FAUJI CEMENT

BUILDING A SUSTAINABLE TOMORROW

FAUJI CEMENT COMPANY LIMITED

2023

ANNUAL REPORT

BUILDING A SUSTAINABLE TOMORROW

In the realm of cement production, Fauji Cement Company Limited doesn't just manufacture cement; it strives to build a sustainable tomorrow. Beyond the traditional horizons of the industry, Fauji Cement has embraced an eco-conscious vision. Through innovative investments in green energy, such as waste heat recovery and solar initiatives, the company sets the stage for a brighter, more sustainable future.

As the Company lays the groundwork for tomorrow's growth, FCCL does so with a pledge to preserve the environment for generations to come. This annual report cover encapsulates FCCL's journey - a journey of building, of growing, and of pioneering sustainability.

About this Report

The Annual Report is designed to assist the readers to have a better understanding of the different aspects of our business by providing information detailing the Economy in general and Cement Industry in particular, company's performance in the outgoing year, and the outlook of the next year. It encompasses the financial analysis, overview of governance, risk management framework & strategy, and resource allocation. The report also includes a comprehensive explanation of our business model supported by inputs, capitals invested, outputs, and outcomes. This report incorporates all core content elements of the Integrated Reporting Framework. This report is divided into the following sections:

- Organizational Overview and External Environment
- Strategy and Resource Allocation
- Risks and Opportunities
- Sustainability and Corporate Social Responsibility
- Governance
- Analysis of Financial information
- Business Model
- Disclosure on IT Governance and Cybersecurity
- Future Outlook
- Stakeholders Relationship and Engagement
- Striving for Excellence in Corporate Reporting
- Financial Statements
- Shareholder information

Scope and Boundary

The report covers the period from 01 July 2022 to 30 June 2023, with the inclusion of prominent happenings during the year, with the commissioning of Brownfield Plant "Nizampur" 6500 TPD, implementation of SAP and subsequent developments from the year end to the date of this report. Audited financial statements of the respective years have been utilized in order to derive vital financial information.

Presentation of information including the Chairman's Review, CEO's Review, Directors' Report, Audit Committee's Report and the Report on Compliance of Code of Corporate Governance, complies with the Companies Act, 2017, the Code of Corporate Governance Regulations and other reputable governance practices.

External Assurance/ Reviews

Financial statements are duly audited, and the Statement of Compliance with Code of Corporate Governance is accordingly reviewed by external auditors M/s A. F. Ferguson & Co. (Chartered Accountants). FCCL will continue to strive to ensure compliance with the best practices in corporate reporting while maintaining its integrity, in order to provide truthful and authentic visibility of our business to all of our stakeholders.

We wish our readers a pleasant and informed read!

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ORGANISATIONAL OVERVIEW & EXTERNAL ENVIRONMENT

Chairman's Review

Waqar Ahmed Malik, Sitara-i-Imtiaz

Dear Stakeholders,

I would take this opportunity to welcome, Miss Maleeha Bangash, who took up the responsibility as a new independent director bringing with her valuable international perspective and domestic business insights. She is chairing the Audit Committee and newly formed ESG Committee. Here, I also express deep grief and sorrow over the sad demise of Mr. Tariq Ahmed Khan, an Independent Director on the Board due to cancer. I pray that Allah Almighty grants him an exalted place in the heavens and bless his departed soul. I would also like to record my gratitude for the late director for his invaluable contributions to the Board.

As Chairman, Board of Directors, I congratulate Fauji Cement Company Limited (FCCL) on the successful commissioning of the third line of cement manufacturing at Nizampur District Nowshera, KPK. It is a well-executed project for which the management deserves appreciation and acknowledgment.

The addition of a third line of production at the Nizampur Cement Plant would add value to the stakeholders of the Company and would ensure further job creation in this sector. The added production would also enhance our contribution to the national exchequer. The commissioning of the new cement project is a manifestation of the Fauji Foundation's resolve to grow and keep serving the noble cause of supporting the community and the families of shuhadas and veterans.

The Board highly appreciates that during the financial year under review, the company's performance on both financial and various operational parameters has been excellent. Initiatives by the management team on reducing the cost of fuel, power and taking significant steps to improve its renewable energy footprint are praiseworthy. Thereby, ensuring that Fauji Cement Company Limited was able to achieve its best ever financial results.

I am pleased to present the review of the Financial Year 2022-23 which has further fortified the position of Fauji Cement Company Limited (FCCL), consolidated its presence in the cement industry of Pakistan and in achieving its key goals. Despite the market volatility and economic challenges of the country, FCCL has continued to fulfill the promise and commitment to all our stakeholders. The Board has played its vital role in it.

> We have a strong commitment to good governance principles at the core of our operations. Our dedication revolves around upholding accountability, transparency, and ethical behavior.

At FCCL Board, we have strengthened the strong governance and legal framework that ensures compliance with applicable laws and regulations that are fundamental in achieving long-term growth and success of the company. The Board held frequent meetings during the year to review and approve business strategy, annual business plan, periodic financial statements, strategic human resource challenges and other matters requiring Board's attention. The Board has diligently fulfilled its commitment to the Company and the stakeholders.

The Board has set up several committees who are entrusted with advisory and oversight functions. Their recommendations are shared with the Board for further deliberation and decision making. They are entrusted with the tasks of strategic framework recommendation and to strengthen governance, guidance to management so as to maximize resource utilization, execution of key initiatives including assessment of investments and improving capital structure in addition to risk analysis and mitigation. The Board also contribute in governance-related areas. The valuable inputs from independent directors are considered prior to concluding critical decisions.

This year, FCCL board had formulated an ESG Committee of the Board to acknowledge the growing need and role of environmental protection and sustainability along with the social and governance aspects of the business.

Meanwhile, the Green Field cement manufacturing plant at Dera Ghazi Khan is also underway, progressing well and would be operational by the end of the year as the Board of Directors keep a vigorous eye over this project.

We have a strong commitment to good governance principles at the core of our operations. Our dedication revolves around upholding accountability, transparency, and ethical behavior. The Board's performance was independently evaluated by Pakistan Institute of Corporate Governance (PICG) which gave positive feedback on the efficacy of participation by the directors in matters concerning the Board and its Committees.

We prioritize the continuous professional development of our Directors and executives. As part of this commitment, we conducted mandatory Directors' Training Programs facilitated by PICG throughout the year.

Furthermore, your company has a record of accomplishment of its strong commitment to the improvement of society and the communities in which it operates. The Company has provided educational and vocational facilities to its related community along with meeting the basic healthcare needs in its area of operations. Moreover, the Company has maintained its focus on a 'Carbon Free Pakistan' as part of its green initiatives including the use of solar power projects, waste heat recovery plants, and carrying out extensive plantations.

On behalf of the Board of Directors, I would like to express my particular appreciation to all the stakeholders for their continued support, valued input and confidence in the Board. I would also like to thank and appreciate the professional commitment and efforts of CEO and the management for implementing the Board's vision successfully.

I am honored to be part of this journey of corporate success as we strive for exceptional performance, seize opportunities, and deliver sustainable growth. Our commitment to professional excellence, responsible practices, and innovation will ensure that we remain a leading player in the cement sector.

I want to assure you that the Board will continue to play its role to safeguard your interest and lead the Company to a long-term sustainable value creation for all stakeholders.

Waqar Ahmed Malik, Sitara-i-Imtiaz
Chairman FCCL Board of Directors
Rawalpindi
29 August 2023

Chief Executive / Managing Director's Review

Dear Stakeholders,

I am honored and privileged to present the review of the recently concluded financial year, which bears witness to Fauji Cement Company Limited (FCCL)'s continued pursuit of business growth and value creation while maintaining its prestigious position. Our aim is to further enhance our role in the industry as one of the top cement companies in the country.

The transformation journey which started in 2020 on capacity enhancement, cost reduction initiatives and increasing Captive Green Energy etc has now started to pay dividends despite of unpreceded economic challenges. This is evident from our impressive financial performance in terms of revenue and profit. In the Financial Year under review, FCCL demonstrated a strong financial performance, attaining a profit after tax of Rs. 7.4 Billion compared to last year's Rs. 7.1 Billion. This is despite the retrospective imposition of Super Tax having impact of Rs. 1.9 Billion. FCCL was a significant contributor to the exchequer and paid an amount of Rs. 25,305 Million in terms of duties and taxes during FY 23. Financial year 23 has been challenging for businesses due to all time high Inflation and Interest rates which saw a drop in consumer demand, negatively affecting the industry. The cement industry saw a demand decline of 16% as construction activities decreased in both the northern and southern regions of the country.

Despite the tough environment, FCCL remained committed to its growth strategy, and by the grace of Allah (SWT), it successfully commissioned its 6500 TPD expansion project at its Nizampur site. This project includes state-of-the-art emissions control features and a Waste Heat Recovery Power Plant, which emphasizes our commitment to making Pakistan green. The project was successfully commissioned in a record time of 18 months and within budget. This makes Fauji Cement the 3rd largest Cement Producer in Pakistan

Looking ahead, the long-term businesses fundamentals remain unaltered, and cement will continue to play a key role in determining the concrete future of the nation. The company is fully focused on its Green Field Project in D.G. Khan, which will help to expand its market reach in Southern Punjab, Balochistan and Sindh by exploring new markets. The project is expected to be completed by 2nd Quarter of FY 24.

I am pleased to share that in FY 23 we launched Fauji Tile Bond, as our new product. With its excellent bonding qualities and suitability for various substrates, it offers a versatile choice for both residential and commercial buildings.

On the technology front, we have successfully implemented SAP, a comprehensive enterprise resource planning (ERP) system, across our Company, and all our workforce has been proficiently trained in using SAP.

As a responsible entity, FCCL is dedicated to maintaining its core values of Health, Safety & Environment and continuous efforts to manage its environmental impacts. We remain committed to contributing to the global cause of environmental sustainability by reducing greenhouse gas (CO2) emissions during our operations, improving our renewable energy portfolio, and conducting massive tree plantation campaigns. The Company won various Environmental awards during this year.

FCCL has been a trend setter in renewable energy in the Pakistani cement sector, with boosted capacity in our Captive Solar Power Plants to 40.1 MW, increasing our net clean renewable energy production to 60,180 MWH/year. This will approximately reduce 31,522 tons of CO2 emissions annually. Additionally, we own and operate five high-performance WHRPPs with a combined capacity of 52.5MW at all our cement plants, minimizing CO2 emissions by approximately 120,000 tons annually. During optimal generation, both these clean energy sources can contribute 57 % of our total need.

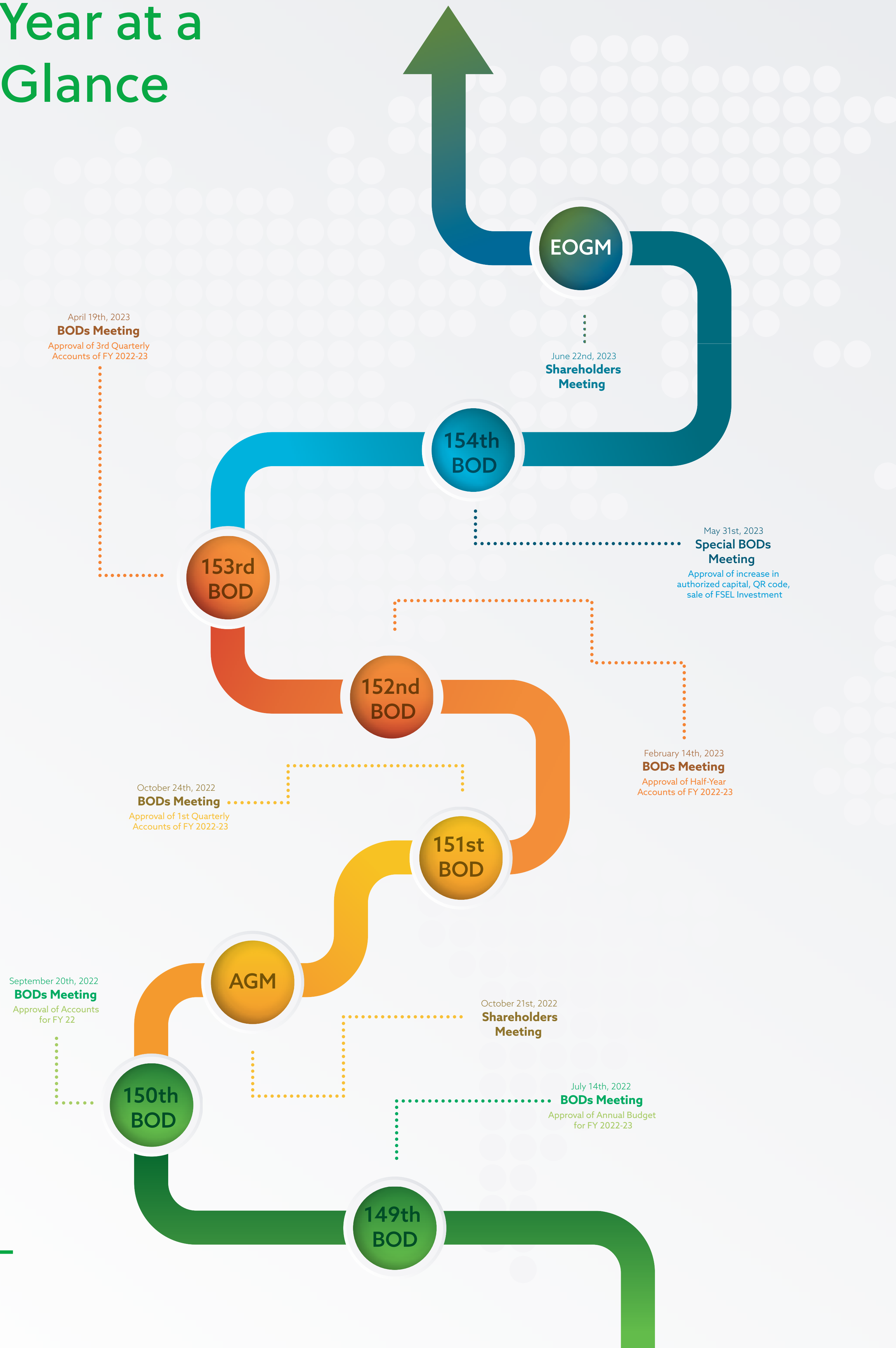
Striving for sustainable growth, FCCL has planted over 130,000 trees and distributed more than 170,000 plants in local villages, government schools, and offices, encouraging tree plantation across all three plant locations. These tree plantation drives will reduce approximately 7800 tons of CO2 per year.

