

آزادی قیمتی ہے



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- 2 Company Information
- 3 Directors' Review
- 4 Condensed Interim Balance Sheet
- 6 Condensed Interim Profit and Loss Account (Un-Audited)
- 7 Condensed Interim Statement of Comprehensive Income (Un-Audited)
- 8 Condensed Interim Cash Flow Statement (Un-Audited)
- 9 Condensed Interim Statement of Changes in Equity (Un-Audited)
- 10 Notes to the Condensed Interim Financial Information (Un-Audited)

Board of Directors

Lt Gen Khalid Nawaz Khan (Retd),HI(M),Sitara-e-Esar	Chairman
Lt Gen Sardar Mahmood Ali Khan (Retd),HI(M)	Chief Executive / MD
Mr. Qaiser Javed	Director
Dr. Nadeem Inayat	Director
Maj Gen Syed Jamal Shahid (Retd),HI(M)	Director
Maj Gen Muhammad Farooq Iqbal (Retd),HI(M)	Director
Brig Raashid Wali Janjua (Retd),SI(M)	Director
Brig Asmat Ullah Khan Niazi (Retd),SI(M)	Executive Director (Plant)
Mr. Pervez Inam	Independent Director
Mr. Jawaid Iqbal	Independent Director

Company Secretary

Brig Ch Zafar Iqbal (Retd)
Fauji Tower,Block III, 68 Tipu Road,
Chaklala, Rawalpindi
Tel: (051) 9280075
Fax: (051) 9280416
E-mail: secretary@fccl.com.pk

Chief Financial Officer

Mr. Omer Ashraf
Tel: (051) 5500157
E-mail: omer@fccl.com.pk

Shares Registrar

M/s Corplink (Pvt) Limited
Wings Arcade, 1-K, Commercial,
Model Town, Lahore
Tel: +092-042-35916714-19 & 35839182
Email: corplink786@yahoo.com
Fax: +092-042-35869037

Registered Office

Fauji Cement Company Limited
Fauji Tower, Block III,68 Tipu Road, Chaklala,
Rawalpindi
Tel: 051-9280081-83, 051-5763321-24, 051-5500159,
Fax: 051-9280416

Legal Advisors

M/s ORR Dignam & Co, Advocates
3-A Street No 32,F-8/1 Islamabad
Tel: (051-2260517-8
Fax: (051) 2260653

Factory

Near Village Jhang Bahtar, Tehsil Fateh
Jang District Attock
Tel: 0572-538047-48 & 0572- 2538138
Fax: 0572-538025

Auditors

M/s KPMG Taseer Hadi & Co,
Chartered Accountants
6th Floor, State Life Building No. 5
Jinnah Avenue, Blue Area, P.O. Box 1323
Islamabad Pakistan
Tel:051-282-3558
Fax: (051) 2822671

Company Website

<http://www.fccl.com.pk>

1. Board of Directors is pleased to present its review report along with un-audited accounts of the Company for the 1st Quarter ended **30th September 2016**.
2. During first quarter of **FY 2016-17**, Company earned a net profit of Rs. **609 Million as** compared to Rs. **1,103 Million** in same period of the last year. Company achieved capacity utilization of **72%** as compared to **71 %** in corresponding period of the last year. Local dispatches stood at **556,710 tons** as compared to **524,262 tons** during corresponding quarter of the last year. Export dispatches stood at **61,884 tons** as compared to **81,798 tons** in first quarter of the last year.
3. On May 29th 2016, in an unfortunate accident, the CF Silo of Line 2 collapsed damaging Coal Mill and some other ancillary equipments due to which Line 2 is shut down. The company is purchasing clinker from other cement plants for mixing along with 3700 TPD clinker being produced by its own Line 1 to keep its market share intact without compromising on quality and brand image. The Profit Margins have been affected for the reason that the purchase of clinker from other plants is more expensive than own produced clinker.
4. Our efforts are geared towards bringing Line 2 in production as soon as possible. With Civil works having commenced and order for procurement of equipments placed, we expect to start Line 2 in the last quarter of FY 2016-2017.

For and on behalf of the board



28th October 2016
Rawalpindi

Lt Gen Khalid Nawaz Khan (Retd)
Chairman

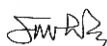
Condensed Interim Balance Sheet as at 30 September 2016 F C C L **4**

1st Quarterly Report 2016-17

	Note	Un-audited 30 September 2016 Rupees'000	Audited 30 June 2016 Rupees'000
SHARE CAPITAL AND RESERVES			
Share capital	4	13,798,150	13,798,150
Reserves		5,247,099	4,629,705
		19,057,904	18,427,855
NON - CURRENT LIABILITIES			
Long term financing - secured	5	1,382,080	1,486,178
Deferred liabilities		4,450,130	4,482,438
		5,832,210	5,968,616
CURRENT LIABILITIES			
Trade and other payables		2,121,021	1,968,031
Markup accrued		34,796	76,265
Short term borrowings		25,407	78,037
Current portion of long term financing	5	2,189,591	2,525,955
Provision for taxation- net		317,091	312,893
		4,687,906	4,961,181
		29,565,365	29,357,652

CONTINGENCIES AND COMMITMENTS 6

The annexed notes from 1 to 12 form an integral part of this condensed interim financial information.



