



BUILDING
A SUSTAINABLE
TOMORROW

3rd
Quarterly | 2023-24
Report



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
Lt Gen Qazi Muhammad Ikram Ahmed, 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 Kashif Naveed Abbasi, SI(M), Retd
 Fauji Towers, Block-III, 68 Tipu Road, Chaklala, Rawalpindi
 Tel No. +92-51-9280075
 Fax: +92-51-9280416
 Email: kashif.abbasi@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)
 Director (Marketing & Sales)
 4th Floor, AWT Plaza, The Mall, Rawalpindi Tel No.
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 +092-051-5528963-64,
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Supply Chain Management Department

Syed Kamran Hassan
 Director(Supply Chain Management)
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Human Resource Department

Brig Mir Ameer Ali, SI(M), (Retd)
 Director(Human Resource & Admin)
 Tel No. +92-51-9280084
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AUDITORS**A.F.FERGUSON & CO.**

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 Jinnah Avenue, P.O Box 3021,
 Islamabad-44000
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 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

Email for E-Filing & E-Services

Email: secretaryoffice@fcl.com.pk

Production Locations

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

Zinda Peer, Mauza shadan Lund,

Chack Ladana, District Dera Ghazi Khan
 Tel No.: 0333-1177197

Registered Office**Fauji Cement Company Limited**

Fauji Towers, Block III, 68 Tipu Road,
 Chaklala, Rawalpindi
 Tel No. +92-51-9280081-83,
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 Fax No. +92-51-9280416
 Website <http://www.fcl.com.pk>

Audit Committee

Ms. Maleeha Bangash	Chairperson
Lt Gen Qazi Muhammad Ikram Ahmed, HI(M), (Retd)	Member
Syed Bakhtiyar Kazmi	Member
Ms. Naila Kassim	Member
Brig Kashif Naveed Abbasi, 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 Kashif Naveed Abbasi, SI(M), Retd	Secretary

Investment Committee

Dr. Nadeem Inayat	Chairperson
Mr. Qamar Haris Manzoor	Member
Lt Gen Qazi Muhammad Ikram Ahmed, HI(M), (Retd)	Member
Mr. Sami ul Haq Khilji	Member
Brig Kashif Naveed Abbasi, SI(M), Retd	Secretary

Environmental, Social and Governance (ESG) Committee

Ms. Maleeha Bangash	Chairperson
Lt Gen Qazi Muhammad Ikram Ahmed, HI(M), (Retd)	Member
Mr. Sami ul Haq Khilji	Member
Mr. Zeeshan Ahmad	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 3rd Quarter and nine months review along with Un-Audited Accounts for the period ended March 31st, 2024.

Economic Overview

Overall Economic situation in Q3 remained stable with Inflation in March 24 at 20.7%, the lowest in over 2 years. Rupee parity has remained stable during the Q3 period. GDP growth has been forecasted around 2% for FY 24.

Cement Industry and Company's Performance Industry dispatches for the nine-month period FY 24 were 34.50 million tons as compared to 33.60 million tons in the same period last year; an increase of 3% (YoY). Domestic sales showed a decline of 4% due to depressed demand, while export sales increased by 68% mainly attributable to sea exports, which have again become viable due to currency devaluation and lower imported coal prices for the companies in the South. Break up of domestic and exports is as under

(Quantity in million tons)

	9 months FY 24	9 months FY 23	Variance (%)
Local sales	29.40	30.57	(4)
Export sales	5.10	3.03	68
Total	34.50	33.60	3

Company's dispatches during the nine month period FY 24 were 3.79 million tons as compared to 3.76 million tons in the same period last year, an increase of 1% (YoY). Break up of domestic and exports is as under: -

(Quantity in million tons)

	9 months FY 24	9 months FY 23	Variance (%)
Local sales	3.41	3.44	(1)
Export sales	0.38	0.32	20
Total	3.79	3.76	1

Financial Performance

During nine months of FY 24, Company earned net revenue of Rs. 59,400 million as compared to Rs. 51,907 million in the same period last year. Gross profit margin improved to 31% as compared to 30% in the same period last year. This, mainly, is attributable to better sales prices and result of cost optimization initiatives taken by the Management. As a result of higher exports and devaluation of PKR, Company was able to get better revenue from exports to Afghanistan. On cost side, significant increase of 35% in power tariffs was offset partially by increased own renewable power generation. Secondly, higher usage of local coal, initiatives to use multiple types of alternative fuels and optimization of fixed costs contributed towards achieving the overall results.