We also recognize our obligation to take care of the nearby communities where our plants are located, and we proactively engage in CSR initiatives to promote health, education, environmental sustainability, and women's empowerment in these areas. The construction of the Greenfield Cement Manufacturing Plant at D.G. Khan has opened new prospects for CSR initiatives, focusing on vocational training, community solarization, education, healthcare, employment opportunities, and environmental sustainability. We are committed to play our part in changing the lives of the surrounding communities.

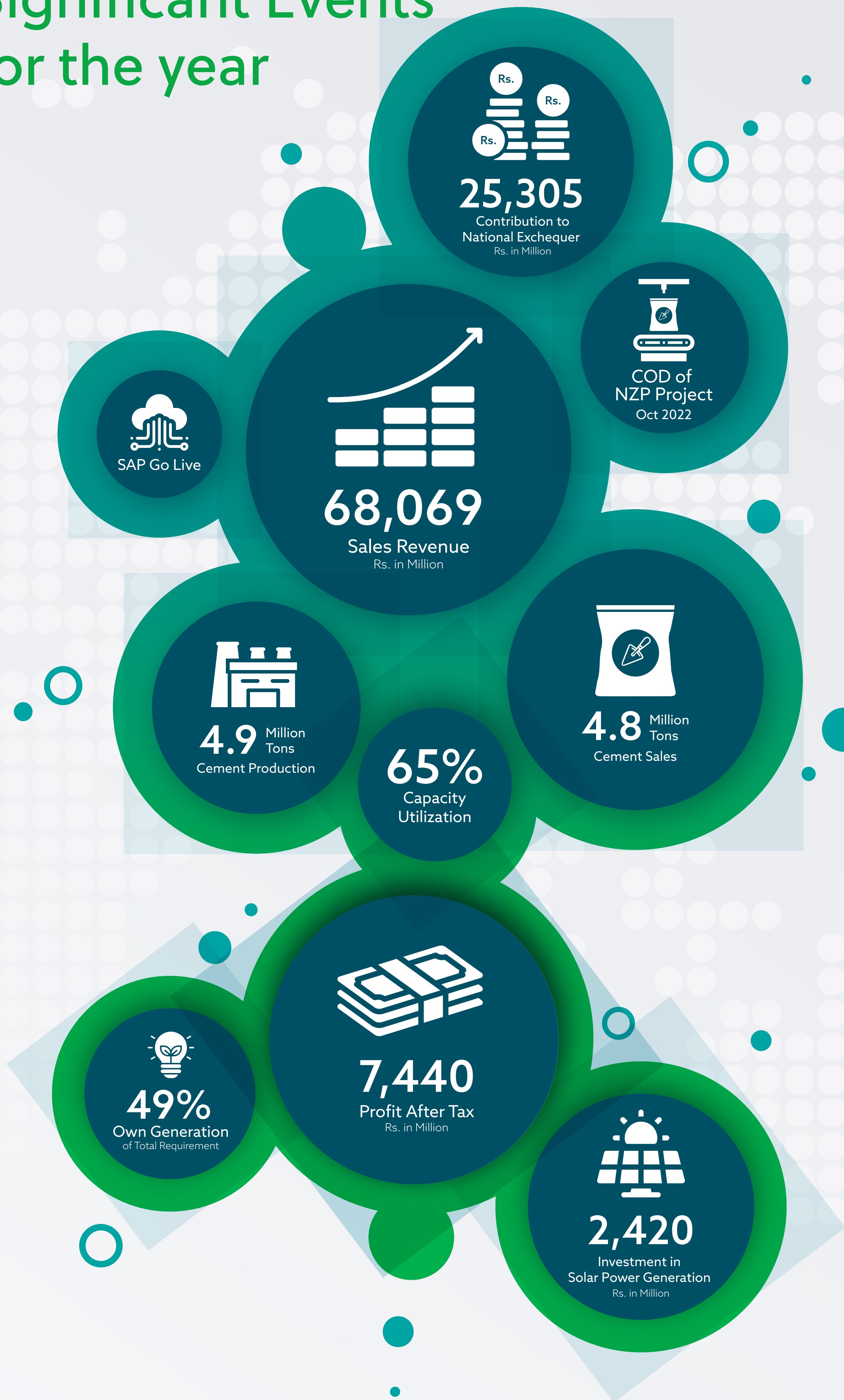
In conclusion, I would like to assure our esteemed stakeholders that we will continue to work diligently, leveraging innovative ideas for the betterment of our company and the country in another successful year ahead. Lastly, I extend my appreciation and gratitude to all our stakeholders on behalf of the management for their unwavering support and confidence in us. I would also like to express my sincere gratitude to the honorable Chairman and Board of Directors for their invaluable guidance and direction. I am confident that our company is well-positioned for the future, and with our perseverance and devotion, we will continue to grow and succeed in achieving our goals.

Qamar Haris Manzoor
CEO/MD FCCL
Rawalpindi
29 August 2023

Year at a Glance



Significant Events for the year



Geographical Locations

Business Units	Address
Head Office	Fauji Towers, Block III, 68 Tipu Road, Chaklala, Rawalpindi.
Marketing	4th Floor, AWT Plaza, The Mall, Rawalpindi.
Plants	Near Village Jhang Bahtar, Tehsil Fateh Jang, District Attock. Near Wah Railway Station Tehsil Taxila, District Rawalpindi. Nizampur (Village Kahi) District Nowshera. Mauza Shadan ,Lund Chak Ladan Tehsil, District Dera Ghazi Khan.

Our Markets

Principal Activity

Principal activity of the company is manufacturing and sale of different types of cement. The brands are approved on all major hydro power projects and are one of the most preferred among domestic consumers.

Local Market

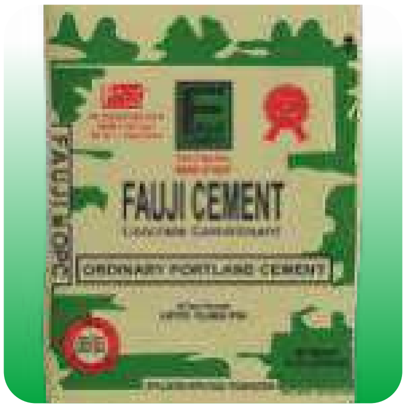
Company's customer base is divided in two main categories: -

- Dealers
- Projects

Company has a wide network of dealers across Pakistan, mainly, based in the Northern and Central regions. Main portion of local dispatches are made through the aforesaid dealers network. Dispatches to projects are mostly made directly across the country.

Export Market

Primary export market of the company is Afghanistan owing to the location of the plants. During the year, 9% of total dispatches were made to Afghanistan.



Ordinary Portland Cement (OPC) 01

- High early and compressive strength (28 Days) up to 10,000 PSI
- Pure composition of 95% clinker and 5% gypsum
- Very little loss on ignition and low insoluble residue
- Suitable for general construction, reinforced concrete structures, high rise buildings, pavements and pre-cast members
- Long lasting and durable

Sulphate Resistant Cement (SRC) 02

- Highly effective against sulphate and chemicals
- Effective against salt contamination
- Improves durability of concrete
- Improves resistance of concrete when used in water logged and saline areas
- Useful for basements, foundations, sewerages and pipes
- High compressive strength (28 Days) 9,500 PSI

Low Alkali Cement (LAC) 03

- High quality Alkali-Silica resisting cement, effectively reduces possible damage due to Alkali aggregate reactions
- Useful for dams, airports, retaining walls

Our Products

The Company produces premium quality Fauji and Askari brands with variety of product line like Ordinary Portland Cement (OPC), Low Alkali Cement (LAC), Sulphate Resistant Cement (SRC), Low Heat of Hydration Cement (LHC) and Pamir Cement/ Portland Composite Cement (PCC/ Green Cement). During the year, the Company launched Fauji Tile Bond, as our new product . To ensure top quality of its products, fully equipped laboratory with latest/ state of the art equipment has been established, which completely meets national and international standards.

ASKARI AC CEMENT

ORDINARY PORTLAND CEMENT (OPC) 01

04 Pamir Cement (Green Cement)

- Environment friendly
- High quality and cost effective
- General purpose cement
- Best for masonry, plastering and flooring

05 Low Heat of Hydration Cement (LHC)

- Extremely useful for mass concrete structures, large gravity dams, hydro power projects
- Effective for submerged and semi submerged structures including marine concrete works heavy retaining walls, roads, and chemical plants

06 Fauji Tile Bond

- Ready and easy to use
- High bonding strength
- Perform in all weather conditions
- No pre-soaking required
- Suitable open time
- Control slippages
- Nontoxic material

FAUJI CEMENT

02 SULPHATE RESISTANT CEMENT (SRC)

03 LOW ALKALI CEMENT (LAC)

04 GREEN CEMENT

Vision

To be a role model cement manufacturing Company, benefiting all stakeholders and fulfilling corporate social responsibilities while enjoying public respect and goodwill

Mission

FCCL while maintaining its leadership position in quality of cement maximizes profitability through reduced cost of production and enhanced share in domestic and international markets

Ethics & Code of Conduct

01 Corporate Responsibility

The key to corporate integrity lies with all of us. Everyone has a responsibility to uphold dedication to corporate ethics on daily basis. We all must:-

- Know and follow this code in letter and spirit.
- Know and comply with our professional obligations.
- Take responsibility of own conduct.
- Report violations of this code to management appropriately.

This statement defines broad corporate values that shape our business practices.

02 Legal / Compliance Obligations

The activities and operations of Fauji Cement Company will be carried out in strict compliance with all applicable laws and the highest ethical standards. Meeting our legal obligations and cooperating with local, national and international authorities lay a solid foundation for the corporate values. As individuals, employees must strive to be aware of and understand laws applicable to our business and area of responsibility.

03 Corporate Records

Company documents and records are part of the Company's assets and employees are charged with maintaining their accuracy and safety. Employees are required to use excellent record-management skills by recording information accurately and honestly and retaining records as long as necessary to meet business objectives and government regulations. Financial records must accurately reflect all financial transactions of the Company. No false, artificial or misleading entries shall be made in the books and records of the Company for any reason.

04 Confidentiality

Every employee is obligated to protect the Company's confidential information. All information developed or shared as a result of the business process is proprietary to the Company and must be treated as confidential.

05 Integrity and Honesty

Corporate integrity and honesty is the foundation of our business conduct code. By maintaining the highest level of corporate integrity through open, honest, and fair dealings, we earn trust for ourselves and from everyone with whom we come into contact. Our employees, holding the trust of the Company, are expected to uphold the highest professional standards.

06 Conflict of Interest

A conflict of interest exists when a personal interest or activity of an employee influences or interferes with employees' performance of duties, responsibilities or loyalties to the Company. All employees must avoid any personal or business influences or relationships that affect or appear to affect their ability to act in the best interests of the Company.

> **"It has been said that the essence of a successful and visionary Company is the ability to preserve its core values and to stimulate progress. Corporate ethics are the practice of our shared values. These shared values define who we are and what we can expect from each other. It is a code which applies to all employees and conforms to generally accepted best practices.**

07 Respect for People and Team Work

We are dedicated to dignity and respect and we owe nothing less to each other. This high level of respect for one another enters into every aspect of our dealings with colleagues and those with whom we come into contact on each working day and reflects greatly on how our corporate culture is perceived. We know it well that none of us acting alone can achieve success.

08 Safety and Health

We all are responsible for maintaining a safe workplace by following safety and health rules and practices. We are responsible for immediately reporting accidents, injuries, and unsafe equipment, practices or conditions to a supervisor or other designated person. We are committed to keep our workplace free from hazards.

09 Corporate Image

Company's reputation and identity are among the Company's most valuable assets. As part of keeping and furthering the corporate image, we believe in conducting business legally, morally and ethically and in sharing the success that business brings. All employees, particularly those in management, are expected to conduct themselves in a manner that reflects positively on the Company's image and identity, both internally and externally. No one should act in a way, or make any statement, that adversely affects the reputation or image of the Company with employees, customers or the community at large.

10 Unauthorized Use of Corporate Assets

Every employee is obligated to protect the assets of the Company. Company property such as office supplies, production equipment, products and buildings may not be used for personal reasons. Expenses may not be charged to the Company unless they are for Company's business.

11 Dedication to Quality

Our quality policy is an integral part of our business philosophy and we are committed to provide total customer satisfaction. We are committed to public for the supply of best quality Cement that fully conforms to the specifications and meets the customers' needs and expectations.

12 Stakeholders

Stakeholders are valuable partners for us with whom a long-term, fair and trustworthy relationship should be built and maintained with appropriate information disclosure. Shareholders own the Company. On the basis of their entrustment, we will exert our best efforts to protect their investment value and to maximize their benefit.

Core Values

Financial Responsibility

We ensure that the resources entrusted to us are utilized with utmost diligence and efficacy to achieve the best possible outcome.

Citizenship

We are committed to the wellbeing of the communities in the vicinity of our business, ensuring the highest standards of ethical conduct & environmental responsibility, and maintaining open discourse with the people and resources entrusted to us.

Accountability

We believe in excellence. Our leaders set clear goals and expectations, provide support, and encourage two-way feedback in return for performance and results of an elite caliber.

People

Our success is carved out by the collaboration of competent individuals, working in a safe and healthy environment that encourages and recognizes diversity, development, and teamwork.

Customers

We value our customers and as such, strive to improve our products to meet their needs and expectations based on feedback.

