

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 Exchange : 051-9280081-83
Website : <http://www.fccl.com.pk> : 5763321-24
Case No : SECY/FCCL/2037/30 Dated : 27 April 2023

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

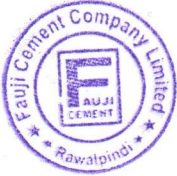
Subject: **Transmission of 3rd Quarterly Accounts for the Period Ended 31st March 2023**

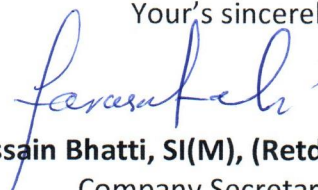
Reference: Section 237 of Companies Act 2017, PSX Notice No PSX/N-4403 dated 26th July 2018 and PSX Notice No PSX/N-4952 dated 29th August 2018.

Dear Sir,

1. In compliance with above referred regulations, 3rd Quarterly Report of Company for the period ended 31st March 2023 has been transmitted to PSX through **PUCARS** on 27th April 2023 and is also available on Company's website. 15 x hardcopies 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,
for 
Brig Abid Hussain Bhatti, SI(M), (Retd)
Company Secretary

- Copy to: • **Company Law Division**
Corporatization & Compliance Department
Securities and Exchange Commission of Pakistan, Islamabad
- **Registrar**
Company Registration Office, SECP
State Life Building, 7 Blue Area, Islamabad
- 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

A green tree on the left and a blue butterfly on the right, positioned above the word 'TRANSFORMING'.

TRANSFORMING

TOWARDS A SUSTAINABLE FUTURE

3rd
Quarterly
Report

2022-23

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	Independent Director
Ms. Maleeha Humayun Bangash	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@fcl.com.pk

Chief Financial Officer

Mr. Omer Ashraf
 Tel No. +92-51-5500157
 Email: omer@fcl.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. +92-51-9273602-3,
 +092-051-5528963-64,
 Fax No. +92-51-5528965-66
 Email: adminmkt@fcl.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@fcl.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@fcl.com.pk

Email for E-Filing & E-Services

Email: secretaryoffice@fcl.com.pk

Production Locations

Fauji Cement Company Limited
 Near Village Jhang Bahtar,
 Tehsil Fateh Jang, District Attock
 Tel Exchange: +92-572-538019
 Fax No. +92-572-538025

Near Wah Railway Station Tehsil Taxila,
 District: Rawalpindi Pakistan
 Tel No. +92-51-4937017-18
 Fax No. +92-51-4937019

Nizampur (Village Kahi)
 District: Nowshera Pakistan
 Tel No. +92-0923-690141-42
 Fax No. +92-0923-690144

Greenfield expansion Dera Ghazi Khan

Registered Office

Fauji Cement Company Limited
 Fauji Towers, Block III, 68 Tipu Road,
 Chaklala, Rawalpindi
 Tel No. +92-051-9280075
 +92-051-9280081-3
 Fax No. +92-051-9280416
 Website <http://www.fcl.com.pk>

Audit Committee

Ms. Maleeha Humayun Bangash	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
- SAMBA Bank Limited
- First Women Bank Limited

Directors' Review

The Board of Directors are pleased to present the 3rd Quarter and Nine months review along with Un-Audited Accounts for the period ended March 31st, 2023.

Economic Overview

Pakistan's economic condition continued to deteriorate with the latest GDP growth projected at less than 1%. The period witnessed an unprecedented inflation of 35% and a hike in interest rates, with discount rate reaching 21%. The depleting foreign exchange reserves and pressure of external debt servicing resulted in restrictions on opening of Letters of Credit, which is seeing industries struggle to import raw material and spares, with some even curtailing production. Then, as soon as the cap from the USD was removed the Pak Rupee saw a huge decline of 9.6% in a single day and it continues the slide. Overall, there is a general slowdown across almost all industrial sectors.

Cement Dispatches

Industry dispatches for the Nine month period remained 33.60 million tons as compared to 40.78 million tons in the same period last year, a decrease of 18% (YoY).

The Slowdown due to factors as explained above saw Q3 dispatches of the Company declined 8% as compared to Q2 (1.28 million tons vs 1.39 million tons). For the Nine month period, dispatches of 3.74 million tons (including 9.3% sales of "Green Cement") were achieved as compared to 4.25 million tons in the same period last year, a decrease of 12% (YoY). The better than industry dispatches were achieved on the back of sales to projects and hydro-projects.

