

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 30 October 2023

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 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 reference regulations, Quarterly Report of Company for the period ended 30th September 2023 has been transmitted to PSX through **PUCARS** on 30th October 2023 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



BUILDING A SUSTAINABLE TOMORROW

1st
Quarterly | 2023-24
Report



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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 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@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
 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
 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 Mir Ameer Ali, SI(M), (Retd)
 GM (Human Resource & Admin)
 Tel No. +92-51-9280084
 Fax No. +92-51-9280416
 Email: ameer.ali@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

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 Zinda Peer,
 district 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

Ms. Maleeha 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

Environmental, Social and Governance (ESG) Committee

Ms. Maleeha Bangash	Chairperson
Maj Gen Naseer Ali Khan, HI(M), (Retd)	Member
Mr. Sami ul Haq Khilji	Member
Mr. Ahmed Saeed Khan	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
- First Women Bank Limited
- Summit Bank

Directors' Review

The Board of Directors are pleased to present the 1st quarterly review along with Un-Audited Financial Statements for the quarter ended September 30, 2023.

Economic Overview

Q1 saw an increase in exports and decrease in current account deficit. The Rupee showed substantial gains against the USD on the back of administrative actions, which can help, provide relief in the form of lower fuel prices. As inflows improve, we are seeing some ease in imports of raw material for all businesses.

With growth projected around 2% for FY 24 the major challenges remain the all-time high inflation at 30% and interest rates at 21%. Although, large-scale manufacturing sector underperformed during the period as compared to last year but the cement sectors performance was better with higher domestic and export dispatches.

Cement Industry and Company's Performance

Industry dispatches in Q1 were 11.9 million tons as compared to 9.6 million tons in the same period last year, an increase of 24% (YoY). Break up of domestic and exports is as under:

(Quantity in million tons)

	Q1 FY 24	Q1 FY 23	Variance (%)
Local sales	10.1	8.6	17
Export sales	1.8	1.0	80
Total	11.9	9.6	24

Q1 dispatches of the company were 1.34 million tons as compared to 1.07 million tons of the same period last year, an increase of 25%. Both local and export sales improved during the period, detail is as under:

(Quantity in million tons)

	Q1 FY 24	Q1 FY 23	Variance (%)
Local sales	1.15	0.96	20
Export sales	0.19	0.11	73
Total	1.34	1.07	25

Exports to Afghanistan have shown considerable improvement YOY.

Financial Performance

During Q1 net revenue increased by 38% as compared to same period last year. This is mainly attributable to better retentions, higher despatches and devaluation of PKR. On cost side, cost optimization initiatives taken by the management like higher usage of local coal and alternative fuels, own captive generation and optimization of fixed cost contributed towards achieving the overall results. The Company earned net profit of Rs. 2,614 million as compared to Rs. 2,315 million in the same period last year, an increase of 13% (YoY), with a net profit ratio of 13% compared to 16% YoY due to increase in Financial cost post expansion.

ESG

As a company we are committed to sustainability by striving to protect bio diversity by adopting environment friendly practices, promoting corporate social responsibility and engaging in transparent communication with our stakeholders to play our part in building a better tomorrow.

Outlook


Domestic dispatches are expected to be positive in Q2 with slight seasonal dip towards the end of the quarter. Exports to Afghanistan have shown significant increase in Q1, and if the border situation remains unchanged then FY 24 will be a better year in respect of exports as compared to last year.

D.G. Khan Expansion

Greenfield expansion at D.G. Khan is expected to be completed by Q2 FY 24 thereby increasing the production capacity of the company and giving it access to new markets.