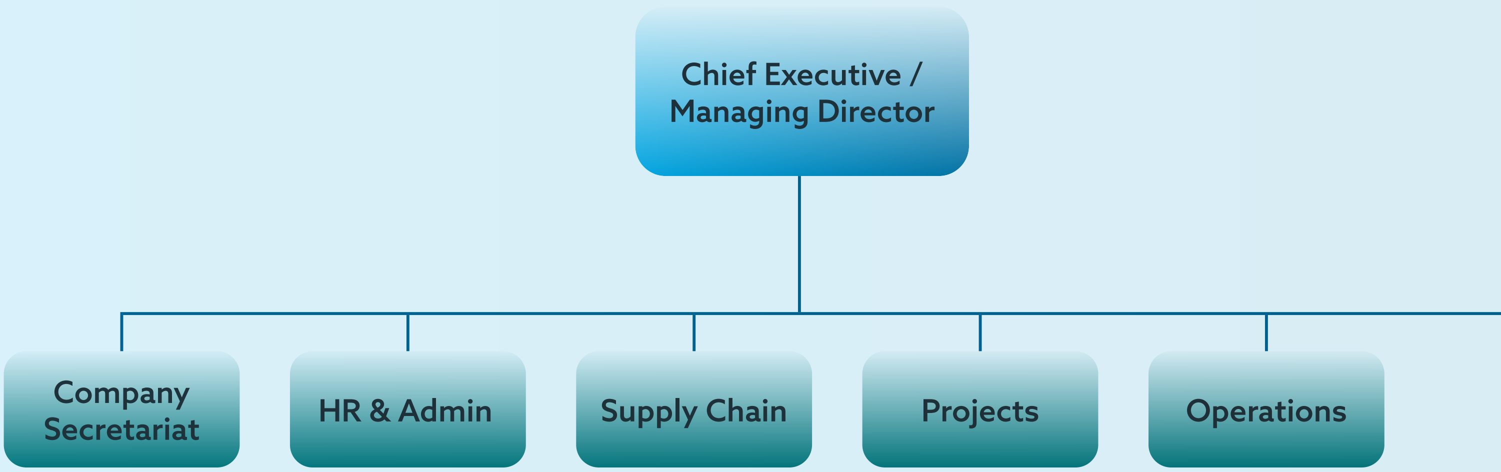
Operating Structure, Ownership & Relationship with Group Companies and Number of Counteries in which the Company Operates

Operating Structure

The Company follows a functional vertical structure, where specialized departments are formed to perform different business functions. The employees in every department report to their respective managers/ department heads, and the department heads report to the Chief Executive Officer. The Board of Directors is responsible for setting the overall direction of the Company.

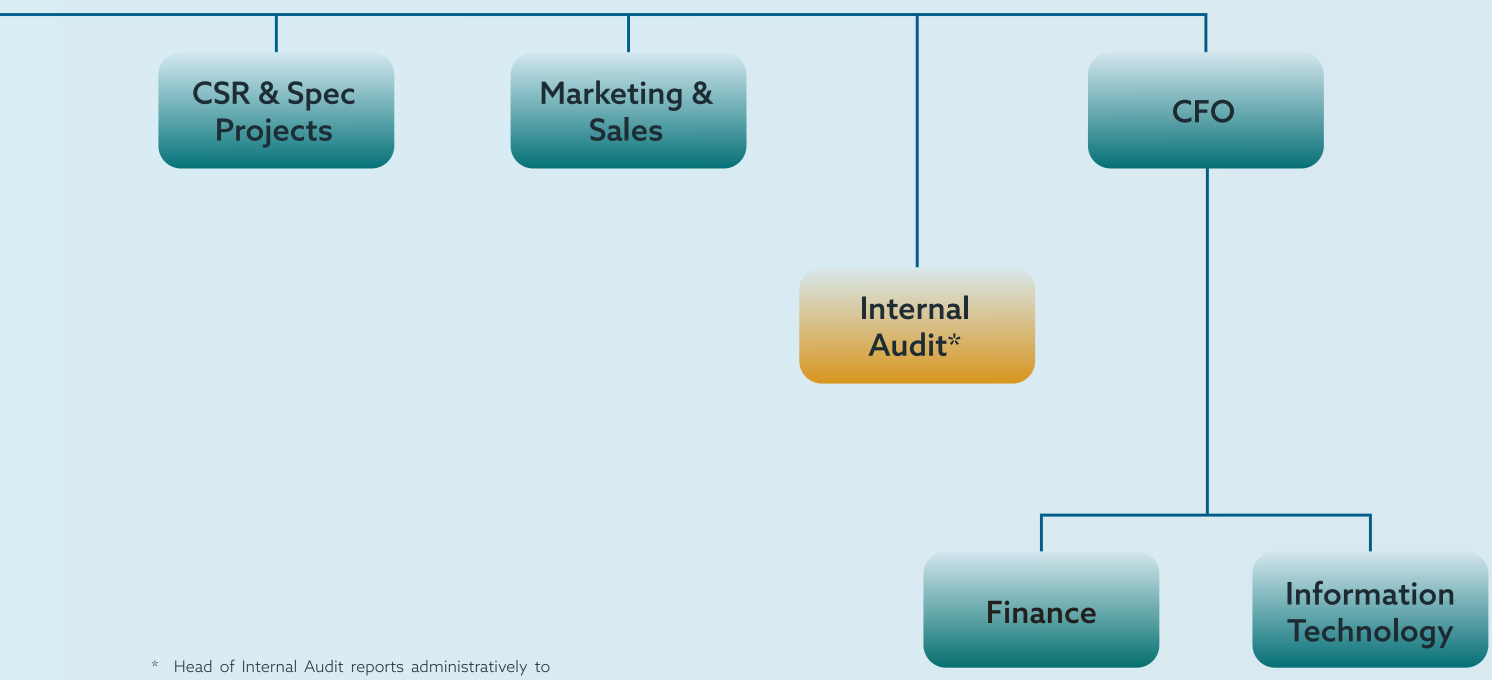
Country of Operations

The manufacturing facilities of the Company are situated only in Pakistan. Exports are made only to Afghanistan through dealer network. Company imports spares from different countries.



Ownership and Relationship with Group Companies

Fauji Cement Company Limited is a public listed Company. The shares of the Company are traded on Pakistan Stock Exchange. Fauji Foundation holds 61.65% shareholding in the Company. The details of shareholding are given in the Pattern of Shareholding section of this report. Being a Listed Company, we maintain Arm's Length relationship with associated companies. Company doesn't have any subsidiaries.



* Head of Internal Audit reports administratively to CEO and functionally to Audit Committee

Our Journey

1993
Incorporation of FCCL as public limited company

1997
Listing on all three stock exchanges of Pakistan

Start of plant operations (3,000 tpd clinker production capacity European cement manufacturing line) (Line I)

2005
Conversion of fuel from Furnace oil to Coal - Installation of 30 tph Coal Plant

2006
BMR to Increase clinker production capacity from 3,000 TPD to 3,700 TPD

2008
Commissioning of 5.4 MW dual fuel captive power plant

2010
Commissioning of 16.3 MW dual fuel Wartsilla power plant

2012
Commercial production of 2nd Line of 7,200 TPD clinker capacity of European origin

2015

Commissioning of 12 MW Waste Heat Recovery Power Plant (WHRP) on Line-II

2018

Capacity enhancement of Line-II from 7,200 TPD to 7,600 TPD

Commissioning of 9MW Waste Heat Recovery Power Plant (WHRP) on Line-I

2019

Commissioning of 12.5 MW Solar Power Plant

2020

Commissioning of 2.5 MW Solar Power Plant

Shared services arrangement with Askari Cement Limited

2021

Announcement of Greenfield project at DG Khan and Brownfield at Nizampur

Commissioning of 2.5 MW solar power plant

2022

Amalgamation of ACL with and into FCCL

Commissioning of 2.5 MW Solar Power Plant with total of 20MW

Launching of New Product by the name of Tile Bond

2023

Commissioning of Nizampur Brownfield Plant in 18 Months

Commissioning of Solar Power Plants at Wah and Nizampur, bringing total solar capacity to 40 MW

Implementation of SAP

Highest ever profit in Company's History

SWOT Analysis

Strengths

- Trusted and renowned Quality driven brand in Pakistan's cement industry.
- Preferred in projects both private and public due to its specialized products, fetching a premium price and ensures optimal capacity utilization.
- Enhanced Production Capacity at multiple locations giving it more flexibility to operate State-of-the-art, energy-efficient production lines of European/Chinese Hybrid Technology.
- Captive multi-fuel/renewable energy generation power plants (Solar, Waste Heat Recovery and Multi Fuel generators).
- Environmentally responsible corporate entity as evident from its investment in eco-friendly developments such as green energy generation, emission control equipment and water conservation through rain harvesting and surface water usage.
- Well trained, motivated and dedicated workforce with a very low turnover rate.

Weaknesses

- Operating in a highly taxed (direct and indirect) sector in the country that has a direct bearing on demand.
- Plant locations mostly in the North of the Country make it uncompetitive for exports by Sea.

Opportunities

- Significant growth opportunities in the domestic market due to Pakistan's low per capita cement consumption, growing population and increasing urbanization.
- Continuous Government spending on infrastructure development and hydropower projects including major dams.
- Cost rationalization through innovation and process efficiencies.

Threats

- Continuous pass on of increase in input costs to consumers with ever-high cement prices effects demand.
- Rising input costs due to the increase in Power, coal and other fuel prices, as well as the devaluation of PKR.
- High general inflation rate with highest ever construction material costs impacting the construction activity.
- All time High interest rates translate into high finance cost.

Profile of Directors

Mr Waqar Ahmed Malik, (Sitara-i-Imtiaz)
Chairman

Mr. Waqar Ahmed Malik is a fellow memeber of the Institute of Chartered Accountants in England and Wales and is also an alumnus of the Harvard Business School and INSEAD.

Earlier, his career with The ICI Plc Group based in the UK spanned over 27 years and then later with Akzo Nobel N.V. based in the Netherlands.

He is the former Chief Executive Officer of ICI Pakistan Limited and also the former Chief Executive Officer and Chairman of Lotte Pakistan Limited (formerly Pakistan PTA Limited). During his career with ICI and AkzoNobel, he worked in Europe and America in Corporate Finance and Strategy.

Mr. Waqar Ahmed Malik joined Fauji Foundation as the Managing Director and Chief Executive Officer on 9th April 2020.

Presently, he is serving as Chairman on the Boards of following Fauji Group Companies:

- Mari Petroleum Company Limited
- Fauji Fertilizer Company Limited
- Fauji Fresh n Freeze Limited
- Fauji Cement Company Limited
- Askari Bank Limited
- Fauji Akbar Portia Marine Terminal Limited
- Fauji Trans Terminal Limited
- Fauji Oil Terminal & Distribution Company Limited
- Daharki Power Holdings Limited
- Fauji Infraavest Foods Limited
- Foundation Power Company Daharki Limited
- Fauji Kabirwala Power Company Limited
- Fauji Fertilizer Bin Qasim Limited
- FFBL Power Company Limited
- Fauji Foods Limited

He is also the Chairman of Pakistan Oxygen Limited (formally Linde Pakistan, a subsidiary of Linde AG) acquired by Adira Capital Holdings (Private) that he cofounded, Director on the board of Rafhan Maize Products Company Ltd and on advisory board of Jazz Pakistan (Veon).

Earlier, Mr. Malik also served on the following prestigious boards:

- Chairman (Non-Executive & Independent) - Pakistan Petroleum Limited
- Director (Non-Executive & Independent) - Engro Corporation Limited
- Director – State Bank of Pakistan
- President – Overseas Chamber of Commerce & Industry (OICCI)
- President – Management Association of Pakistan (MAP)
- Director – Pakistan Business Council (PBC)
- Trustee – I-Care Foundation
- Director (Non-Executive & Independent) - Standard Chartered Bank Pakistan Limited

Mr. Malik is also a member of the visiting faculty of Pakistan Institute of Corporate Governance, Former Member of Board of Governors of Lahore University of Management Science (LUMS) and Former Member of Board of Indus Valley School of Arts.

A trustee of Duke of Edinburgh Trust Pakistan, he was awarded Prince of Wales Medal as a Trustee of the Prince of Wales Pakistan Recovery for the Flood Victims in 2010. Furthermore, he was also awarded with “Sitara-e-Imtiaz” in 2022 for his efforts towards the economy, public service and social welfare.

Mr Qamar Haris Manzoor
CEO & MD

Qamar Haris Manzoor has done his Masters in Chemical Engineering from US and holds over 37 years of experience in plant and project management. He started his career with ICI managing its Soda Ash Plant operations. He also worked on ICI's polyester plant in Pakistan in the Plant Operations and also held senior positions in Operation at Exxon Chemical Pakistan Ltd at their Fertilizer Plant. He also worked at ICI's PTA Plant as Director Manufacturing and managed various aspects of plant i.e. from Commissioning, Operations Management, Process Engineering, Project Engineering, HSE and other improvement projects. He has also been a technical advisor of Lotte for its growth strategies in Pakistan and contributed in setting up 48 MW Cogen Plant at Lotte's PTA Plant.

He then took over the role of Chief Executive Officer of El Paso Technology Pakistan Ltd and Chief Operating Officer of Habibullah Coastal Power Company. HABIBULLAH COASTAL POWER COMPANY (HCPC) is located in Quetta, Baluchistan. HCPC operates a combined cycle gas fired power plant with a design capacity of 140 MW. EL PASO TECHNOLOGY PAKISTAN LIMITED (EPTP) provides technical and managerial services to HCPC and also are the Operations and Maintenance Contractors of HCPC. EPTP also is responsible to Identify opportunities for growth in Power and Chemical sectors. This requires carrying out market studies, due diligence both financial and technical and presenting it to shareholders. He was also responsible to manage relationships with Government, regulators, Lenders and stakeholders to ensure smooth function of the business.

He also took the additional responsibility of Chief Executive Officer of Hawa Energy Limited, a 50 MW wind project. He successfully concluded the key contracts for the project and maintained liaison with regulators and relevant ministries/ government bodies to ensure timely approvals for the project to achieve Financial Close on time. Subsequently, he oversaw the project construction to ensure it's on cost and on time delivery. In his previous job, he worked as Chief Operating Officer of Naveena Group's Energy and Steel Projects. He played a leadership role to develop a green field project under the name of Naveena Steel Mills (Pvt) Ltd for a 300,000 TPA steel rebar plant at Port Qasim, Karachi. He also led the development of Lakeside Energy Pvt Ltd, a 50 MW wind project at Jhampir, Sindh, and was responsible to achieve financial close of the project along with securing the required regulatory approvals and conclusion of EPC contracts.

He took over as MD and CEO of Fauji Cement and Askari Cement in June 2020 and is responsible to spearhead cement portfolio of Fauji Foundation.

He also serves as Director on the boards of FFBL, FPCL, FPCDL, FKPCL and FFCEL.

Profile of Directors

Dr Nadeem Inayat

Non-Executive Director

Dr. Nadeem Inayat holds a Doctorate in Economics and has over 38 years of diversified exposure in corporate sector. He has vast experience in corporate governance, policy formulation, project appraisal, implementation, monitoring & evaluation, restructuring, mergers and acquisitions. He also has conducted various academic courses on Economics, International Trade and Finance at reputable institutions of higher education in Pakistan. He is also a lifelong member of Pakistan Institute of Development Economics (PIDE).