Financial Performance

Despite of the decline in sales the company earned a PAT of Rs. **1,888 million** in Q3 as compared to Rs. 1,558 million in same period of last year.

Overall during the Nine months, the company earned a profit after tax of **Rs. 6,968 million** (including Rs. 198 Million Super Tax) against Rs. 5,346 million in same period last year, an increase of **30%** (YoY). This was as a result of cost reduction initiatives taken by the Management which have started to bear fruits.

D.G. Khan Expansion. Greenfield expansion at D.G. Khan is expected to be completed by end of this calendar year.

Other Milestones


- a. Solar power generation at our sites is now 29 MW, post completion of 8.6 MW at Wah plant site. By Quarter 4, 2023, this will increase to 40 MW with the commissioning of an 11 MW solar power project at Nizampur. Consequently, up to 60% of all power requirements will be met by either solar power or waste heat recovery power projects. The cost per ton saving is Rs. 90 per ton of cement produced.
- b. The energy mix and cost effective procurement at all sites is paying dividends resulting in a saving of Rs. 215 per ton of cement produced. This was achieved by substituting imported coal with local and Afghan coal and use of alternative fuels.
- c. HR optimization and other initiatives have resulted in a saving of Rs. 167 per ton of cement produced.

Outlook

Given the continuing economic slowdown, it is expected that cement dispatches will end the year in double digit decline. The management on its part will continue to drive the Manufacturing Excellence to further improve cost per ton to overcome the challenging times. However, it would also be important to remain mindful of the challenges ahead and take a prudent approach to mitigate the risks posed by the economic challenges.

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 during the Nine months of FY 23.

On behalf of the Board of Directors



Waqar Ahmed Malik
Chairman Board of Directors, FCCL
Rawalpindi
19th April 2023



Qamar Haris Manzoor
Chief Executive & Managing Director

ڈائریکٹرز کی جائزہ رپورٹ

بروڈ آف ڈائریکٹرز یہ جائزہ رپورٹ پیش کرنے میں مسرت محسوس کرتے ہیں جس میں 31 مارچ 2023 کو مکمل ہونے والے نو ماہی دورانیے تک کمپنی کے غیر آڈٹ شدہ مالی حسابات شامل ہیں۔

معاشی جائزہ

پاکستان کی معاشی حالت بدستور خراب ہوتی جا رہی ہے جس میں تازہ ترین جی ڈی پی کی شرح نمو 1 فیصد سے بھی کم ہونے کا امکان ہے۔ اس عرصے میں افراط زر کی شرح 35 فیصد تک پہنچ گئی جو اس سے پہلے کبھی دیکھنے میں نہیں آئی اور شرح سود میں ایسا اضافہ دیکھا گیا جس کی شرح 21 فیصد تک پہنچ گئی۔ غیر ملکی زرمبادلہ کے کم ہوتے ڈخا ترا اور بیرونی قرضوں کی فراہمی کے دباؤ کے نتیجے میں لیٹر آف کریڈٹ کھولنے پر پابندیاں لگ گئیں، جس کی وجہ سے صنعتوں کو خام مال اور پرزہ جات درآمد کرنے کے میں مشکلات کا سامنا ہے، اور بعض اشیاء کی عدم دستیابی پیداوار میں بھی کمی کا سبب بن رہی ہے۔ پھر جیسے ہی امریکی ڈالر سے شرح تبادلہ کی پابندی ہٹائی گئی، پاکستانی روپے کی قدر میں ایک ہی دن میں 9.6 فیصد کی زبردستی کی دیکھی گئی اور مسلسل کمی کا یہ سلسلہ تاحال جاری ہے۔ مجموعی طور پر تقریباً تمام صنعتی شعبوں میں عمومی سست روی کار حجان ہے۔