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 2023



Qamar Haris Manzoor
Chief Executive & Managing Director

ڈائریکٹرز کی جائزہ رپورٹ

کمپنی کے بورڈ آف ڈائریکٹرز کے لیے باعث مسرت امر ہے کہ وہ 30 ستمبر 2023 کو ختم ہونے والے دورانیے کے لیے کمپنی کے غیر آڈٹ شدہ اکاؤنٹس کے ساتھ پہلا سہ ماہی جائزہ پیش کر رہے ہیں۔

معاشی جائزہ

پہلی سہ ماہی میں برآمدات میں اضافہ اور کرنٹ اکاؤنٹ خسارے میں کمی دیکھی گئی۔ انتظامی اقدامات کی وجہ سے روپے نے امریکی ڈالر کے مقابلے میں خاطر خواہ بہتری ظاہر کی جس سے ایندھن کی قیمتوں میں کمی کی صورت میں آسانی فراہم کرنے میں مدد مل سکتی ہے۔ جیسے ہی آمدن میں بہتری ہوگی، ہم ہر طرح کے کاروبار کے لیے خام مال کی درآمد میں کچھ آسانی کا امکان دیکھ رہے ہیں۔

مالی سال 2024 کے لیے تقریباً 2 فیصد کی متوقع شرح نمو کے ساتھ جو بڑے چیلنج ہمارے سامنے ہیں، وہ افراط زر کی 30 فیصد اور سود کی 21 فیصد شرح ہے جو تاریخ کی بلند ترین سطح پر ہے۔ اگرچہ بڑے پیمانے کی مصنوعات کے شعبے کی کارکردگی گزشتہ سال کے مقابلے میں زیرِ جائزہ مدت کے دوران کم نظر آئی لیکن سیمنٹ سیکٹر کی کارکردگی ملکی اور برآمدی ترسیل کے زیادہ ہونے کے باعث بہتر رہی۔ سیمنٹ کی صنعت اور کمپنی کی کارکردگی

سیمنٹ کی صنعت کی ترسیلات گزشتہ سال کی اسی مدت میں 9.6 ملین ٹن کے مقابلے میں اس پہلی سہ ماہی میں 11.9 ملین ٹن رہی جو کہ 24 فیصد سالانہ اضافہ ہے۔ ملکی اور برآمدی ترسیلات کی تقسیم درج ذیل ہے:

(مقدار ملین ٹن میں)

تغیر (فیصد میں)	مالی سال 2023 کی پہلی سہ ماہی	مالی سال 2024 کی پہلی سہ ماہی	
17	8.6	10.1	مقامی فروخت
80	1.0	1.8	برآمدی فروخت
24	9.6	11.9	میزان

کمپنی کی پہلی سہ ماہی کی ترسیل 1.34 ملین ٹن تھی جو پچھلے سال کی اسی مدت کے 1.07 ملین ٹن کے مقابلے میں 25 فیصد زیادہ ہے۔ اس عرصے کے دوران مقامی اور برآمدی فروخت میں بہتری آئی جس کی تفصیل درج ذیل ہے:

(مقدار ملین ٹن میں)

تغیر (فیصد میں)	مالی سال 2023 کی پہلی سہ ماہی	مالی سال 2024 کی پہلی سہ ماہی	
20	0.96	1.15	مقامی فروخت
73	0.11	0.19	برآمدی فروخت
25	1.07	1.34	میزان

افغانستان کو کی جانے والی سالانہ برآمدات میں خاصی بہتری آئی ہے۔

مالیاتی کارکردگی

پہلی سہ ماہی کے دوران مجموعی منافع کا تناسب بہتر ہو کر 31 فیصد ہو گیا جو پچھلے سال کی اسی مدت میں 29 فیصد تھا۔ یہ بنیادی طور پر، انتظامیہ کی طرف سے اٹھائے گئے بہتر اقدامات برقرار رکھنے اور لاگت کو بہتر بنانے سے منسوب ہے۔ زیادہ برآمدات اور روپے کی قدر میں کمی کے نتیجے میں، کمپنی برآمدات سے زیادہ ریٹینشن حاصل کرنے میں کامیاب رہی۔ لاگت کی طرف، مقامی کوئلے کے زیادہ استعمال اور متبادل ایندھن کے استعمال میں اضافہ، اپنی مقررہ لاگت کی اصلاح نے مجموعی نتائج کے حصول میں اہم کردار ادا کیا۔ 2,614 ملین روپے کے مقابلے میں گزشتہ سال کی اسی مدت میں 2,315 ملین، 13 فیصد اضافہ کے ساتھ خالص منافع کے تناسب کے ساتھ توسیع کے بعد مالیاتی لاگت میں اضافے کی وجہ سے سالانہ 16 فیصد کے مقابلے میں 13 فیصد کے حساب سے کمپنی نے خالص منافع کمایا۔