He is on the Boards of following entities:

Public Listed Companies

- Fauji Fertilizer Company Limited. (FFC)
- Fauji Fertilizer Bin Qasim Limited. (FFBL)
- Askari Bank Limited. (AKBL)
- Mari Petroleum Company Limited. (MPCL)
- Fauji Foods Limited. (FFL)
- Hub Power Company Limited. (HUBCO)
- Fauji Cement Company Limited. (FCCL)

Non-Listed Companies

- Pakistan Maroc Phosphore, S.A Morocco (PMP)
- Fauji Oil Terminal & Distribution Company Limited. (FOTCO)
- Fauji Trans Terminal Limited. (FTTL)
- FFBL Power Company Limited. (FPCL)
- Fauji Meat Limited. (FML)
- Fauji Akbar Portia Marine Terminals Limited. (FAP)
- Fauji Infraavest Foods Limited. (FIFL)
- Fauji Kabirwala Power Company Limited. (FKPCL)
- Foundation Power Company Daharki Limited. (FPCDL)
- Daharki Power Holding Limited. (DPHL)
- Fauji Fresh n Freeze Limited. (FFFL)
- Foundation Wind Energy Limited. (FWEL I & II)
- FonGrow (Private) Limited.
- Foundation Solar Energy (Pvt) Limited. (FSEL)

Major General Naseer Ali Khan, HI(M)(Retd)

Non-Executive Director

Major General Naseer Ali Khan (Retd) was commissioned in The First (Self-Propelled)

Medium Regiment Artillery (Frontier Force) in 1983. He is a distinguished graduate of National Defence University Islamabad, US Army War College, French War College, Command and Staff College Quetta and School of Artillery Nowshera. He has three Masters and an M. Phil Degree (Public Policy and Strategic Security Management) to his credit.

During his illustrious military career, he held various prestigious Command, Staff and Instructional assignments, including BM of Infantry Brigade, Command of two Self-Propelled Artillery Regiments and Instructor at Command & Staff College Quetta and National Defence University Islamabad. He also served in Military Operations Directorate, GHQ on a key position. He commanded a Divisional Artillery and an Infantry Brigade in Operation Al-Mizan in South Waziristan. Later, on the promotion to the rank of Major General, he served in HQ Southern Command as Chief of Staff, commanded an Infantry Division and served in Joint Staff Headquarters as Director General and Advisor. He has broad exposure to Strategic Stability & Security issues and an extensive experience of executing tasks related to Strategic Management, Corporate Governance, Productivity Enhancement, Academic Research & Policy Development, Operational and Logistic Planning, Analytical Optimization, Training & Capacity-Building and Monitoring & Evaluation. He was awarded Hilal-e-Imtiaz (Military) by the Government of Pakistan in 2015.

He holds directorship on the Boards of following companies along with Fauji Cement Company Limited:

- Fauji Fertilizer Company Limited (FFCL).
- Dharki Power Holding Limited (DPHL).
- FonGrow Limited.
- Member Board of Governors Foundation University Islamabad.

Mr Syed Bakhtiyar Kazmi

Non-Executive Director

Mr. Kazmi is a fellow chartered accountant with over 35 years of experience in a diverse range of sectoral and functional strata within national and regional economies. The key areas of his specialization are fiscal policy and macroeconomic research, greenfield and brownfield projects, strategic collaborations, mergers and acquisitions, outliers in accounting and finance, strategic level audit and assurance, tax reforms and strategic level advisory.

He holds directorship on the Boards of following companies along with Fauji Cement Company Limited:

- Askari Bank Limited.
- Fauji Kabirwala Power Company Limited.
- Daharki Power Holding Company Limited.
- Fauji Oil Terminal & Distribution Company Limited.
- Fauji Trans Terminal Limited.
- Fauji Akbar Portia Marine Terminals Limited.
- FFC Energy Limited.
- Fauji Fertilizer Company Limited.
- Foundation Power Company Daharki Limited.
- Fauji Fertilizer Bin Qasim Limited.
- Foundation Solar Energy (Pvt) Limited.
- Fauji Foods Limited.
- Foundation Wind Energy-I & II Limited.
- Fauji Fresh n Freeze Limited.
- Fauji Infraavest Foods Limited.
- Olive Technical Services (Pvt) Limited.

Mr Kazmi served KPMG for 35 years; his rigorous exposure to a diverse range of sectors and projects enabled him to conceive and culminate strategic value additions for his clients. He successfully implemented a comprehensive service delivery framework that ensures quality assured service provision to KPMG's clients. As an auditor and an advisor, Mr. Kazmi successfully delivered best-in class and integrity driven services and branched into macroeconomic research with a focus on contributing towards fiscal and regulatory policies of Pakistan.

He has served on a number of diverse forums / boards in the Private Sector, Public Sector & Civil Society Organization. As a thinker, he actively spreads his thoughts and ideas through his articles on national economics, business and taxation matters and issues, regularly published in reputable dailies.

Mr Sami Ul Haq Khilji

Independent Director

Mr. Sami Ul Haq Khilji is a retired Federal Secretary to the Government of Pakistan. He joined the Fauji Cement Company as Independent Director on 16 September 2020.

He brings with him his diverse and rich experience in the field of Commerce, Infrastructure Development, Public Administration, and Human Resource Limited. His Illustrious career in public service spans over thirty years. Mr. Khilji brings expertise in Development, Criminal Justice, Financial Management, Internal Controls, Banking, Transport Planning, and Public Policy to the FCCL Board.

As a member of the prestigious District Management Group (DMG), Mr. Khilji has admirably represented Pakistan in multinational and bilateral fora such as the United Nations, the World Bank, and various Climate Change Protocols. Regional Transport Agreements and strengthening economic cooperation between Pakistan and Allied Nations.

In terms of academic achievement, he holds a Master's degree in Development Economics from the University of Wisconsin, USA, in addition to a Master's in Sociology from the University of Punjab, Pakistan. His areas, Corporate Finance, Organization Behavior, and Policy of Specialization include, but are not limited to, Project Management Foundation.

Presently, Mr. Khilji serves as an Independent Director for Sindh Madorrba, and Cnergyico Pvt Ltd., an Oil Refinery Company.

Profile of Directors

Ms. Maleeha Bangash

Independent Director

Ms. Maleeha Bangash is a recognized Banking & Financial Industry expert, with a rich experience of more than 25 years obtained in Singapore, Turkiye and Pakistan primarily in Banking & Financial Services.

Ms. Bangash obtained her MBA from the University of Chicago, Booth School of Business, in Investment & Finance, where she graduated with Honors. Earlier, she had obtained an MBA from the Lahore University of Management Sciences, in Finance & Marketing.

She brings 18 years of leadership/ C-Suite experience in Corporate & Investment Banking. Further, she has served a term as an anti-trust Regulator and has been Advisor Finance to a subnational government. She has been involved in the Fintech & Digital Banking space in parallel since past 8 years in various capacities. She speaks the Turkish Language having learnt it formally at TOMER (Ankara University's Turkish Language Center). Her current affiliation is with IFC-International Finance Corporation, Singapore, covering East Asia & Pacific region as the Expert Digital Banking, Digital Financial Services, Green Finance & Gender Finance

A strategist and result oriented leader, during her career, Ms. Bangash has demonstrated the ability and developed the expertise of setting up and building highly successful, sustainable organizations as well as turning around and growing troubled firms into profitable market players.

She brings with her valuable expertise in Strategy, Business Development, Marketing, Corporate Banking & Investments, including Capital Markets (Debt & Equity Markets, Portfolio Management, M&A, Investment Advisory, Project Finance & Asset Management), successfully covering institutional and individual clients in various geographies and markets. She has developed solutions and has experience in SME Access to Finance/Financial Inclusion (MicroSMEs, Women, Youth & start-ups) Development Finance, Social Impact Investment & ESG/Sustainable Development Goals. She has worked on infrastructure investment proposals including Housing schemes, as well as Health & Education investment (Brunei) and Agri-market infrastructure investment (France).

Ms. Bangash held the position of Managing Director, ICRU, (World Bank Group), establishing an efficient organization, raising Pakistan's ranking on Ease of Doing Business (EODB)index, and improving Investment Climate and Access to Finance. She has advised the Ministry of Finance, (sub national government) on Investment Promotion, Access to Finance/ Financial Inclusion and has been Founding Member(Commissioner) Competition Commission of Pakistan, where she led areas of Advocacy, Mergers & Acquisitions Review, and Competition Research, setting up the Acquisition & Mergers Facilitation Office (AMFO). She is the proud winner of the 100 Most Prominent Women in Anti-Trust (Global) award in 2009 selected on merit (profile and achievement) from the entire world's competition professionals.

She has structured innovative finance models including Specialized Investment Vehicles, Environment Endowment, Social Impact Bond/Dev Impact Bond & Blended Finance Investment Vehicles, for Provincial Governments, multilateral & bilateral organizations. (World Bank Group/IFC, USAID, GIZ).

As Dy. CEO she successfully led Habib Asset Management. She won the Miracle Woman Award in 2019 for outstanding professional achievements in Banking and Finance.

She was instrumental in the launch of MCB Asset Management, where she reported to the CEO and led as Head of Marketing, Retail & Institutional Sales. As Chief Strategy Officer at one of the largest local Asset Management Company (UBL Funds), she formulated & implemented a 5-year Strategy to take the firm to the next level.

A seasoned investment banking and business strategy professional, she has worked in leading Financial Institutions in Singapore & overseas and in IFC-International Finance Corporation, Singapore, Global Capital Partners (Makara Capital) Singapore, Global Strategies Pte. Ltd. Singapore, HBL Corporate & Investment Banking, Singapore. In these roles, both in Singapore and abroad she has driven revenues and developed new business avenues.

Ms. Maleeha Bangash is a Certified Director from Pakistan Institute of Corporate Governance.

Ms Naila Kassim

Independent Director

As the Group Director HR at House of Habib, Ms. Naila Kassim holds the key responsibility of devising a robust talent and HR management strategy which encompasses recruitment, retention and organizational development alongside effective succession planning to maintain a thriving talent pool. Additionally, she oversees the Group wide Management Trainee program spanning across House of Habib's industrial and banking sectors.

Prior to joining House of Habib, Naila served as the Group Head of HR & Communications at Engro Corp. In this capacity, she was entrusted with overseeing all strategic HR affairs and managing both internal & external communications for the Engro brand and its subsidiaries. Her responsibilities extended to streamlining the brand architecture across the entire company. Furthermore, she proactively initiated human capital development programs with a dedicated emphasis on promoting diversity and nurturing employee engagement, all aimed at fostering an empowering work environment at Engro.

Before joining Engro in 2010, Naila gained valuable experience working extensively with the prominent chip manufacturing leader, Intel Corporation. During her tenure, she played a pivotal role in devising strategic programs aimed at advancing technology adopted and IT penetration in Pakistan, Thailand and Bangladesh. Moreover, Naila actively engaged in collaborative efforts with global teams to facilitate the development of a new platform specifically tailored to meet the needs to emerging markets.

While at Intel Corporation, Naila spearheaded the flagship CSR program designed to implement technology-aided learning in schools throughout Pakistan and Thailand. Working in close liaison with the Government of Pakistan, she successfully trained 100,000 teachers in utilizing technology as an effective teaching tool and promoting project-based learning in both government and private educational institutions.

She also initiated the first WIMAX Pilot in collaboration with the Ministry of IT in Pakistan and introduced several initiatives to make computers more affordable across various financial institutions. Furthermore, she played an instrumental role in driving technology adoption across South Asian markets.

She is currently serving on the Board of Directors of TPL Insurance and Fauji Cement Company Limited and has also been appointed as the Chairperson of HR Committee of FCCL & TPL Insurance.

Naila holds a Bachelor of Science degree having majored in Marketing from Southeastern University, Washington D.C. In her free time, she enjoys music, travelling and watching shows and movies.

Brig Abid Hussain Bhatti, SI(M), (Retd)

Company Secretary

Brigadier Abid Hussain Bhatti, SI (M), (Retd) is serving as Company Secretary of FCCL, since 7th June 2021. He was commissioned in Pakistan Army as an officer in 1987 in Corps of Signals. He is a veteran of First Gulf War, 1991. He holds an Electrical Engineering degree from UET, Lahore. In addition, he is a graduate of Command and Staff College, Quetta and National Defense University, Islamabad. During his 31 years of military career, he remained employed on various command, staff and instructional assignments. He has served as United Nations Military Observer in Democratic Republic of Congo. He also remained a Defense Attache' at Pakistan High Commission in Abuja, Nigeria. He has served as Commander Corps Signals in different Corps of Pakistan Army and also remained a Director General of a civil department. Holds a Master's degree in National Security and War Studies.

Mr Omer Ashraf

Chief Financial Officer

Mr Omer Ashraf joined FCCL in 2006 in the role of Chief Financial Officer. He is a Fellow member of the Institute of Chartered Accountants of Pakistan (FCA) with over 28 years of rich professional experience in managing finances, budget, tax planning, investor relations, project development, project financing and mergers and acquisitions. He is extensively involved in the expansion of FCCL from a capacity of 3,700 TPD to 28,035 TPD. During this period he also led the clean energy initiatives by the company including Waste Heat Recovery and Solar power plants.