Chief Executive

Condensed Interim Balance Sheet as at 30 September 2016 F C C L **5**

1st Quarterly Report 2016-17

	Note	Un-audited 30 September 2016 Rupees'000	Audited 30 June 2016 Rupees'000
NON - CURRENT ASSETS			
Property, plant and equipment	7	21,423,246	21,701,250
Long term deposits and prepayments		137,606	156,733
		21,560,852	21,857,983
CURRENT ASSETS			
Stores, spares and loose tools		2,179,891	2,177,367
Stock in trade		1,868,889	540,588
Trade debts		807,576	569,101
Advances		196,143	218,947
Trade deposits, short term prepayments and balances with statutory authority		68,312	16,593
Interest accrued		2,300	4,447
Other receivables	8	983,724	982,562
Short term investments		1,340,495	1,324,485
Cash and bank balances		557,183	1,665,579
		8,004,513	7,499,669
		29,565,365	29,357,652


Director

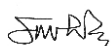
Condensed Interim Profit and Loss Account (Un-Audited)
For the First Quarter Ended 30 September 2016

F C C L **6**

1st Quarterly Report 2016-17

	Note	Quarter Ended	
		30 September 2016 Rupees'000	30 September 2015 Rupees'000
Turnover-net		4,391,569	4,381,097
Cost of sales	9	(3,344,653)	(2,502,521)
Gross profit		1,046,916	1,878,576
Distribution cost		(34,089)	(36,700)
Administrative expenses		(77,761)	(69,907)
Other operating expenses		(61,247)	(112,728)
Finance cost		(77,713)	(197,990)
Other income		35,101	68,627
Profit before taxation		831,207	1,529,878
Taxation			
- Current		(260,944)	(466,635)
- Deferred		38,650	39,393
		(222,294)	(427,242)
Profit for the period		608,913	1,102,636
Earnings per share - Basic (Rupees)		0.44	0.83
Earnings per share - Diluted (Rupees)		0.44	0.80

The annexed notes from 1 to 12 form an integral part of this condensed interim financial information.



Chief Executive



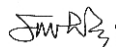
Director

Condensed Interim Statement of Comprehensive Income(Un - Audited) F C C L **7**
For the First Quarter Ended 30 September 2016

1st Quarterly Report 2016-17

	Quarter Ended	
	30 September 2016 Rupees'000	30 September 2015 Rupees'000
Net profit after tax	608,913	1,102,636
Other comprehensive income	-	-
Total comprehensive income	608,913	1,102,636

The annexed notes from 1 to 12 form an integral part of this condensed interim financial information.



Chief Executive



Director

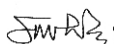
Condensed Interim Cash Flow Statement (Un - Audited)
For the First Quarter Ended 30 September 2016

F C C L **8**

1st Quarterly Report 2016-17

	Quarter Ended	
	30 September 2016 Rupees'000	30 September 2015 Rupees'000
Cash flows from operating activities		
Net profit before taxation	831,207	1,529,878
Adjustments for:		
Depreciation	331,255	341,323
Provision for compensated absences	15,413	6,366
Workers' (Profit) Participation Fund including interest and WWF	61,247	112,970
Finance cost (excluding interest on WPPF)	77,713	197,748
Gain on disposal of property, plant and equipment	(1,734)	(550)
Interest income including interest on long term deposit	(7,680)	(41,969)
	<u>476,214</u>	<u>615,888</u>
Operating cash flows before working capital changes	1,307,421	2,145,766
Decrease/ (increase) in working capital		
Stores and spares	(2,524)	106,438
Stock in trade	(1,328,301)	(39,849)
Trade debts	(238,475)	44,403
Advances	22,804	(8,289)
Trade deposits and short term prepayments	(51,719)	(157,113)
Other receivables	(1,162)	2,190
Trade and other payables	484,735	112,448
	<u>(1,114,642)</u>	<u>60,228</u>
Cash generated from operations	192,779	2,205,994
Compensated absences paid	(703)	(927)
Payment to Workers' (Profit) Participation Fund	(400,000)	(15,162)
Taxes paid	(256,746)	(225,696)
Net cash (used in)/ generated from operating activities	<u>(464,670)</u>	<u>1,964,209</u>
Cash flows from investing activities		
Additions in property, plant and equipment	(53,524)	(19,136)
Proceeds from disposal of property, plant and equipment	2,007	608
Other financial assets	(16,010)	(918,482)
Interest received on bank deposits	9,827	37,133
Net cash used in investing activities	<u>(57,700)</u>	<u>(899,877)</u>
Cash flows from financing activities		
Repayment of long term financing	(443,506)	(481,906)
Dividend paid on preference shares	-	(240,785)
Dividend paid on ordinary shares	(1,361)	(1,011)
Finance cost paid	(88,529)	(168,227)
Net cash used in financing activities	<u>(533,396)</u>	<u>(891,929)</u>
(Decrease)/ increase in cash and cash equivalents	<u>(1,055,766)</u>	<u>172,403</u>
Cash and cash equivalents at beginning of the period	<u>1,587,542</u>	<u>2,290,845</u>
Cash and cash equivalents at end of the period	<u>531,776</u>	<u>2,463,248</u>
Cash and cash equivalents comprise of the following:		
Cash and bank balances	557,183	2,588,674
Running finance	(25,407)	(125,426)
	<u>531,776</u>	<u>2,463,248</u>

