments to certain accounting standards and new interpretations on approved accounting standards effective during the period were not relevant to the Company's operations and do not have any impact on the accounting policies of the Company.

4 ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of condensed interim financial statements requires management to make judgements, estimates and assumptions that affect the accounting policies and the reported amounts of assets and liabilities, income and expenses. However, actual results may differ from these estimates.

The significant judgements made by the management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements as at and for the year ended 30 June 2016.

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 2016.



	(Un-audited) 31 March 2017	(Audited) 30 June 2016
	— Rupees in thousand —	
6 DEFERRED TAXATION		
Taxable temporary differences arising in respect of :		
Accelerated tax depreciation	386,100	409,541
Short term investment	531	-
Deductible temporary difference arising in respect of :		
Provision against slow moving and obsolete spares	(3,932)	(4,013)
Provision for bad debts	(1,485)	(1,584)
	381,214	403,944
7 TRADE AND OTHER PAYABLE		
Creditors for Goods:		
Other creditors	57,034	32,926
Associated company	4,590	2,413
	61,624	35,339
Accrued expenses	75,828	41,741
Leave encashment payable	46,896	46,024
Workers' funds	144,186	142,296
Advances from customers	56,175	36,655
Deposits from dealers, contractors and suppliers	9,604	9,512
Royalty payable	3	7
Excise duty payable	63,592	6,723
Income tax payable	36,897	15,808
Sales tax payable	59,672	10,066
Unclaimed dividend	33,567	81,608
Unpaid dividend	362	351
Other liabilities	12,804	13,184
	601,210	439,314

8 CONTINGENCIES AND COMMITMENTS

Contingencies

- 8.1 On 17 March 2015, the Company received a letter from Director Minerals, Industries and Labour Welfare Islamabad Capital Territory (ICT) informing the Company that the lease issued to it for mining had been cancelled in pursuance of the orders of the Honourable Supreme Court of Pakistan dated 16 March 2015. The said order was passed in a petition filed, dated 10 February 2015, seeking contempt proceedings to implement the order passed by the Honourable Supreme Court of Pakistan on 25 October 2013, whereby, the Honourable Supreme Court of Pakistan ordered Chairman ICT, Chairman National Highway Authority and other executing agencies to cease any activities towards construction of tunnel in the Margalla Hills enroute to the province of Khyber Pakhtunkhwa (KPK), moreover, CDA was also instructed not to grant further licenses for crushing of stones and immediately stop any such activities carried on. The Company also received a letter from Capital Development Authority (CDA), informing them that CDA had withdrawn its NOC issued in favour of the Company. The Company has for the time being ceased excavation of raw materials however it has significant stocks of raw material to continue its operations and has also access to alternative sources of raw material. The company has filed a review petition in the Honourable Supreme Court of Pakistan against the order passed by the Court dated 25 October 2013.

The Company had not received any notice from the Honourable Supreme Court of Pakistan or any other party to the proceedings that any matter was pending against the Company before the Honourable Supreme Court of Pakistan. Thus, the Company had no knowledge of earlier hearings on this matter. Upon receipt of the above mentioned letters, the Company, represented by its legal counsel Messrs Aitzaz Ahsan and Associates, has contested that the activities conducted by it were not in violation of the order of the Honourable Supreme Court of Pakistan.

As mentioned above, the Company has ceased the excavation of minerals, however management based on legal opinion of its legal counsel believes that the outcome of the pending litigation in the Honourable Supreme Court of Pakistan would be in favour of the Company.

Further, a notice of recovery was served earlier on the Company by Deputy Director (Protection/Forest) creating a demand of Rs. 427.050 million as damage caused by the Company's mining activities and raised the matter before senior special magistrate (CDA).

The Company has challenged the recovery notice on the grounds that mining activities conducted by it were under valid lease issued to it by the authorities. Moreover, the penalty has been without any prior notice and without giving the Company an opportunity of being heard. The Company has also challenged the fact that penalty has been imposed without any basis for calculating the damage. Further, the company has filed a civil suit against CDA in Islamabad High Court.

Since the case is pending in the higher forum the matter will remain subjudice in the court of senior special magistrate CDA till the decision comes from Honourable Islamabad High Court. The company in consultation with its legal advisors is confident that the matter will be decided in its favour.