Senior Management

Mr Muhammad Tariq
Director Project / Operations

Brig Abdul Jabbar, SI (M), (Retd)
Director CSR & Spec Projects

Brig Aziz ul Hassan Usmani, SI (M), (Retd)
GM Marketing and Sales

Brig Mir Ameer Ali, SI (M), (Retd)
GM HR & Admin

Syed Kamran Hassan
GM Supply Chain Management

Company Information

Company Secretary

Brig Abid Hussain Bhatti,
SI(M), (Retd)

Tel No. +92-51-9280075
Email: abid.hussain@fccl.com.pk

Chief Financial Officer

Mr Omer Ashraf

Tel No. +92-51-5500157
Email: omer@fccl.com.pk

GM Human Resource & Administration

Brig Mir Ameer Ali, SI(M), (Retd)

Tel No. +92-51-9280084
Fax No. +92-51-9280416
Email: ameer.ali@fccl.com.pk

GM Marketing & Sales

Brig Aziz ul Hassan Usmani,
SI(M), (Retd)

4th Floor, AWT Plaza, The Mall,
Rawalpindi-Pakistan

Tel No. +92-51-5523836,
+092-051-5528963-64,
Fax No. +92-51-5528965-66
Email: adminmkt@fccl.com.pk

GM Supply Chain Management

Syed Kamran Hassan

Tel No. +92-51-9281549
Fax No. +92-51-9280416
Email: kamran.hassan@fccl.com.pk

Legal Advisors

M/s Orr Dignam & Co, Advocates

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. +92-042-35916714-19 &
+92-042-35869037
Fax No. +92-042-35869037
Email: corplink786@yahoo.com

Factory

Fauji Cement Company Limited

- Near Village Jhang Bahtar
  Tehsil Fateh Jang, District Attock

  Tel No. +92-0572-538047-48
  Fax No. +92-0572-538025
  Website http://www.fccl.com.pk

- Near Wah Railway Station Tehsil Taxila,
  District Rawalpindi Pakistan

  Tel No. +92-057-2520452-01
  Fax No. +92-057-2520451

- Nizampur, (Village Kahi),
  District Nowshera, Pakistan

  Tel No. +92-0923-690141-42
  Fax No. +92-0923-610650

- Mauza Shadan Lund Chak Ladan Tehsil and
  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

Bankers of the Company

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
The Bank of Punjab
Faysal Bank Limited
Bank Al-Habib Limited
Al-Baraka Pakistan Limited
Bank Islami Pakistan Limited
Habib Metropolitan Bank Limited
Summit Bank Limited
SME Bank Limited
First Women Bank Limited
SAMBA Bank Limited
Bank of Khyber

Auditors

A.F. Ferguson & Co
Chartered Accountants

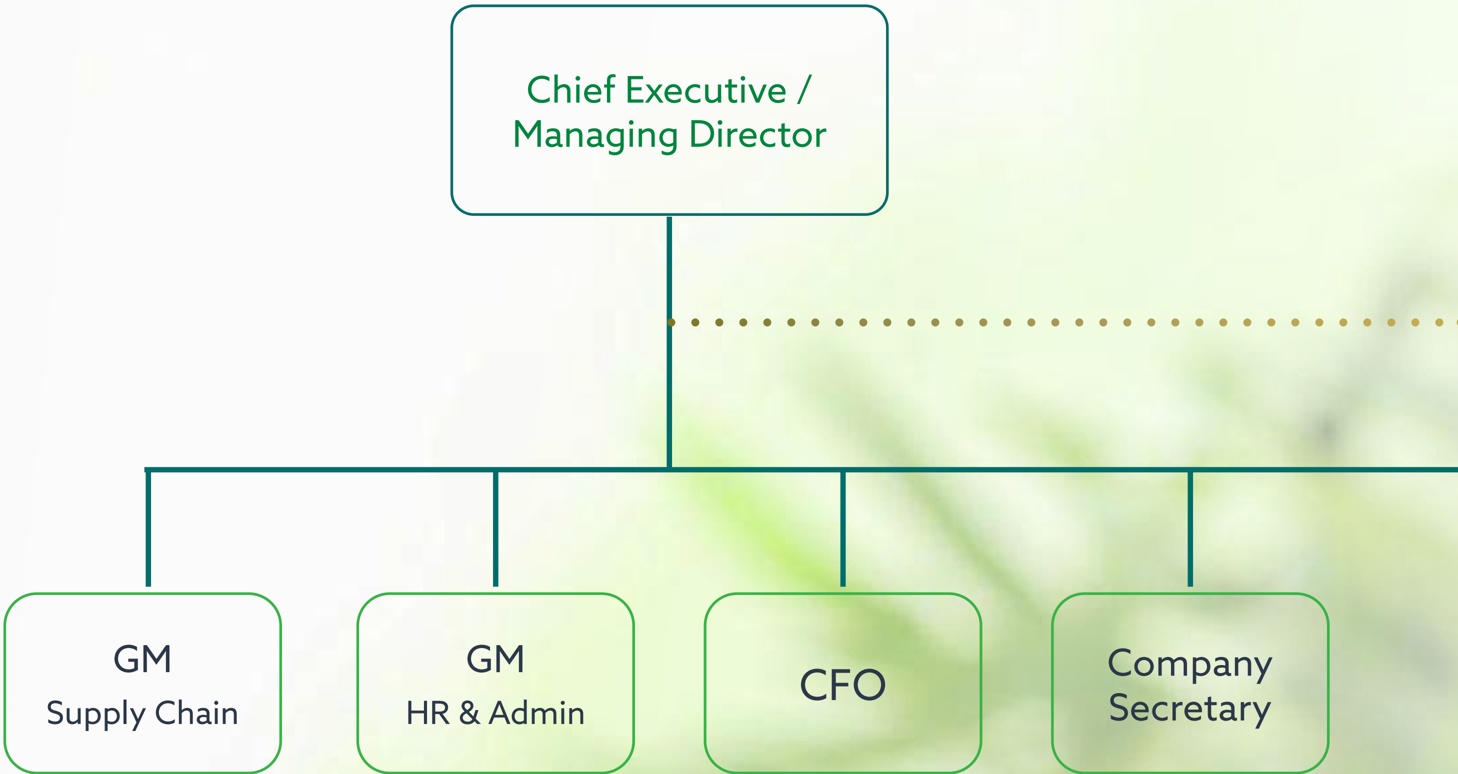
6th Floor, State Life Building No. 5
Jinnah Avenue, Blue Area,
P.O. Box 1323,
Islamabad Pakistan

Tel No. +92-51-282-3558
Fax No. +92-51-2822671

Email for E-Filling & E-Services

Email: secretaryoffice@fccl.com.pk

Organizational Chart



CFO	Chief Financial Officer
GM	General Manager
DGM	Deputy General Manager
HR & Admin	Human Resource & Administration
CSR	Corporate Social Responsibilty

DGM
Internal Audit*

Director
CSR & Spec Projects

GM
Marketing & Sales

Director
Project & Operations

* Head of Internal Audit reports administratively to CEO and functionally to Audit Committee

Human Capital

2,179
No. of employees at year end

2,203
Average No. of employees during the year

1,898
Factory Employees

110
No. of Trainings

555
Average
No. of participants

Effect of Seasonality on Business

Production

There is no material impact of seasonality on production cycle of the Company.

Sales

Cement sales are higher during spring and summer months due to increased day time construction activity. In normal monsoon and winter season dispatches slow down slightly especially in the North.

The Legeslative and Regulatory Environment of the Company

Being a Listed Company along with the nature of its business from an environment point of view and cement being a highly taxed commodity the Company operates in strict regulated environment. The main areas of business and related laws and regulations are as under:

Area of operation	Major Governing laws and regulations
Corporate governance	• Companies Act, 2017 and regulations issued under the Act • PSX regulations
Sales/Marketing and Earnings	• Competition Act, 2010 • Sales Tax Act, 1990 • FED Act, 2005 • Income Tax Ordinance, 2001
Manufacturing of Cement	• National and Provincial environmental protection Acts • Mining Laws • Labour Laws • Explosive Rules • Occupational safety and Health Acts

Adherence to all applicable laws in every sphere of business is one of the Company' strategic objective and Company makes sure to comply with all applicable laws and regulations.

The Legitimate needs and interest of Key Stakeholders

At FCCL we value each of our stakeholder and strive to maximize the value creation for each stakeholder. Due care is given to understand the legitimate needs and interests of all stakeholders. The legitimate needs and interests of key stakeholders are tabulated below:

Stakeholder	Legitimate need and interest
Shareholders	• Return on investment
	• Right to accurate and timely information
	• Long-term wealth generation through sustainability of Business
Employees	• Adequate compensation
	• Career growth and development
	• Job satisfaction and personal development
Suppliers	• Timely payments against supply and services
	• Long term business relationship with the Company
Customers	• Quality product i.e Value for Money
	• Timely delivery of products
Government/ Regulators	• Tax payments as per applicable laws
	• Adherence to applicable laws by the Company
Nearby Communities	• Environment protection and natural resource conservation
	• Socioeconomic development
Analysts and media	• Timely and accurate information on Company's performance

The Political Environment where the Organization Operates that May affect the Ability of the Organization to Implement its Strategy

The political environment of a country impacts an organization and may have both a negative or positive impact on strategy implementation. Current economic challenges being faced by Pakistan including high inflation and interest rates, depleting forex reserves and low Government spending on infrastructure has slowed down overall economic growth and impacted adversely almost all businesses operating in the country. Primary export market of the Company is Afghanistan, further, Company procures and uses Afghani Coal for cement manufacturing. Any political instability there could disrupt export dispatches and supply of Afghani Coal and resultantly can impact the profitability of the Company.

Position Within the Value Chain

The principal activity of the Company is manufacturing and sale of different types of Cement.

Cement is manufactured through the mixture of different earth materials to make a fine raw mix and then heating the raw mix at a very high temperature in a kiln and grinding the same to make cement. Main materials used are as under:

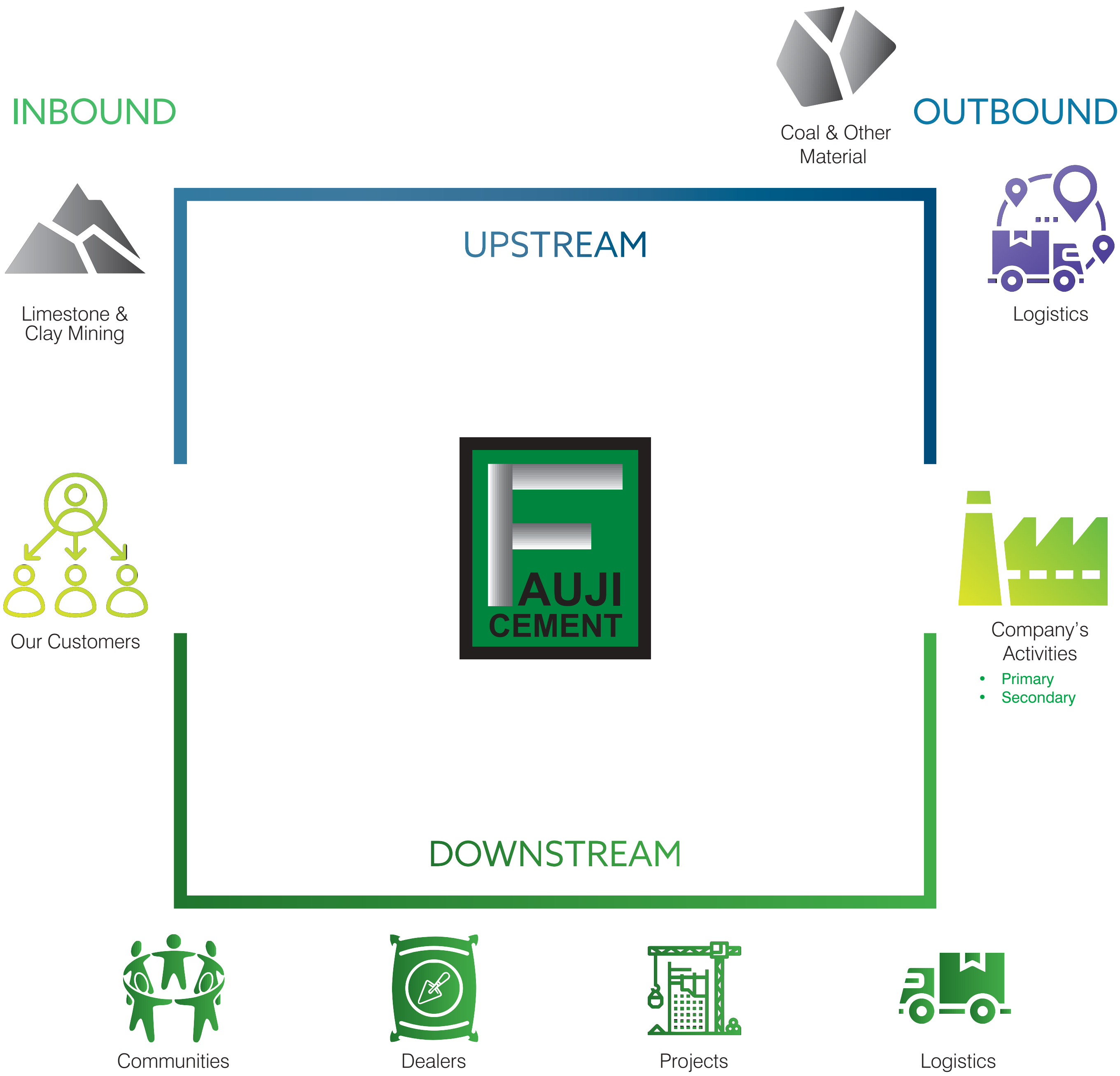
- Lime Stone
- Clay
- Laterite
- Gypsum

On the upstream part of value chain, Lime Stone and Clay is obtained from own quarry, mining of these items is done through quarry contractors. Laterite and gypsum are purchased from different outside suppliers. Coal is the main fuel which includes Imported, Afghani and Local procured through the suppliers within and outside the country.

On the downstream part of the value chain are our dealers, transporters, projects and communities in which we operate.

Upstream	Company Activities	Down Stream
Inbound Extraction of limestone and clay from own quarry	**Primary Activities** • Production • Marketing and sales	**Out Bound** • Transporters • Customers • Dealers • Projects • CSR Activities-Communities
Out bound Suppliers of: • Coal • Gypsum • Laterite • Other Fuels • Packing materials • Transporters of imported materials/spares	**Secondary Activities** • Human Resource Management • Company Infrastructure–Legal, admin, finance , IT, supply chain etc	

Value chain analysis is done on regular basis to identify key competencies and opportunities for value creation for the Company and all of its stakeholders.


INBOUND
Coal & Other Material
OUTBOUND
Limestone & Clay Mining
UPSTREAM
Logistics
FAUJI CEMENT
Our Customers
Company's Activities
• Primary
• Secondary
DOWNSTREAM
Communities
Dealers
Projects
Logistics

Significant Factors affecting the External Environment

	Factor Impacting External Environment	Company's Response
P Political	• Political instability that effects Economic policies can impact the operations of the Company negatively • Inconsistency or abrupt change in Government policies impacts the Company negatively	The Company closely monitors the macroeconomic policies, indicators and political developments and makes appropriate adjustments in its position to maximize the value creation
E Economic	• During economic slowdown and reduced Government spending construction activity also slows down that results in low dispatches • Currency devaluation, high general inflation, higher interest rates generally impacts the input that results in squeezed margins. Further, these factors impact the income level of people that results in low demand	Company monitors overall macroeconomic indicators including Government PSDP proactively to position itself in best place. The Company continues to work on cost optimization and new value-added products in order to minimize the impact of any economic slowdown
S Social	Socio-economic condition of the community impacts directly towards sustainability of any business	The Company consistently works towards the socio-economic development of the surrounding communities. A considerable budget is allocated, and investments are made for ESG activities covering the health, education and environmental sectors.

