

Contents

Corporate Information	2
Directors' Review	3
Auditors' Report to Members on Review of Condensed Interim Financial Information	6
Condensed Interim Balance Sheet	7
Condensed Interim Profit and Loss Account	8
Condensed Interim Statement of Comprehensive Income	9
Condensed Interim Cash Flow Statement	10
Condensed Interim Statement of Changes in Equity	11
Notes to the Condensed Interim Financial Information	12



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, Shahr-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 Condensed Interim Financial Information and Auditors Review Report thereon for the half year ended December 31, 2016.

OVERVIEW OF THE INDUSTRY

During the half year under review, overall cement dispatches witnessed growth of 8.70% as compared to same period last year. Industry achieved total sales volume of 19.81 Million tons as against the total sales volume of 18.23 Million tons of same period last year. Local sales volume registered a healthy growth of 11.10% with sales volume of 16.90 Million tons as against sales volume of 15.21 Million tons of same period of last year. Exports, however, reduced by 3.50% with sales volume of 2.91 Million tons as against the export volume of 3.02 Million tons of same period last year.

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 December 31,		Half year ended December 31,	
	2016	2015	2016	2015
Production:				
Clinker	189,911	178,496	395,051	315,026
Cement	217,795	199,401	415,587	361,295
Dispatches:				
Local	184,246	157,133	342,854	283,296
Export	34,356	43,599	71,837	76,008
Total	<u>218,602</u>	<u>200,732</u>	<u>414,691</u>	<u>359,304</u>

During half year and quarter under review Production of clinker increased by 25.40% and 6.40% whereas, production of cement for the half year and quarter under review increased by 15.03% and 9.22%.

Overall dispatches of your Company increased by 15.42% as against 8.70% growth of the industry out of which Local dispatches increased by 21.02% whereas exports reduced by 5.62%.



FINANCIAL PERFORMANCE

During the period under review, overall net sales revenue of the Company increased to Rs. 2,766 Million as against the revenue of Rs. 2,492 Million of same period last year thus depicting an increase of Rs. 274 Million which is 11.00%. Local sales revenue of the Company increased by 18.22% and reached to Rs. 2,396 Million as against Rs. 2,027 Million of same period last year. Retention price in local market reduced marginally during the half year under review. Export revenue reduced to Rs. 370 Million as against Rs. 465 Million of same period last year which is 20.43%. Prices in export market especially Afghanistan remained under pressure during the period under review.

Cost of sales of the Company during period under review increased by 10.06% and reached to Rs. 1,875 Million as against Rs. 2,492 Million of same period last year. This increase was in line with increase in volume. Prices of coal in international markets increased during the period under review.

Company during the period under review earned gross profit of Rs. 891 Million as against Rs. 788 Million of same period last year.

Distribution cost of the Company increased despite reduction in export volume due to increase in export commission to dealers.

Finance cost reduced as Company didn't utilize any financing facility due to surplus cash flow.

Current tax provision for the period under review increased to Rs. 200 Million as against Rs. 154 Million of same period last year.

Company achieved EPS of Rs. 8.96 per share and Rs.5.00 per share for the half year and quarter respectively as against EPS of Rs. 8.21 and Rs. 4.61 per share for the same periods last year.

CANCELLATION OF MINING LEASE

There has been no change in the status of contingencies including issue of mining lease cancellation as reported in our report for the year ended June 30, 2016, except that mater related to demand of Rs. 427.05 million created by the Deputy Director (Protection/ Forest) has been stayed by the Senior Special Magistrate (CDA) till the decision in the matter by the Islamabad High Court. The Statutory Auditors have also drawn attention of the members in their Review Report at Note No. 8.1 of the Condensed Interim Financial Information.

FUTURE PROSPECTS

Local cement demand is expected to further improve as historically in second half of the year off take of cement are always higher. Exports to Afghanistan will remain under pressure coupled with lower retention prices. Increased local demand, however, would mitigate the affect of reduced exports. Momentum of projects initiated by the Government under Public Sector Development Program and CPEC is expected to further boost the local demand. Prices of coal which, increased in first quarter have stabilized now.