- 8.2 The Competition Commission of Pakistan took Suo Moto action under Competition Commission Ordinance, 2007 and issued a Show Cause Notice on 28 October 2008 for increase in prices of cement across the country. Similar notices were also issued to All Pakistan Cement Manufacturers Association (APCMA) and its member cement manufacturers. The Company filed a writ petition before the Honourable Lahore High Court (LHC), the LHC vide its order dated 24 August 2009 allowed the CCP to issue its final order. The CCP accordingly passed an order on 27 August 2009 and imposed a penalty of Rs. 174.063 million on the Company. The Lahore High Court vide its order dated 31 August 2009 restrained the CCP from enforcing its order against the Company for the time being.

During the financial year ended 30 June 2010, the Company has filed an appeal before the Honourable Supreme Court of Pakistan and Lahore High Court against the Order of the CCP dated 27 August 2009. The petition filed by the Company and other cement manufacturers before the Lahore High Court are also pending for adjudication meanwhile order passed by the Lahore High Court on 31 August 2009 is still operative.

- 8.3 Income tax returns upto tax year 2016 have been submitted with the tax authorities. For tax years 2009 to 2013, notices under section 122(9) of the Income Tax Ordinance, 2001 were issued whereby the basis of allocation of expenses were changed from gross sales to net sales basis. The Company filed appeal with the High Court of Sindh which has granted stay.

Further the Deputy Commissioner Inland Revenue amended assessment order for the tax year 2014 u/s 122(1) of the Income Tax Ordinance, 2001. The company filed appeal against DCIR and based on its legal advisor's opinion is confident of favourable outcome.

The Additional Commissioner Inland Revenue (ACIR) - Karachi issued an order creating sales tax demand of Rs. 581.788 million. The Company instituted an appeal and Commissioner Inland Revenue (Appeals) passed an order whereby the order against the Company was annulled as being defective on legal as well as factual grounds including the fact that such order was time barred.

The order of Commissioner Inland Revenue (Appeals) has been challenged by the department before Appellate Tribunal Inland Revenue however, no hearings have been conducted over the matter. The Company based on the opinion of its sales tax advisor is confident that the matter will be decided in its favour and accordingly no amount would become payable in respect of these matters.

Commitments

- 8.4 Commitments in respect of outstanding letters of credit as at 31 March 2017 amounted to Rs. 237.88 million (30 June 2016: Rs. 90.59 million)



		(Un-audited) 31 March 2017	(Audited) 30 June 2016
		— Rupees in thousand —	
9	PROPERTY, PLANT AND EQUIPMENTS		
	Operating assets	1,819,977	1,866,838
	Capital work in progress	13,112	806
		<u>1,833,089</u>	<u>1,867,644</u>

9.1 During the nine months period ended 31 March 2017, the Company acquired property, plant and equipment aggregating Rs. 35.89 million (31 March 2016: Rs.13.76 million) while property, plant and equipment with the carrying value of 0.89 million (31 March 2016: Rs.1.12 million) were disposed off during the same period. Depreciation charge for the period amounts to Rs. 82.66 million (31 March 2016:Rs. 84.74 million).

		(Un-audited) 31 March 2017	(Audited) 30 June 2016
		— Rupees in thousand —	
10	STOCK IN TRADE		
	Finished goods	28,724	25,910
	Work in process	253,774	227,848
	Raw material	760,485	637,827
	Packing material	26,919	30,458
		<u>1,069,902</u>	<u>922,043</u>

		Nine months ended 31 March		Quarter ended 31 March	
		2017	2016	2017	2016
11	SALES-NET				
		(Rupees in '000)			
	Sales - Local	4,768,961	3,834,696	1,504,032	1,277,544
	Less: Excise duty	501,468	181,346	158,614	60,638
	Sales tax	769,532	615,931	243,205	205,992
		<u>1,271,000</u>	<u>797,277</u>	<u>401,819</u>	<u>266,630</u>
		3,497,961	3,037,419	1,102,213	1,010,914
	- Export	505,487	691,820	136,926	228,517
	Export Rebate	2,093	1,887	819	132
		<u>507,580</u>	<u>693,707</u>	<u>137,745</u>	<u>228,649</u>
		<u>4,005,541</u>	<u>3,731,126</u>	<u>1,239,958</u>	<u>1,239,563</u>

12 COST OF SALES

Raw and packing material consumed:

	Nine months ended 31 March		Quarter ended 31 March	
	2017	2016	2017	2016
	(Rupees in '000)			
Opening stock	668,285	635,203	743,732	628,202
Purchases	484,084	299,592	142,504	116,815
Excavation / Transportation cost	135,859	204,515	60,648	88,455
	1,288,228	1,139,310	946,884	833,472
Closing stock	(787,404)	(667,248)	(787,404)	(667,248)
	500,824	472,062	159,480	166,224
Fuel and power	1,740,301	1,439,609	583,654	519,866
Stores and spares consumed	109,764	82,656	46,657	26,726
Salaries, wages and benefits	313,289	281,418	85,536	78,081
Insurance	19,641	19,581	6,547	6,527
Repairs and maintenance	13,263	13,374	4,222	4,699
Depreciation	59,041	59,276	19,823	19,739
Other manufacturing overheads	43,501	45,764	14,073	14,658
	2,799,624	2,413,740	919,992	836,520
Opening work-in-process	227,849	394,190	229,212	261,926
Closing work-in-process	(253,774)	(291,376)	(253,774)	(291,376)
Cost of goods manufactured	2,773,699	2,516,554	895,430	807,070
Opening finished goods	25,910	32,769	29,554	39,054
Closing finished goods	(28,724)	(22,659)	(28,724)	(22,659)
	2,770,885	2,526,664	896,260	823,465

13 TRANSACTIONS / BALANCES WITH RELATED PARTIES

The related parties comprise of parties related to group companies (associated companies), directors, and their close family members, staff provident fund, executives and major shareholders of the Company. 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 the financial statements were as follows:

	(Un-audited) 31 March 2017	(Audited) 30 June 2016
	— Rupees in thousand —	
Associated company (Frontier Paper Products (Private) Limited)		
Balance ast the beginning of the period	2,412	10,797
Purchases during the period	238,924	188,232
Payments during the period	(236,746)	(196,617)
Balance at the end of the period	4,590	2,412
Outstanding Loan to Key Management personnel	3,052	2,763
Provident Fund Contribution payable	3,144	2,937



	Nine months ended 31 March		Quarter ended 31 March	
	2017	2016	2017	2016
	(Rupees in '000)			
Others				
Contribution to employees' provident fund	13,288	13,673	3,034	4,504
Chief Executive's remuneration	12,028	12,028	3,000	3,000
Directors's remuneration	12,028	12,028	3,000	3,000
Directors's meeting fee	65	50	10	15
Key management personnel remuneration (excluding Chief Executive and Directors)	172,805	140,712	44,929	36,953
Disbursement of advance to key management personnel	1,325	3,527	325	2,250
Repayment of advances by key management personnel	1,392	1,181	529	772

14 GENERAL

- 14.1 This condensed interim financial statements was authorised for issue in the board of directors meeting held on April 26, 2017.
- 14.2 Figures have been rounded off to the nearest thousand rupees.



(MOHAMMED YASIN FECTO)
Chief Executive



(MOHAMMED ANWAR HABIB)
Director



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میں دیے جانے والے کمیشن میں حجم کے ساتھ کی توقع ہوئی لیکن مقامی فروختگی میں اضافے کی وجہ سے مقامی ڈیلرز کو کمیشن کی ادائیگی میں اضافہ ہوا۔ دیگر ذرائع سے ہونے والی آمدنی میں اضافہ دراصل اضافی مالیاتی وسائل میں ہونے والی آمدن کی وجہ سے ہوا۔

کمپنی کی ٹیکس سے پہلے ہونے والی آمدن بڑھ کر نو ماہ اور سہ ماہ میں بالترتیب 865 ملین روپے اور 237 ملین روپے رہی جبکہ یہی آمدنی گزشتہ سال کے اسی عرصوں میں بالترتیب 845 ملین روپے اور 307 ملین روپے رہی تھی۔

ٹیکس کے پروویژن نو ماہی میں بڑھ کر 258 ملین روپے تک پہنچ گئی جو کہ گزشتہ سال یہ پروویژن اسی عرصے کے دوران 240 ملین روپے تھی۔ کمپنی کا خالص منافع ٹیکس کی پروویژن کے بعد نو ماہ اور سہ ماہ میں بالترتیب 607 ملین روپے اور 158 ملین روپے رہا جبکہ گزشتہ سال کے اسی عرصوں کے دوران یہ بالترتیب 642 ملین روپے اور 230 ملین روپے تھا۔