The Company earned a PAT of Rs. 7,043 million as compared to Rs. 6,968 million in the same period last year, despite increased financial cost of Rs. 1,262 million due to expansion related debt during period under review.

Outlook

Domestic dispatches are expected to improve with signs of economic stability and improved weather conditions in the 4th Qtr of FY24. Exports to Afghanistan are also likely to improve post winter during next quarter. The Management will continue its efforts on cost optimization to deliver the best possible results.

The Directors of the Company express their deep appreciation to all the Stakeholders 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 24.

On behalf of the Board of Directors.



Lt Gen Anwar Ali Hyder, HI(M), Retd
Chairman Board of Directors
Rawalpindi
23rd April 2024



Qamar Haris Manzoor
Chief Executive & Managing Director

ڈائریکٹرز کی جائزہ رپورٹ

بورڈ آف ڈائریکٹرز تیسری سہ ماہی اور نو ماہی جائزہ رپورٹ پیش کرنے میں مسرت محسوس کرتے ہیں جس میں 31 مارچ 2024 کو مکمل ہونے والے دورانیے تک کمپنی کے غیر آڈٹ شدہ مالی حسابات شامل ہیں۔

معاشی جائزہ

مارچ 2024 میں افراط زر کی شرح 20.7 فیصد کے ساتھ گزشتہ 2 سال کی سب سے کم شرح ہے تیسری سہ ماہی میں مجموعی معاشی صورت حال مستحکم رہی۔ تیسری سہ ماہی کے دوران روپے کی قدر مستحکم رہی۔ مالی سال 2024 کے لیے جی ڈی پی کی شرح نمو 2 فیصد کے قریب رہنے کا امکان ظاہر کیا گیا ہے۔

سیمنٹ انڈسٹری اور کمپنی کی کارکردگی

مالی سال 2024 اس نو ماہی دورانیے میں سیمنٹ کی صنعت کی فروخت 34.50 ملین ٹن رہی جو گزشتہ سال کی اسی مدت میں 33.60 ملین ٹن تھی، یوں یہ 3 فیصد (سالانہ) کا اضافہ ہے۔ جہاں طلب میں کمی کے باعث مقامی فروخت میں 4 فیصد کمی دیکھنے میں آئی ہے، وہاں برآمدات میں 68 فیصد اضافہ ہوا جس کی بنیادی وجہ سمندری برآمدات ہیں، جو کرنسی کی قدر میں کمی اور جنوبی خطے کی کمپنیوں کے لیے درآمدی کوئلے کی قیمتوں میں کمی کی وجہ سے دوبارہ قابل عمل ہو گئی ہیں۔ مقامی فروخت اور برآمدات کی تقسیم درج ذیل ہے:

(مقداریں ملین ٹن میں)

فیصد فرق	مالی سال 2023 کی نو ماہی	مالی سال 2024 کی نو ماہی	
(4)	30.57	29.40	مقامی فروخت
68	3.03	5.10	برآمدی فروخت
3	33.60	34.50	کُل فروخت

مالی سال 2024 کے اس نو ماہی دورانیے میں کمپنی کی ترسیلات 1 فیصد سالانہ اضافے کے ساتھ 3.79 ملین ٹن رہیں جو گزشتہ سال کے اسی دورانیے میں 3.76 ملین ٹن تھیں۔ مقامی اور برآمدی ترسیلات کی تفصیل درج ذیل ہے:

(مقداریں ملین ٹن میں)

فیصد فرق	مالی سال 2023 کی نو ماہی	مالی سال 2024 کی نو ماہی	
(1)	3.44	3.41	مقامی فروخت
20	0.32	0.38	برآمدی فروخت
1	3.76	3.79	کُل فروخت

