

FAUJI CEMENT COMPANY LIMITED

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

Fax No : 051-9280416
E-mail : secretaryoffice@fccl.com.pk
Website : <http://www.fccl.com.pk>
Case No : SECY/FCCL/2037/30

Office : 051-9280075
Exchange : 051-9280081-83
5763321-24
Dated **28** October 2022

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

Subject: **Transmission of Quarterly Accounts for the Period Ended 30th September 2022**

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

Dear Sir,

1. In Compliance with above reference regulations, Quarterly Report of Company for the period ended 30th September 2022 has been transmitted to PSX through **PUCARS** on 28th October 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 be 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:**
- **Mr. Hafiz Maqsood Munshi**
Manager, Companies & Securities Compliance - RAD
Pakistan Stock Exchange Limited (PSX), Stock Exchange Building
Stock Exchange Road Karachi-74000
 - **Company Law Division**
Corporatization & Compliance Department
Securities and Exchange Commission of Pakistan
NIC Building, 63-Jinnah Avenue, Blue Area, 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
CDC House, 99 B-B, Block B.S.M.C.H.S
Main Shahrah-e-Faisal, Karachi -74400
 - **Share Registrar, M/s Corplink (Pvt) Ltd, Wing Arcade,**
1-K, Commercial, Model Town, Lahore



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FIRST
QUARTERLY
REPORT

2023

آزادی قیمتی ہے



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Board of Directors

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

Chairman
 Chief Executive / MD
 Director
 Director
 Director
 Director
 Independent Director
 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)
 4th 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

AUDITORS

A.F.FERGUSON & CO.
 Chartered Accountants,
 74-East, 2nd Floor, Blue Area,
 Jinnah Avenue, P.O Box 3021,
 Islamabad-44000, Pakistan
 Tel: +92(51)2273457-60/2604934-37
 Fax: +92(51) 2277924, 2206473
 Website: www.pwc.com/pk

Legal Advisors

M/s ORR Dignam & Co Advocate
 Marina Height, 2nd 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

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

Email for E-Filing & E-Services

Email: secretaryoffice@fccl.com.pk

Production Locations

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

Near Wah Railway Station Tehsil Taxila,
 District: Rawalpindi Pakistan
 Tel No. +92-057-2520452-01,
 Tel No. +92-057-25200451

Nizampur (Village Kahi)
 District: Nowshera Pakistan
 Tel No. +92-0923-690141-42,
 Tel No. +92-0923-610650

Greenfield expansion Dera Ghazi Khan

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	Chairperson
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	Chairperson
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
- JS Bank Limited
- Bank of Khyber
- SME Bank Limited
- SAMBA Bank Limited

Directors' Review

The Directors are pleased to present the 1st Quarterly review alongwith un-audited financial statements for the quarter ended September 30th 2022.

Geo political developments which started in FY21 continue to have an impact on commodity prices with no end in sight. Central banks are fighting the all-time high Inflation by increasing interest rates which is slowing growth, with talks of a recession also going on in some parts of the world. The Dollar continues to gain strength against almost all currencies thus making it more difficult for economies heavily reliant on imports to manage their balance of trade and deficits.

Pakistan's economy is no exception, being badly effected due to the commodity prices while having its own structural issues of balance of payments which resulted in declining foreign currency reserves leading to massive currency devaluation and the country staring at default. The IMF lending avoided the default and with talks of more funding from bilateral financial institutions alongwith roll over of existing facilities means we get yet another chance to put our house in order. The recent massive flooding which is being attributable to Global warming caused by emissions of the developed world has made the efforts required to overcome this economic decline even harder, with losses to infrastructure and standing crops including Cotton. The projected growth target for FY 23 is around 2% with double digit inflation of over 20% and naturally diverting of development funds towards the flood relief efforts to help our communities in need.

Industry cement dispatches in Q1 were effected due to heavy rains and then the subsequent flooding which caused disruption in transportation with road infrastructure being damaged and projects being suspended. From September 2022 onwards dispatches have started to improve however, it's much lower than the historic trend. The year on year lower sales points towards a demand contraction brought about by all-time high prices of every construction material including cement. Though the increased prices was a result of increase in input costs especially Fuel and Power, this level is definitely hurting demand. Cement Industry managed sales volume of 9.6 Million Tons during 1st Quarter FY 23 against 12.8 Million Tons during the same period last year, showing a decline of 25%.