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: February 23, 2017



Auditors' Report to Members on Review of Condensed Interim Financial Information

Introduction

We have reviewed the accompanying condensed interim balance sheet of **Fecto Cement Limited** ("the Company") as at 31 December 2016 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement, condensed interim statement of changes in equity and notes to the condensed interim financial information for the six months period then ended (here-in-after referred to as the "condensed interim financial information"). Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

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 information 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 condensed interim financial information as at December 31, 2016 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Emphasis of matter

Without qualifying our conclusion we draw attention to note 8.1 to the financial statements which more fully discloses the fact that the Company is in litigation to contest the mining lease cancellation (including penalty) and the Company's responses / measures thereon.

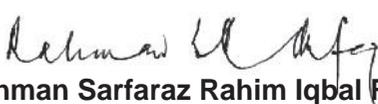
Other matters

The figures for the quarters ended December 31, 2016 and December 31, 2015 in the condensed interim financial information have not been reviewed by us and we do not express a conclusion on them.

The financial statements as at June 30, 2016 and condensed interim financial information as at December 31, 2015 of the Company were audited and reviewed by another auditors whose reports dated September 29, 2016 and February 26, 2016 respectively, expressed an unqualified opinion and conclusion along with emphasis of matter paragraph on cancellation of mining lease.

Karachi

Dated: February 23, 2017


Rahman Sarfaraz Rahim Iqbal Rafiq,
Chartered Accountants
Engagement Partner: Muhammad Waseem



CONDENSED INTERIM BALANCE SHEET AS AT 31 DECEMBER 2016

		Un-audited 31 December 2016	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		<u>750,000</u>	<u>750,000</u>
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		2,531,149	2,181,850
		3,582,749	3,233,450
NON-CURRENT LIABILITIES			
Deferred taxation	6	381,849	403,944
CURRENT LIABILITIES			
Trade and other payables	7	532,238	439,314
Contingencies and commitments	8		
TOTAL EQUITY AND LIABILITIES		<u>4,496,836</u>	<u>4,076,708</u>
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipments	9	1,853,632	1,867,644
Long term loans and deposits		<u>8,577</u>	<u>11,588</u>
		1,862,209	1,879,232
CURRENT ASSETS			
Stores, spares and loose tools		809,349	901,305
Stock-in-trade	10	1,002,498	922,043
Trade debtors - considered good		52,127	12,563
Short term investments		100,828	-
Loans, advances, deposits, prepayments and accrued markup		43,264	32,623
Cash and bank balances		626,561	328,942
		2,634,627	2,197,476
TOTAL ASSETS		<u>4,496,836</u>	<u>4,076,708</u>

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

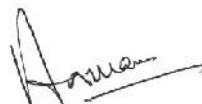


CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2016

	Note	Six months ended 31 December		Quarter ended 31 December	
		2016	2015	2016	2015
Rupees in thousand					
Sales - net	11	2,765,583	2,491,563	1,467,216	1,374,896
Cost of sales	12	(1,874,625)	(1,703,199)	(985,992)	(957,617)
Gross profit		890,958	788,364	481,224	417,279
Administrative expenses		(133,610)	(127,900)	(73,104)	(64,472)
Distribution cost		(95,209)	(80,473)	(54,518)	(39,178)
Finance cost		(1,614)	(9,246)	(211)	(3,314)
Other income		13,931	7,203	8,716	5,239
		(216,502)	(210,416)	(119,117)	(101,725)
		674,456	577,948	362,107	315,554
Worker's funds		(46,538)	(39,878)	(24,986)	(21,773)
Profit before taxation		627,918	538,070	337,121	293,781
Provision for taxation					
-Current		(200,395)	(153,758)	(101,894)	(92,143)
-Deferred		22,096	27,402	15,582	29,433
		(178,299)	(126,356)	(86,312)	(62,710)
Profit after taxation		449,619	411,714	250,809	231,071
Rupees					
Earnings per share - basic and diluted		8.96	8.21	5.00	4.61

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



CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2016

	Six months ended 31 December		Quarter ended 31 December	
	2016	2015	2016	2015
	Rupees in thousand			
Profit after taxation	449,619	411,714	250,809	231,071
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	449,619	411,714	250,809	231,071