مالیاتی کارکردگی

مالی سال 2024 کے اس نوامی دورانیے میں کمپنی کو 59,400 ملین روپے کی صافی آمدن ہوئی جو گزشتہ سال کے اسی دورانیے میں 51,907 ملین روپے تھی۔ مجموعی منافع کی شرح 31 فیصد رہی جو گزشتہ سال کے اسی دورانیے میں 30 فیصد تھی۔ اس اضافے کی بنیادی وجہ قیمت فروخت میں بہتری اور انتظامیہ کی طرف سے پیداواری لاگت کم کرنے کے اقدامات ہیں۔ برآمدات میں اضافے اور پاکستانی روپے کی قدر میں کمی کے باعث، کمپنی افغانستان کو کی جانے والی برآمدات سے بہتر آمدنی حاصل کرنے میں کامیاب ہوئی۔ پیداواری لاگت کے ضمن میں بجلی کے نرخوں میں 35 فیصد کے بڑے اضافے کے اثرات کو اپنی پیدا کردہ بجلی کی پیداوار میں اضافے کے ذریعے جزوی طور پر کم کیا گیا۔ اس کے علاوہ مقامی کونسلے کے استعمال میں اضافے، متعدد قسم کے متبادل ایندھن کے استعمال کے اقدامات اور مستقل لاگت کو بہتر بنانے کے اقدامات نے مجموعی نتائج کے حصول میں اہم کردار ادا کیا۔

کمپنی نے 7,043 ملین روپے کا بعد از ٹیکس منافع حاصل کیا جو گزشتہ سال کے اسی دورانیے میں 6,968 ملین روپے تھا، باوجود اس کے کہ اس دورانیے میں کمپنی کے لاگت کے اخراجات میں قرضوں کی ادائیگی کے باعث 1,262 ملین روپے کا اضافہ ہوا۔

مستقبل کا جائزہ

مالی سال 2024 کی آخری سہ ماہی میں معاشی استحکام اور موسمی حالات بہتر ہو جانے کے باعث مقامی ترسیلات میں بہتری آنے کا امکان ہے۔ آئندہ سہ ماہی میں موسم سرما کے بعد افغانستان کو کی جانے والی برآمدات میں بھی بہتری آنے کی توقع ہے۔ انتظامیہ بہترین ممکنہ نتائج کی فراہمی کے لیے لاگت کو مزید بہتر بنانے کے لیے اپنی کوششیں جاری رکھے گی۔

کمپنی کے ڈائریکٹرز کمپنی کے تمام متعلقین کے تعاون اور حمایت پر ان کی تہہ دل سے تشکر کرتے ہیں۔ ڈائریکٹرز کمپنی کے تمام ملازمین اور انتظامیہ کو بھی خراج تحسین پیش کرتے ہیں جن کی محنت کے نتیجے میں مالی سال 2024 کے اس نوامی دورانیے میں مثبت نتائج برآمد ہوئے۔

بورڈ آف ڈائریکٹرز کی جانب سے



قمر حارث منظور

چیف ایگزیکٹو و مینجنگ ڈائریکٹر



لیفٹیننٹ جنرل انور علی حیدر، ہلال امتیاز (ملٹری)، ریٹائرڈ

چیرمین بورڈ آف ڈائریکٹرز فوجی سینٹ کمپنی لمیٹڈ

راولپنڈی، 123 اپریل 2024

		Un-audited March 31, 2024 Rupees'000	Audited June 30, 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 profits		32,436,642	25,394,127
		72,218,252	65,175,737
NON-CURRENT LIABILITIES			
Long term loans - secured	5	30,880,962	31,777,087
Employee benefits		226,812	211,595
Lease liabilities		86,330	118,972
Deferred government grant		2,297,692	2,745,849
Deferred tax liabilities - net	6	12,251,521	10,312,402
		45,743,317	45,165,905
CURRENT LIABILITIES			
Loan from Parent - unsecured		7,387,000	7,387,000
Trade and other payables		5,792,398	6,516,462
Accrued liabilities		4,841,610	4,022,396
Security deposits payable		529,031	455,052
Contract liabilities		411,497	584,809
Employee benefits - current portion		96,569	96,468
Payable to employees' provident fund trust		29,595	26,438
Unclaimed dividend		35,646	36,001
Short term borrowings - secured	7	2,754,120	4,530,981
Current portion of lease liabilities		43,620	50,463
Current portion of long term loans	5	5,191,265	4,176,493
Current portion of deferred government grant		601,316	604,292
		27,713,667	28,486,855
TOTAL EQUITY AND LIABILITIES		145,675,236	138,828,497
CONTINGENCIES AND COMMITMENTS			