During first quarter of FY 23, the Company sold 1.07 Million Ton of cement against 1.42 Million Ton during the same period last year, showing a decline of 25%. Gross Profit ratio decreased to **29%** as compared to **30%** of corresponding period of last year mainly due to low sales volume and increase in fuel and power costs. The cost optimization initiatives of the company including usage of maximum local coal to offset the increase of expensive imported coal, continuously adding to its captive Green energy generation with latest addition of 8.6MW, a tight control over fixed costs combined with a better retention thus resulted in the company achieving a Net Profit of **Rs 2,315 Million** as compared to **Rs 2,104 Million** in same period of last year.

You will be happy to know that the Board approved the allocation of Rs. 200 million to join the effort to help the flood Affectees in the country. The company's main focus will be at the DG Khan area which was among the worst affected. Our effort will include providing basic amenities including water and shelter but more importantly to help the Affectees in reconstruction of their damaged houses.

Going forward a 10% to 15% slowdown is expected in Domestic dispatches due to the factors discussed in the preceding paragraphs. Exports to Afghanistan have shown sign of some recovery in Q1 and if this momentum maintains FY 23 should be better than last year. Work on our cement expansions is ongoing with Nizampur project expected to be online in November 22. Solar project at Nizampur has also started.

The Directors of the Company express their deep appreciation to the valued shareholders, customers, financial institutions, government departments, dealers, contractors, foreign & local suppliers for their support and cooperation. The Directors would also like to express their appreciation to all the Employees and Management of the Company for their hard work resulting in a positive outcome for the quarter.

On behalf of the Board of Directors



Waqar Ahmed Malik
Chairman Board of Directors, FCCL
Rawalpindi
24th October 2022



Qamar Haris Manzoor
Chief Executive & Managing Director

ڈائریکٹرز کی جائزہ رپورٹ

کمپنی کے ڈائریکٹرز کے لیے باعث مسرت امر ہے کہ وہ 30 ستمبر 2022 کو ختم ہونے والے دورانیہ کے لیے کمپنی کے غیر آڈٹ شدہ اکاؤنٹس کے ساتھ پہلا سہ ماہی جائزہ پیش کر رہے ہیں۔

مالی سال 2021 میں شروع ہونے والے عالمی سیاسی واقعات کا سلسلہ اشیاء کی قیمتوں پر اثر انداز ہوتا رہا ہے اور کہیں اس کا اختتام نظر نہیں آتا۔ مرکزی بینک شرح سود میں اضافہ کر کے اب تک کی بلند ترین افراط زر کا مقابلہ کر رہے ہیں جس کی وجہ سے شرح نموست ہو رہی ہے، دنیا کے کچھ حصوں میں کساد بازاری کی باتیں بھی جاری ہیں۔ ڈالر تقریباً تمام کرنسیوں کے مقابلے میں مضبوط ہوتا جا رہا ہے، اس طرح ان ممالک کی معیشتوں کے لیے تجارت اور خسارے کے توازن کو سنبھالنا مشکل ہو جاتا ہے جن کا انحصار درآمدات پر ہے۔

پاکستان کی معیشت بھی اس سے مستثنیٰ نہیں ہے جو اشیاء کی قیمتوں کی وجہ سے بری طرح متاثر ہو رہی ہے جبکہ ادائیگیوں کے توازن کے اپنے سطحی مسائل ہیں جس کے باعث غیر ملکی کرنسی کے ذخائر میں کمی واقع ہوئی جو کرنسی کی قدر میں بڑے پیمانے پر کمی کا سبب بنی اور ملک دیوالیہ ہونے کے قریب پہنچ گیا۔ آئی ایم ایف کے قرضے نہ دیوالیہ ہونے سے بچایا اور دو طرفہ مالیاتی اداروں سے مزید فنڈنگ کے ساتھ ساتھ موجودہ سہولیات کی دستیابی کا مطلب ہے کہ ہمیں خود کو ٹھیک کرنے کا ایک اور موقع ملے گا۔ حالیہ بڑے سیلاب نے جسے ترقی یافتہ دنیا کی آلودگی کے اخراج کے باعث ہونے والی عالمی حدت سے جوڑا جا رہا ہے، اس اقتصادی زوال پر قابو پانے کے لیے درکار کوششوں کو اور بھی مشکل بنا دیا ہے، جس میں انفراسٹرکچر اور کپاس سمیت کھڑی فصلوں کو نقصان پہنچا ہے۔ مالی سال 2023 کے لیے متوقع ترقی کا ہدف تقریباً 2 فیصد ہے جس میں دوہرے ہندسے کی افراط زر 20 فیصد سے زیادہ ہے اور قدرتی طور پر ترقیاتی فنڈز کو سیلاب سے نجات کی کوششوں کی طرف موڑنا ہے تاکہ ہماری ضرورت مند آبادی کی مدد کی جاسکے۔