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



(MOHAMMED YASIN FECTO)
Chief Executive



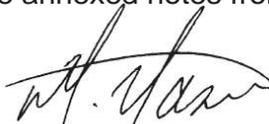
(MOHAMMED ANWAR HABIB)
Director



CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2016

	Six months ended 31 December	
	2016	2015
	— Rupees in thousand —	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	627,918	538,070
Adjustments for:		
- Depreciation	55,167	56,569
- Provision for bad debts	-	3,484
- Gain on disposal of operating assets	(2)	(200)
- Fair value gain on remeasurement of investments	(828)	-
- Finance cost	1,614	9,246
	55,951	69,099
Operating profit before working capital changes	683,869	607,169
Stores, spares and loose tools	91,956	(11,597)
Stock-in-trade	(80,455)	132,980
Trade debtors - considered good	(39,564)	(236)
Loans, advances, deposits, prepayments and accrued markup	(10,641)	10,375
Trade and other payables	84,905	61,384
Cash generated from operations	730,070	800,075
Taxes paid	(144,532)	(95,892)
Long term loans and deposits	3,011	4,601
Net cash generated from operating activities	588,549	708,784
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure	(41,158)	(15,359)
Short term investments made	(100,000)	-
Sale proceeds of operating assets	6	1,320
Net cash used in investing activities	(141,152)	(14,039)
CASH FLOWS FROM FINANCING ACTIVITIES		
Finance cost paid	(1,612)	(15,148)
Repayment of long term finance	-	(140,000)
Repayment of short term finance	-	(200,000)
Dividend paid	(148,166)	(167,031)
Net cash used in financing activities	(149,778)	(522,179)
Net increase in cash and cash equivalents	297,619	172,566
Cash and cash equivalents at the beginning of the period	328,942	220,450
Cash and cash equivalents at the end of the period	626,561	393,016

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



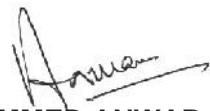
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2016

	Share Capital	General reserve	Accumulated Profit	Total
	Rupees in thousand			
Balance as at June 30, 2015	501,600	550,000	1,869,625	2,921,225
Total comprehensive income for the six months period ended December 31, 2015	-	-	411,714	411,714
Transactions with owners recorded directly in equity				
Final Cash dividend @ 50% for the year ended 30 June, 2015	-	-	(250,800)	(250,800)
Balance as at December 31, 2015	501,600	550,000	2,030,539	3,082,139
Total comprehensive income for the six months period ended June 30, 2016	-	-	402,111	402,111
Transactions with owners recorded directly in equity				
Interim Cash dividend @ 50% for the year ended December 31, 2015	-	-	(250,800)	(250,800)
Balance as at June 30, 2016	501,600	550,000	2,181,850	3,233,450
Total comprehensive income for the six months period ended December 31, 2016	-	-	449,619	449,619
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 December 31, 2016	501,600	550,000	2,531,149	3,582,749

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

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2016

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, Shakra-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 December 2016 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. The figures in the condensed interim financial statements for the quarter ended 31 December 2016 and 31 December 2015 have not been reviewed by the auditors.

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 December 31, 2016 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 six months period ended 31 December 2015.

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 judgments, 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 judgments 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 December 2016	(Audited) 30 June 2016
	———— Rupees in thousand ————	
6 DEFERRED TAXATION		
Taxable temporary differences arising in respect of :		
Accelerated tax depreciation	387,027	409,541
Short term investment	207	-
Deductible temporary difference arising in respect of :		
Provision against slow moving and obsolete spares	(3,900)	(4,013)
Provision for bad debts	(1,485)	(1,584)
	<u>381,849</u>	<u>403,944</u>
7 TRADE AND OTHER PAYABLE		
Creditors for Goods:		
Other creditors	100,809	32,926
Associated company	5,278	2,413
	<u>106,087</u>	<u>35,339</u>
Accrued expenses	73,513	41,741
Leave encashment payable	40,049	46,024
Workers' funds	126,597	142,296
Accrued markup - secured	2	-
Advances from customers	42,779	36,655
Deposits from dealers, contractors and suppliers	9,617	9,512
Royalty payable	5	7
Excise duty payable	8,318	6,723
Income tax payable	71,671	15,808
Sales tax payable	2,811	10,066
Unclaimed dividend	33,751	81,608
Unpaid dividend	362	351
Other liabilities	16,676	13,184
	<u>532,238</u>	<u>439,314</u>



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 Honorable 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.