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 March 31, 2024 Rupees'000	Audited June 30, 2023 Rupees'000
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	9	110,332,004	104,425,181
Right of use assets		156,968	181,380
Intangibles assets		10,798,690	10,957,737
Long term deposits		129,700	129,700
		121,417,362	115,693,998
CURRENT ASSETS			
Stores, spares and loose tools		7,687,249	8,011,181
Stock in trade		8,174,281	7,112,327
Trade debts		6,061,381	3,572,445
Advances		322,908	366,231
Sales tax refundable-net		-	1,820,851
Trade deposits and short term prepayments		168,198	24,840
Advance tax - net		304,171	723,704
Other receivables		324,700	282,463
Short term investments		250,000	250,000
Cash and bank balances		964,986	970,457
		24,257,874	23,134,499
TOTAL ASSETS		145,675,236	138,828,497

Chief Executive Officer

Director

Chief Financial Officer

	Note	Three month period ended		Nine month period ended	
		March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
		Rupees'000	Rupees'000	Rupees'000	Rupees'000
Revenue - net	10	19,048,367	18,234,310	59,400,121	51,907,364
Cost of sales	11	(13,696,719)	(12,872,080)	(41,190,185)	(36,306,630)
Gross profit		5,351,648	5,362,230	18,209,936	15,600,734
Other income		173,158	111,197	373,098	186,808
Selling and distribution expenses	12	(918,056)	(788,628)	(2,557,575)	(1,963,925)
Administrative expenses		(386,241)	(383,407)	(1,127,488)	(1,134,827)
Other expenses		(5,470)	(166,749)	(580,523)	(632,693)
Operating profit		4,215,039	4,134,643	14,317,448	12,056,097
Finance cost		(1,631,678)	(1,611,884)	(3,772,323)	(2,509,963)
Finance income		62,241	172,621	198,193	434,056
Net finance cost		(1,569,437)	(1,439,263)	(3,574,130)	(2,075,907)
Share of loss of associate		-	-	-	(2,313)
Profit before taxation		2,645,602	2,695,380	10,743,318	9,977,877
Income tax expense		(876,951)	(806,962)	(3,700,803)	(3,010,138)
Profit for the period		1,768,651	1,888,418	7,042,515	6,967,739
Earnings per share - restated basic & diluted (Rupees)		0.72	0.77	2.87	2.84

The annexed notes 1 to 15 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, 2024 Rupees'000	March 31, 2023 Rupees'000	March 31, 2024 Rupees'000	March 31, 2023 Rupees'000
Profit for the period	1,768,651	1,888,418	7,042,515	6,967,739
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	1,768,651	1,888,418	7,042,515	6,967,739

