

**FAUJI CEMENT COMPANY LIMITED**

**Fauji Towers, Block-III, 68 Tipu Road, Chaklala, Rawalpindi, Pakistan**

Fax No : 051-9280416 Office : 051-9280075  
E-mail : [secretaryoffice@fccl.com.pk](mailto:secretaryoffice@fccl.com.pk) Exchange : 051-9280081-83  
Website : <http://www.fccl.com.pk> : 5763321-24  
Case No : SECY/FCCL/2037/30 Dated : 26 April 2022

To: General Manager  
Pakistan Stock Exchange Limited (PSX)  
Stock Exchange Road  
Stock Exchange Building Karachi

Subject: **Transmission of 3<sup>rd</sup> Quarterly Accounts for the Period Ended 31<sup>st</sup> March 2022**

Reference: Section 237 of Companies Act 2017, PSX Notice No PSX/N-4403 dated 26<sup>th</sup> July 2018 and PSX Notice No PSX/N-4952 dated 29<sup>th</sup> August 2018.

Dear Sir,

1. In compliance with above referred regulations, 3<sup>rd</sup> Quarterly Report of Company for the period ended 31<sup>st</sup> March 2022 has been transmitted to PSX through **PUCARS** on 26<sup>th</sup> April 2022 and is also available on Company's website. 15 x Hard copies of this Report will be submitted to PSX as per timeline indicated in above referred Notice of Pakistan Stock Exchange.
2. You may inform the TRE Certificate Holders of the Pakistan Stock Exchange accordingly, please.

With regards,



Your's sincerely,

**Brig Abid Hussain Bhatti, SI(M), (Retd)**  
Company Secretary

- Copy to:
- **Company Law Division**  
Corporatization & Compliance Department  
Securities and Exchange Commission of Pakistan, Islamabad
  - **Additional Registrar**  
Company Registration Office, SECP  
State Life Building, 7 Blue Area, Islamabad
  - **Mr. Badiuddin Akbar**  
Chief Compliance & Risk Officer  
Central Depository Company of Pakistan Limited, Karachi -74400
  - **M/s Corplink (Pvt) Ltd, Share Registrar**  
Wing Arcade, 1-K Commercial, Model Town, Lahore



Third  
Quarterly  
Report  
2021-22



CEMENTING  
THE FUTURE

آزادی قیمتی ہے



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**Board of Directors**

Mr. Waqar Ahmed Malik	- Chairman
Mr. Qamar Haris Manzoor	- Chief Executive / MD
Dr. Nadeem Inayat	- Director
Maj Gen Naseer Ali Khan, HI(M), (Retd)	- Director
Syed Bakhtiyar Kazmi	- Director
Mr. Sami ul Haq Khilji	- Director
Mr. Tariq Ahmad Khan	- Independent Director
Ms. Naila Kassim	- Independent Director

**Company Secretary**

**Brig Abid Hussain Bhatti, SI(M), (Retd)**  
 Fauji Towers, Block-III, 68 Tipu Road,  
 Chaklala, Rawalpindi  
 Tel No. +92-51-9280075  
 Fax: +92-51-9280416  
 Email: abid.hussain@fccl.com.pk

**Chief Financial Officer**

**Mr. Omer Ashraf**  
 Tel No. +92-51-5500157  
 Email: omer@fccl.com.pk

**Marketing & Sales Department**

**Brig Aziz ul Hassan Usmani, SI(M), (Retd)**  
 GM (Marketing & Sales)  
 4<sup>th</sup> Floor, AWT Plaza, The Mall, Rawalpindi-Pakistan  
 Tel No. +92-51-5523836,  
 +092-051-5528963-64,  
 Fax No. +92-51-5528965-66  
 Email: adminmkt@fccl.com.pk

**Supply Chain Management Department**

**Syed Kamran Hassan**  
 GM (Supply Chain Management)  
 Tel No. +92-51-9281549  
 Fax No. +92-51-9280416  
 Email: kamran.hassan@fccl.com.pk

**Human Resource Department**

**Brig Abdul Jabbar, SI(M), (Retd)**  
 GM (Human Resource & Admin)  
 Tel No. +92-51-9280084  
 Fax No. +92-51-9280416  
 Email: abdul.jabbar@fccl.com.pk

**AUDITORS**

**M/s KPMG Taseer Hadi & Co,**  
**Chartered Accountants**  
 6<sup>th</sup> Floor, State Life Building No.5,  
 Jinnah Avenue, Blue Area, P.O. Box  
 1323,  
 Islamabad, Pakistan  
 Tel No. +92-51-282-3558  
 Fax No. +92-51-2822671

**Legal Advisors**

**M/s ORR Dignam & Co Advocate**  
 Marina Height, 2<sup>nd</sup> Floor,  
 109 East Jinnah Avenue,  
 Islamabad  
 Tel No. +92-51-2260517-8  
 Fax No. +92-51-2260653

**Shares Registrar**

**M/s Corplink (Pvt) Limited**  
 Wings Arcade, 1-K, Commercial,  
 Model Town, Lahore  
 Tel No. +92-42-35916714-19 &  
 +92-42-35869037  
 Fax No. +92-42-35869037  
 Email: corplink786@yahoo.com

**Email for E-Filing & E-Services**

Email: secretaryoffice@fccl.com.pk

**Factory**

**Fauji Cement Company Limited**  
 Near Village Jhang Bahtar,  
 Tehsil Fateh Jang, District Attock  
 Tel Exchange: +92-572-538047-48,  
 +92-572-2538138  
 Fax No. +92-572-538025  
 Website http://www.fccl.com.pk