ای ایس جی

ایک کمپنی کے طور پر ہم ماحول دوست طرز عمل اپنا کر، کارپوریٹ سماجی ذمہ داری کو فروغ دے کر اور اپنے اسٹیک ہولڈرز کے ساتھ شفاف مواصلت میں شامل ہو کر ایک بہتر کل کی تعمیر میں اپنا کردار ادا کرنے کے ذریعے حیاتیاتی تنوع کے تحفظ کے لیے کوشاں ہیں۔ مستقبل کی توقعات

توقع کی جاتی ہے کہ اس سہ ماہی کے اختتام پر موسم کے باعث معمولی کمی کے بعد دوسری سہ ماہی میں ملکی ترسیلات مثبت رہیں گی۔ پہلی سہ ماہی میں افغانستان کو برآمدات میں نمایاں اضافہ ہوا ہے، اور اگر سرحدی صورتحال میں کوئی تبدیلی نہ آئی تو مالی سال 2024 برآمدات کے حوالے سے گزشتہ سال کے مقابلے بہتر سال ثابت ہوگا۔

ڈیرہ غازی خان توسیعی منصوبہ۔ ڈیرہ غازی خان میں گرین فیلڈ توسیع مالی سال 2024 کی دوسری سہ ماہی تک مکمل ہونے کی توقع ہے، اس طرح کمپنی کی پیداواری صلاحیت میں اضافہ ہوگا اور اسے نئی منڈیوں تک رسائی ملے گی۔

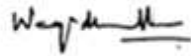
کمپنی کے ڈائریکٹرز قابل قدر حصص داران، صارفین، مالیاتی اداروں، سرکاری محکموں، ڈیلرز، ٹھیکیداروں، غیر ملکی اور مقامی سپلائرز کی حمایت اور تعاون کے لیے تہ دل سے ممنونیت کا اظہار کرتے ہیں۔ ڈائریکٹرز کمپنی کے تمام ملازمین اور انتظامیہ کے لیے ان کی محنت پر خراج تحسین پیش کرتے ہیں جس کے نتیجے میں اس سہ ماہی کے لیے مثبت نتائج برآمد ہوئے ہیں۔

بورڈ آف ڈائریکٹرز کی جانب سے



قرحارث منظور

چیف ایگزیکٹو آفیسر / مینجنگ ڈائریکٹر



وقار احمد ملک

چیئر مین بورڈ آف ڈائریکٹرز FCCL

راولپنڈی، 24 اکتوبر 2023

	Note	Un-audited 30 September 2023 Rupees'000	Audited 30 June 2023 Rupees'000
EQUITY & LIABILITIES			
EQUITY AND RESERVES			
Share capital	4	24,528,476	24,528,476
Premium on issue of shares		15,253,134	15,253,134
Unappropriated profit		28,008,129	25,394,127
		67,789,739	65,175,737
NON-CURRENT LIABILITIES			
Long term loans - secured	5	31,609,170	31,777,087
Employee benefits		231,527	211,595
Lease liabilities		13,542	118,972
Deferred government grant		2,594,522	2,745,849
Deferred tax liabilities - net		10,389,729	10,312,402
		44,938,490	45,165,905
CURRENT LIABILITIES			
Loan from Parent - unsecured		7,387,000	7,387,000
Trade and other payables		6,649,719	6,516,462
Accrued liabilities		3,223,343	4,022,396
Security deposits payable		466,817	455,052
Contract liabilities		332,955	584,809
Employee benefits - current portion		31,093	96,468
Payable to employees' provident fund trust		28,838	26,438
Unclaimed dividend		35,926	36,001
Short term borrowings - secured	6	1,678,321	4,530,981
Provision for tax-net		41,586	-
Current portion of lease liabilities		54,451	50,463
Current portion of long term loans	5	4,153,844	4,176,493
Current portion of deferred government grant		606,967	604,292
		24,690,860	28,486,855
TOTAL EQUITY AND LIABILITIES		137,419,089	138,828,497
CONTINGENCIES AND COMMITMENTS	7		