The annexed notes from 1 to 12 form an integral part of this condensed interim financial information.



Chief Executive



Director

	Share capital		Capital reserve		Revenue reserve		Total
	Ordinary	Preference	Discount on issue of shares	Hedging reserve	Accumulated profit		
	Rupees '000	Rupees '000	Rupees '000	Rupees '000	Rupees '000	Rupees '000	Rupees '000
Balance as at 30 June 2015	13,311,158	486,992	(1,364,385)	(72,895)	5,058,114	17,418,984	
Total comprehensive income							
Profit for the period	-	-	-	-	1,102,636	1,102,636	
Transfer during the period	-	-	-	16,630	-	16,630.00	
Total comprehensive income	-	-	-	16,630	1,102,636	1,119,266	
Transactions with owners of the Company							
Contributions and distributions:							
Final dividend 2015: Rs 1.5 per share	-	-	-	-	(1,996,674)	(1,996,674)	
Balance as at 30 September 2015	13,311,158	486,992	(1,364,385)	(56,265)	4,164,076	16,541,576	
Balance as at 30 June 2016	13,798,150	-	(1,364,385)	(19,874)	6,013,964	18,427,855	
Total comprehensive income							
Profit for the period	-	-	-	-	608,913	608,913	
Transfer during the period	-	-	-	8,481	-	8,481	
Total comprehensive income	-	-	-	8,481	608,913	617,394	
Balance as at 30 September 2016	13,798,150	-	(1,364,385)	(11,393)	6,622,877	19,045,249	

The annexed notes from 1 to 11 form an integral part of this condensed interim financial information.



Director



Chief Executive

1. Fauji Cement Company Limited ("the Company") is a public limited company incorporated in Pakistan on 23 November 1992 under the Companies Ordinance, 1984 and commenced its business with effect from 22 May 1993. The shares of the Company are quoted on Pakistan Stock Exchange. The principal activity of the Company is manufacturing and sale of ordinary portland cement. The Company's registered office is situated at Fauji Towers, Block-III, 68-Tipu Road, Rawalpindi.
2. This condensed interim financial information of the Company for the quarter ended 30 September 2016 has been prepared in accordance with the requirements of International Accounting Standard 34 - "Interim Financial Reporting" and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed. The disclosures in the condensed interim financial information do not include the information reported for full annual financial statements and should therefore be read in conjunction with the financial statements for the year ended 30 June 2016. Comparative balance sheet is extracted from annual financial statements as of 30 June 2016 whereas comparative profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity are extracted from unaudited condensed interim financial information for the quarter ended 30 September 2015.

This condensed interim financial information is unaudited and is being submitted to the members as required under Section 245 of the Companies Ordinance, 1984 and the listing regulations of the Pakistan Stock Exchange .

3. The accounting policies and the methods of computation adopted in preparation of this condensed interim financial information are the same as those applied in preparation of financial statements for the year ended 30 June 2016.

4. SHARE CAPITAL

There is no change in composition of issued, subscribed and paid up share capital of the Company from 30 June 2016.

		Un-audited	Audited
	Note	30 September 2016	30 June 2016
		Rupees'000	Rupees'000
5. LONG TERM FINANCING-SECURED			
From banking companies			
Term finance facilities including syndicated term finance facilities- secured	5.1	3,571,671	4,012,133
Less: Current portion shown under current liabilities		(2,189,591)	(2,525,955)
		1,382,080	1,486,178
5.1 Movement in this account during the period/ year is as follows:			
Opening balance		4,012,133	6,525,097
Principal repayment during the period/ year		(443,506)	(2,612,928)
Exchange loss on revaluation and transaction cost adjustment		3,044	99,964
Closing balance		3,571,671	4,012,133

6. CONTINGENCIES AND COMMITMENTS

6.1 Contingencies

There is no change in the contingent liabilities as reported in the financial statements for the year ended 30 June 2016.