The Court of senior special magistrate CDA in its order dated 13 October 2016 has decided that as 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 wide 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 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 against the proceedings and further income tax demand is not presently ascertainable.

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 December 2016 amounted to Rs. 315.3 million (30 June 2016: Rs. 90.59 million)

	Note	(Un-audited)	(Audited)
		31 December 2016	30 June 2016
Rupees in thousand			
9			
PROPERTY, PLANT AND EQUIPMENTS			
Operating assets	9.1	1,844,240	1,866,838
Capital work in progress		9,392	806
		<u>1,853,632</u>	<u>1,867,644</u>



9.1 During the six months period ended 31 December 2016, the Company acquired property, plant and equipment aggregating Rs. 32.57 million (31 December 2015: Rs.13.71 million) while property, plant and equipment with the carrying value of Rs. 0.004 million (31December 2015: Rs. 1.12 million) were disposed off during the same period. Depreciation charge for the period amounts to Rs. 55.16 million (31 December 2015:Rs. 56.56 million).

10 STOCK IN TRADE	(Un-audited)	(Audited)
	31 December 2016	30 June 2016
	———— Rupees in thousand ————	
Finished goods	29,554	25,910
Work in process	229,212	227,848
Raw material	707,058	637,827
Packing material	36,674	30,458
	<u>1,002,498</u>	<u>922,043</u>

11 SALES-NET	Six months ended		Quarter ended	
	31 December 2016	31 December 2015	31 December 2016	31 December 2015
	———— Rupees in thousand ————			
Sales - Local	3,264,929	2,557,152	1,753,723	1,414,424
Less: Excise duty	<u>(342,854)</u>	(120,708)	<u>(184,246)</u>	(66,968)
Sales tax	<u>(526,327)</u>	(409,939)	<u>(282,798)</u>	(227,292)
	<u>(869,181)</u>	(530,647)	<u>(467,044)</u>	(294,260)
	2,395,748	2,026,505	1,286,679	1,120,164
Sales - Export	<u>368,561</u>	463,303	<u>180,206</u>	254,550
Export Rebate	<u>1,274</u>	1,755	<u>331</u>	182
	369,835	465,058	180,537	254,732
	<u>2,765,583</u>	<u>2,491,563</u>	<u>1,467,216</u>	<u>1,374,896</u>

12 COST OF SALES	Six months ended		Quarter ended	
	31 December		31 December	
	2016	2015	2016	2015
	———— Rupees in thousand ————			
Raw and packing material consumed:				
Opening stock	668,285	635,203	683,755	613,508
Purchases	341,580	182,777	185,109	118,360
Excavation cost / transportation cost	75,211	116,060	35,719	68,328
	<u>1,085,026</u>	<u>934,040</u>	<u>904,583</u>	<u>800,196</u>
Closing stock	(743,732)	(628,202)	(743,732)	(628,202)
	<u>341,344</u>	<u>305,838</u>	<u>160,851</u>	<u>171,994</u>
Fuel and power	1,156,647	919,743	581,231	500,170
Stores and spares consumed	63,107	55,930	25,730	21,670
Salaries, wages and benefits	227,753	203,337	108,529	103,792
Insurance	13,094	13,054	6,547	6,527
Repairs and maintenance	9,041	8,675	4,322	3,646
Depreciation	39,218	39,537	19,650	19,753
Other manufacturing overheads	29,428	31,106	14,594	13,959
	<u>1,879,632</u>	<u>1,577,220</u>	<u>921,454</u>	<u>841,511</u>
Opening work-in-process	227,849	394,190	291,468	365,666
Closing work-in-process	(229,212)	(261,926)	(229,212)	(261,926)
Cost of goods manufactured	<u>1,878,269</u>	<u>1,709,484</u>	<u>983,710</u>	<u>945,251</u>
Opening finished goods	25,910	32,769	31,836	51,420
Closing finished goods	(29,554)	(39,054)	(29,554)	(39,054)
	<u>1,874,625</u>	<u>1,703,199</u>	<u>985,992</u>	<u>957,617</u>

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)	(Audited)
	31 December	30 June
	2016	2016
	———— Rupees in thousand ————	
Associated company (Frontier Paper Products (Private) Limited)		
Balance as at the beginning of the period	2,412	10,797
Purchases during the period	171,776	188,232
Payments during the period	(168,910)	(196,617)
Balance at the end of the period	<u>5,278</u>	<u>2,412</u>