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

Chief Executive Officer

Director

Chief Financial Officer

	Note	Un-audited 30 September 2023 Rupees'000	Audited 30 June 2023 Rupees'000
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	8	106,987,018	104,425,181
Right of use asset		173,183	181,380
Intangible assets and goodwill		10,904,707	10,957,737
Long term deposits		129,700	129,700
		118,194,608	115,693,998
CURRENT ASSETS			
Stores, spares and loose tools		7,112,522	8,011,181
Stock in trade		5,845,050	7,112,327
Trade debts		4,453,631	3,572,445
Advances		305,932	366,231
Sales tax refundable-net		30,507	1,820,851
Trade deposits and short term prepayments		139,713	24,840
Advance tax - net		-	723,704
Other receivables		268,444	282,463
Short term investments		250,000	250,000
Cash and bank balances		818,682	970,457
		19,224,481	23,134,499
TOTAL ASSETS		137,419,089	138,828,497

Chief Executive Officer

Director

Chief Financial Officer

	Note	Quarter Ended	
		30 September 2023	30 September 2022
		Rupees'000	Rupees'000
Revenue - net	9	20,313,087	14,700,385
Cost of sales	10	(13,991,877)	(10,116,118)
Gross profit		6,321,210	4,584,267
Selling and distribution expenses		(703,673)	(499,684)
Administrative expenses		(356,836)	(318,748)
Other expenses	11	(280,499)	(236,045)
Other income		97,167	25,396
Operating profit		5,077,369	3,555,186
Finance cost		(1,130,107)	(414,642)
Finance income		60,469	174,607
Net finance cost		(1,069,638)	(240,035)
Profit before taxation		4,007,731	3,315,151
Income tax expense		(1,393,729)	(1,000,321)
Profit for the period		2,614,002	2,314,830
Earnings per share - basic and diluted (Rupees)		1.07	Re-stated 0.94

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.



Chief Executive Officer



Director



Chief Financial Officer

	Quarter Ended	
	30 September 2023 Rupees'000	30 September 2022 Rupees'000
Profit for the period	2,614,002	2,314,830
Other comprehensive income	-	-
Total comprehensive income	2,614,002	2,314,830

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.