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



Chief Executive Officer



Director



Chief Financial Officer

	Note	March 31, 2024 Rupees'000	March 31, 2023 Rupees'000
Cash flows from operating activities			
Profit before tax		10,743,318	9,977,877
Adjustments for:			
Depreciation - property, plant and equipment	9.1	3,299,859	2,417,475
Depreciation on right of use asset		24,412	26,583
Amortization of intangibles assets		159,043	152,349
Amortization of grant income		(261,079)	(99,017)
Provision for compensated absences		123,669	76,688
Workers' Profit Participation Fund including interest		569,209	534,380
Workers' Welfare Fund		13,173	101,574
Finance cost (excluding interest on WPPF)		3,814,282	1,567,099
Exchange (gain)/ loss		(45,035)	939,102
Gain on disposal of property, plant and equipment		(5,185)	(45,819)
Share of loss of equity accounted investee-net of tax		-	2,313
Finance income		(198,193)	(533,073)
		7,494,155	5,139,654
Operating cash flows before working capital changes		18,237,473	15,117,531
Changes in			
Long term deposits		-	(1,978)
Stores, spares and loose tools		323,932	1,959,840
Stock in trade		(1,061,954)	(2,608,535)
Trade debts		(2,488,936)	(1,401,919)
Advances		43,323	(384,277)
Trade deposits and short term prepayments		(143,358)	(129,161)
Other receivables		(42,237)	(93,810)
Sales tax refundable-net		1,820,851	1,126,537
Trade and other payables		(1,091,911)	333,999
Accrued liabilities		819,214	(649,200)
Security deposits payable		73,979	29,074
Contract liabilities		(173,312)	(215,844)
Payable to employees' provident fund trust		3,157	10,724
		(1,917,252)	(2,024,550)
Cash generated from operations		16,320,221	13,092,981
Compensated absences paid		(108,350)	(82,320)
Payment to Workers' Profit Participation Fund		(81,244)	(94,874)
Taxes paid		(1,430,403)	(1,792,516)
Net cash generated from operating activities		14,700,224	11,123,271
Cash flows from investing activities			
Additions in property, plant and equipment		(7,650,636)	(22,048,030)
Short term investments - net		-	3,898,387
Proceeds from disposal of property, plant and equipment		12,570	120,370
Interest received on bank deposits		170,560	522,043
Net cash used in investing activities		(7,467,506)	(17,507,230)
Cash flows from financing activities			
Repayment of long term loans		(1,068,454)	(1,828,812)
Loans received		644,237	13,543,128
Lease payment		(55,770)	(44,616)
Dividend paid on ordinary shares		(355)	(958)
Finance cost paid		(4,980,986)	(1,101,863)
Net cash (used in) / generated from financing activities		(5,461,328)	10,566,879
Net increase in cash and cash equivalents		1,771,390	4,182,920
Cash and cash equivalents at beginning of the period		(3,560,524)	(2,503,634)
Cash and cash equivalents at end of the period		(1,789,134)	1,679,286
Cash and cash equivalents comprise of the following:			
Cash and bank balances		964,986	4,130,067
Short term borrowings		(2,754,120)	(2,450,781)
		(1,789,134)	1,679,286

The annexed notes 1 to 15 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)

F C C L

13

For the Nine Month Period Ended March 31, 2024

3rd Quarterly Report 2023-24

	Share capital		Premium on issue of shares	Revenue reserve		Total
	Ordinary shares			Unappropriated	profits	
	Rupees 000					
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
Balance at July 1, 2023	24,528,476		15,253,134	25,394,127		65,175,737
Total comprehensive income for the period						
Profit for the period	-		-	7,042,515		7,042,515
Other comprehensive income for the period	-		-	-		-
Total comprehensive income for the period	-		-	7,042,515		7,042,515
Balance at March 31, 2024	24,528,476		15,253,134	32,436,642		72,218,252

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") 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

-Zinda Peer, district Dera Ghazi Khan

2 BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

- 2.1 These condensed interim financial statements for nine month period ended March 31, 2024 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.

- 2.2 These condensed interim financial statements do not include all the information reported for full annual financial statements and should therefore be read in conjunction with the annual financial statements of the Company for the year ended June 30, 2023. Comparative condensed interim statement of financial position is extracted from annual financial statements as at June 30, 2023 whereas comparative condensed interim statement of profit or loss, condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows are extracted from un-audited condensed interim financial statements of the Company for the nine month period ended March 31, 2023.

- 2.3 These condensed interim financial statements are un-audited and are prepared in compliance with the requirements of Section 237 of the Companies Act, 2017 as well as the listing regulations of the Pakistan Stock Exchange.

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, 2023.

4 SHARE CAPITAL

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

4.2 Fauji Foundation holds 1,512,162 thousand (2023: 1,512,162 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 (2023: 105,469 thousand) and 21,094 thousand (2023: 21,094 thousand) ordinary shares respectively of the Company at the period end, whereas 10 thousand (2023: 10 thousand) shares are held by Directors of the Company.