سینٹ کی فروخت

نو ماہ کی اس مدت میں صنعت کی فروخت 33.60 ملین ٹن رہی جو گزشتہ سال کی اسی مدت میں 40.78 ملین ٹن تھی، جس سے 18 فیصد سالانہ کمی کی ظاہر ہوتی ہے۔ اس تیسری سہ ماہی میں، اوپر بیان کیے گئے عوامل کی وجہ سے کمپنی کی سینٹ کی فروخت میں دوسری سہ ماہی کی نسبت 8 فیصد کمی کی ہوئی (فروخت 1.39 ملین ٹن کے مقابلے میں 1.28 ملین ٹن رہیں)۔ نو ماہ کی اس مدت کے دوران، سینٹ کی فروخت (بشمول ”گرین سینٹ“ کی 9.3 فیصد فروخت کے) 3.74 ملین ٹن رہیں جو گزشتہ سال کی اسی مدت کی 4.25 ملین ٹن کی فروخت کے مقابلے میں 12 فیصد سالانہ کمی کو ظاہر کرتی ہیں۔ دیگر پراجیکٹس اور بائیو پراڈکٹس کے لیے سینٹ کی فروخت کی وجہ سے سینٹ کی صنعت کی عمومی فروخت کی نسبت کمپنی کی ترسیل بہتر رہی۔

مالیاتی کارکردگی

فروخت میں کمی کے باوجود کمپنی نے اس تیسری سہ ماہی میں گزشتہ سال کے اسی دورانیے کے 1,558 ملین روپے کے مقابلے میں 1,888 ملین روپے کا بعد از ٹیکس منافع کمایا۔ مجموعی طور پر نو ماہ کی اس مدت کے دوران، کمپنی نے 6,968 ملین روپے کا بعد از ٹیکس منافع کمایا (جس میں 198 ملین روپے کا سپر ٹیکس بھی شامل ہے) جو کہ پچھلے سال کی اسی مدت میں 5,346 ملین روپے کے مقابلے میں 30 فیصد سالانہ اضافے کو ظاہر کرتا ہے۔ یہ انتظامیہ کی طرف سے لاگت میں کمی کے اقدامات کا نتیجہ ہے جس کے اثرات ظاہر ہونا

شروع ہو گئے ہیں۔

ڈیرہ غازی خان کا توسیعی منصوبہ۔ ڈیرہ غازی خان میں گرین فیلڈ کا توسیعی منصوبہ اسی سال (2023) کے آخر تک مکمل ہونے کی توقع ہے۔

دیگر سنگ میل

الف۔ واہ پلانٹ ساٹھ پر 8.6 میگا واٹ کی تکمیل کے بعد ہماری سائٹس پر شمسی توانائی کی پیداوار اب 29 میگا واٹ ہے۔ 2023 کی چوتھی سہ ماہی تک نظام پور میں 11 میگا واٹ کے شمسی توانائی کے منصوبے کی پیداوار شروع ہونے سے یہ صلاحیت بڑھ کر 40 میگا واٹ ہو جائے گی۔ اس کے نتیجے میں بجلی کی کُل ضرورت کا 60 فیصد تک یا تو شمسی توانائی یا فضلہ حرارت سے پیدا شدہ بجلی کے منصوبوں سے پورا کیا جانے لگے گا۔ اس سے سینٹ کی لاگت میں 90 روپے فی ٹن کی بچت ہوگی۔

ب۔ تمام پیداواری یونٹوں پر مشترکہ توانائی کے استعمال اور اشیاء کی خریداری کا نظام مؤثر بنانے سے منافع میں بہتری آئی ہے جس کے نتیجے میں سینٹ کی پیداوار کے فی ٹن میں 215 روپے کی بچت ہو رہی ہے۔ یہ ہدف درآمد شدہ کونٹے کی جگہ مقامی اور افغان کونٹے اور متبادل ایندھن کے استعمال سے حاصل کیا گیا ہے۔

ج۔ افرادی قوت کے استعمال میں بہتری کے انتظامات اور دیگر اقدامات کے نتیجے میں سینٹ کی فی ٹن پیداوار کی لاگت میں 167 روپے کی بچت ہوئی ہے۔

مستقبل کا جائزہ

معاشی سست روی کے تسلسل کے پیش نظر، توقع ہے کہ سال کے اختتام تک سینٹ کی فروخت میں کمی دوہرے ہندسوں تک پہنچ جائے گی۔ انتظامیہ مشکل وقت پر قابو پانے کے لیے اپنی طرف سے ہر ممکن حد تک فی ٹن لاگت کو مزید کم کرنے کے لیے پیداواری بہتری کے اقدامات کو آگے بڑھاتی رہے گی۔ تاہم، یہ بھی اہم ہوگا کہ مستقبل کی مشکلات کو ذہن میں رکھیں اور معاشی چیلنجوں کے باعث لاحق خدشات کو کم کرنے کے لیے فراست سے کام لیں۔