پہلی سہ ماہی میں صنعتی سیمنٹ کی فروخت شدید بارشوں اور پھر اس کے نتیجے میں آنے والے سیلاب کی وجہ سے متاثر ہوئی جس کی وجہ سے سڑکوں کے بنیادی ڈھانچے کو نقصان پہنچا اور منصوبے معطل ہو گئے۔ ستمبر 2022 کے بعد سے فروخت میں بہتری آنا شروع ہو گئی ہے تاہم یہ اس رجحان سے بہت کم ہے جیسا پہلے ہوا کرتا تھا۔ تعمیراتی سامان کے ساتھ ساتھ تاریخ کی بلند ترین سطح پر پہنچی ہوئی سیمنٹ کی قیمتوں کی وجہ سے معمول سے کم فروخت کا سلسلہ بھی تیز ہو رہا ہے۔ اگرچہ قیمتوں میں اضافہ خصوصاً ایندھن اور بجلی کی قیمتوں میں اضافے کا نتیجہ تھا، لیکن یہ سطح یقینی طور پر سیمنٹ کی طلب کو نقصان پہنچا رہی ہے۔ مالی سال 2023 کی پہلی سہ ماہی کے دوران سیمنٹ کی صنعت میں فروخت کا حجم 9.6 ملین ٹن تک آ گیا ہے جو گزشتہ سال کی اسی مدت کے دوران 12.8 ملین ٹن تھا، جو کہ 25 فیصد کمی کو ظاہر کرتا ہے۔

مالی سال 2023 کی پہلی سہ ماہی کے دوران، کمپنی نے 1.07 ملین ٹن سیمنٹ فروخت کیا جو پچھلے سال کی اسی مدت کے

دوران 1.42 ملین ٹن تھا، جو کہ 25 فیصد کی کمی کو ظاہر کرتا ہے۔ مجموعی منافع کا تناسب گزشتہ سال کی اسی مدت کے 30 فیصد کے مقابلے میں کم ہو کر 29 فیصد ہو گیا ہے جس کی بنیادی وجہ فروخت کے حجم کا کم ہونا اور ایندھن اور بجلی کی قیمتوں میں اضافہ ہے۔ مالی سال 2023 کی پہلی سہ ماہی کے دوران، کمپنی نے گزشتہ سال کی اسی مدت میں 2,104 ملین روپے کے مقابلے میں 2,315 ملین روپے کا صافی منافع کمایا۔ کمپنی انتظامیہ نے لاگت کو بہتر بنانے کے عمل پر اپنی توجہ جاری رکھی جس میں مہنگے درآمدی کونسلے میں اضافے کو پورا کرنے کے لیے زیادہ سے زیادہ مقامی کونسلے کا استعمال کمپنی کی شمسی توانائی کی صلاحیت میں 8.6 میگا واٹ کا اضافہ اور مقررہ لاگت پر سخت کنٹرول کے ساتھ منافع کی شرح بہتر ہوئی، جس سے مطلوبہ نتائج حاصل کرنے میں مدد ملی۔ آپ کو یہ جان کر خوشی ہوگی کہ بورڈ نے ملک میں سیلاب سے متاثرہ افراد کی مدد کی کوششوں میں آپ سب کا حصہ شامل کرنے کے لیے 200 ملین روپے مختص کرنے کی منظوری دی۔ اس ضمن میں کمپنی کی اصل توجہ ڈی جی خان کے علاقے پر ہوگی جو سب سے زیادہ متاثر ہوا تھا۔ ہماری کوششوں میں متاثرین کو پانی اور رہائش سمیت بنیادی سہولیات فراہم کرنا شامل ہے لیکن اس سے بھی اہم بات یہ ہے کہ ان کے تباہ شدہ مکانات کی تعمیر نو میں ہم ان کی مدد کریں۔