Chief Executive Officer



Director



Chief Financial Officer

	Quarter Ended	
	30 September 2023 Rupees'000	30 September 2022 Rupees'000
Cash flows from operating activities		
Profit before tax	4,007,731	3,315,151
Adjustments for:		
Depreciation	994,774	707,424
Depreciation on right of use asset	8,197	11,487
Amortization of intangibles	53,026	49,675
Deferred grant	(70,081)	(11,665)
Provision for compensated absences	50,807	35,124
Workers' (Profit) Participation Fund including interest	217,488	181,320
Workers' Welfare Fund	66,088	58,486
Finance cost excluding exchange loss	1,110,695	410,881
Exchange loss	16,335	-
Gain on disposal of property, plant and equipment	(1,739)	(869)
Investment and bank deposits income	(60,469)	(174,607)
	2,385,121	1,267,256
Operating cash flows before working capital changes	6,392,852	4,582,407
Changes in		
Stores, spares and loose tools	98,659	850,983
Stock in trade	1,267,277	(1,957,449)
Trade debts	(881,186)	(718,312)
Advances	60,299	(50,183)
Trade deposits and short term prepayments	(114,873)	(121,780)
Sales tax refundable	1,790,344	483,371.00
Other receivables	14,019	(23,531)
Trade and other payables	(85,411)	(2,174,111)
Accrued liabilities	(799,053)	(1,410,509)
Security deposits payable	11,765	20,972
Contract liabilities	(251,854)	(297,778)
Payable to employees' provident fund trust	2,400	(4,079)
Cash (used in)/ generated from operating activities	1,912,386	(5,402,406)
Compensated absences paid	(96,250)	(6,337)
Payment to Workers' (Profit) Participation Fund	(81,244)	(94,874)
Taxes paid	(551,112)	(498,081)
Net cash generated from/ (used in) operating activities	7,576,632	(1,419,291)
Cash flows from investing activities		
Additions in property, plant and equipment excluding borrowing cost	(2,868,495)	(3,549,895)
Short term investments - net	-	3,205,647
Proceeds from disposal of property, plant and equipment	4,276	6,462
Interest received on bank deposits	36,989	160,169
Net cash used in investing activities	(2,827,230)	(177,617)
Cash flows from financing activities		
Repayment of long term loans	(180,742)	(820,990)
Loans received	-	1,233,639
Lease payments	(6,910)	(13,896)
Unclaimed dividend	(75)	-
Finance cost paid	(1,860,790)	(241,437)
Net cash (used in)/generated from financing activities	(2,048,517)	157,316
Increase/ (decrease) in cash and cash equivalents	2,700,885	(1,439,592)
Cash and cash equivalents at beginning of the period	(3,560,524)	(911,616)
Cash and cash equivalents at end of the period	(859,639)	(2,351,208)
Cash and cash equivalents comprise of the following:		
Cash and bank balances	818,682	2,215,543
Short term borrowings	(1,678,321)	(4,566,751)
	(859,639)	(2,351,208)

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

Chief Executive Officer

Director

Chief Financial Officer

For the Quarter Ended 30 September 2023

First Quarterly Report 2023-24

	Share capital	Capital reserve	Revenue reserve	Total
	Ordinary shares Rupees'000	Premium on issue of shares Rupees'000	Accumulated profit Rupees'000	Rupees'000
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
Balance at 01 July 2023	24,528,476	15,253,134	25,394,127	65,175,737
Total comprehensive income				
Profit for the period	-	-	2,614,002	2,614,002
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	2,614,002	2,614,002
Balance as at 30 September 2023	24,528,476	15,253,134	28,008,129	67,789,739

The annexed notes 1 to 15 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 November 23, 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 May 22, 1993. The Company was listed on Pakistan Stock Exchange on October 9, 1996. Fauji Foundation is majority shareholder with a shareholding of 61.65%. The principal activity of the Company is manufacturing and sale of different types of cement and tile bond.

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
Zinda Peer, district Dera Ghazi Khan

2 BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

These condensed interim financial statements for three month period ended September, 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, 2023.

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 2023.

4 SHARE CAPITAL

There is no change in composition of authorised, issued, subscribed and paid up share capital of the Company from 30 June 2023.

5 LONG TERM LOANS**- Loans from banking companies (under mark up arrangements)**

	Un-audited 30 September 2023 Rupees' 000	Audited 30 June 2023 Rupees' 000
Term finance facilities	37,962,526	38,143,268
Less: Current portion shown under current liabilities	(2,331,175)	(3,891,645)
Deferred portion of grant income	(3,886,643)	(3,891,645)
Transaction cost	(135,538)	(143,361)
	31,609,170	31,777,087

5.1 Movement in this account during the period/ year is as follows:

Opening balance	38,143,268	24,671,890
Loans received during the period/year	-	15,976,605
Principal repayment during the period/ year	(180,742)	(2,505,227)
Closing balance	37,962,526	38,143,268

5.2 Current Portion

Current portion of loan	2,331,175	2,331,175
Markup accrued	1,822,669	1,845,318
	4,153,844	4,176,493

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, 2023.

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, 2023.

7 CONTINGENCIES AND COMMITMENTS**7.1 Contingencies**

There is no significant change in the contingent liabilities as reported in the financial statements for the year ended 30 June 2023.