	(Un-audited) 31 December 2016	(Audited) 30 June 2016
	———— Rupees in thousand ————	
Outstanding Loan to Key Management personnel	3,255	2,763
Provident Fund Contribution payable	3,383	2,937

Others	Six months ended 31 December		Quarter ended 31 December	
	2016	2015	2016	2015
	———— Rupees in thousand ————			
Contribution to employees' provident fund	10,254	9,169	5,773	5,110
Chief Executive's remuneration	9,028	9,028	4,029	4,211
Directors's remuneration and director's fee	9,063	9,063	4,039	4,226
Key management personnel remuneration (excluding Chief Executive and Directors)	127,876	103,759	70,159	56,273
Disbursement of advance to key management personnel	1,000	1,277	-	1,277
Repayment of advances by key management personnel	863	409	364	273

14 GENERAL

14.1 This condensed interim financial statements was authorised for issue in the board of directors meeting held on February 23, 2017

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


(MOHAMMED YASIN FECTO)
 Chief Executive


(MOHAMMED ANWAR HABIB)
 Director

www.jamapunji.pk

 **Jama
Punji**

سرمایہ کاری سمجھداری کے ساتھ



**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



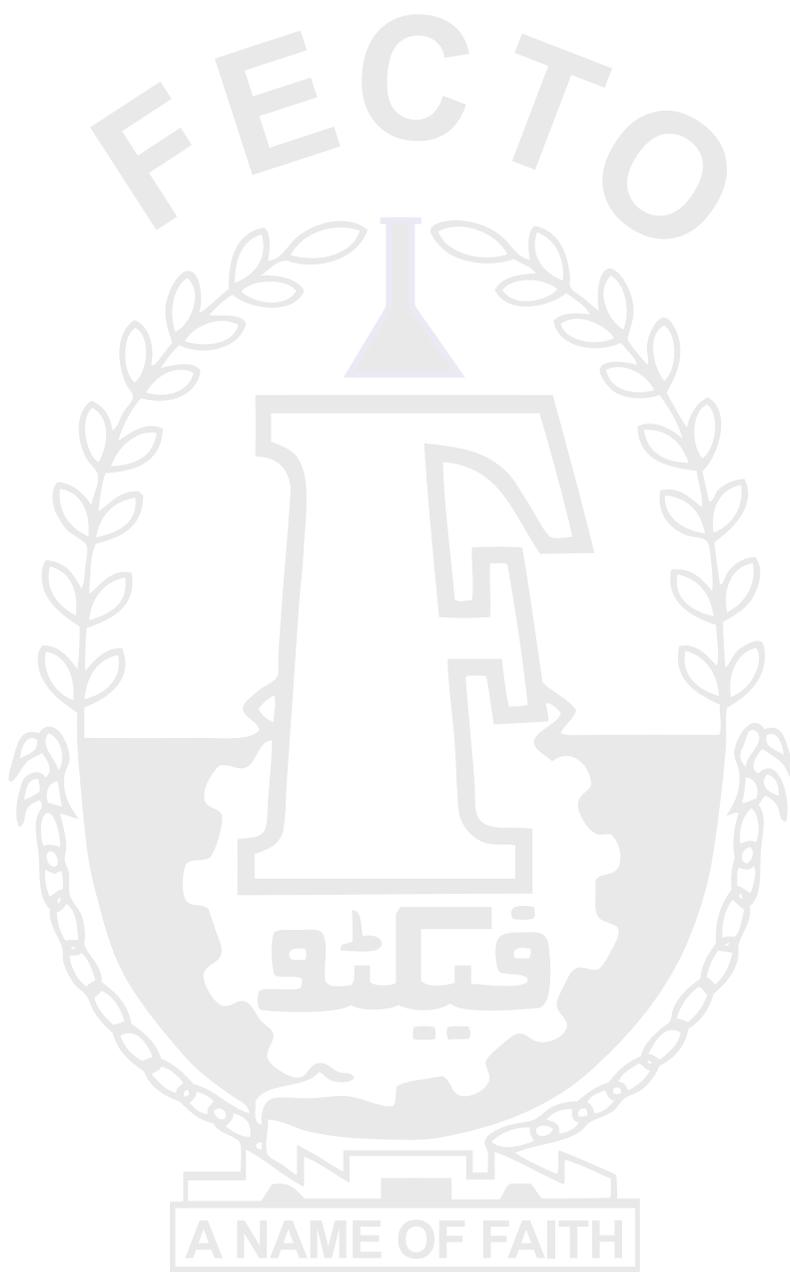
Jama Punji is an Investor
Education Initiative of
Securities and Exchange
Commission of Pakistan

 jamapunji.pk

 [@jamapunji_pk](https://twitter.com/jamapunji_pk)