نواماہی اور سہ ماہی میں آمدن فی حصص بالترتیب 12.11 روپے اور 3.14 روپے رہی۔ جبکہ گزشتہ سال اسی عرصوں کے دوران آمدن فی حصص بالترتیب 12.79 روپے اور 4.58 روپے تھی۔

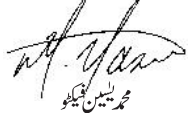
مستقبل پر نظر

یہ توقع ہے کہ مقامی سطح پر سینٹ کی مانگ میں موجودہ سال کی آخری سہ ماہی میں بھی اضافہ ہوگا۔ یہ اضافہ حکومت کی طرف سے عوامی فلاح و بہبود کے پروگرام اور سی بیک کے تحت ہونے والے ترقیاتی کام کی وجہ سے ہوگا۔ افغانستان کو برآمد کی جانے والی سینٹ میں مزید کمی ہو سکتی ہے جو کہ سستی ایرانی سینٹ کی افغانستان میں آمد اور پاک افغان سرحد پر اضافی حفاظتی اقدامات کی وجہ سے آمدورفت میں خلل کی وجہ سے ہو سکتا ہے۔

اظہار تشکر

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

منجانب بورڈ



محمد نسیم خان

چیف ایگزیکٹو

بمقام کراچی: 26 اپریل 2017



FECTO CEMENT LIMITED

کمپنی کی فروختگی کے مجموعی حجم میں زیر نظر دورانیہ کے دوران نو ماہ میں سینٹ کی فروخت میں 9.86% کا اضافہ ہوا۔ جب کہ اسی عرصے کے دوران سینٹ کی صنعت میں یہ اضافہ 6.90% فیصد تھا۔ کمپنی کی مقامی فروختگی میں نو ماہ میں 17.54% کا اضافہ جبکہ برآمدات میں 17.70% کی کمی دیکھی گئی۔ سہ ماہی کے دوران کمپنی کی مقامی فروختگی میں 10.66% کا اضافہ جبکہ برآمدات میں 39.11% کی کمی دیکھی گئی۔

مالیاتی نتائج

زیر نظر دورانیہ کے دوران نو ماہ میں مجموعی فروختگی سے کمپنی نے 4,006 ملین روپے کی آمدن حاصل کی جبکہ گزشتہ سال اسی عرصے کے دوران مجموعی فروختگی سے حاصل ہونے والی آمدن 3,731 ملین روپے تھی۔ اس لحاظ سے اس آمدن میں 275 ملین کا اضافہ ریکارڈ کیا گیا ہے۔ جو کہ 7.37% ہے۔

مقامی سطح پر مجموعی فروختگی سے نو ماہ میں حاصل ہونے والی آمدن بڑھ کر 3,498 ملین روپے ہو گئی۔ جبکہ یہی آمدن گزشتہ سال اسی عرصے کے دوران 3,037 ملین روپے تھی۔ اس طرح سے مقامی فروختگی کی آمدن میں 15.18% کا اضافہ ریکارڈ کیا گیا۔ یہ اضافہ مقامی فروختگی کے حجم میں 17.54% کے اضافے کی وجہ سے ہوا جبکہ قیمتوں میں 2.36% کی کمی ہوئی۔ برآمدات سے حاصل ہونے والی آمدن میں اس عرصے کے دوران 26.83% فیصد کی کمی ہوئی جبکہ حجم میں 17.70% کی کمی ہوئی۔

زیر نظر دورانیہ میں سہ ماہی کے دوران مجموعی فروختگی سے حاصل ہونے والی آمدن 1,240 ملین روپے رہی جو کہ گزشتہ سال اسی عرصے میں ہونے والی آمدن کے مقابلے میں تقریباً برابر رہی حالانکہ فروختگی کے حجم میں 0.86% کی کمی دیکھی گئی۔ مقامی فروختگی سے حاصل ہونے والی آمدن گزشتہ سال کے اسی عرصے کے دوران ہونے والی آمدن 1,011 ملین روپے کے مقابلے میں بڑھ کر 1,102 ملین روپے ہو گئی۔ آمدنی میں یہ اضافہ 9% ہے جبکہ حجم میں 10.66% کا اضافہ ہوا۔ موجودہ سال کی سہ ماہی میں برآمدات میں کمی کی وجہ سے آمدن 138 ملین روپے رہی جبکہ گزشتہ سال اسی عرصے کے دوران یہ آمدن 229 ملین روپے تھی۔ اس طرح سے آمدن میں 39.74% کی کمی ہوئی۔