**Registered Office**

**Fauji Cement Company Limited**  
 Fauji Towers, Block III, 68 Tipu Road,  
 Chaklala, Rawalpindi  
 Tel No. +92-51-9280081-83,  
 +92-51-5763321-24  
 Fax No. +92-51-9280416  
 Website http://www.fccl.com.pk



**Audit Committee**

Mr. Tariq Ahmad Khan	-	Chairman
Maj Gen Naseer Ali Khan, HI(M), (Retd)	-	Member
Syed Bakhtiyar Kazmi	-	Member
Ms. Naila Kassim	-	Member
Brig Abid Hussain Bhatti, SI(M), (Retd)	-	Secretary

**Human Resource & Remuneration (HR&R) Committee**

Ms. Naila Kassim	-	Chairperson
Dr. Nadeem Inayat	-	Member
Mr. Sami ul Haq Khilji	-	Member
Brig Abid Hussain Bhatti, SI(M), (Retd)	-	Secretary

**Investment Committee**

Dr. Nadeem Inayat	-	Chairman
Mr. Qamar Haris Manzoor	-	Member
Maj Gen Naseer Ali Khan, HI(M), (Retd)	-	Member
Mr. Sami ul Haq Khilji	-	Member
Brig Abid Hussain Bhatti, SI(M), (Retd)	-	Secretary

**Bankers**

- United Bank Limited
- Allied Bank Limited
- Bank Al-Falah Limited
- Habib Bank Limited
- MCB Bank Limited
- Meezan Bank Limited
- Askari Bank Limited
- Standard Chartered Bank (Pak) Limited
- National Bank of Pakistan
- Silk Bank Limited
- Bank of Punjab
- Faysal Bank Limited
- Bank Al-Habib Limited
- Al-Baraka Bank Pakistan Limited
- Bank Islami Pakistan Limited
- Habib Metropolitan Bank Limited

1. The Board of Directors is pleased to present its Review Report along with the unaudited condensed interim financial statements of the Company for the nine months period ended 31<sup>st</sup> March 2022.

2. **Overview – Cement Industry.** Domestic dispatches remained stable without any significant change. Exports on the other hand have been impacted by phenomenal increase in international coal prices and sea freights. Afghanistan exports have also been much slower due to the ongoing political uncertainty. Lower exports contributed to overall decrease in dispatches of industry during the period. The Breakup of overall industry dispatches are as under:-

S/No	Dispatches	09 Months ended 31 March 2022	09 Months ended 31 March 2021	Variance	Variance
		(Million Tons)			(%)
a.	Local	36.14	36.18	(0.04)	-
b.	Exports	4.64	7.15	(2.51)	(35)
c.	<b>Total</b>	<b>40.78</b>	<b>43.33</b>	<b>(2.55)</b>	<b>(5.89)</b>

The capacity utilization was recorded at 79% during the period as compared to 84% in corresponding period last year.

3. **Overview - The Company.** During the review period, the Company's capacity utilization remained 94% compared to last year's 97%.

The Breakup of dispatches during the review period and corresponding period of last year are as under:-

S/No	Dispatches	09 Months ended 31 March 2022	09 Months ended 31 March 2021	Variance	Variance (%)
		(Million Tons)			
a.	Local	2.42	2.39	0.03	1.25
b.	Exports	0.09	0.20	(0.11)	(55)
c.	<b>Total</b>	<b>2.51</b>	<b>2.59</b>	<b>(0.08)</b>	<b>(3)</b>

Production statistics are as under:-

S/No	Particulars	09 Months ended 31 March 2022	09 Months ended 31 March 2021
a.	Cement Production (Tons)	2,508,654	2,601,887
b.	Clinker Production (Tons)	2,323,925	2,459,348

4. **Financial Performance.** The Company's continuous efforts on cost optimization and better retention prices resulted in improved profitability. Key financial results of Company for the review period and their comparison with the same period of last year are tabulated below:-

S/No	Particulars	09 Months ended 31 March 2022	09 Months ended 31 March 2021
		<b>Rs.000</b>	<b>Rs.000</b>
a.	Sales Revenue	22,923,739	17,528,386
b.	GP	6,416,335	4,480,476
c.	EBIT	5,405,262	3,798,560
d.	PBT	5,718,682	3,754,355
e.	PAT	4,062,075	2,610,810
f.	<b>Earnings Per Share – Rs.</b>	<b>2.94</b>	<b>1.89</b>

5. **Future Outlook.** Going forward, the cement demand and prices in Q4 are expected to remain stable. Exports to Afghanistan are dependent on the improvement in the overall economic and political situation and the inflows of the funds. On the cost side, increasing fuel and power cost will be the main challenge for the Company. The honorable Lahore High Court has sanctioned the scheme of arrangement for amalgamation of Askari Cement Limited with and into Fauji Cement Company Limited. Certified copy of the Court order is awaited. Remaining formalities of aforesaid scheme of merger are expected to be completed in last quarter of the current year.

6. **Acknowledgement.** The Board of Directors would like to express their appreciation to all the Employees and Management of the Company for their hard work resulting in a positive outcome during the review period. The Board would also like to extend their gratitude to all the stakeholders in their ongoing support to the Company.