*Mobile apps are also available for download for android and ios devices



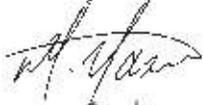


اظہار تشکر

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



محمد یاسین فیکو

چیف ایگزیکٹو

بمقام کراچی: 23 فروری 2017



ریکارڈ کیا گیا ہے، جس میں مقامی فروختگی میں %21.02 اضافہ جبکہ برآمدات میں %5.62 کی کمی دیکھی گئی۔

مالیاتی نتائج

زیر نظر دورانیے کے دوران مجموعی فروختگی سے کمپنی نے 2,766 ملین روپے کی آمدن حاصل کی جبکہ گزشتہ سال اسی عرصے کے دوران مجموعی فروختگی سے حاصل ہونے والی آمدن 2,492 ملین روپے تھی۔ اس لحاظ سے اس آمدن میں 274 ملین کا اضافہ ریکارڈ کیا گیا ہے۔ جو کہ %11 ہے۔ مقامی سطح پر مجموعی فروختگی سے حاصل ہونے والی آمدن %18.22 فیصد اضافے کے ساتھ 2,396 ملین روپے رہی۔ جبکہ یہی آمدن گزشتہ سال اسی عرصے کے دوران 2,027 ملین روپے تھی۔ برآمدات سے حاصل ہونے والی آمدن اس عرصے کے دوران %20.43 فیصد کمی کے ساتھ 370 ملین روپے رہی جبکہ یہی آمدن گزشتہ سال اسی عرصے کے دوران 465 ملین روپے تھی۔

زیر نظر دورانیے میں لاگت برائے فروختگی میں %10.06 فیصد اضافہ ہوا جس کی وجہ سے لاگت برائے شش ماہی 1,875 ملین روپے رہی جو کہ گزشتہ سال اسی عرصے کے دوران 1,703 ملین روپے تھی۔ یہ اضافہ پیداوار میں اضافے کی وجہ سے تھا۔ اس عرصے میں کوئلے کی قیمتیں بین الاقوامی منڈی میں بڑھ گئیں۔

اس شش ماہی کے دوران کمپنی کا خام منافع 891 ملین روپے رہا جو کہ گزشتہ سال اسی عرصے کے دوران 788 ملین تھا۔

اس شش ماہی کے دوران تقسیم مال کی لاگت میں اضافہ ہوا حالانکہ برآمدات کی ترسیلات میں کمی واقع ہوئی یہ اضافہ ڈیلرز کے کمیشن میں اضافے کی وجہ سے ہوا ہے۔ تمویلی لاگت میں کمی واقع ہوئی ہے، جس کی وجہ کمپنی کا بینکوں سے قرضہ نہ لینا ہے۔ موجودہ ٹیکس کے پروویژن بڑھ کر 200 ملین تک پہنچ گئی جو کہ گزشتہ سال کے اسی عرصے کے دوران 154 ملین تھی۔

شش ماہی میں آمدن فی حصص 8.96 روپے جبکہ سہ ماہی میں آمدن فی حصص 5 روپے رہی۔ جبکہ گزشتہ سال اسی عرصے کے دوران آمدن فی حصص بالترتیب 8.21 روپے اور 4.61 تھی۔

کان کنی کی لیز کی تینسینخ

کمپنی کی غیر متعین ذمہ داریوں میں 30 جون 2016 کی رپورٹ میں دیے گئے جائزے کے مقابلے میں کوئی تبدیلی نہیں ہوئی سوائے اس کے کہ کان کنی کی تینسینخ کے معاملے میں کمپنی پر عائد کیے جانے والے جرمانے 427.05 ملین جو کہ ڈپٹی ڈائریکٹر حفاظت و جنگلات اسلام آباد نے کیا تھا اس کو سینئر خصوصی مجسٹریٹ سی ڈی اے نے اس معاملے میں اسلام آباد ہائی کورٹ کے فیصلے تک روک دیا ہے۔ کمپنی کے محاسب نے اپنی رپورٹ میں حصص داران کی توجہ شش ماہی حسابات کے نوٹ نمبر 8.1 کی طرف دلائی ہے جس میں اس معاملے کی تفصیل دی گئی ہے۔