5 LONG TERM LOANS-SECURED

Loans from banking companies (under mark up arrangements)

	Note	Un-audited March 31, 2024 Rupees' 000	Audited June 30, 2023 Rupees' 000
Term finance facilities	5.1	37,719,051	38,143,268
Less: Current portion shown under current liabilities		(2,840,536)	(2,331,175)
Deferred portion of grant income-net		(3,877,491)	(3,891,645)
Transaction cost		(120,062)	(143,361)
		30,880,962	31,777,087
5.1	Movement during the period / year is as follows:		
Opening balance		38,143,268	24,671,890
Loans received during the period / year		644,237	15,976,605
Principal repayment during the period / year		(1,068,454)	(2,505,227)
Closing balance		37,719,051	38,143,268
5.2	Current Portion of long term loans		
Current portion of loan		2,840,536	2,331,175
Markup accrued		2,350,729	1,845,318
		5,191,265	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	DEFERRED TAX LIABILITY - NET	Un-audited March 31, 2024 Rupees' 000	Audited June 30, 2023 Rupees' 000
	This comprises of the following:		
	- Taxable temporary differences	14,744,887	11,218,424
	- Deductible temporary differences	(2,493,366)	(906,022)
		12,251,521	10,312,402

7 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.

8 CONTINGENCIES AND COMMITMENTS

8.1 Contingencies

There has been no significant change in the status of contingencies as disclosed in note 15 to the audited financial statements of the Company for the year ended June 30, 2023 other than the following:

-In the matter involving Customs authority demand of Rs. 455 million as outlined in note 15.1 (a) of annual financial statements of the Company for the year ended June 30, 2023, the case was decided against the Company on 19th March 2024 by the Custom Appellate Tribunal (CAT). Company is in process of filing reference to Sindh High Court against the decision of CAT. Further, the aforesaid amount is provided for in these condensed interim financial statements.

-In the matter involving input tax adjustment and tax demand of Rs. 2,851 million as outlined in note 15.1 (f) of annual financial statements of the Company for the year ended June 30, 2023, the matter has now been remanded back to assessing officer by the Commissioner Inland Revenue - Appeals (CIR-A) with directions to allow Company the rightfully claimed input tax.

-In the case involving short of withholding of income tax as outlined in note 15.1 (l) of annual financial statements of the Company for the year ended June 30, 2023, various matters have been decided in favour of the Company whereas a matter involving partial tax demand, the CIR-A has remanded the matter to assessing officer with directions including to verify documentary evidence.

8.2 Commitments

8.2.1	Outstanding letters of credit for import of plant and machinery, spare parts and fuel	Un-audited March 31, 2024 Rupees' 000	Audited June 30, 2023 Rupees' 000
		2,460,382	5,025,000
8.2.2	Capital commitments	2,326,585	5,285,000

9 PROPERTY, PLANT AND EQUIPMENT

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

	Note	Un-audited March 31, 2024 Rupees'000	Audited June 30, 2023 Rupees'000
Opening balance - operating fixed assets		69,627,000	43,788,465
Additions during the period / year	9.2	41,870,986	29,304,644
		111,497,986	73,093,109
Less: Disposals during the period / year (WDV)		(7,384)	(70,778)
Depreciation for the period / year		(3,299,859)	(3,395,331)
Operating fixed assets (WDV) - closing balance		108,190,743	69,627,000
Add: Capital work-in-progress	9.3	1,738,070	34,531,172
Add: Capital spares		403,191	267,009
		110,332,004	104,425,181

9.2 Following additions were made during the period/ year in operating fixed assets:

	Un-audited March 31, 2024 Rupees'000	Audited June 30, 2023 Rupees'000
Operating Fixed Assets		
Freehold land	7,727	377,191
Building	8,717,957	4,550,662
Plant, machinery and equipment	32,805,537	24,212,792
Office equipment	8,769	2,188
Computers	42,113	52,127
Electric, gas Installations and motors	35,662	19,628
Furniture and fixture	27,121	2,362
Motor vehicles	111,186	87,694
Road and related development	114,914	-
	41,870,986	29,304,644