کمپنی کے ڈائریکٹرز قابل قدر حصص داران، صارفین، مالیاتی اداروں، سرکاری محکموں، ڈیلرز، ٹھیکیداروں، غیر ملکی اور مقامی سپلائرز کی حمایت اور تعاون کے لیے تہہ دل سے ان کے سپاس گزار ہیں۔ ڈائریکٹرز کمپنی کے تمام ملازمین اور انتظامیہ کو مای سال 2023 کی اس نو ماہ کی مدت کے دوران ان کی محنت کے نتیجے میں حاصل شدہ مثبت نتائج پر خراج تحسین پیش کرتے ہیں۔

بورڈ آف ڈائریکٹرز کی جانب سے



قرحارٹ منظور
چیف ایگزیکٹو و مینجنگ ڈائریکٹر



وقار احمد ملک
چیزمین بورڈ آف ڈائریکٹرز فوجی سینٹ کمپنی لمیٹڈ
راولپنڈی، 19 اپریل 2023

	Note	Un-audited March 31, 2023 Rupees'000	Audited June 30, 2022 Rupees'000
EQUITY & LIABILITIES			
EQUITY AND RESERVES			
Share capital	4	24,528,476	21,803,090
Premium on issue of shares		15,253,134	17,978,520
Unappropriated profits		24,922,185	17,954,446
		64,703,795	57,736,056
NON-CURRENT LIABILITIES			
Long term loans - secured	5	31,106,518	19,555,997
Employee benefits		195,245	179,291
Lease liabilities		140,502	89,965
Deferred government grant		2,975,835	1,982,301
Deferred tax liabilities - net		8,818,862	7,433,214
		43,236,962	29,240,768
CURRENT LIABILITIES			
Loan from Parent - unsecured		7,387,000	7,387,000
Trade and other payables		8,698,941	6,917,149
Accrued liabilities		3,671,963	4,321,163
Security deposits payable		490,786	461,712
Contract liabilities		646,465	862,309
Employee benefits - current portion		59,167	80,756
Payable to employees' provident fund trust		26,599	15,875
Unclaimed dividend		36,199	37,157
Short term borrowings - secured	6	2,450,781	3,218,249
Current portion of lease liabilities		41,200	68,332
Current portion of long term loans	5	2,382,026	2,985,087
Current portion of deferred government grant		512,548	366,464
		26,403,675	26,721,253
TOTAL EQUITY AND LIABILITIES		134,344,432	113,698,077
CONTINGENCIES AND COMMITMENTS			
	7		

The annexed notes 1 to 14 form an integral part of these condensed interim financial statements.

Chief Executive Officer

Director

Chief Financial Officer

	Note	Un-audited March 31, 2023 Rupees'000	Audited June 30, 2022 Rupees'000
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	8	93,682,319	74,126,315
Right of use assets		173,701	132,263
Intangibles assets		11,010,732	11,029,756
Long term deposits		128,252	126,274
Long term investment in associate		64,344	66,657
		105,059,348	85,481,265
CURRENT ASSETS			
Stores, spares and loose tools		9,979,307	11,939,147
Stock in trade		6,306,256	3,697,721
Trade debts		3,814,677	2,412,758
Advances		577,906	193,629
Sales tax refundable-net		1,524,268	2,650,804
Trade deposits and short term prepayments		151,720	22,559
Advance tax - net		955,823	975,108
Other receivables		269,252	175,443
Short term investments		1,575,808	3,843,010
Cash and bank balances		4,130,067	2,306,633
		29,285,084	28,216,812
TOTAL ASSETS		134,344,432	113,698,077