آئندہ کی جو صورت حال اب تک نظر آتی ہے اس سے لگتا ہے کہ پچھلے پیرا گراف میں زیر بحث معاشی عوامل کی وجہ سے مقامی فروخت میں سست روی ہے لیکن دوسری سہ ماہی میں صورتحال مزید واضح ہو جائے گی۔ افغانستان کی برآمدات نے پہلی سہ ماہی میں کچھ بحالی کے آثار ظاہر کیے ہیں اور اگر یہ رفتار برقرار رہتی ہے تو مالی سال 2023 پچھلے سال سے بہتر ہونا چاہیے۔ دوسری سہ ماہی میں نظام پور پراجیکٹ کی پیداوار شروع ہونے کی امید کے علاوہ ڈیرہ غازی خان میں سیمنٹ پلانٹ کی توسیع پر کام جاری ہے۔ نظام پور میں شمسی توانائی کا منصوبہ بھی شروع ہو چکا ہے۔

کمپنی کے ڈائریکٹر قابل قدر شرکت داروں، صارفین، مالیاتی اداروں، سرکاری محکموں، ڈیلرز، ٹھیکیداروں، غیر ملکی اور مقامی سپلائرز کے تعاون پر خراج تحسین پیش کرتے ہیں۔ ڈائریکٹر کمپنی کے تمام ملازمین اور انتظامیہ کو ان کی محنت کے لیے ممنونیت کا اظہار کرنا چاہیں گے جس کے نتیجے میں اس سہ ماہی میں کمپنی کے لیے مثبت نتائج سامنے آئے ہیں۔

بورڈ آف ڈائریکٹر کی نیابت سے



قمر حارث منظور

چیف ایگزیکٹو و نیٹنگ ڈائریکٹر



دقار احمد ملک

چیرمین بورڈ آف ڈائریکٹر فوجی سینٹ کمپنی لمیٹڈ

راولپنڈی

24 اکتوبر 2022

	Note	Un-audited 30 September 2022 Rupees'000	Audited 30 June 2022 Rupees'000
EQUITY & LIABILITIES			
EQUITY AND RESERVES			
Share capital	4	21,803,090	21,803,090
Premium on issue of shares		17,978,520	17,978,520
Unappropriated profit		20,269,276	17,954,446
		60,050,886	57,736,056
NON-CURRENT LIABILITIES			
Long term loans - secured	5	20,892,934	19,555,997
Employee benefits		195,594	179,291
Lease liabilities		81,060	89,965
Deferred government grant		1,962,423	1,982,301
Deferred tax liabilities - net		7,434,639	7,433,214
		30,566,650	29,240,768
CURRENT LIABILITIES			
Loan from Parent - unsecured		7,387,000	7,387,000
Trade and other payables		4,667,566	6,917,149
Accrued liabilities		2,910,654	4,321,163
Security deposits payable		482,684	461,712
Contract liabilities		564,531	862,309
Employee benefits - current portion		93,238	80,756
Payable to employees' provident fund trust		11,796	15,875
Unclaimed dividend		37,157	37,157
Short term borrowings - secured	6	4,566,751	3,218,249
Current portion of lease liabilities		68,137	68,332
Current portion of long term loans	5	2,530,248	2,985,087
Current portion of deferred government grant		287,504	366,464
		23,607,266	26,721,253
TOTAL EQUITY AND LIABILITIES		114,224,802	113,698,077
CONTINGENCIES AND COMMITMENTS			
	7		

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.

Chief Executive Officer

Director

Chief Financial Officer

Condensed Interim Statement of Financial Position

FCCL

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As At 30 September 2022

First Quarterly Report 2022-23

	Note	Un-audited 30 September 2022 Rupees'000	Audited 30 June 2022 Rupees'000
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	8	76,974,858	74,126,315
Right of use asset		120,776	132,263
Intangibles		10,980,077	11,029,756
Long term deposits		126,274	126,274
Long term investment in associate		66,657	66,657
		88,268,642	85,481,265
CURRENT ASSETS			
Stores, spares and loose tools		11,088,164	11,939,147
Stock in trade		5,655,170	3,697,721
Trade debts		3,131,070	2,412,758
Advances		243,812	193,629
Sales tax refundable-net		2,167,433	2,650,804
Trade deposits and short term prepayments		144,339	22,559
Advance tax - net		474,292	975,108
Other receivables		198,974	175,443
Short term investments		637,363	3,843,010
Cash and bank balances	9	2,215,543	2,306,633
		25,956,160	28,216,812
TOTAL ASSETS		114,224,802	113,698,077