On behalf of the Board of Directors



**Waqar Ahmed Malik**  
Chairman Board of Directors, FCCL  
Rawalpindi  
26<sup>th</sup> April 2022



**Qamar Haris Manzoor**  
Chief Executive & Managing Director

پیداواری اعداد و شمار درج ذیل ہیں:

نمبر شمار	تفصیل	31 مارچ 2022 تک نومائی دورانیہ	31 مارچ 2021 تک نومائی دورانیہ
الف۔	سیمنٹ کی پیداوار (ٹن میں)	2,508,654	2,601,887
ب۔	کلنکر کی پیداوار (ٹن میں)	2,323,925	2,459,348

4۔ **مالی کارکردگی:** اخراجات میں کمی اور شرح منافع میں اضافے سے متعلق کمپنی کی مسلسل کوششوں کے نتائج منافع جات کے بہتر ہونے کی صورت میں نکلے ہیں۔ زیر جائزہ دورانیے میں کمپنی کے مالی حسابات کے کلیدی مالی نتائج اور گزشتہ برس کے اسی دورانیے کے حسابات کا موازنہ نیچے دیا گیا ہے:

نمبر شمار	تفصیل	31 مارچ 2022 تک نومائی دورانیہ (روپے ہزاروں میں)	31 مارچ 2021 تک نومائی دورانیہ (روپے ہزاروں میں)
الف۔	فروخت سے حاصل شدہ کل آمدنی	22,923,739	17,528,386
ب۔	کل منافع	6,416,335	4,480,476
ج۔	قبل از ٹیکس اور قبل از سود منافع	5,405,262	3,798,560
د۔	قبل از ٹیکس منافع	5,718,682	3,754,355
ه۔	بعد از ٹیکس صافی منافع	4,062,075	2,610,810
و۔	فی حصہ (شیئرز) آمدنی (روپے)	2.94	1.89

5۔ **مستقبل کا جائزہ:** آنے والے دنوں میں چوتھی سہ ماہی کے دوران سیمنٹ کی طلب اور اس کی قیمتوں میں استحکام برقرار رہنے کی توقع ہے۔ افغانستان کو برآمدات کا انحصار ملک کی مجموعی معاشی اور سیاسی صورت حال اور فنڈز کی فراہمی پر ہے۔ لاگت کی طرف دیکھا جائے تو ایندھن اور بجلی کی قیمتوں میں اضافہ کمپنی کے لیے ایک بڑا چیلنج ہوگا۔ لاہور ہائی کورٹ نے عسکری سیمنٹ لمیٹڈ کے فوجی سیمنٹ کمپنی میں انضمام کے طریق کار کی منظوری دے دی ہے۔ عدالتی حکم نامے کی مصدقہ کاپی کا انتظار ہے۔ مذکورہ انضمام کی باقی کارروائی رواں مالی سال کی آخری سہ ماہی میں مکمل کر لی جائے گی۔

6۔ **اظہار تشکر۔** بورڈ آف ڈائریکٹرز کمپنی کے ملازمین اور انتظامیہ کو خراج تحسین پیش کرتا ہے جن کی محنت زیر جائزہ دورانیے میں مثبت نتائج کا باعث بنی۔ بورڈ تمام متعلقہ افراد اور اداروں کے لیے بھی اظہار تشکر کرتا ہے جن کا مسلسل تعاون کمپنی کو حاصل ہے۔

بورڈ کی جانب سے اور بورڈ کی نیابت سے

قمر حارث منظور

چیف ایگزیکٹو و مینجنگ ڈائریکٹر

و قار احمد ملک

چیئر مین بورڈ آف ڈائریکٹرز فوجی سینٹ کمپنی لمیٹڈ

راولپنڈی

26 اپریل 2022

## ڈائریکٹرز کی جائزہ رپورٹ

- 1- بورڈ آف ڈائریکٹرز نے جائزہ رپورٹ پیش کرنے میں مسرت محسوس کرتے ہیں جس میں 31 مارچ 2022 کو مکمل ہونے والے نو ماہی دورانیے تک کمپنی کے مالی حسابات کی غیر آڈٹ شدہ مختصر عبوری معلومات شامل ہیں۔
- 2- **عمومی جائزہ - سینٹ کی صنعت :** اندرون ملک فروخت بغیر کسی بڑی تبدیلی کے مستحکم رہی۔ دوسری طرف برآمدات پر البتہ کافی اثر پڑا جس کی وجہ کوئلے کی تین الاقوامی قیمتوں اور بحری نقل و حمل کے کرایوں میں غیر معمولی اضافہ ہے۔ حالیہ سیاسی عدم استحکام کے باعث افغانستان کو برآمدات میں بھی خامی کی آتی ہے۔ برآمدات کی اس کمی کے باعث زیر جائزہ دورانیے میں سینٹ کی صنعت کی مجموعی فروخت میں کمی واقع ہوئی ہے۔ سینٹ کی صنعت کی مجموعی فروخت کی تفصیل درج ذیل ہے:

نمبر شمار	ترسیلات	31 مارچ 2022 تک کانو ماہی دورانیہ (ملین ٹن)	31 مارچ 2021 تک کانو ماہی دورانیہ (ملین ٹن)	فرق (ملین ٹن)	فرق (%)
الف	مقامی	36.14	36.18	(0.04)	-
ب	برآمدات	4.64	7.15	(2.51)	(35)
ج	میزان	40.78	43.33	(2.55)	(5.89)

اس دورانیے میں صنعت کی پیداواری صلاحیت کے استعمال کی شرح 79 فیصد رہی جو گذشتہ برس اسی دورانیے میں 84 فیصد تھی۔

- 3- **عمومی جائزہ - فوجی سینٹ کمپنی :** زیر جائزہ دورانیے میں کمپنی کی پیداواری صلاحیت کی شرح 94 فیصد رہی جو گذشتہ برس اسی دورانیے میں 97 فیصد تھی۔