لاگت برائے فروختگی میں 9.66% فیصد کا اضافہ ہوا جس کی وجہ سے لاگت برائے نو ماہی بڑھ کر 2,771 ملین روپے رہی جب اسی عرصے کے دوران فروختگی کے حجم میں 9.86% کا اضافہ ہوا۔ سہ ماہی کے دوران لاگت میں 8.84% کا اضافہ دیکھا گیا حالانکہ پیداوار کے حجم میں 0.86% کی کمی ہوئی لاگت میں یہ اضافہ دراصل کونسل کی قیمتیں بین الاقوامی منڈی میں بڑھنے کی وجہ سے ہوا۔ جب کہ پرزہ جات کے زیادہ استعمال سے بھی لاگت میں اضافہ ہوا۔

اس نو ماہی کے دوران کمپنی کا خام منافع بڑھ کر 1,235 ملین روپے ہو گیا لیکن سہ ماہی کے دوران خام منافع کم ہو کر 345 ملین روپے رہا جب کہ گزشتہ سال نو ماہ اور سہ ماہی میں خام منافع بالترتیب 1,204 ملین روپے اور 416 ملین روپے تھا۔

انتظامی اخراجات پچھلے سال کے اسی عرصوں کے دوران ہونے والے اخراجات کے برابر ہی رہے لیکن تقسیم مال کی لاگت میں اضافہ ہوا۔ برآمدات کی مد



FECTO CEMENT LIMITED

ڈائریکٹرز جائزہ

آپ کی کمپنی کے ڈائریکٹرز انتہائی مسرت کے ساتھ کمپنی کی کارکردگی کا جائزہ بمعہ غیر آڈٹ شدہ مالیاتی دستاویزات بابت سہ ماہی اور نو ماہی 31 مارچ 2017 آپ کی خدمت میں پیش کر رہے ہیں۔

جائزہ

موجودہ مالیاتی سال 30 جون 2017ء کے پہلے نو ماہ میں سیمنٹ کی صنعت میں مجموعی فروختگی 30.30 ملین ٹن کے اعتبار سے مجموعی طور پر مال کی رواںگی میں 6.90% فیصد کی شرح نمو ریکارڈ کی گئی جبکہ گزشتہ سال اسی عرصے کے دوران مجموعی فروختگی کا حجم 28.35 ملین ٹن تھا۔ مقامی سطح پر صنعت میں فروختگی کا حجم 26.55 ملین ٹن رہا اور اس اعتبار سے 10.90% کا اضافہ ریکارڈ کیا گیا جبکہ گزشتہ سال اسی عرصے کے دوران مقامی فروختگی کا حجم 23.94 ملین ٹن تھا، اس کے برعکس برآمدات کی مد میں صنعت کی سطح پر فروختگی کا مجموعی حجم 3.75 ملین ٹن رہا جس کے اعتبار سے 14.83% کی کمی دیکھی گئی۔ جبکہ گزشتہ سال اسی عرصے کے دوران برآمدات کی مد میں فروختگی کا یہ حجم 4.40 ملین ٹن تھا۔

کارکردگی پر مبنی کاروباری افعال

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

ٹنوں میں

نوامہی (مارچ 31)		سہ ماہی (مارچ 31)		تفصیلات
2016	2017	2016	2017	
				پیداوار
497,136	574,980	182,110	179,929	کلنٹر
543,552	599,838	182,257	184,251	سیمنٹ
				ترسیل
426,633	501,467	143,336	158,614	مقامی
118,876	97,829	42,686	25,992	برآمدات
545,509	599,296	186,204	184,606	مجموعی

زیر نظر دورانی میں اس سہ ماہی میں کلنٹر کی پیداوار میں 1.20% کی کمی ریکارڈ کی گئی جبکہ سیمنٹ کی پیداوار میں 1.09% فیصد اضافہ ہوا ہے جبکہ نو ماہ میں کلنٹر اور سیمنٹ کی پیداوار میں 15.66% اور 10.36% فیصد کا اضافہ ریکارڈ کیا گیا ہے۔