6.2 Commitments

a) The company has opened Letters of Credit for the import of spare parts and coal valuing Rs. 339 million (30 June 2016: Rs. 147 million).

	Un-audited	Audited
	30 September 2016	30 June 2016
	Rupees'000	Rupees'000
7. PROPERTY, PLANT AND EQUIPMENT		
Opening book value	21,701,250	23,880,553
Additions during the period/ year	53,524	157,405
Written down value of disposals	(273)	(979,618)
Depreciation for the period/year	(331,255)	(1,357,090)
Closing book value	21,423,246	21,701,250
8. OTHER RECEIVABLES		
Insurance claim receivable	979,504	979,504
Other receivables - Considered good	2,313	1,151
Margin on letter of guarantee	1,907	1,907
	983,724	982,562

On 29 May 2016 the CF Silo of one of cement manufacturing lines having capacity of 7,200 tons per day (Line II) of the Company was collapsed. As a result the coal mill of line II, a substation of coal mill of line I (having capacity of 3,700 MT clinker per day) and some equipment of raw milling area of line II were destroyed. The carrying value of these assets have been de-recognized.

The Company had insured the above assets under machinery break-down policy and have lodged a claim of Rs. 1,466 million out of which a claim of Rs. 313 million has not been acknowledged by the insurers pertaining to civil work. Other than this, the claim for this event has not been disputed by the insurers and the Company has an unconditional right under the insurance contract to claim the compensation for the loss. Further, subsequent to the balance sheet date the insurers have already paid partial compensation of Rs. 300 million out of the claim amount to enable the Company to procure the machinery and the balance of the insurance claim amount will be released to the Company as and when the Company incurs the expense for replacement and rehabilitation of the plant. Since the management is in process of determining the eventual cost of replacement and rehabilitation which will form the basis of final amount of insurance claim, the compensation receivable from the insurance company has been recognized to the extent of carrying value of assets destroyed.

	Quarter Ended	
	30 September 2016	30 September 2015
	Rupees'000	Rupees'000
9. COST OF SALES		
Raw material consumed	130,224	226,366
Packing material consumed	181,325	216,140
Stores and spares consumed	7,299	8,674
Salaries, wages and benefits	241,627	245,119
Rent, rates and taxes	4,815	4,852
Insurance	20,222	25,130
Fuel consumed	522,407	884,713
Power consumed	316,244	521,132
Depreciation	326,645	337,122
Repairs and maintenance	66,038	101,850
Technical assistance	127	80
Printing and stationery	736	449
Traveling and conveyance	4,838	4,198
Vehicle running and maintenance expenses	4,663	5,972
Communication, establishment and other expenses	3,989	4,520
Clinker purchased	2,858,974	-
	<u>4,690,173</u>	<u>2,586,317</u>
Add: Opening work-in-process	251,313	607,869
Less: Closing work-in-process	<u>(1,570,140)</u>	<u>(645,003)</u>
Cost of goods manufactured	3,371,346	2,549,183
Add: Opening finished goods	164,028	135,520
Less: Closing finished goods	<u>(190,721)</u>	<u>(182,182)</u>
	<u><u>3,344,653</u></u>	<u><u>2,502,521</u></u>

10. RELATED PARTY TRANSACTIONS

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

	Quarter Ended	
	30 September 2016 Rupees'000	30 September 2015 Rupees'000
Transactions with associated undertakings/companies due to common ownership		
-Sale of Cement	3,179	1,344
-Payment for use of medical facilities	147	78
-Payment for clearance of shipments	17	33
-Preference dividend paid	-	240,785
-Payment of rent and utilities	2,302	2,671
-Dividend payable on ordinary shares	-	967,426
-Balance at Askari Bank Limited (AKBL)	26	407*
-Profit received from AKBL	6	9
Investment made in Askari Investment Management Limited (AIML)	-	100,000
Unrealized gain from investment at AIML	2,765	1,383
Balance at AIML - mutual fund	204,782	202,017*
Transactions with other related parties		
-Payment of director's fee	610	490
-Payments made into Employees' Provident Fund	17,755	6,509
-Payments made to Workers' (Profit) Participation Fund	400,000	14,920
-Remuneration including benefits and perquisites to Chief Executive	5,229	4,418
-Remuneration including benefits and perquisites to key management personnel	15,565	30,590

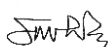
* Comparative figures are as at 30 June 2016

11. Date of authorization for issue

This condensed interim financial information was authorized for issue by the Board of Directors of the Company in their meeting held on 28th October 2016.

12. General

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



Chief Executive



Director