زیر جائزہ دورانیے اور گذشتہ برس اسی دورانیے میں ہونے والی کمپنی کی سینٹ کی مجموعی ترسیلات کا موازنہ درج ذیل ہے:

نمبر شمار	ترسیلات	31 مارچ 2022 تک کانو ماہی دورانیہ (ملین ٹن)	31 مارچ 2021 تک کانو ماہی دورانیہ (ملین ٹن)	فرق (ملین ٹن)	فرق (%)
الف	مقامی	2.42	2.39	0.03	1.25
ب	برآمدات	0.09	0.20	(0.11)	(55)
ج	میزان	2.51	2.59	(0.08)	(3)



	Note	Un-audited 31 March 2022 Rupees'000	Audited 30 June 2021 Rupees'000
<b>EQUITY</b>			
<b>Share capital and reserves</b>			
Share capital	4	13,798,150	13,798,150
Discount on issue of shares		(1,364,385)	(1,364,385)
Hedging reserve		47,261	-
Unappropriated profits		14,903,981	10,841,906
<b>Total equity</b>		<b>27,385,007</b>	<b>23,275,671</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Long term loans - secured	5	2,276,430	491,502
Employee benefits		90,213	82,380
Lease liability		57,019	73,593
Deferred government grant		9,706	22,261
Deferred tax liabilities - net		3,954,507	3,960,489
		<b>6,387,875</b>	<b>4,630,225</b>
<b>Current liabilities</b>			
Trade and other payables		2,147,653	1,822,642
Accrued liabilities		1,889,503	1,554,895
Security deposits payable		259,806	260,652
Contract liabilities		446,693	435,097
Employee benefits - current portion		11,188	20,862
Payable to employees' provident fund trust		16,350	10,714
Unclaimed dividend		37,158	38,479
Short term borrowings	6	950,121	1,616,787
Current portion of lease liability		41,077	24,686
Current portion of long term loans	5	307,335	361,521
Provision for taxation - net		89,400	-
		<b>6,196,284</b>	<b>6,146,335</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>39,969,166</b>	<b>34,052,231</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	7		

The annexed notes 1 to 19 form an integral part of these condensed interim financial statements.

Chief Executive Officer

Director

Chief Financial Officer

	Note	Un-audited 31 March 2022 Rupees'000	Audited 30 June 2021 Rupees'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	8	24,960,563	21,422,215
Right of use asset		68,282	89,334
Long term deposits		102,574	86,601
Long term investment		61,720	15,349
		25,193,139	21,613,499
<b>Current assets</b>			
Stores, spares and loose tools		3,880,687	4,250,754
Stock in trade		1,466,317	1,189,198
Trade debts		1,350,474	1,449,600
Advances		142,637	45,593
Trade deposits and short term prepayments		212,221	26,147
Advance tax - net		-	90,073
Other receivables		72,008	88,890
Derivative financial instrument	9	47,261	-
Short term investments	10	5,441,441	4,397,699
Cash and bank balances	11	2,162,981	900,778
		14,776,027	12,438,732
<b>TOTAL ASSETS</b>		<b>39,969,166</b>	<b>34,052,231</b>

Chief Executive Officer

Director

Chief Financial Officer

	Note	Three months ended		Nine months ended	
		31 March 2022 Rupees'000	31 March 2021 Rupees'000	31 March 2022 Rupees'000	31 March 2021 Rupees'000
Revenue - net	12	7,679,191	5,917,657	22,923,739	17,528,386
Cost of sales	13	(5,730,340)	(4,154,868)	(16,507,404)	(13,047,910)
<b>Gross profit</b>		<b>1,948,851</b>	<b>1,762,789</b>	<b>6,416,335</b>	<b>4,480,476</b>
Other income		43,528	90,842	87,218	107,990
Selling and distribution expenses		(51,102)	(48,359)	(160,520)	(141,799)
Administrative expenses	14	(146,208)	(117,349)	(513,327)	(371,236)
Other expenses	15	(133,107)	(115,026)	(424,444)	(276,862)
<b>Operating profit</b>		<b>1,661,962</b>	<b>1,572,897</b>	<b>5,405,262</b>	<b>3,798,569</b>
Finance cost		(18,476)	(27,325)	(76,486)	(89,991)
Finance income		162,965	15,490	393,535	45,777
<b>Net finance income/ (cost)</b>		<b>144,489</b>	<b>(11,835)</b>	<b>317,049</b>	<b>(44,214)</b>
Share of loss of associate		-	-	(3,629)	-
<b>Profit before taxation</b>		<b>1,806,451</b>	<b>1,561,062</b>	<b>5,718,682</b>	<b>3,754,355</b>
Income tax expense		(572,660)	(551,081)	(1,656,607)	(1,143,545)
<b>Profit for the period</b>		<b>1,233,791</b>	<b>1,009,981</b>	<b>4,062,075</b>	<b>2,610,810</b>
Earnings per share - basic & diluted (Rupees)		<b>0.89</b>	<b>0.73</b>	<b>2.94</b>	<b>1.89</b>

The annexed notes 1 to 19 form an integral part of these condensed interim financial statements.

Chief Executive Officer

Director

Chief Financial Officer

	Three months ended		Nine months ended	
	31 March 2022 Rupees'000	31 March 2021 Rupees'000	31 March 2022 Rupees'000	31 March 2021 Rupees'000
Profit for the period	1,233,791	1,009,981	4,062,075	2,610,810
Other comprehensive income for the period	-	-	-	-
Equity accounted investee - share of other comprehensive income	-	-	-	-
Effective portion of fair value of cash flow hedge	47,261	-	47,261	-
Total comprehensive income for the period	1,281,052	1,009,981	4,109,336	2,610,810

The annexed notes 1 to 19 form an integral part of these condensed interim financial statements.