9.3 Following is the movement in capital work-in-progress during the period / year:

Opening balance	34,531,172	29,802,170
Add: Additions during the period / year	7,958,844	33,194,595
	42,490,016	62,996,765
Less: Transferred to operating fixed assets	(40,751,946)	(28,465,593)
Closing balance	1,738,070	34,531,172

	Three month period ended		Nine month period ended	
	March 31, 2024 Rupees'000	March 31, 2023 Rupees'000	March 31, 2024 Rupees'000	March 31, 2023 Rupees'000
10 REVENUE - NET				
The disaggregation of turnover from contracts with customers is as follows:				
Sales - Local	24,754,298	23,330,583	74,874,684	64,894,253
- Export	973,998	1,015,709	4,682,204	3,759,058
	25,728,296	24,346,292	79,556,888	68,653,311
Less: - Sales tax	4,065,931	3,714,029	12,239,529	10,217,581
- Excise duty	2,224,155	2,014,389	6,802,946	5,347,971
- Rebates	387,198	380,941	1,102,570	1,171,169
- Export development surcharge	2,645	2,623	11,722	9,226
	6,679,929	6,111,982	20,156,767	16,745,947
	19,048,367	18,234,310	59,400,121	51,907,364
11 COST OF SALES				
Raw material consumed	1,389,571	1,086,147	4,088,297	2,845,010
Packing material consumed	738,802	713,524	2,415,343	1,924,328
Repair and maintenance	387,075	446,668	1,483,765	1,477,979
Salaries, wages and benefits	1,062,369	914,679	3,064,493	2,674,255
Rent, rates and taxes	22,690	20,251	66,678	57,689
Insurance	74,551	44,864	211,541	148,957
Fuel consumed	5,907,050	7,125,679	18,833,399	20,852,730
Power consumed	3,155,049	1,915,401	8,375,123	6,106,464
Depreciation	1,278,429	936,007	3,235,857	2,373,025
Depreciation on right of use asset	699	2,362	2,128	2,362
Technical assistance	73,416	13,599	97,795	19,355
Printing and stationery	1,687	1,288	6,943	4,554
Traveling and conveyance	40,318	34,243	116,286	89,066
Vehicle running and maintenance expenses	21,543	16,694	60,290	51,487
Communication, establishment and other expenses	147,508	95,385	309,360	225,509
Water conservancy charges	179	235	735	1,243
	14,300,936	13,367,026	42,368,033	38,854,013
Add: Opening work-in-process	4,762,833	3,631,493	4,464,731	2,098,340
Less: Closing work-in-process	(5,464,601)	(3,945,677)	(5,464,601)	(3,945,677)
Cost of goods manufactured	13,599,168	13,052,842	41,368,163	37,006,676
Add: Opening finished goods	1,412,743	1,060,996	1,240,545	626,363
Less: Closing finished goods	(1,309,992)	(1,108,121)	(1,309,992)	(1,108,121)
	13,701,919	13,005,717	41,298,716	36,524,918
Less: Own consumption	(5,200)	(133,637)	(108,531)	(218,288)
	13,696,719	12,872,080	41,190,185	36,306,630
12 SELLING AND DISTRIBUTION EXPENSES				

This includes an amount of Rs. 744,526 thousand (2023: Rs. 632,556 thousand) for quarter ended March 31, 2024 and amount of Rs. 2,065,777 thousand (2023: Rs. 1,541,218 thousand) for nine month period ended March 31, 2024 as freight charges related to sales made during respective periods.