مستقبل پہ نظر

یہ توقع ہے کہ مقامی سطح پر سیمنٹ کی مانگ میں اضافہ ہوگا۔ جو کہ تاریخی طور پر ہمیشہ سال کے دوسرے حصے میں رہتا ہے۔ افغانستان کو برآمدات کی مد میں سیمنٹ کی فروختگی میں کمی کی امید ہے جبکہ قیمتوں میں بھی کمی کی امید ہے۔ لیکن یہ کمی مقامی سطح پر فروخت میں اضافے سے پوری ہو جائے گی۔ یہ امید کی جاتی ہے کہ حکومت کی طرف سے عوامی فلاح و بہبود کے پروگرام اور سی پیک کے تحت ہونے والے ترقیاتی کام کی وجہ سے سیمنٹ کی مقامی فروخت میں اضافہ رہے گا۔ کوئلے کی قیمتیں جو کہ بین الاقوامی منڈیوں میں بڑھ گئیں تھیں اس میں اب ٹھہراؤ کارہجان دیکھا جا رہا ہے۔



فیکٹو سیمنٹ لمیٹڈ

ڈائریکٹرز جائزہ

آپ کی کمپنی کے ڈائریکٹرز انتہائی مسرت کے ساتھ کمپنی کی کارکردگی کا جائزہ بمعہ غیر آڈٹ شدہ مالیاتی دستاویزات بابت شش ماہی 31 دسمبر 2016 آپ کی خدمت میں پیش کر رہے ہیں۔

جائزہ

دوران شش ماہی سیمنٹ کی صنعت میں مجموعی فروختگی 19.81 ملین ٹن کے اعتبار سے مجموعی طور پر مال کی رواںگی میں %8.70 فیصد کی شرح نمو ریکارڈ کی گئی جبکہ گزشتہ سال اسی عرصے کے دوران مجموعی فروختگی کا حجم 18.23 ملین ٹن تھا۔ مقامی سطح پر صنعت میں فروختگی کا حجم 16.90 ملین ٹن رہا اور اس اعتبار سے %11.10 کا اضافہ ریکارڈ کیا گیا جبکہ گزشتہ سال اسی عرصے کے دوران مقامی فروختگی کا حجم 15.21 ملین ٹن تھا، اس کے برعکس برآمدات کی مد میں صنعت کی سطح پر فروختگی کا مجموعی حجم 2.91 ملین ٹن رہا جس کے اعتبار سے %3.50 کی کمی دیکھی گئی۔ جبکہ گزشتہ سال اسی عرصے کے دوران برآمدات کی مد میں فروختگی کا یہ حجم 3.02 ملین ٹن تھا۔

کارکردگی برہنی 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

شش ماہی (دسمبر 31)		سہ ماہی (دسمبر 31)		تفصیلات
2015	2016	2015	2016	
				پیداوار
315,026	395,051	178,496	189,911	کلنکر
361,295	415,587	199,401	217,795	سیمنٹ
				ترسیل
283,296	342,854	157,133	184,246	مقامی
76,008	71,837	43,599	34,356	برآمدات
359,304	414,691	200,732	218,602	مجموعی

زیر نظر دورانیے میں گزشتہ سال اسی عرصے کے مقابل شش ماہی میں کلنکر کی پیداوار میں %25.40 اور سہ ماہی میں %6.40 فیصد اضافہ ہوا ہے جبکہ سیمنٹ کی پیداوار میں شش ماہی میں %15.03 اور سہ ماہی میں %9.22 فیصد اضافہ ریکارڈ کیا گیا ہے۔ پیداوار میں مذکورہ اضافہ بڑھتی ہوئی مانگ کی وجہ سے ہوا۔



کمپنی کی فروختگی کے مجموعی حجم میں زیر نظر دورانیے کے دوران سیمنٹ کی صنعت %8.70 کے اضافے کے مقابلے میں %15.42 فیصد اضافہ