Chief Executive Officer

Director

Chief Financial Officer

Note	Three month period ended		Nine month period ended		
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	
	Rupees'000	Rupees'000	Rupees'000	Rupees'000	
		(Restated)		(Restated)	
Revenue - net	9	18,234,310	13,061,767	51,907,364	38,407,914
Cost of sales	10	(13,504,636)	(9,963,505)	(37,847,848)	(28,110,960)
Gross profit		4,729,674	3,098,262	14,059,516	10,296,954
Other income		111,197	75,527	186,808	173,226
Selling and distribution expenses		(156,072)	(134,283)	(422,707)	(404,812)
Administrative expenses		(383,407)	(262,602)	(1,134,827)	(958,323)
Other expenses		(166,749)	(185,562)	(632,693)	(600,052)
Operating profit		4,134,643	2,591,342	12,056,097	8,506,993
Finance cost		(1,611,884)	(255,844)	(2,509,963)	(856,144)
Finance income		172,621	182,843	434,056	454,718
Net finance cost		(1,439,263)	(73,001)	(2,075,907)	(401,426)
Share of loss of associate		-	-	(2,313)	(3,629)
Profit before taxation		2,695,380	2,518,341	9,977,877	8,101,938
Income tax expense		(806,962)	(959,893)	(3,010,138)	(2,756,438)
Profit for the period		1,888,418	1,558,448	6,967,739	5,345,500
Earnings per share-basic & diluted (Rupees)		0.77	0.64	3.00	2.30

The annexed notes 1 to 14 form an integral part of these condensed interim financial statements.



Chief Executive Officer



Director



Chief Financial Officer

	Three month period ended		Nine month period ended	
	March 31, 2023 Rupees'000	March 31, 2022 Rupees'000	March 31, 2023 Rupees'000	March 31, 2022 Rupees'000
Profit for the period	1,888,418	(Restated) 1,558,448	6,967,739	(Restated) 5,345,500
Other comprehensive income				
Effective portion of fair value of cash flow hedge - net of tax	-	(511,504)	-	47,261
Total comprehensive income for the period	1,888,418	1,046,944	6,967,739	5,392,761

The annexed notes 1 to 14 form an integral part of these condensed interim financial statements.



Chief Executive Officer



Director



Chief Financial Officer

	March 31, 2023 Rupees'000	March 31, 2022 Rupees'000 (Restated)
Cash flows from operating activities		
Profit before tax	9,977,877	8,101,938
Adjustments for:		
Depreciation - property, plant and equipment	2,417,475	2,019,197
Depreciation on right of use asset	26,583	34,065
Amortization of intangibles assets	152,349	149,025
Provision for compensated absences	76,688	85,735
Workers' Profit Participation Fund including interest	534,380	436,521
Workers' Welfare Fund	101,574	162,111
Finance cost (excluding interest on WPPF)	1,567,099	854,478
Exchange loss	939,102	161,000
Gain on disposal of property, plant and equipment	(45,819)	(1,007)
Share of loss of equity accounted investee-net of tax	2,313	3,629
Finance income	(533,073)	(512,544)
	5,238,671	3,392,210
Operating cash flows before working capital changes	15,216,548	11,494,148
Changes in		
Long term deposits	(1,978)	(15,973)
Stores, spares and loose tools	1,959,840	(1,167,253)
Stock in trade	(2,608,535)	(757,148)
Trade debts	(1,401,919)	(480,463)
Advances	(384,277)	(192,982)
Trade deposits and short term prepayments	(129,161)	(1,462,724)
Other receivables	1,032,727	(44,293)
Trade and other payables	333,999	561,379
Accrued liabilities	(649,200)	312,849
Security deposits payable	29,074	63,166
Contract liabilities	(215,844)	(85,948)
Payable to employees' provident fund trust	10,724	1,388
	(2,024,550)	(3,268,002)
Cash generated from operations	13,191,998	8,226,146
Compensated absences paid	(82,320)	(90,153)
Payment to Workers' Profit Participation Fund	(94,874)	(40,923)
Taxes paid	(1,792,516)	(1,928,573)
Net cash generated from operating activities	11,222,288	6,166,497
Cash flows from investing activities		
Additions in property, plant and equipment	(22,048,030)	(18,928,065)
Advance against issue of shares	-	(50,000)
Short term investments - net	3,898,387	(995,337)
Proceeds from disposal of property, plant and equipment	120,370	6,532
Interest received on bank deposits	522,043	444,028
Net cash used in investing activities	(17,507,230)	(19,522,842)
Cash flows from financing activities		
Repayment of long term loans	(1,828,812)	(2,196,073)
Loans received	13,543,128	17,603,334
Lease payment	(44,616)	(89,775)
Dividend paid on ordinary shares	(958)	(1,321)
Finance cost paid	(1,200,880)	(465,166)
Net cash generated from financing activities	10,467,862	14,850,999
Net increase in cash and cash equivalents	4,182,920	1,494,654
Cash and cash equivalents at beginning of the period	(2,503,634)	(708,457)
Cash and cash equivalent - business combination	-	(1,044,390)
Cash and cash equivalents at end of the period	1,679,286	(258,193)
Cash and cash equivalents comprise of the following:		
Cash and bank balances	4,130,067	2,825,182
Short term borrowings	(2,450,781)	(3,083,375)
	1,679,286	(258,193)