13 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, 2024 Rupees'000	Audited June 30, 2023 Rupees'000
Balances with related parties		
Fauji Foundation		
Loan payable	7,387,000	7,387,000
Payable against cost re-charged	41,104	33,750
Payable against use of medical facilities	8	359
Payable against letter of support fee	63,925	31,788
Askari Bank Limited		
Loan payable	2,786,375	2,845,000
Balance in bank	166,815	265,794
Export refinance payable	1,087,000	693,000
Other related parties		
Payable to Foundation Solar Energy (Pvt) Limited against supply of solar equipment	-	17,517
Payable to Cherat Packaging Limited against supply of packing material	602	217,103
Transactions with related parties		
	Un-audited March 31, 2024 Rupees' 000	Unaudited March 31, 2023 Rupees' 000
Fauji Foundation		
Sale of cement	1,638	37,223
Donation paid through Fauji Foundation	90,850	125,404
Payment of rent and utilities	45,430	46,179
Payment against cost re-charged	120,298	73,136
Payment for use of medical facilities	1,984	1,699
Payment against letter of support fee	64,486	96,105
Consultancy charges paid	12,691	20,174
Askari Bank Limited		
Interest on long term loans	226,257	194,944
Principal repayment of loan	200,000	200,000
Payment of export refinance	693,000	700,000
Receipt of export refinance	1,087,000	-
Interest on export re-finance	57,259	57,474
Bank charges	10,292	2,919
Profit received	12,998	13,273
Transactions with other related parties		
Payment to Foundation Solar Energy (Pvt) Limited	918,975	1,242,378
Payment to Cherat Packaging Limited against supply of packing material	625,320	-
Insurance premium to TPL Insurance Limited	15,885	-
Insurance premium to Habib Insurance Company Limited	7,943	-
Payment to Mari Petroleum Company Limited against supply of crude oil	29,489	6,303
Payments made into Employees' Provident Fund	111,254	94,305
Directors' fee	5,875	5,000
Remuneration paid including benefits and perquisites to Chief Executive	60,362	59,280
Remuneration paid including benefits and perquisites to key management personnel (other than Chief Executive)	161,603	132,226

14 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.

	Carrying amount		Fair value				
	Amortized cost	FVTPL	Total	Level 1	Level 2	Level 3	Total
On-balance sheet financial instruments							
March 31, 2024							
Financial assets not measured at fair value							
Trade debts - net of impairment loss	6,061,381	-	6,061,381	-	-	-	-
Other receivables	324,700	-	324,700	-	-	-	-
Short term investments	250,000	-	250,000	-	-	-	-
Cash and bank balances	964,986	-	964,986	-	-	-	-
	<u>7,601,067</u>	<u>-</u>	<u>7,601,067</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial assets measured at fair value							
Long term deposits	-	129,700	129,700	-	-	129,700	129,700
Trade deposits	-	35,696	35,696	-	-	35,696	35,696
	<u>-</u>	<u>165,396</u>	<u>165,396</u>	<u>-</u>	<u>-</u>	<u>165,396</u>	<u>165,396</u>
Financial liabilities not measured at fair value							
Long term loans (including current portion)	36,072,227	-	36,072,227	-	-	-	-
Lease liability (including current portion)	129,950	-	129,950	-	-	-	-
Loan from Parent - unsecured	7,387,000	-	7,387,000	-	-	-	-
Creditors	2,150,327	-	2,150,327	-	-	-	-
Accrued liabilities	4,841,610	-	4,841,610	-	-	-	-
Security deposits payable	529,031	-	529,031	-	-	-	-
Payable to employees' provident fund trust	29,595	-	29,595	-	-	-	-
Unclaimed dividend	35,646	-	35,646	-	-	-	-
Short term borrowings - secured	2,754,120	-	2,754,120	-	-	-	-
	<u>53,929,506</u>	<u>-</u>	<u>53,929,506</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

	Carrying amount Amortized Cost	FVTPL	Total	Fair value			Total
				Level 1	Level 2	Level 3	
On-balance sheet financial instruments							
<u>June 30, 2023</u>							
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	-	-	-	-
Creditors	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	-	-	-	-

15 GENERAL

- 15.1** These condensed interim financial statements include respective corresponding figures which have been reclassified where necessary to reflect more appropriate presentation of the related transactions in line with the current period's financial statements and do not impact on net results as previously reported.
- 15.2** The amounts in these condensed interim financial statements have been rounded-off to the nearest thousand Rupees.
- 15.3** These condensed interim financial statements were authorised for issue by the Board of Directors of the Company on April 23rd, 2024.



Chief Executive Officer



Director



Chief Financial Officer



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Say No To Corruption



Company Secretary

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