7.2 Commitments

7.2.1 The Company has outstanding letters of credit for the import of plant and machinery and spare parts valuing Rs. 3,359 million (30 June 2023: Rs. 5,025 million).

7.2.2 The Company has capital contractual commitment of Rs. 3,683 million (30 June 2023: Rs 5,285 million) related to expansion project.

	Un-audited 30 September 2023 Rupees'000	Audited 30 June 2023 Rupees'000
8		
PROPERTY, PLANT AND EQUIPMENT		
Opening book value	104,425,181	74,126,315
Additions during the period/ year	3,559,147	33,736,425
Written down value of disposals	(2,536)	(70,778)
Depreciation for the period/year	(994,774)	(3,366,781)
Closing book value	106,987,018	104,425,181

	Quarter Ended	
	30 September 2023 Rupees'000	30 September 2022 Rupees'000
9		
REVENUE-NET		
Sales - Local	24,716,739	18,093,579
- Export	2,339,333	1,145,472
	27,056,072	19,239,051
Less: - Sales tax	4,019,968	2,815,260
- Excise duty	2,300,544	1,448,198
- Rebates and discounts	416,813	272,477
- Export development surcharge	5,660	2,731
	6,742,985	4,538,666
	20,313,087	14,700,385

		Quarter Ended	
		30 September 2023	30 September 2022
		Rupees'000	Rupees'000
10	COST OF SALES		
	Raw material consumed	1,223,302	860,085
	Packing material consumed	945,215	545,963
	Repairs and maintenance	424,973	531,313
	Salaries, wages and benefits	1,021,291	879,871
	Rent, rates and taxes	22,256	17,780
	Insurance	68,509	58,050
	Fuel consumed	5,662,032	6,205,011
	Power consumed	2,417,555	2,033,235
	Depreciation	975,147	692,969
	Depreciation on right of use asset	714	-
	Technical assistance	7,694	566
	Printing and stationery	1,784	1,713
	Traveling and conveyance	36,816	21,588
	Vehicle running and maintenance expenses	20,225	17,475
	Communication, establishment and other expenses	95,496	49,706
	Water conservancy charges	277	785
		12,923,286	11,916,110
	Add: Opening work-in-process	4,464,731	2,098,340
	Less: Closing work-in-process	(3,379,041)	(3,594,753)
	Cost of goods manufactured	14,008,976	10,419,697
	Add: Opening finished goods	1,240,545	626,363
	Less: Closing finished goods	(1,191,893)	(882,774)
		14,057,628	10,163,286
	Less: Own consumption	(65,751)	(47,168)
		13,991,877	10,116,118
11	OTHER EXPENSES		
	Workers' Profit Participation Fund	214,411	177,559
	Workers' Welfare Fund	66,088	58,486
		280,499	236,045
12	RELATED PARTY TRANSACTIONS		

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

	Quarter Ended	
	30 September 2023	30 September 2022
	Rupees'000	Rupees'000
Transactions and balances with related parties		
Fauji Foundation		
Sale of Cement	-	18,409
Payment for use of medical facilities	639	324
Payable for use of medical facilities	8	359 *
Donation paid through/to Fauji Foundation	76,750	67,000
Payment of rent, utilities and other reimbursements	13,779	4,771
Consultancy charges paid through Fauji Foundation	7,593	-
Payment against cost charged	73,598	33,119
Payable against cost charged	-	33,750 *
Payment against letter of support fee	64,236	31,788
Payable against letter of support fee	-	31,788 *
Foundation Solar Energy (Pvt) Limited		
Payable against supply of solar equipment	-	17,517 *
Payment against supply of solar equipment	324,561	61,568
Cherat Packaging Limited		
Payable against supply of packing material	160,142	17,517 *
Payment against supply of packing material	231,965	61,568
TPL Insurance Limited		
Payment against insurance premium	3,439	-
Habib Insurance Company Limited		
Payment against insurance premium	1,719	-
Mari Petroleum Company Limited		
Payment against supply of crude oil	4,345	-
Askari Bank Limited		
Balance in bank	102,519	265,794 *
Interest charged on long term loans	100,225	59,847
Principal repayment of loan	100,000	100,000
Loan payable	2,811,667	2,845,000 *
Export refinance payable	-	693,000 *
Interest charged on export re-finance	20,847	16,591
Bank charges	5,014	2,706
Profit received	5,473	2,049
Transactions with other related parties		
Payments made into Employees' Provident Fund	36,265	38,564
Payment of director's fee	2,600	2,500
Remuneration including benefits and perquisites to Chief Executive	19,514	15,339
Remuneration including benefits and perquisites to key management personnel	51,965	40,448