The annexed notes 1 to 14 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)/ premium on issue of shares	Hedging reserve	Unappropriated profits			
	Rupees'000						
Balance at July 1, 2021	13,796,150	(1,364,385)	-	10,841,906			23,275,671
Total comprehensive income for the period							
Profit for the period - Restated	-	-	47,261	5,345,500			5,345,500
Other comprehensive income for the period - Restated	-	-	47,261	-			47,261
Total comprehensive income for the period - Restated	-	-		5,345,500			5,392,761
Shares issued pursuant to amalgamation - note 1.2	8,004,940	19,342,905	-	-			27,347,845
Balance at March 31, 2022	21,803,090	17,978,520	47,261	16,187,406			56,016,277
Balance at July 1, 2022	21,803,090	17,978,520	-	17,954,446			57,736,056
Bonus shares issued @12.5%	2,725,386	(2,725,386)	-	-			-
Total comprehensive income for the period							
Profit for the period	-	-	-	6,967,739			6,967,739
Other comprehensive income for the period	-	-	-	-			-
Total comprehensive income for the period	-	-	-	6,967,739			6,967,739
Balance at March 31, 2023	24,528,476	15,253,134	-	24,922,185			64,703,795

The annexed notes 1 to 14 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") was incorporated in Pakistan on November 23, 1992 as a public limited company incorporated under the Companies Ordinance, 1984 (Repealed with the enactment of the Companies Act, 2017 on May 30, 2017). The Company commenced its business from May 22, 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 the prior year, a scheme of arrangement for amalgamation of Askari Cement Limited (ACL) 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 March 2, 2022. The effective date of amalgamation was July 1, 2021 i.e. the date at which all assets and liabilities of ACL be vested in the Company. In view of the foregoing, corresponding figures of statement of profit or loss, statement of comprehensive income, statement of cash flows and statement of changes in equity have been restated to include impact of amalgamation.

2 BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

These condensed interim financial statements for nine month period ended March 31, 2023 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:

- i) International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- ii) 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 these condensed interim financial statements does not include all of the information required for annual financial statements and should be read in conjunction with the annual financial statements of the Company as at and for the year ended June 30, 2022.

3 SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES

The accounting policies and significant judgements made in the preparation of these condensed interim financial statements are consistent with those followed in the preparation of the audited financial statements of the Company for the year ended June 30, 2022.

4 SHARE CAPITAL

- 4.1 Authorised share capital of the Company has been increased from Rs 25,000,000,000 to Rs 50,000,000,000 during the period after approval in 30th Annual General Meeting meeting held on October 21, 2022.
- 4.2 During the period, 272,538,580 bonus shares have been issued in proportion of 12.5 ordinary shares for every 100 ordinary shares held by a shareholder.
- 4.3 Fauji Foundation, the Sponsor, holds 1,512,162 thousand (2022: 1,344,144 thousand) ordinary shares of the Company at the period end. In addition Fauji Fertilizer Company Limited and Fauji Oil Terminal & Distribution Company Limited are related parties that hold 105,469 thousand (2022: 93,750 thousand) and 21,094 thousand (2022: 18,750 thousand) ordinary shares respectively of the Company at the period end, whereas 10 thousand (2022: 11 thousand) shares are held by Directors of the Company.

Loans from banking companies (under mark up arrangements)

	Note	Un-audited March 31, 2023 Rupees' 000	Audited June 30, 2022 Rupees' 000
Term finance facilities	5.1	36,386,205	24,671,889
Less: Current portion shown under current liabilities		(1,627,589)	(2,478,065)
Deferred portion of grant income-net		(3,500,933)	(2,458,745)
Transaction cost		(151,165)	(179,082)
		31,106,518	19,555,997
5.1	Movement 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		13,543,128	17,059,404
Principal repayment during the period / year		(1,828,812)	(3,563,349)
Closing balance		36,386,205	24,671,889
5.2	Current Portion of long term loans		
Current portion of loan		1,627,589	2,478,065
Markup accrued		754,437	507,022
		2,382,026	2,985,087

- 5.3 There is no significant change in the terms and conditions of the long term loans as disclosed in the annual audited financial statements as at and for the year ended June 30, 2022.