Chief Executive Officer



Director



Chief Financial Officer

	31 March 2022	31 March 2021
	Rupees'000	Rupees'000
<b>Cash flows from operating activities</b>		
Profit before tax	5,722,311	3,754,355
<b>Adjustments for:</b>		
Depreciation	1,076,397	1,051,349
Depreciation on right of use asset	21,052	18,476
Provision for compensated absences	46,004	36,368
Workers' (Profit) Participation Fund including interest	307,484	201,550
Workers' Welfare Fund	114,446	75,087
Finance cost (excluding interest on WPPF)	76,200	89,991
Gain/ (loss) on disposal of property, plant and equipment	197	(27,091)
Amortization of deferred grant	(16,857)	(26,596)
Finance income	(393,535)	(45,777)
	1,231,388	1,373,357
Operating cash flows before working capital changes	6,953,699	5,127,712
<b>Changes in</b>		
Stores, spares and loose tools	370,067	616,895
Stock in trade	(277,119)	(463,142)
Trade debts	99,126	193,090
Advances	(97,044)	51,973
Trade deposits and short term prepayments	(186,074)	(48,456)
Other receivables	16,882	(76,753)
Trade and other payables	25,327	437,625
Accrued liabilities	334,608	242,871
Security deposits payable	(846)	(4,637)
Contract liabilities	11,596	(23,637)
Payable to employees' provident fund trust	5,636	1,068
	302,159	926,897
Cash generated from operations	7,255,858	6,054,609
Compensated absences paid	(47,844)	(45,475)
Payment to Workers' (Profit) Participation Fund	(24,335)	-
Taxes paid	(1,576,328)	(686,500)
Net cash generated from operating activities	5,607,351	5,322,634
<b>Cash flows from investing activities</b>		
Additions in property, plant and equipment	(4,617,238)	(599,639)
Long term deposits	(15,973)	-
Advance against issue of shares	(50,000)	-
Short term investments - net	(688,561)	(3,416,656)
Proceeds from disposal of property, plant and equipment	2,296	103,221
Interest received on bank deposits	37,533	45,827
Net cash used in investing activities	(5,331,943)	(3,867,247)
<b>Cash flows from financing activities</b>		
Repayment of long term loans	(250,637)	(390,079)
Disbursements from new long term loans	1,965,046	579,855
Lease payment	(8,366)	(34,354)
Dividend paid on ordinary shares	(1,321)	(1,416)
Finance cost paid	(51,261)	(85,895)
Net cash generated from financing activities	1,653,461	68,111
<b>Net increase in cash and cash equivalents</b>	1,928,869	1,523,498
<b>Cash and cash equivalents at beginning of the period</b>	(716,009)	(1,307,993)
<b>Cash and cash equivalents at end of the period</b>	1,212,860	215,505
Cash and cash equivalents comprise of the following:		
Cash and bank balances	2,162,981	399,338
Short term borrowings	(950,121)	(183,833)
	1,212,860	215,505

The annexed notes 1 to 19 form an integral part of these condensed interim financial statements.

Chief Executive Officer

Director

Chief Financial Officer



	Share capital		Capital reserve		Revenue reserve		Total
	Ordinary shares	Discount on issue of shares	Hedging reserve		Unappropriated profit		
	Rupees'000						
<b>Balance at 01 July 2020</b>	13,798,150	(1,364,385)	-	-	7,370,555	-	19,804,320
<b>Total comprehensive income for the period</b>							
Profit for the period	-	-	-	-	2,610,810	-	2,610,810
Other comprehensive income for the period	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	2,610,810	-	2,610,810
<b>Balance at 31 March 2021</b>	13,798,150	(1,364,385)	-	-	9,981,365	-	22,415,130
<b>Balance at 01 July 2021</b>	13,798,150	(1,364,385)	-	-	10,841,906	-	23,275,671
<b>Total comprehensive income for the period</b>							
Profit for the period	-	-	-	-	4,062,075	-	4,062,075
Other comprehensive income for the period	-	-	47,261	-	-	-	47,261
Total comprehensive income for the period	-	-	47,261	-	4,062,075	-	4,109,336
<b>Balance at 31 March 2022</b>	13,798,150	(1,364,385)	47,261	-	14,903,981	-	27,385,007

The annexed notes 1 to 19 form an integral part of these condensed interim financial statements.



Chief Executive Officer



Director



Chief Financial Officer

**1 STATUS AND NATURE OF BUSINESS**

1.1 Fauji Cement Company Limited ("the Company") is a public limited company incorporated in Pakistan on 23 November 1992 under the Companies Ordinance, 1984 (Repealed with the enactment of the Companies Act, 2017 on 30 May 2017). The Company commenced its business with effect from 22 May 1993. The shares of the Company are quoted on Pakistan Stock Exchange. The principal activity of the Company is manufacturing and sale of different types of cement. The Company's registered office is situated at Fauji Towers, Block-III, 68-Tipu Road, Rawalpindi. The Company's manufacturing facilities are located at village Jhang Bahtar, Tehsil Fateh Jang in district Attock.

1.2 The Company is in the process of setting up a Greenfield Cement Manufacturing Plant with the production capacity of 2.05 million tons per annum at Dera Ghazi Khan. For this purpose, the Company has entered into agreements with M/s Hefei Cement Research & Design Institute Corporation Limited for supply of offshore equipment and M/s Sinoma Handan Engineering Company Private Limited for construction related services. Refer Note 7.2 for detail of commitments in this regard.