The external environment plays an integral role in the company's operational and financial performance. Our strategy aims to place the company in the best position in terms of the external environment, in order to effectively manage the risks and optimize the opportunities present and emerging in the political, economic, social, technological, environmental and legal arenas.

	Factor Impacting External Environment	Company's Response
T Technological	• Overall technological developments can impact any product demand and can shift people's need and consumption pattern, cement is no exception of the foregoing.	The Company has always strived to maintain the upgradation of its manufacturing facilities. The key focus is to consistently acquire the latest technology in all business processes, in order to avoid becoming technologically obsolete.
E Environmental	Global environment protection awareness and increasing legislative requirements is impacting the way of doing business	Beyond the regulatory compliance, the Company strives to conserve its natural capital. The Company's efforts including water conservation, biodiversity protection and the use of renewable energy sources to reduce its carbon footprint, are detailed in the Environmental Sustainability section of this report.
L Legal	Regulatory framework and laws impact any organization and its products	The Company complies with all the applicable laws. Dedicated and experienced individuals ensure that all areas of the business adhere and comply with their respective laws.

Competitive Landscape and Market Positioning

Competition and Potential of New Entrant

The cement industry of Pakistan is a competitive industry comprising of multiple players spread across the country. Pakistan has one of the lowest per capita consumption of cement in the world, and an ever increasing demand for housing due to urbanization, so existing companies have been continuously expanding capacities their market share. In such a highly competitive environment, efficiency in cost and consumer satisfaction through quality products is the key to remain competitive.

To capitalize on its image of delivering quality products year after year and to expand its market outreach, Fauji Cement has recently undertaken brownfield expansion at its Nizampur plant by installation of a new state of the art production line. Another greenfield expansion is being carried out at D.G. Khan and will be fully functional by the end of year 2023.

Threat of New Entrants

There is free entry for anyone willing to invest and enter the industry. Fauji Cement always encourages healthy competition in the market. Being one of the largest cement producers in Pakistan, the Company has always maintained its foothold not only in local markets but in Afghanistan as well. Due to its top quality products and services, Fauji Cement is highly acceptable and utilized across all sectors. Moreover, our vast dealership network and dedicated team of professionals make the threat of new entrants in Fauji Cement markets significantly low.

Threat from Substitute Products

Cement is one of the main construction material being used globally. Threat of its substitution with new product is not significant.

Power of Customers

One of the key elements of a business is customer base. It is affected by the number of customers a company has, how significant each customer is and how much it would cost a company to find new customers or markets for its products. As a norm in cement industry in Pakistan, sales are made through network of dealers/ distributors.

Dealers and projects are two main customer categories of the Company. A significant portion of sales are made to different projects including hydropower projects being built in the country. Company's focus on quality and customer satisfaction is the base of customer relationship. Diversified strong customer base and quality products give the Company an edge over competitors in the Industry.

Power of Suppliers

How easily the suppliers can drive up the cost of an input can put a business in difficult position through cost escalation, particularly, when it operates in a highly competitive environment.

Fauji Cement extracts major raw materials from its own quarries. Electricity is either generated through own sources or procured from national grid. For rest of the materials, supplies and services, outside suppliers are engaged. Company has developed multiple sources for the supply of key components, materials and services. Its healthy relationship with the suppliers, keeping agreed commitments including payments and esteemed reputation in the industry ensured that the power of suppliers is managed successfully.

Awards & Certifications

CERTIFICATE

Management system as per
EN ISO 9001:2015

FAUJI CEMENT COMPANY LIMITED

Head Office: 68 Tipu Road, Fauji Tower, Chaklala Rawalpindi-Pakistan.

Factory: Village Jhang Bahtar, Tehsil Fateh Jhang, Dist. Attock, Pakistan.

Manufacturing and Selling of Ordinary Portland Cement, Sulphate Resistant Cement, Low Alkali Cement, Low Heat of Hydration Cement, Composite Cement & Tile Bond

CERTIFICATE

Management system as per
EN ISO 14001:2015

FAUJI CEMENT COMPANY LIMITED

Head Office: 68 Tipu Road, Fauji Tower, Chaklala Rawalpindi-Pakistan.

Factory: Village Jhang Bahtar, Tehsil Fateh Jhang, Dist. Attock, Pakistan.

Manufacturing and Selling of Ordinary Portland Cement, Sulphate Resistant Cement, Low Alkali Cement, Low Heat of Hydration Cement, Composite Cement & Tile Bond

CERTIFICATE

Management system as per
ISO 45001:2018

FAUJI CEMENT COMPANY LIMITED

Head Office: 68 Tipu Road, Fauji Tower, Chaklala Rawalpindi-Pakistan.

Factory: Village Jhang Bahtar, Tehsil Fateh Jhang, Dist. Attock, Pakistan.

Manufacturing and Selling of Ordinary Portland Cement, Sulphate Resistant Cement, Low Alkali Cement, Low Heat of Hydration Cement, Composite Cement & Tile Bond.

CERTIFICATE

Management System as per
ISO 50001 : 2018

FAUJI CEMENT COMPANY LIMITED
Village Jhang Bahtar, Tehsil Fateh Jhang,
DISTT. ATTOCK, PAKISTAN

MANUFACTURING AND SELLING OF ORDINARY PORTLAND CEMENT, SULPHATE RESISTANT CEMENT, LOW ALKALI CEMENT, LOW HEAT OF HYDRATION CEMENT, COMPOSITE CEMENT & TILE BOND.


CERTIFICATE
TÜV AUSTRIA
FAUJI CEMENT COMPANY LIMITED
IAF


CERTIFICATE
TÜV AUSTRIA
FAUJI CEMENT COMPANY LIMITED
IAF


CERTIFICATE
TÜV AUSTRIA
FAUJI CEMENT COMPANY LIMITED
IAF


CERTIFICATE
TÜV AUSTRIA
FAUJI CEMENT COMPANY LIMITED
IAF

Awards & Certifications


Organized by
NFEH
12th ANNUAL
FIRE
SAFETY
AWARDS 2022
CERTIFICATE
OF APPRECIATION
FAUJI CEMENT COMPANY LIMITED

BUSINESS MODEL

Understanding Our Business Model

Inputs / Key Assets/How We Differentiate Ourselves in Terms of Key Assets

Intellectual Capital

- Latest World renowned ERP SAP S/4 Hana
- Our reputed brands Fauji and Askari
- Cement industry knowledge and expertise

Human capital

A well trained, motivated and experienced team

Social and Relationship Capital

- Network of 500 dealers across Pakistan
- A well reputed and preferred brand among the projects
- Strong and long term relationship with all major financial institutions in the Country
- Strong relationship with reputed suppliers within and outside the country

Natural Capital

- 40 MW solar energy captive power plants
- Major raw materials from own quarry
- Surface water availability at all manufacturing facilities

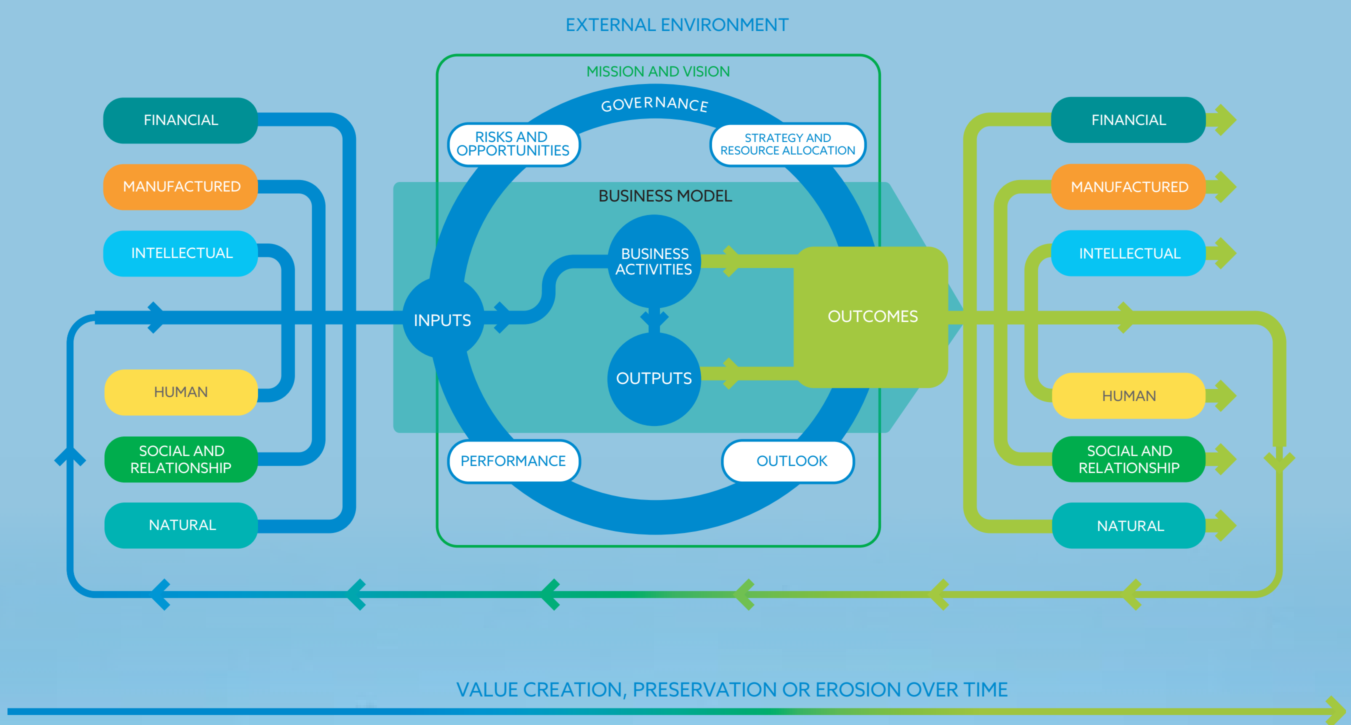
Financial Capital

- Total Assets of Rs. 138 Billion
- Strong capital base to fund long term projects and operational activities

Manufactured Capital

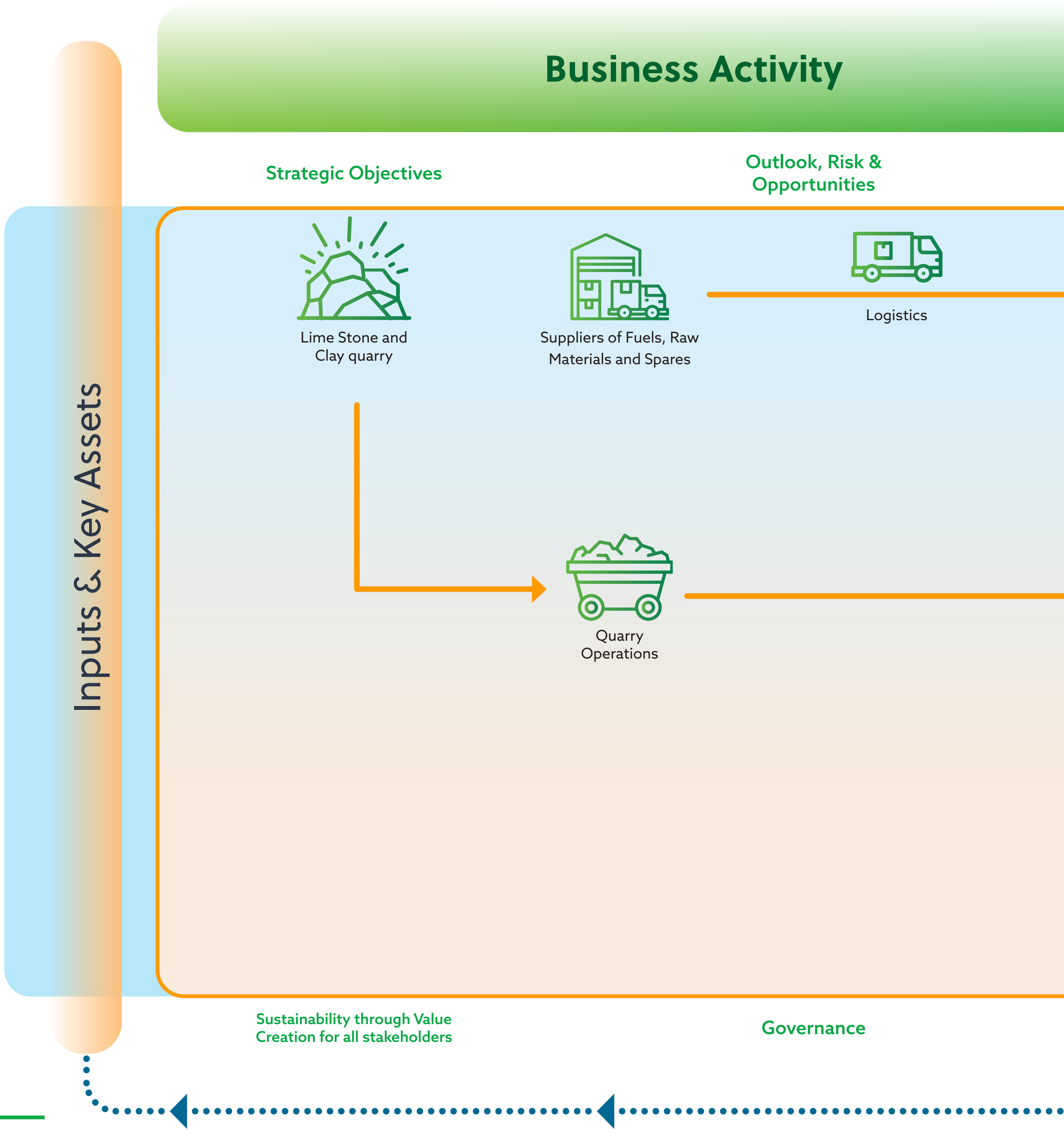
- State of the Art and energy efficient and low emission European/Hybrid Production facilities at 3 locations of 28,035 TPD of cement
- Tile bond manufacturing unit with capacity of 100 TPD
- Green Captive power generation covering 57 % of total requirement during optimal generation
- Quality control departments/labs at all sites