Chief Executive Officer

Director

Chief Financial Officer

	Note	30 September 2022 Rupees'000	30 September 2021 Rupees'000
Revenue - net	10	14,700,385	11,577,645
Cost of sales	11	(10,486,937)	(8,146,386)
Gross profit		4,213,448	3,431,259
Selling and distribution expenses		(128,865)	(129,098)
Administrative expenses		(318,748)	(276,662)
Other expenses	12	(236,045)	(200,912)
Other income		25,396	35,148
Operating profit		3,555,186	2,859,735
Finance cost		(414,642)	(219,301)
Finance income		174,607	126,469
Net finance cost		(240,035)	(92,832)
Profit before taxation		3,315,151	2,766,903
Income tax expense		(1,000,321)	(662,464)
Profit for the period		2,314,830	2,104,439
Earnings per share - basic and diluted (Rupees)		1.06	0.97

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.



Chief Executive Officer



Director



Chief Financial Officer

	Quarter Ended	
	30 September 2022 Rupees'000	30 September 2021 Rupees'000
Profit for the period	2,314,830	2,104,439
Other comprehensive income	-	-
Total comprehensive income	2,314,830	2,104,439

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.



Chief Executive Officer



Director



Chief Financial Officer

	Quarter Ended	
	30 September 2022 Rupees'000	30 September 2021 Rupees'000
Cash flows from operating activities		
Profit before tax	3,315,151	2,766,903
Adjustments for:		
Depreciation	707,424	669,585
Depreciation on right of use asset	11,487	10,529
Amortization of intangibles	49,675	49,675
Provision for compensated absences	35,124	20,039
Workers' (Profit) Participation Fund including interest	181,320	148,391
Workers' Welfare Fund	58,486	52,522
Finance cost (excluding interest on WPPF)	410,881	219,015
Gain on disposal of property, plant and equipment	(869)	(499)
Finance income	(174,607)	(142,512)
	1,278,921	1,026,745
Operating cash flows before working capital changes	4,594,072	3,793,648
Changes in		
Stores, spares and loose tools	850,983	717,479
Stock in trade	(1,957,449)	(1,463,337)
Trade debts	(718,312)	325,334
Advances	(50,183)	(62,932)
Trade deposits and short term prepayments	(121,780)	(257,580)
Sales tax refundable	463,371	-
Other receivables	(23,531)	63,390
Trade and other payables	(2,174,111)	(1,416,015)
Accrued liabilities	(1,410,509)	1,776,112
Security deposits payable	20,972	199,394
Contract liabilities	(297,778)	114,404
Payable to employees' provident fund trust	(4,079)	4,250
Cash (used in)/ generated from operating activities	(5,402,406)	499
Compensated absences paid	(6,337)	(12,959)
Payment to Workers' (Profit) Participation Fund	(94,874)	(24,336)
Taxes paid	(498,081)	(145,565)
Long term deposit	-	(7,737)
Net cash (used in)/ generated from operating activities	(1,407,626)	3,603,550
Cash flows from investing activities		
Additions in property, plant and equipment	(3,561,560)	(1,177,614)
Short term investments - net	3,205,647	(1,056,688)
Long term investment	-	(50,000)
Proceeds from disposal of property, plant and equipment	6,462	4,067
Interest received on bank deposits	160,169	83,544
Net cash used in investing activities	(189,282)	(2,196,691)
Cash flows from financing activities		
Repayment of long term loans	(820,990)	(808,998)
Loans received	1,233,639	276,618
Receipt of loan from parent	-	1,017,000
Lease payments	(13,896)	(54,027)
Unclaimed dividend	-	(851)
Finance cost paid	(241,437)	(482,012)
Net cash generated from/(used in) financing activities	157,316	(52,270)
(Decrease)/ increase in cash and cash equivalents	(1,439,592)	1,354,589
Cash and cash equivalents at beginning of the period	(911,616)	(708,457)
Cash and cash equivalents at end of the period	(2,351,208)	646,132
Cash and cash equivalents comprise of the following:		
Cash and bank balances	2,215,543	2,186,382
Short term borrowings	(4,566,751)	(1,540,250)
	(2,351,208)	646,132

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.