1.3 During the period, the Company filed petition under Sections 279 to 282 of the Companies Act, 2017 for seeking sanction of the honorable Lahore High Court ("the court") to a scheme of arrangement for amalgamation of Askari Cement Limited with and into Fauji Cement Company Limited. All indispensable statutory benchmarks, requirements and formalities have been accomplished and adhered to during the period. Subsequent to the period, the Company has received the order of the court through which the court has sanctioned the aforesaid scheme of amalgamation. Accordingly, all subsequent financial statements will be prepared on merged basis.

**2 BASIS OF PREPARATION AND 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 (IAS) 34, Interim Financial Reporting, 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.

The disclosures in the condensed interim financial statements do not include the information reported for full audited annual financial statements and should therefore be read in conjunction with the audited annual financial statements for the year ended 30 June 2021. Comparative statement of financial position is extracted from audited annual financial statements as of 30 June 2021 whereas comparative condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity are stated from unaudited condensed interim financial statements for the nine months period ended 31 March 2021.

These condensed interim financial statements are unaudited and are being submitted to the members as required under Section 237 of the Companies Act, 2017 and the Listing Regulations of the Pakistan Stock Exchange Limited.

### 3 SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES

#### 3.1 Significant accounting policies

The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are consistent with those applied in the preparation of the financial statements for the year ended 30 June 2021, except as disclosed in 3.1.1.

##### 3.1.1 Derivative financial instruments and hedging activities

The Company holds derivative financial instruments to hedge its foreign currency risk exposures. On initial designation of the hedge, the Company formally documents the risk management objectives and strategy for undertaking the hedge. The Company also documents the economic relationship between the hedging instrument(s) and the hedged item(s), including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

Derivatives are recognised initially at fair value; attributable transaction costs are recognised in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are accounted for as described below.

##### *Cash flow hedge*

When a derivative is designated as the hedging instrument in a hedge of the variability in cash flows attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction that could affect profit or loss, the effective portion of changes in the fair value of the derivative is recognised and presented in the hedging reserve in equity. The amount recognised in equity is removed and included in profit or loss in the same period as the hedged items affect profit or loss. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated, exercised, or the designation is revoked, then hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognised and presented in the hedging reserve in equity remains there until the forecast transaction affects profit or loss. When the hedged item is a non-financial asset, the amount recognised in equity is transferred to the carrying amount of the asset when the asset is recognised. In other cases the amount recognised in equity is transferred to profit or loss in the same period that the hedged item affects profit or loss.

#### 3.2 Significant accounting judgments and estimates

The preparation of these condensed interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. In preparing these condensed interim financial statements, the significant judgments made by the management in applying the accounting policies and the key sources of estimation uncertainty were the same as those applied to the financial statements of the Company for the year ended 30 June 2021.

#### 3.3 Standards, interpretations and amendments to approved accounting and reporting standards that are not yet effective

The following International Financial Reporting Standards (IFRS Standards) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after 01 January 2022:

-Amendments to IAS 37 Onerous Contracts - Cost of fulfilling a contract	(effective 01 January 2022)
-Amendments to IFRS 9, IFRS 16 and IAS 41 Annual Improvements to IFRS Standards 2018-2020	(effective 01 January 2022)
-Amendments to IAS 16 Proceeds before intended use	(effective 01 January 2022)
-Amendments to IFRS 03: Reference to the Conceptual Framework	(effective 01 January 2022)
-Amendments to IAS 1 Classification of liabilities as current or non-current and disclosure of accounting policies	(effective 01 January 2022)
-Amendments to IAS 1 and IFRS Practice Statement 2 Disclosure of Accounting Policies	(effective 01 January 2022)
-Amendments to IAS 8 Definition of accounting estimates	(effective 01 January 2022)
-Amendments to IAS 12 Deferred tax related to Assets and Liabilities arising from a Single Transaction	(effective 01 January 2022)
-Amendments to IFRS 10 and IAS 28 Sale or contribution of assets between an investor and its Associate or Joint Venture	(effective 01 January 2022)

The above amendments are not likely to have an impact on the Company's condensed interim financial statements.

#### 4 SHARE CAPITAL

There is no change in authorised and issued, subscribed and paid up share capital of the Company from 30 June 2021.

5	LONG TERM LOANS - secured	Note	Un-audited 31 March 2022 Rupees'000	Audited 30 June 2021 Rupees'000
	<b>- From banking companies (conventional banks)</b>			
	Term finance facilities - secured	5.1	2,584,960	870,551
	Less: Current portion shown under current liabilities	5.2	(298,824)	(356,788)
	Deferred government grant		(9,706)	(22,261)
			<b>2,276,430</b>	<b>491,502</b>
5.1	Movement in this account during the period/ year is as follows:			
	Opening balance		870,551	729,180
	Loans received during the period / year	5.3	1,965,046	625,610
	Principal repayment during the period / year		(250,637)	(484,239)
	Closing balance		<b>2,584,960</b>	<b>870,551</b>
5.2	<b>Current Portion</b>			
	Current portion of long term loans		298,824	356,788
	Markup accrued		8,511	4,733
			<b>307,335</b>	<b>361,521</b>

5.3 During the period, the Company obtained following new long term loans:

Description	Amount Rs.'000	Rate of Interest per annum	Security
Syndicated term finance facility-expansion project	1,763,213	6 Month's KIBOR + 0.9 %	Secured against hypothecation charge over all present and future current and fixed assets (excluding land and building) of the Company and mortgage charge inclusive of 25% margin over all present immovable assets (inclusive of land and building)
SBP Refinance Scheme for renewable energy	201,833	SBP rate (3%) + 0.75%	Ranking charge over present and future current and fixed assets (excluding land and building) of the Company with 25% margin
	<u>1,965,046</u>		

5.4 The markup rates and securities offered are the same as disclosed in the annual audited financial statements of the Company for the year ended 30 June 2021 except as stated in Note 5.3.

