

1. The Board of Directors is pleased to present its Review Report along with the condensed interim financial statement of Company for nine months period ended on 31st March 2020.
2. With the outbreak of Covid-19 Pandemic in the country, the company management has put in place necessary safety measures for its employees and stakeholders at all locations, as under:-
 - a. Training of all employees to observe the related precautionary measures.
 - b. Checking temperature of all employees/stakeholders, entering the premises at Plant/Head Office.
 - c. Installation of hand sanitizers at all important locations.
 - d. Disinfection of offices and important locations.
 - e. Bare minimum presence of employees in the Head office and Plant site.
 - f. Enforcement of concept of social distancing in true letter & spirit and imposing ban on shaking hands.
 - g. Introduction of attendance system through face-recognition at the Head Office and Plant site.
 - h. Adopting the practice of "Work from Home" in which video conferencing system was used for meetings and ERP access was granted to concerned employees.
3. **Overview – Cement Industry.** Overall industry dispatches during the nine months period of the year and corresponding period of last year are as under:-

| S/No | Despatches | 2019-20 | 2018-19 | Variance (Million Tons) | Variance (%) |
|------|--------------|----------------|--------------|----------------------------|-----------------|
| | | (Million Tons) | | | |
| a. | Local | 30.59 | 29.45 | 1.14 | 4 |
| b. | Exports | 6.45 | 5.13 | 1.32 | 26 |
| c. | Total | 37.04 | 34.58 | 2.46 | 7 |

Higher dispatches of South Region helped the industry to maintain its overall dispatches.

4. **Overview - FCCL.** Capacity utilization achieved by Company during the period is **89%** as compared to **84%** in the same period last year. Company's dispatches during the period in comparison to the corresponding period of last year are as under:-

| S/No | Despatches | 2019-20 | 2018-19 | Variance (Million Tons) | Variance (%) |
|------|--------------|----------------|-------------|----------------------------|-----------------|
| | | (Million Tons) | | | |
| a. | Local | 2.11 | 2.08 | 0.03 | 1 |
| b. | Exports | 0.27 | 0.17 | 0.10 | 59 |
| c. | Total | 2.38 | 2.25 | 0.13 | 6 |

5. **Financial Performance.** Key financial results of Company, for this period in comparison to the corresponding period of last year, are tabulated below:-

| S/No | Particulars | 2019-20 | 2018-19 |
|------|----------------------------|----------------------|------------|
| | | (Rupees in Thousand) | |
| a. | Turnover – net | 13,481,638 | 15,644,101 |
| b. | Gross Profit | 877,920 | 4,106,794 |
| c. | Profit before Tax | 275,451 | 3,458,842 |
| d. | Net profit for the period | 271,807 | 2,440,274 |
| e. | Earnings Per Share (EPS) * | 0.20 | 1.77 |

* (Rs. in thousands except EPS)

6. **Production Performance.** The production statistics of Company, for this period as compared to the corresponding period last year, are as under:-

| S/No | Particulars | 2019-20 | 2018-19 |
|------|---------------------------|-----------|-----------|
| a. | Cement Production (Tons) | 2,373,866 | 2,244,581 |
| b. | Clinker Production (Tons) | 2,207,107 | 2,107,360 |

7. **Future Outlook**

- The slide in the cement prices as witnessed in the last six months continued in the 3rd quarter as well with prices going even below costs.
- During this quarter the country has come to a complete stand still due to the outbreak of the Covid 19 pandemic and the steps taken to ensure safety of the people of Pakistan, something which has badly hurt the industry and businesses. It will be a while after which we will be able to take stock of the Economic situation and assess the true impact it has had on an already slow growing economy.
- Some of the specific impacts it had on cement business is the abrupt stoppage of dispatches due to non-availability of transport and closure of most of the projects and markets. The dispatches to Afghanistan, our main export market, came to a complete halt with the closure of the Torkhum border, which continues to remain closed. This forced us to partially shutdown the Lines of production and meet limited requirement from existing clinker stock. Lately in the last two weeks, the situation has slightly improved for domestic dispatches in the backdrop of Government's incentive package for the Construction industry. We at FCCL feel that if present level of epidemic does not surge and the recently announced incentives by the Government of Pakistan to restart construction Industry materialise, the economic activity will improve with positive impact on sales of 4th quarter.
- We would like to assure all stakeholders/shareholders that the company continues to be financially stable and is able to meet all its financial commitments in these testing times and look forward for better times ahead.

8. **Acknowledgement.** Directors express their appreciation to the Financial Institutions that extended assistance in financing to the Company. Efforts of Company employees, staff and management also merit acknowledgement for their devotion and hard work.

On behalf of the Board of Directors



Waqar Ahmed Malik
Chairman FCCL Board
 Rawalpindi
 20th April 2020



Lt Gen Muhammad Ahsan Mahmood
 HI(M), (Retd)
Chief Executive & Managing Director