Chief Executive Officer

Director

Chief Financial Officer

Condensed Interim Statement of Change in Equity (Un - Audited)
For the Quarter Ended 30 September 2022

F C C L

13

First Quarterly Report 2022-23

	Share capital Ordinary shares	Capital reserve (Discount)/ premium on issue of shares	Revenue reserve Accumulate profit	Total
	Rupees'000	Rupees'000	Rupees'000	Rupees'000
Balance at 01 July 2021	13,798,150	(1,364,385)	10,841,906	23,275,671
Total comprehensive income				
Profit for the period	-	-	2,104,439	2,104,439
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	2,104,439	2,104,439
Shares issued pursuant to amalgamation	8,004,940	19,342,905	-	27,347,845
Balance as at 30 September 2021	21,803,090	17,978,520	12,946,345	52,727,955
Balance at 01 July 2022	21,803,090	17,978,520	17,954,446	57,736,056
Total comprehensive income				
Profit for the period	-	-	2,314,830	2,314,830
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	2,314,830	2,314,830
Balance as at 30 September 2022	21,803,090	17,978,520	20,269,276	60,050,886

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.



Chief Executive Officer



Director



Chief Financial Officer

1 COMPANY AND ITS OPERATIONS

- 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 May 30, 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 geographical location and address of the Company's business units, including plants is as under:

- The Company's registered office is situated at Fauji Towers, Block-III, 68-Tipu Road, Rawalpindi.
- The Company's marketing and sales office is situated at AWT Plaza, The Mall, Rawalpindi.
- The Company's manufacturing facilities are located at:
 - Village Jhang Bahtar, Tehsil Fateh Jang in district Attock
 - Railway Station Wah in district Rawalpindi
 - Village Kahi, Nizampur in district Nowshera

1.2 Amalgamation of Askari Cement Limited with the Company

In last year, a scheme of arrangement for amalgamation of Askari Cement Limited with and into the Company was approved through resolutions passed by Board of Directors of both Companies. The scheme was sanctioned by the Honourable Lahore High Court ("the Court") through its order dated 02 March 2022. The effective date of amalgamation was 01 July 2021 i-e the date at which all assets and liabilities of ACL be vested with the Company. Hence, comparative profit or loss includes impact of amalgamation.

2 BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

These condensed interim financial statements of the Company have been prepared in accordance with the requirements of International Accounting Standard 34 - "Interim Financial Reporting" and provisions of and directives issued under the Companies Act, 2017. In case where requirements differ, the provisions of or 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 annual financial statements and should therefore be read in conjunction with the financial statements for the year ended 30 June 2022. Comparative statement of financial position is extracted from annual financial statements as of 30 June 2022 whereas comparative condensed interim profit or loss, condensed interim statement of comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity are extracted from unaudited condensed interim financial statements for the quarter ended 30 September 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 .

3 SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES

The accounting policies, significant judgments made in the application of accounting policies, key sources of estimations, the methods of computation

adopted in preparation of these condensed interim financial statements and financial risk management policy are the same as those applied in preparation of audited annual financial statements for the year ended 30 June 2022.

4 SHARE CAPITAL

There is no change in composition of authorised, issued, subscribed and paid up share capital of the Company from 30 June 2022.

5 LONG TERM LOANS

- Loans from banking companies (under mark up arrangements)

	Note	Un-audited 30 September 2022 Rupees' 000	Audited 30 June 2022 Rupees' 000
Term finance facilities	5.1	25,084,538	24,671,889
Less: Current portion shown under current liabilities		(1,778,253)	(2,478,065)
Deferred portion of grant income		(2,237,692)	(2,458,745)
Transaction cost		(175,659)	(179,082)
		20,892,934	19,555,997
5.1 Movement in this account during the period/ year is as follows:			
Opening balance		24,671,889	491,502
Acquisition through business combination		-	10,684,332
Loans received during the period/year		1,233,639	17,059,404
Principal repayment during the period/ year		(820,990)	(3,563,349)
Closing balance		25,084,538	24,671,889
5.2 Current Portion			
Current portion of loan		1,778,253	2,478,065
Markup accrued		751,995	507,022
		2,530,248	2,985,087

5.3 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 2022.

6 SHORT TERM BORROWINGS (SECURED)

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 2022.