* Comparative figures are as at 30 June 2023

13 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).

13.1

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

On-balance sheet financial instruments	Carrying amount		Fair value			Total
	Amortized Cost	FVTPL	Level 1	Level 2	Level 3	
Rupees '000						
30 September 2023						
Financial assets not measured at fair value						
Trade debts - net of impairment loss	4,453,631	-	-	-	-	-
Other receivables	268,444	-	-	-	-	-
Short term investments	250,000	-	-	-	-	-
Cash and bank balances	818,682	-	-	-	-	-
	<u>5,790,757</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial assets measured at fair value						
Long term deposits	-	129,700	-	-	129,700	129,700
Trade deposits	-	34,406	-	-	34,406	34,406
	<u>-</u>	<u>164,106</u>	<u>-</u>	<u>-</u>	<u>164,106</u>	<u>164,106</u>
Financial liabilities not measured at fair value						
Long term loans (including current portion)	35,763,014	-	-	-	-	-
Lease liability (including current portion)	167,993	-	-	-	-	-
Loan from Parent - unsecured	7,387,000	-	-	-	-	-
Trade and other payables	1,786,187	-	-	-	-	-
Retention money	3,141,013	-	-	-	-	-
Other liabilities	325,941	-	-	-	-	-
Payable to employees' provident fund trust	28,838	-	-	-	-	-
Accrued liabilities	3,223,343	-	-	-	-	-
Security deposits payable	466,817	-	-	-	-	-
Unclaimed dividend	35,926	-	-	-	-	-
Short term borrowings - secured	1,678,321	-	-	-	-	-
	<u>54,004,393</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

On-balance sheet financial instruments	Carrying amount		Fair value				
	Amortized Cost	FVTPL	Total	Level 1	Level 2	Level 3	Total
30 June 2023							
Financial assets not measured at fair value							
Trade debts - net of impairment loss	3,572,445	-	3,572,445	-	-	-	-
Other receivables	282,463	-	282,463	-	-	-	-
Short term investments	250,000	-	250,000	-	-	-	-
Cash and bank balances	970,457	-	970,457	-	-	-	-
	5,075,365	-	5,075,365	-	-	-	-
Financial assets measured at fair value							
Long term deposits	-	129,700	129,700	-	-	129,700	129,700
Trade deposits	-	24,406	24,406	-	-	24,406	24,406
	-	154,106	154,106	-	-	154,106	154,106
Financial liabilities not measured at fair value							
Long term loans (including current portion)	35,953,580	-	35,953,580	-	-	-	-
Lease liability (including current portion)	169,435	-	169,435	-	-	-	-
Loan from parent-unsecured	7,387,000	-	7,387,000	-	-	-	-
Trade and other payables	2,623,342	-	2,623,342	-	-	-	-
Retention money	3,045,172	-	3,045,172	-	-	-	-
Other liabilities	305,034	-	305,034	-	-	-	-
Payable to employees' provident fund trust	26,438	-	26,438	-	-	-	-
Accrued liabilities	4,022,396	-	4,022,396	-	-	-	-
Security deposits payable	455,052	-	455,052	-	-	-	-
Unclaimed dividend	36,001	-	36,001	-	-	-	-
Short term borrowings - secured	4,530,981	-	4,530,981	-	-	-	-
	58,554,431	-	58,554,431	-	-	-	-

Rupees '000

14 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 2023.

15 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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