## 6 SHORT TERM BORROWINGS

The markup rates, facility limits, securities offered are the same as disclosed in the annual audited financial statements of the Company for the year ended 30 June 2021.

## 7 CONTINGENCIES AND COMMITMENTS

### 7.1 Contingencies

There is no change in the contingent liabilities as reported in the financial statements for the year ended 30 June 2021 except as follows:

a) For the period from 01 July 2014 to 30 June 2016, DCIR raised demand of sales tax amounting to Rs. 400 million through order dated 11 August 2021 by disallowing the rightfully claimed input sales tax during aforesaid period. The Company has filed an appeal before CIR (Appeals) against the order of DCIR where the case is pending for adjudication. Based on expert opinion, management is confident of favorable outcome.



b) For tax year 2015, DCIR raised a demand of income tax amounting to Rs. 535 million through order dated 30 June 2021 by alleging the Company that it has suppressed its production. The DCIR's decision is based on an assumed ratio of lime stone consumption per unit of cement produced without considering the actual norms of production. The Company has filed an appeal before the CIR (Appeals) where the case is pending for adjudication. Based on expert opinion, management is confident of favorable outcome.

## 7.2 Commitments

**7.2.1** The Company has opened Letters of Credit for the import of plant and machinery and spare parts amounting to Rs. 19,077 million (30 June 2021: Rs. 18,812 million).

**7.2.2** The Company has capital commitments of Rs. 19,358 million (30 June 2021: Rs 19,400 million) related to expansion project.

	Note	Un-audited 31 March 2022 Rupees'000	Audited 30 June 2021 Rupees'000
<b>8</b>			
<b>PROPERTY, PLANT AND EQUIPMENT</b>			
Opening book value		21,422,215	22,065,172
Additions during the period / year	8.1	4,617,238	1,007,205
Written down value of disposals		(2,493)	(49,814)
Written down value of write off		-	(26,316)
Depreciation for the period / year		(1,076,397)	(1,574,032)
Closing book value		24,960,563	21,422,215
<b>8.1</b>			
<b>Additions during the period / year</b>			
Expansion project-DG Khan		4,080,736	136,011
Other		536,502	871,194
		4,617,238	1,007,205

## 9 DERIVATIVE FINANCIAL INSTRUMENT

This represents foreign exchange forward contracts entered into by the Company to hedge its foreign currency exposure related to payments of expansion project and are stated at fair value. Fair value of these instruments is determined by using mark to market exchange rates prevailing on the statement of financial position date and represents the present value of expected cashflows on settlement date.

## 10 SHORT TERM INVESTMENTS

These represent investments in open ended mutual funds and are measured at fair value through profit or loss. Fair value of these investments are determined using quoted repurchase price.

## 11 CASH AND BANK BALANCES

	Un-audited 31 March 2022 Rupees'000	Audited 30 June 2021 Rupees'000
<b>Cash at bank</b>		
Deposit accounts	290,154	196,796
Current accounts	72,307	703,772
Term deposit receipt	1,800,000	-
	2,162,461	900,568
Cash in hand	520	210
	2,162,981	900,778

12 REVENUE - NET	Three months ended		Nine months ended	
	31 March 2022 Rupees'000	31 March 2021 Rupees'000	31 March 2022 Rupees'000	31 March 2021 Rupees'000
The disaggregation of turnover from contracts with customers is as follows:				
Sales- Local	10,326,290	7,910,666	30,904,772	23,797,395
- Export	124,116	356,221	485,027	1,047,666
	10,450,406	8,266,887	31,389,799	24,845,061
Less:- Sales tax	1,626,312	1,238,828	4,840,295	3,730,604
- Excise duty	1,144,527	1,109,354	3,624,272	3,583,155
- Export development surcharge	376	1,048	1,493	2,916
	2,771,215	2,349,230	8,466,060	7,316,675
	7,679,191	5,917,657	22,923,739	17,528,386
13 COST OF SALES				
Raw material consumed	407,050	426,198	1,400,532	1,376,058
Packing material consumed	368,912	309,151	1,125,890	958,990
Stores and spares consumed	12,353	14,483	34,297	38,243
Salaries, wages and benefits	422,808	346,674	1,263,920	1,112,463
Rent, rates and taxes	8,266	6,861	26,172	20,616
Insurance	34,201	34,895	101,857	104,178
Fuel consumed	2,115,627	1,812,441	7,536,840	5,301,813
Power consumed	872,041	676,218	2,714,034	2,135,226
Depreciation	350,816	339,293	1,055,096	1,037,548
Repairs and maintenance	301,869	193,912	648,206	559,466
Technical assistance	4,982	5,541	7,316	6,169
Printing and stationery	625	611	2,151	1,750
Traveling and conveyance	9,267	9,904	27,624	27,040
Vehicle running and maintenance expenses	5,852	3,782	14,485	12,931
Communication, establishment and other expenses	15,760	27,611	53,446	42,789
Water conservancy charges	10,602	70,060	144,389	205,360
	4,941,031	4,277,635	16,156,255	12,940,640
Add: Opening work-in-process	1,476,554	811,954	629,288	779,940
Less: Closing work-in-process	(807,544)	(1,044,844)	(807,544)	(1,044,844)
Cost of goods manufactured	5,610,041	4,044,745	15,977,999	12,675,736
Add: Opening finished goods	141,241	188,168	146,340	138,345
Less: Closing finished goods	(221,311)	(208,442)	(221,311)	(208,442)
	5,529,971	4,024,471	15,903,028	12,605,639
Less: Own consumption capitalized	-	-	-	(376)
Cost to complete the contract - Freight charges	200,369	130,397	604,376	442,647
	5,730,340	4,154,868	16,507,404	13,047,910

14 ADMINISTRATIVE EXPENSES

This includes one-time management consultancy fee and merger expenses of Rs 97.4 million.