6 SHORT TERM BORROWINGS - SECURED

There is no significant change in the terms and conditions of the short term borrowings - secured as disclosed in the annual audited financial statements as at and for the year ended June 30, 2022.

7 CONTINGENCIES AND COMMITMENTS

7.1 Contingencies

There has been no significant change in the status of contingencies as disclosed in note 16 to the audited financial statements of the company for the year ended June 30, 2022.

7.2 Commitments

7.2.1 The company has outstanding Letters of Credit for the import of plant and machinery (expansion project) and spare parts valuing Rs. 12,787 million (30 June 2022: Rs. 21,832 million).

7.2.2 The Company has capital commitments of Rs. 14,320 million (30 June 2022: Rs. 22,428 million) related to expansion project.

8 PROPERTY, PLANT AND EQUIPMENT

8.1 Following is the movement in property, plant and equipment during the period / year:

	Un-audited March 31, 2023 Rupees'000	Audited June 30, 2022 Rupees'000
Opening book value	74,126,315	21,422,215
Acquisition through business combination	-	26,891,336
Additions during the period / year	22,048,030	28,425,596
Transfer of leased vehicles	-	114,462
Written down value of disposals	(74,551)	(21,602)
Depreciation for the period / year	(2,417,475)	(2,705,692)
Closing book value	93,682,319	74,126,315

	Three month period ended		Nine month period ended	
	March 31, 2023 Rupees'000	March 31, 2022 Rupees'000 (Restated)	March 31, 2023 Rupees'000	March 31, 2022 Rupees'000 (Restated)
9 REVENUE - NET				
The disaggregation of turnover from contracts with customers is as follows:				
Sales - Local	23,059,221	17,439,468	64,105,351	51,315,903
- Export	906,130	324,615	3,376,791	1,225,128
	23,965,351	17,764,083	67,482,142	52,541,031
Less: - Sales tax	3,714,029	2,759,762	10,217,581	8,082,185
- Excise duty	2,014,389	1,941,556	5,347,971	6,047,210
- Export development surcharge	2,623	998	9,226	3,722
	5,731,041	4,702,316	15,574,778	14,133,117
	18,234,310	13,061,767	51,907,364	38,407,914

	Three month period ended		Nine month period ended	
	March 31, 2023 Rupees'000	March 31, 2022 Rupees'000 (Restated)	March 31, 2023 Rupees'000	March 31, 2022 Rupees'000 (Restated)
10 COST OF SALES				
Raw material consumed	1,086,147	609,857	2,845,010	2,172,300
Packing material consumed	713,524	679,202	1,924,328	2,046,058
Repair and maintenance	446,668	538,031	1,477,979	1,263,814
Salaries, wages and benefits	914,679	887,259	2,674,255	2,697,353
Rent, rates and taxes	20,251	15,983	57,689	48,210
Insurance	44,864	57,900	148,957	171,897
Fuel consumed	7,125,679	3,451,368	20,852,730	12,154,776
Power consumed	1,915,401	1,674,106	6,106,464	5,067,319
Depreciation	936,007	658,880	2,373,025	1,988,800
Depreciation on right of use asset	2,362	-	2,362	-
Technical assistance	13,599	4,981	19,355	8,299
Printing and stationery	1,288	2,404	4,554	4,752
Traveling and conveyance	34,243	13,101	89,066	37,538
Vehicle running and maintenance expenses	16,694	12,169	51,487	32,760
Communication, establishment and other expenses	95,385	65,559	225,509	212,395
Water conservancy charges	235	10,603	1,243	144,389
	13,367,026	8,681,403	38,854,013	28,050,660
Add: Opening work-in-process	3,631,493	3,267,941	2,098,340	1,717,394
Less: Closing work-in-process	(3,945,677)	(2,001,476)	(3,945,677)	(2,001,476)
Cost of goods manufactured	13,052,842	9,947,868	37,006,676	27,766,578
Add: Opening finished goods	1,060,996	389,719	626,363	362,909
Less: Closing finished goods	(1,108,121)	(548,779)	(1,108,121)	(548,779)
	13,005,717	9,788,808	36,524,918	27,580,708
Less: Own consumption capitalized	(133,637)	(76,235)	(218,288)	(190,653)
Freight charges	632,556	250,932	1,541,218	720,905
	13,504,636	9,963,505	37,847,848	28,110,960