Our Business Model & Value Creation Process



Our Business Model

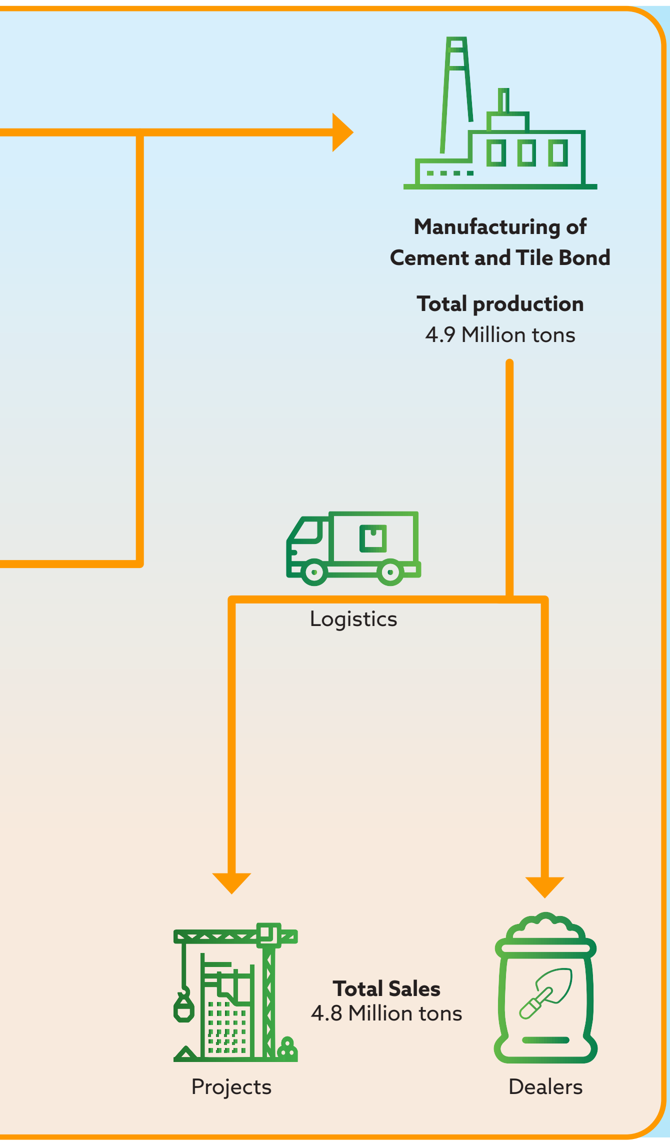
We aim to create long term value for all of our stakeholders. Cost optimization through efficient production and optimal use of resources is key to our business model. We continuously seek opportunities in new markets to expand our customer base and to improve efficiency of our business processes to optimize cost. Our model for transformation of inputs into outputs and outcomes to fulfill strategic objectives of the Company that ultimately create value for all stakeholders is described below:



Material Changes in Business Model During the Year

Company is more focused towards the sustainability through ESG related initiatives and development of new products. Except this there is no material change in business model of the Company during the year.

Strategy & Resource Allocation



Performance

Output

- Different Types of Cement
  a) OPC
  b) Low Alkali/ Low heat cement
  c) SRC
  d) Green Cement
- Tile Bond
- Electricity generation through waste heat recovery
- Green energy – through solar

Outcome

Financial Capital

- Increased revenues – Rs. 68 Billion
- Higher profit
- Strong balance sheet footing
- Cash generation from operations – Rs. 16.2 Billion
- Return on capital employed increased by 8.3%

Manufactured Capital

- Commissioning of NZP project during the year
- Work under progress on DG Project and expected to be commissioned in FY 24
- Commissioning of two solar power projects at Wah and NZP Sites with 20 MW capacity
- 49% own power generation

Human Capital

- Employee Training and development
- Salaries and Wages amounting to Rs. 4.7 Billion paid during the year
- Lowest turnover

Intellectual Capital

- Implementation of SAP during the year

Social and Relationship

- Consumer satisfaction through quality protection
- Socioeconomic development of nearby communities through education, provision of amenities and health facilities
- Contribution to national Exchequer – Rs. 25 Billion
- Contribution towards national interest through provision of quality cement to national level projects

Natural Capital

- Increase in Renewable energy production by 20 MW
- 9% green cement sale with reduced clinker factor
- Recycling plant waste water for usage
- 100 K tons carbon reduction due to green energy generation

STRATEGY AND RESOURCE ALLOCATION

Strategic Objectives and Strategies in Place to Achieve these Objectives

At FCCL, we aim to create sustainable value for all stakeholders.

Strategic Objective	Strategies in place or intended to be implemented to Achieve Strategic Objectives	Time Horizon
To Enhance and maintain market share In the medium term, our focus will remain to enhance our market share in the local and export market.	• Expansion in high Cement Consumption plus completely new markets i. Brown field expansion at Nizampur-commissioned during the year ii. Green field expansion at DG Khan-to establish footprint in central and southern Punjab markets • Focusing on product research and new product development that takes into account the ever-changing demands of the market.	Medium Term
To maintain existing premium position in Quality cement production We strive to maintain our position in the industry as a premium cement manufacturer.	• Strict quality controls are in place throughout the whole production process. • Product innovation for specialized needs and requirements. • In order to maintain quality standards, only reputable suppliers are chosen for the purchase of plant, machinery, and equipment.	Long Term
Cost optimization Cost optimization through efficient production and optimal use of resources	• Constant investments in manufacturing facilities to improve efficiency in operations. • Asset and integrity plan and predictive maintenance plan in place to reduce unscheduled stoppages and increase the life of the plant & machinery. • Stringent budgetary controls at all levels of the organization to minimize fixed costs. • Maximum usage of alternate fuels and local coal to minimize the fuel cost. • Maximization of own power generation for reduced energy production costs.	Medium Term

Strategic Objective	Strategies in place or intended to be implemented to Achieve Strategic Objectives	Time Horizon
Sustainability We believe ESG is the way forward for a better tomorrow, Board has formed an ESG committee to oversee the ESG initiatives of the Company	**Environment** • Focus on reduced CO_2 emissions through: 1. Use of cementitious materials/Green Cement 2. Continuous investment on Renewable energy generation through solar and WHRPPs 3. Tree plantation for CO_2 restoration 4. Use of Alternate Fuel • Adherence to all PEQs & NEQs • Focus on water preservation through recycling, rain water harvesting and surface water usage **Social** • Ensuring safe working environment for employees • Supporting local communities through: 1. Providing Healthcare through establishment of medical dispensaries to provide free medical care and medicines 2. Education through self-run schools and supporting government schools 3. Women Vocational training 4. Jobs creation in general and especially at our greenfield project at DG Khan 5. Water Filtration & RO Plants 6. Solarization of nearby communities • Promoting a diverse and equitable workplace • Equal opportunities for all employees **Governance** • Board diversity and independence • Compliance with industry standards and regulations • Trusted and responsible reporting to all stakeholders • Ethical business conduct	Medium Term

Resource Allocation Plan to Implement the Strategy

Optimal allocation of resources is the key to success in every sphere of operations. We manage and allocate key capital against each strategic objective as under:

Strategic Objective	Strategy	Resource Allocation
To Enhance and maintain market share	• Expansion • Product research and development	**Expansion** • **Financial Capital** - Required finances are allocated through a mix of equity and debt. • **Human Capital** - A dedicated and skilled project team is deputed for projects • **Social and Relationship Capital** – To uplift the living standard of local communities CSR budget is allocated **Product R&D** • **Financial Capital** – allocation of sufficient budget for product development • **Human Capital** – a dedicated R&D team
To maintain existing premium position in Quality cement production	• Strict quality controls • Product innovation • Quality procurement	• **Financial Capital** - Continuous investment on manufactured capital and acquiring high quality equipment. • **Human Capital** - A separate Quality Control Department, diligently working to ensure the quality of products is maintained.
Cost optimization through efficient production and optimal use of resources	• Constant investments in manufacturing facilities. • Predictive maintenance • Stringent budgetary controls • Maximum usage of alternate fuels and local coal • Maximization of own power generation	• **Financial Capital** - Continuous investment on manufactured capital. • **Human Capital** - Employees training and development to enhance their skills ensuring a smoother workflow. • **Natural Capital** - Investment in solar energy, water conservation, surface water usage, and cheaper fuel.

Strategic Objective	Strategy	Resource Allocation
Sustainability	**Environment** • Focus on reduced CO_2 emissions • Adherence to all PEQs & NEQs • Focus on water preservation **Social** • Ensuring safe working environment for employees • Supporting local communities • Promoting a diverse and equitable workplace • Equal opportunities for all employees **Excellence in Governance** • Board diversity and independence • To be compliant with industry standards and regulations • Trusted and responsible reporting • Ethical business conduct	• **Financial Capital -** Investment in solar energy and surface water usage, considerable budget allocation for local communities, contribution to national exchequer in terms of taxes, investment in manufactured capital for low emission and energy efficient plant and machinery. • **Social and Relationship Capital -** Development of local communities in terms of education, medical facilities, reforestation, and clean water provision. • **Natural Capital -** Water conservation, tree plantation, reduced CO_2 emission.

The Capabilities and Resources of the Company to Provide Sustainable Competitive Advantage and Value Created by the Business

Competitive Edge

State of the art manufacturing facilities	FCCL has state of the art manufacturing plants with European/ Chinese Hybrid origin with high standard of efficiency, reliability and safety. This results in high quality product with reduced costs and low emissions.
Multiple manufacturing locations	Production facilities of FCCL are located at four different location covering the North and Central markets. This gives it competitive advantage in terms of market outreach and better retentions
Trusted Brand with Quality as its legacy	Due to its quality, FCCL is a trusted brand among the private and public projects.
World renowned ERP software - SAP	During the year FCCL has implemented SAP S/4 Hana. This will further enhance controls and business efficiency through accurate and timely reporting.
Preferred Employer	FCCL is a preferred employer for all cadre of employees due to its professional working environment and HR policies. This helps attract and retain talent. FCCL has a very low staff turnover.

Value Creation by Business

Our business creates value for all stakeholders:

Shareholders	through maximization of wealth
Employees	through market competitive compensation, job satisfaction, health and safety and career growth
Customers	customer satisfaction through provision of high quality and trusted products
Suppliers	timely and appropriate payments for supply and services while maintaining long term relationship
Communities	through provision of employment, economic activity generation and CSR activities
Government	FCCL is among the major taxpayers in the country

The effect of technological changes, ESG reporting and challenges, initiatives taken for promoting, enabling Innovation and Resource Shortage on Companies Strategy and Resource Allocation

Technological Change

Rapid technological changes across the globe are affecting every business. Cognizant of this fact, the company takes into account the latest developments in technology in formulating strategies in every sphere of business operations. Company realizes that cost optimization, which is one of the strategic objectives of the Company, cannot be achieved without adopting the latest technologies in product manufacturing. Considerable financial capital is allocated every year for modernization and upgradation of existing manufacturing facilities to achieve operational efficiencies.

Company allocated considerable financial and human capital to upgrade its existing in house developed ERP to the best in class ERP i.e SAP. The existing hardware was also upgraded during the implementation.

ESG Reporting and Challenges

Sustainability is one of the strategic objectives of the Company. Company endeavors to give back to the communities in which it operates. Considerable financial capital is allocated for the Wellbeing of nearby communities, protection of environment and excellence in governance. Further a comprehensive ESG policy has been formulated. An ESG committee of the Board is formed to oversee the ESG function of the Company. During manufacturing process all the PEQs and NEQs standards are adhered and separate strategies are formulated for water conservation, green energy generation and CO_2 reduction.

Initiatives taken for promoting and enabling innovation

Unlocking the innovative potential of our people and business comes down to the combination of management approaches, strategy and resources. Management keeps taking initiatives to promote and enable innovation. Reasonable resources are allocated for innovation in business processes. Following innovative steps are taken by management during the year:

- Implementation of world renowned ERP SAP
- Upgradation of existing hardware to make it compatible with SAP
- Usage of alternate fuels as a replacement of coal
- Introduction of new products i-e tile bond

KPI’S to measure the Achievement of Strategic Objectives

Strategic Objective	KPI	Future Relevance
To Enhance and maintain market share	• Strict Time lines for completion of new expansion projects – NZP project completed in record time, DG project is expected in FY 24 • Capacity Utilization • Market Share	• Except for project completion rest of KPIs will remain relevant in the future
To maintain existing premium position in Quality cement production	• Customer Satisfaction Index • Project Sales to total sales Ratio • Regular Third party cement testing • Compliance with Local and International quality standards	• KPIs will remain relevant in the future
Cost optimization through efficient production and optimal use of resources	• Efficient Production • Cost of production per ton • Fixed cost to overall cost ratio • Plant availability factor	• KPIs will remain relevant in the future
Sustainability	• CSR expenditure • Water conservation • Green energy generation • CO_2 reduction • Compliance with applicable environmental laws • Employees health and safety – TRIFR • Compliance with CCG requirements	• KPIs will remain relevant in the future

Sustainability Strategy

Commitment to conservation is the key to our sustainability strategy. While encompassing the three pillars of sustainability our pathway for a sustainable future is as below:

Environment Protection

- Maximization of green energy production
- Water conservation through reuseage of waste water and surface water usage
- Maximum tree plantation
- Maximum possible usage of alternate fuel(s)
- Waste heat recovery power plants

Social Development

- Uplift of local communities will be done through:
  - Subsidized education to local communities adjacent to plants
  - Provision of clean drinking water
  - Solarization to meet basic power requirements through renewable energy at DG Khan Plant site
  - Allocation of quota in new hiring of employees
- Every employee will be provided with basic health facilities and safe working environment