7 CONTINGENCIES AND COMMITMENTS

7.1 There is no change in the contingent liabilities as reported in the financial statements for the year ended 30 June 2022 except for the following;

7.1.1 For Tax Year 2021, ADCIR created income tax demand of Rs. 976 million through his order dated 15 July 2022, mainly by disallowing the rightfully claimed income tax refunds of previous years. Company filed an appeal before CIR (Appeals) on 11 August 2022 against the order of ADCIR. Based on expert opinion, a favorable outcome is expected.

7.1.2 DCIR, through his order in original dated 07 September 2022, created sales tax demand of Rs. 140 million by disallowing the rightfully claimed sales tax on supplies received by the Company. Company is in process of filing an appeal before CIR (Appeals) against aforesaid order. Based on expert opinion, a favorable outcome is expected.

7.2 Commitments

7.2.1 The company has opened Letters of Credit for the import of plant and machinery (expansion projects) and spare parts valuing Rs. 21,361 million (30 June 2022: Rs. 21,832 million).

7.2.2 The Company has capital commitments of Rs. 25,233 million (30 June 2022: Rs 22,428 million) related to expansion projects.

8 PROPERTY, PLANT AND EQUIPMENT

	Un-audited 30 September 2022 Rupees'000	Audited 30 June 2022 Rupees'000
Opening book value	74,126,315	21,422,215
Acquisition through business combination	-	26,891,336
Additions during the period/ year	3,561,560	28,425,596
Transfer of leased vehicles	-	114,462
Written down value of disposals	(5,593)	(21,602)
Depreciation for the period/year	(707,424)	(2,705,692)
Closing book value	76,974,858	74,126,315

9 CASH AND BANK BALANCES

Cash at banks		
Deposit accounts - Conventional banks	1,239,631	516,064
Deposit accounts - Islamic banks	2,241	328
Term deposit receipts-Conventional banks	842,235	1,623,936
Term deposit receipts-Islamic banks	-	13,950
Current accounts - Conventional banks	129,007	151,770
Current accounts - Islamic banks	1,723	14
	2,214,837	2,306,062
Cash in hand	706	571
	2,215,543	2,306,633

	Quarter Ended	
	30 September 2022 Rupees'000	30 September 2021 Rupees'000
10 REVENUE-NET		
Revenue from external customers		
Sales - Local	17,821,102	15,382,494
- Export	1,145,472	579,115
	18,966,574	15,961,609
Less: - Sales tax	2,815,260	2,426,341
- Excise duty	1,448,198	1,955,852
- Export development surcharge	2,731	1,771
	4,266,189	4,383,964
	14,700,385	11,577,645
11 COST OF SALES		
Raw material consumed	860,085	783,158
Packing material consumed	545,963	670,682
Stores and spares consumed	175,262	162,045
Salaries, wages and benefits	879,871	850,855
Rent, rates and taxes	17,780	15,097
Insurance	58,050	56,301
Fuel consumed	6,205,011	4,184,811
Power consumed	2,033,235	1,640,375
Depreciation	692,969	663,645
Repairs and maintenance	356,051	177,256
Technical assistance	566	1,920
Printing and stationery	1,713	1,075
Traveling and conveyance	21,588	11,420
Vehicle running and maintenance expenses	17,475	10,122
Communication, establishment and other expenses	49,706	69,067
Water conservancy charges	785	76,917
	11,916,110	9,374,746
Add: Opening work-in-process	2,098,340	1,717,393
Less: Closing work-in-process	(3,594,753)	(2,939,890)
Cost of goods manufactured	10,419,697	8,152,249
Add: Opening finished goods	626,363	362,909
Less: Closing finished goods	(882,774)	(500,353)
	10,163,286	8,014,805
Less: Own consumption	(47,168)	(47,749)
Add: Freight charges	370,819	179,330
	10,486,937	8,146,386

12 OTHER EXPENSES

Workers' Profit Participation Fund
Workers' Welfare Fund

Quarter Ended	
30 September 2022 Rupees'000	30 September 2021 Rupees'000
177,559	148,390
58,486	52,522
236,045	200,912

13 RELATED PARTY TRANSACTIONS

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

Transactions and balances with related parties

Fauji Foundation

	30 September 2022 Rupees'000	30 September 2021 Rupees'000
Sale of Cement	18,409	-
Payable against sale of cement	3,943	1,965 *
Payment for use of medical facilities	324	677
Payable for use of medical facilities	8	9 *
Donation paid through Fauji Foundation	67,000	2,470
Payment of rent and utilities	4,771	1,881
Receipt of loan	-	1,017,000
Payable against office rent and utilities	58	1,915 *
Payment against cost charged	33,119	52,525
Payable against cost charged	18,750	33,119 *
Payment against letter of support fee	31,788	-
Payable against letter of support fee	32,486	31,788 *