11 RELATED PARTY TRANSACTIONS AND BALANCES

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

	Un-audited March 31, 2023 Rupees'000	Audited June 30, 2022 Rupees'000
Balances with related parties		
Fauji Foundation		
Advance against sale of cement	-	1,965
Payable against utilities	-	1,915
Payable against cost re-charged	37,500	33,119
Payable against use of medical facilities	8	9
Payable against letter of support fee	31,438	31,788
Askari Bank Limited		
Balance with bank	130,535	136,929
Loan payable	3,245,000	745,000
Export refinance payable	693,000	700,000
Other related parties		
Payable to Foundation Solar Energy (Pvt) Limited against solar power plant	-	83,429
	Un-audited March 31, 2023 Rupees' 000	Un-audited March 31, 2022 Rupees' 000
Transactions with related parties		
Fauji Foundation		
Sale of cement	37,223	52,837
Receipt of loan	-	7,162,000
Donation paid	125,404	12,340
Payment of rent and utilities	46,179	23,127
Payment against cost re-charged	73,136	119,408
Payment for use of medical facilities	1,699	1,870
Payment against letter of support fee	96,105	89,425
Consultancy charges paid	20,174	-
Askari Bank Limited		
Interest charged on long term loans	194,944	70,674
Principal repayment of loan	200,000	-
Payment of export refinance	700,000	-
Interest charged on export re-finance	57,474	12,467
Bank charges	2,919	3,297
Profit received	13,273	9,309
Transactions with other related parties		
Payment to Foundation Solar Energy (Pvt) Limited against issue of shares	-	50,000
Payment to Foundation Solar Energy (Pvt) Limited against solar power plant	1,242,378	583,204
Payment to Mari Petroleum Company Ltd against supply of crude oil	6,303	70,222
Payments made into Employees' Provident Fund	94,305	92,832
Directors' fee	5,000	10,077
Remuneration paid including benefits and perquisites to Chief Executive	59,280	40,229
Remuneration paid including benefits and perquisites to key management personnel (other than Chief Executive)	155,556	126,883

12 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).

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

	Carrying amount		Fair value				
	Amortized cost	FVTPL	Total	Level 1	Level 2	Level 3	Total
Rupees '000							
On-balance sheet financial instruments							
<u>March 31, 2023</u>							
Financial assets not measured at fair value							
Trade debts - net of impairment loss	3,814,677	-	3,814,677	-	-	-	-
Other receivables	269,252	-	269,252	-	-	-	-
Short term investments	250,000	-	250,000	-	-	-	-
Cash and bank balances	4,130,067	-	4,130,067	-	-	-	-
	8,463,996	-	8,463,996	-	-	-	-
Financial assets measured at fair value							
Long term deposits	-	128,252	128,252	-	-	128,252	128,252
Trade deposits	-	38,375	38,375	-	-	38,375	38,375
Short term investments	-	1,325,808	1,325,808	1,325,808	-	-	1,325,808
	-	1,492,435	1,492,435	1,325,808	-	166,627	1,492,435
Financial liabilities not measured at fair value							
Long term loans (including current portion)	33,488,544	-	33,488,544	-	-	-	-
Lease liability (including current portion)	181,702	-	181,702	-	-	-	-
Loan from Parent - unsecured	7,387,000	-	7,387,000	-	-	-	-
Trade and other payables	7,484,895	-	7,484,895	-	-	-	-
Accrued liabilities	3,671,963	-	3,671,963	-	-	-	-
Security deposits payable	490,786	-	490,786	-	-	-	-
Payable to employees' provident fund trust	26,599	-	26,599	-	-	-	-
Unclaimed dividend	36,199	-	36,199	-	-	-	-
Short term borrowings - secured	2,450,781	-	2,450,781	-	-	-	-
	55,218,469	-	55,218,469	-	-	-	-

	Carrying amount		Fair value				
	Amortized Cost	FVTPL	Total	Level 1	Level 2	Level 3	Total
Rupees '000							
On-balance sheet financial instruments							
June 30, 2022							
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	-	-	-	-

13 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the Company on 19th April 2023.

14 GENERAL

Figures in these condensed interim financial statements have been rounded-off to the nearest thousand Rupees.



Chief Executive Officer



Director



Chief Financial Officer



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Say No To Corruption



Company Secretary

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