15 OTHER EXPENSES

This includes Workers' profit participation fund and Workers' welfare fund.

There is no change in relationship with related parties during the period. Significant transactions with related parties are as follows:

	Nine months ended	
	31 March 2022 Rupees'000	31 March 2021 Rupees'000
<b>Transactions and balances with related parties</b>		
<b>Fauji Foundation</b>		
Sale of cement	52,837	2,620
Advance against sale of cement	19,324	- *
Donation paid through Fauji Foundation	6,520	-
Payment of rent and utilities	5,225	37,251
Payable against utilities	1,751	- *
Payment against cost re-charged	55,425	42,501
Payable against cost re-charged	17,400	15,224 *
Payment for use of medical facilities	1,870	1,916
Payable against use of medical facilities	8	326 *
<b>Transactions with other related parties</b>		
Amount charged to Askari Cement Limited against shared services/materials	794,555	67,501
Payable to Askari Cement Limited against expenses incurred	-	18,003 *
Payment to Foundation Solar Energy (Pvt) Limited against issue of shares	50,000	-
Payment to Foundation Solar Energy (Pvt) Limited against solar power plant	201,833	172,939
Retention money payable to Foundation Solar Energy (Pvt) Limited against solar power plant	18,153	-
Balance at Askari Bank Limited (AKBL)	1,000,103	204,732 *
Profit earned from AKBL	7,806	436
Profit receivable from AKBL	657	- *
Payable against supply of crude oil to Mari Petroleum Company Limited	-	106,126 *
Payments made into Employees' Provident Fund	46,737	44,003
Directors' fee	5,950	2,300
Remuneration paid including benefits and perquisites to Chief Executive	21,486	14,175
Remuneration paid including benefits and perquisites to key management personnel (other than Chief Executive)	64,869	52,580

\* This represents balance as at 30 June 2021

Fair value is the amount that would be received on sale of an asset or paid on transfer of a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and fair value estimates. Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

The fair value of financial assets and liabilities traded in active markets i.e. listed equity shares are based on the quoted market prices at the close of trading on the period end date. The quoted market prices used for financial assets held by the Company is current bid price. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

IFRS 13 'Fair Value Measurements' requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

## On-balance sheet financial instruments

31 March 2022

Financial assets not measured at fair value

Financial liabilities not measured at fair value

Long term loans (including current portion)	2,583,765	-	-	2,583,765	-	-
Lease liability (including current portion)	98,096	-	-	98,096	-	-
Creditors	607,359	-	-	607,359	-	-
Retention money	44,017	-	-	44,017	-	-
Other liabilities	209,723	-	-	209,723	-	-
Payable to employees' provident fund trust	16,350	-	-	16,350	-	-
Accrued liabilities	1,889,503	-	-	1,889,503	-	-
Security deposits payable	259,806	-	-	259,806	-	-
Unclaimed dividend	37,158	-	-	37,158	-	-
Short term borrowings	950,121	-	-	950,121	-	-
	<u>6,695,898</u>	<u>-</u>	<u>-</u>	<u>6,695,898</u>	<u>-</u>	<u>-</u>

On-balance sheet financial instruments

30 June 2021

Financial assets not measured at fair value

	Amortized Cost	Carrying amount FVTPL	Total	Level 1	Level 2	Level 3	Total
			Rupees '000				
Trade debts - net of impairment loss	1,449,600	-	-	-	-	-	-
Other receivables	88,890	-	-	-	-	-	-
Cash and bank balances	900,778	-	-	-	-	-	-
	2,439,268	-	-	-	-	-	-

Financial assets measured at fair value

Long term deposits	-	86,601	-	-	-	86,601	86,601
Trade deposits	-	19,335	-	-	-	13,255	13,255
Derivative financial instrument	-	-	-	-	-	-	-
Short term investments	-	4,397,699	-	4,397,699	-	-	4,397,699
	-	4,503,635	-	4,397,699	-	99,856	4,497,555

Financial liabilities not measured at fair value

Long term loans (including current portion)	853,023	-	-	-	-	-	-
Lease liability (including current portion)	98,279	-	-	-	-	-	-
Creditors	863,038	-	-	-	-	-	-
Retention money	32,691	-	-	-	-	-	-
Other liabilities	173,682	-	-	-	-	-	-
Accrued liabilities	10,714	-	-	-	-	-	-
Payable to employees' provident fund trust	1,554,895	-	-	-	-	-	-
Security deposits payable	260,652	-	-	-	-	-	-
Unclaimed dividend	38,479	-	-	-	-	-	-
Short term borrowings	1,616,787	-	-	-	-	-	-
	5,502,240	-	-	-	-	-	-



**18 DATE OF AUTHORIZATION FOR ISSUE**

These condensed interim financial statements were authorized for issue by the Board of Directors of the Company in their meeting held on 26<sup>th</sup> April 2022.

**19 GENERAL**

Figures have been rounded off to the nearest thousand of rupees unless otherwise stated.



Chief Executive Officer



Director



Chief Financial Officer



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# Say No To Corruption



## **Company Secretary**

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