Advance against issue of shares to Foundation Solar Energy (Pvt) Limited

Payable against supply of solar equipment	25,261	83,429 *
Payment against supply of solar equipment	61,568	-

Askari Bank Limited

Balance in bank	564,029	136,929 *
Interest on long term loans	59,847	18,579
Principal repayment of loan	100,000	-
Loan payable	1,345,000	745,000 *
Export refinance payable	700,000	700,000 *
Interest on export re-finance	16,591	4,437
Bank charges	2,706	-
Profit received	2,049	623

Transactions with other related parties

Payments made into Employees' Provident Fund	38,564	36,653
Payment of director's fee	2,500	2,930
Remuneration including benefits and perquisites to Chief Executive	11,575	9,320
Remuneration including benefits and perquisites to key management personnel	63,777	36,102

* Comparative figures are as at 30 June 2022

FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT

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).

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

On-balance sheet financial instruments

30 September 2022

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	3,131,070	-	3,131,070	-	-	-	-
Other receivables	198,974	-	198,974	-	-	-	-
Short term investments	250,000	-	250,000	-	-	-	-
Cash and bank balances	2,215,543	-	2,215,543	-	-	-	-
	5,795,587	-	5,795,587	-	-	-	-
Financial assets measured at fair value							
Long term deposits	-	126,274	126,274	-	-	126,274	126,274
Trade deposits	-	19,089	19,089	-	-	19,089	19,089
Short term investments	-	387,363	387,363	387,363	-	-	387,363
	-	532,726	532,726	387,363	-	145,363	532,726

Financial liabilities not measured at fair value

Long term loans (including current portion)	23,423,182	-	23,423,182	-	-	-	-
Lease liability (including current portion)	149,197	-	149,197	-	-	-	-
Loan from Parent - unsecured	7,387,000	-	7,387,000	-	-	-	-
Trade and other payables	4,123,192	-	4,123,192	-	-	-	-
Accrued liabilities	2,910,654	-	2,910,654	-	-	-	-
Security deposits payable	482,684	-	482,684	-	-	-	-
Payable to employees' provident fund trust	11,796	-	11,796	-	-	-	-
Unclaimed dividend	37,157	-	37,157	-	-	-	-
Short term borrowings - secured	4,566,751	-	4,566,751	-	-	-	-
	43,091,613	-	43,091,613	-	-	-	-

On-balance sheet financial instruments	Carrying amount		Fair value				
	Amortized Cost	FVTPL	Total	Level 1	Level 2	Level 3	Total
30 June 2022	Rupees '000						
Financial assets not measured at fair value							
Trade debts - net of impairment loss	2,412,758	-	2,412,758	-	-	-	-
Other receivables	175,443	-	175,443	-	-	-	-
Short term investments	250,000	-	250,000	-	-	-	-
Cash and bank balances	2,306,633	-	2,306,633	-	-	-	-
	5,144,834	-	5,144,834	-	-	-	-
Financial assets measured at fair value							
Long term deposits	-	126,274	126,274	-	-	126,274	126,274
Trade deposits	-	14,925	14,925	-	-	14,925	14,925
Short term investments	-	3,593,010	3,593,010	3,593,010	-	-	3,593,010
	-	3,734,209	3,734,209	3,593,010	-	141,199	3,734,209
Financial liabilities not measured at fair value							
Long term loans (including current portion)	22,541,084	-	22,541,084	-	-	-	-
Lease liability (including current portion)	158,297	-	158,297	-	-	-	-
Loan from parent-unsecured	7,387,000	-	7,387,000	-	-	-	-
Trade and other payables	5,729,126	-	5,729,126	-	-	-	-
Accrued liabilities	4,321,163	-	4,321,163	-	-	-	-
Security deposits payable	461,712	-	461,712	-	-	-	-
Payable to employees' provident fund trust	15,875	-	15,875	-	-	-	-
Unclaimed dividend	37,157	-	37,157	-	-	-	-
Short term borrowings - secured	3,218,249	-	3,218,249	-	-	-	-
	43,869,663	-	43,869,663	-	-	-	-

15 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 **24th** October 2022.

16 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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