Governance Excellence

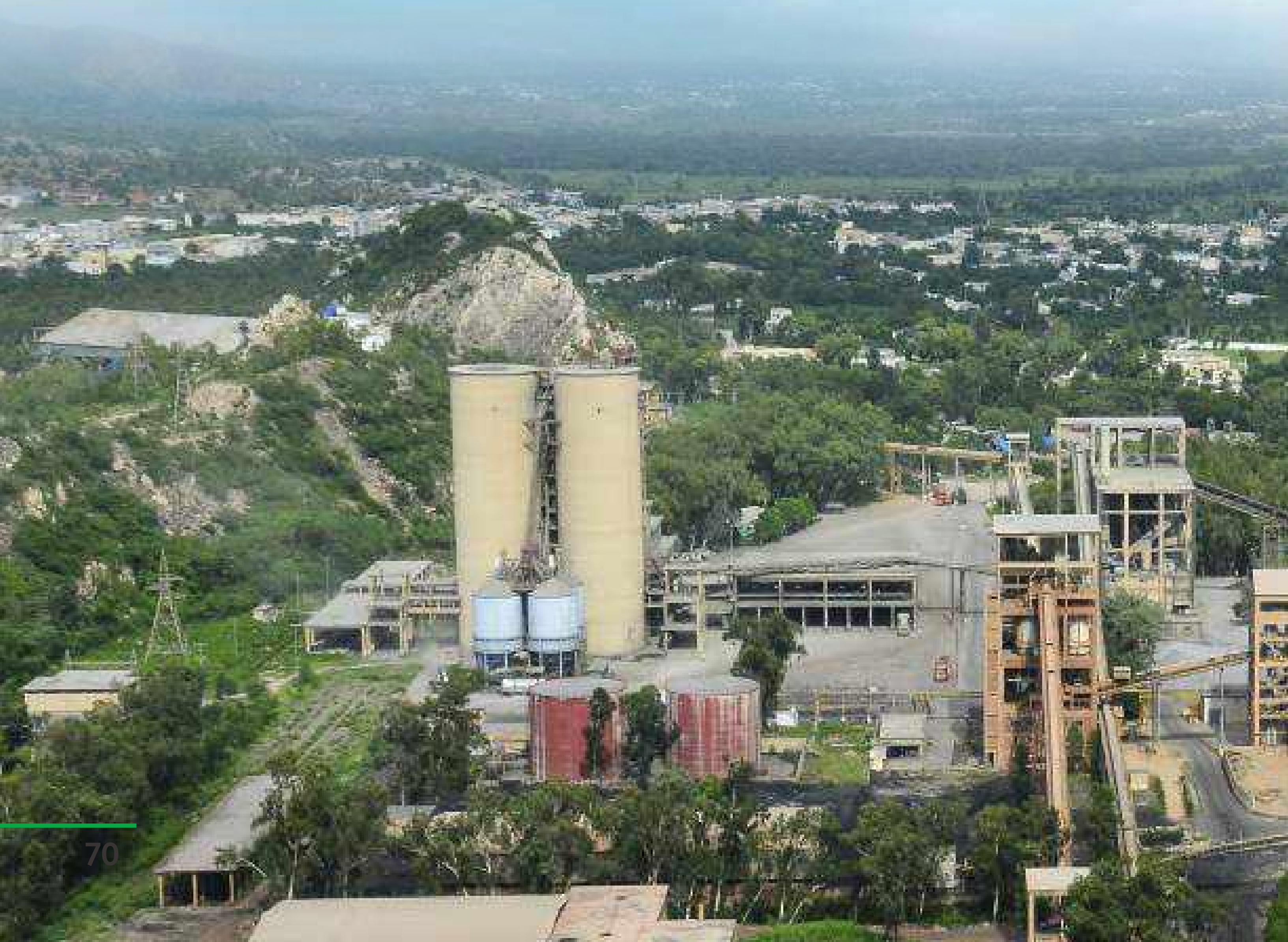
- Formation of ESG Committee of Board to oversee the sustainability initiatives
- Implementation of SAP during the year
- Adherence to all applicable laws & regulations in every sphere of operation

Boards Statement on Significant Plans and Decisions

The company is setting up a green field cement manufacturing line in DG Khan with a capacity of 2 million tons per annum. The company will keep on investing in process efficiencies, embracing new technologies and new products.

Information about Defaults in Payment of Debt

There is no default on account of repayment of debt of the Company during the year. All debts repayments are being made as per terms of financing agreements.



Strategy to overcome Liquidity Problems, Repayment of Debts and Operational Losses

Based on current projections, the Company has the capacity to produce enough cash flows to meet its liquidity needs. It regularly tracks and estimates the amount of cash coming in and going out. Long-term projects are funded by internal cash flow generation and long-term financing, whilst running finances are used to meet the company's working capital needs. The key to a successful cash flow management strategy is to use less expensive financing as much as possible. Any temporary excess cash generation is then invested in best available short-term avenues to generate maximum value. In case of any operational losses or cash crunch, sufficient running finances are available to meet the liquidity requirements.

RISK & OPPORTUNITIES

Key Risks & Mitigating Strategies, Related Opportunities and Value Creation

		Description	Associated Objective	Impact	How We Manage or Mitigate Risks and Create Value from Key Opportunities
Strategic			**Excess Supply and Stagnant or decreasing sales prices**		
	Risk	Capacity expansion by Industry and possibility of sales decline due to high general inflation and lower Govt. spending Source: External Likelihood: Possible Priority: Moderate	To enhance and maintain market share	• Possibility of drop in market share due to decline in sales • Pressure on sales prices resulting in Company being unable to pass on any increase in input costs **Effect on Capitals** Squeezed margins and low turnover can effect availability and affordability of financial and human capital	**Strategy and Plan** • Maintaining brand perception through delivering consistent and top-quality products and being the trusted brand for domestic consumers and mega projects • Diversified products portfolio keeps our customer base wide and strong • Constant working on new value-added construction products **KPIs and Targets** • Keep delivering better than quality standards • Maximization of project sales • Maximization of green cement and tile bond sales • Target is to be the most cost efficient cement producer in the industry
	Related Opportunity	Penetrating into new local markets	Penetrating into new local markets Hydro power and mega projects Continuous Innovation	**Effect on Capitals** The opportunity can impact the availability and affordability of financial and human capital	• Through expansion in DG Khan, Company will be able to enhance its market share in Southern Punjab. • Expansion in NZP will help to supply cement to hydro power projects in efficient and cost effective manner • Tough competition helps to bring efficiencies in all business processes
Financial			**Increasing Input Costs**		
	Risk	High Input costs due to highest ever general inflation, devaluation of PKR, with risk of not being passed on because of market conditions Source: External Likelihood: Possible Priority: High	Cost Optimization	With squeezed margins profitability can be impacted negatively **Effect on Capitals** High input costs can impact the availability and affordability of financial capital	**Strategy and Plan** • Increasing captive power generation through multiple sources including waste heat recovery, solar and gas generators • Close monitoring of prices and optimum stock building of coal and other raw materials • Higher utilization of local coal and alternative fuel • Usage of surface water at all sites to minimize the water usage bill • Cost rationalization of all costs especially fixed expenses • Exploration of possibility of vertical integration of supply chain to minimize the input costs **KPIs and Targets** • Maximum possible capacity building for low cost solar energy • Maximum utilization of local coal and alternative fuel
	Related Opportunity	To bring further efficiencies in processes New avenues for cost savings	Cost Optimization	**Effect on Capitals:** The opportunity can impact the availability and affordability of financial, manufactured and human capital	**Value Creation** • Resource conservation through process efficiencies • Usage of indigenous fuels/raw materials contributing to local economy • Usage of alternate fuels help pollution reduction
			Credit Risk		
	Risk	Customers are unable to pay their obligations. Source: External Likelihood: Possible Priority: Moderate	Quality of Trade Debts	Financial loss due to non-recoverability of receivables **Effect on Capitals** It may impact the availability and affordability of financial capital	**Strategy and Plan** • Established credit policy with assigned limits. • Analysis of credit worthiness of each customer individually by the management before extending any major credit • For risky debtors Bank Guarantees and LCs are established **KPIs and Targets** • Adherence to credit policy • Credit exposure within authorized limits

		Description	Associated Objective	Impact	How We Manage or Mitigate Risks and Create Value from Key Opportunities
Financial	**Exchange Rate Risk**				
	Risk	Certain operating and capital expenditures incurred by the company in foreign currencies that are exposed to exchange losses. Source: External Likelihood: Very Likely Priority: Moderate	Reduce Liquidity Risk	An adverse exchange rate movement can cause increased input costs. **Effect on Capitals** It may impact the availability and affordability of financial and manufactured capital	**Strategy and Plan** • In the case of USD, the company has a partial natural hedge as it imports and exports in the same currency which partially offsets the risk. • Negotiation with related banks to avail best possible exchange rates **KPIs and Targets** Target is to minimize the forex exposure and avail the best possible exchange rates for all foreign exchange transactions
	Interest Rate Fluctuation				
	Risk	Increased interest rates (the company has taken long-term loans for expansions a portion of which is variable rate and is exposed to adverse movement) Source: External Likelihood: Very Likely Priority: High	Cost Optimization	High Financial Cost in case of increased interest rates **Effect on Capitals** High interest rates can impact the availability and affordability of financial capital	**Strategy and Plan** • Best possible rates are to be secured due to the good creditworthiness of the company. • The maximum available subsidized fixed-rate loans are to be taken under TERF and LTFF to mitigate the risk of high-interest costs for expansion projects • To utilize minimum possible variable rates financing **KPIs and Targets** • Competitive rates • Maximum utilization of subsidized financing
	Related Opportunity	Low-cost financing arrangement Efficient treasury operations	Cost Optimization	**Effect on Capitals:** Financial Capital	**Value Creation** • Cost saving through low-cost financing for the expansion projects • Utilization of low-cost financing for working capital requirements resulted in lower financing cost
Informational Technology	**Disaster Recovery Management**				
	Risk	There is possibility of: • Natural disaster to equipment & hardware • Hackers/viruses attack on databases and Company' s information Source: External/ Internal Likelihood: Likely Priority: High	Sustainability	Any natural disaster to hardware and equipment can cause hindrance in production and other operations. Information loss can harm the company's operation and severe financial and reputational loss could occur. **Effect on Capitals** This could affect the availability, quality and affordability of all capitals	**Strategy and Plan** • All structures are designed considering earthquake factor • Insurance coverage in case of any mishap • Physical security measures of all valuable equipment • Fire proofing through installation of firefighting equipment • Establishment of hypervisor virtual environment at all offices with dedicated HP server for live replication of business-critical virtual machines (VMs) at each location • Backup of VMs on daily basis to a separate storage device placed in their respective location • Business-critical applications data replication after every few minutes across all locations • A dedicated High Availability and off-site DR Servers are in place with SAP built-in mechanism of replication • Installation of firewalls with multilayer protection • Installation of endpoint protection at every machine **KPIs and Targets** Target is to make all Equipment and Company information Safe form any type of harm
	Related Opportunity	Upgradation and safety of all equipment and hardware and software Upgraded Cyber security function Patching of nodes	Sustainability	**Effect on Capitals:** All type of capitals	**Value Creation** Smooth business operations and environment protection

Key Risks & Mitigating Strategies, Related Opportunities and Value Creation

		Description	Associated Objective	Impact	How We Manage or Mitigate Risks and Create Value from Key Opportunities
Health and Safety		**Employees' Health and Safety**			
	Risk	Risk of work related injury to an employee Source: External/ Internal Likelihood: Likely Priority: High	Cost Optimization	Any incident can cause hindrance in the operations of the company and in worst case it could be a life threating event **Effect on Capitals** This could affect the availability, quality and affordability of Human Capital and Social and relationship Capital	**Strategy and Plan** • Separate health and safety department is established. • At all manufacturing sites risk survey are conducted and documented • Equipment, area, activity and Behavior related safety SOPs are made and communicated to all concerned covering the identified risks • In case of any non-compliance by employee strict actions are taken • Compliance with occupational health and safety laws • Installation of fire extinguishers at all working places **KPIs and Targets** • Employee safety from any work related injuries • Safe and healthy working environment for employees
	Related Opportunity	Implementation of health and safety SOPs Employee Protection	Cost Optimization	**Effect on Capitals** Human Capital, Social and relationship Capital	**Value Creation** • Employee safety from any work related injuries • Safe and healthy working environment for employees
Environment		**Environmental hazards**			
	Risk	Possible threat to environment and natural resources Source: External/Internal Likelihood: Remote Priority: High	Sustainability	Risk of litigation and hindrance in operations **Effect on Capitals** This could affect the availability and affordability of natural, social and relationship and manufactured Capitals	**Strategy and Plan** • Compliance with all PEQS/NEQS. • To make plants dust free - various dust-collecting equipment (Electrostatic Precipitators, Bag Filters) has been installed at the Plant at key dust-producing units (Kiln, Raw Mills, Coal Mills, Cement Mills and Conveyor Belts). • Substantial plantation around manufacturing sites for green belt development • Maximization of green energy production through investment in solar energy • Water recycling, wherever possible, for water conservation • Usage of surface water for industrial purposes **KPIs and Targets** • Minimization of CO2 emissions • Minimization of underground water usage • Compliance with all PEQS/NEQS • Efforts toward Voluntary adoption of UN SDGs
	Related Opportunity	Resource conservation through optimal usage of resources	Sustainability	**Effect on Capitals** Natural, social and relationship and manufactured Capitals	**Value Creation** Contribution towards environment and communities in which company operates
Legal / Compliance		**Adherence to applicable laws**			
	Risk	Possibility of noncompliance with the applicable laws and regulations Source: External/Internal Likelihood: Remote Priority: High	Sustainability	In case on any noncompliance company can be penalized in accordance with relevant laws and regulations. Further, Company can be dragged into litigations and this could cause hindrance in operations **Effect on Capitals** This could affect the availability and affordability of financial, social and relationship capital	**Strategy and Plan** • The specific departments/employees are instructed to adhere to the applicable laws. • Updating and educating employees about all applicable laws. • Engagement of external consultants/ lawyers for expert advice and any litigation. • Regular Coordination with all regulatory authorities SECP, PSX, CDC, EOBI, PESSI etc. **KPIs and Targets** Adherence to all applicable laws in every sphere of business operations
	Related Opportunity	Strict compliance makes the Company a compliant corporate citizen	Sustainability	**Effect on Capitals** Financial, social and relationship Capital	**Value Creation** Contributing toward the wellbeing of all stakeholders.

Board's Statement for Determining Company's Level of Risk Tolerance by Establishing Risk Management Policies

The Board of FCCL is cognizant of the fact that effective risk management is essential for the sustainability of the Company. Calculated risk taking is the inherent part of business growth and sustainability. The Board has established a comprehensive Enterprise Risk Management policy for identifying, assessing, mitigating and monitoring risks across all spheres of business operations. The Board regularly reviews the key risks and mitigations measures taken by the management to pass necessary directions, if any.

Board Statement about Robust Assessment of Principal Risks

Board acknowledges that a robust assessment of principal risks that threaten business model, future performance, solvency and liquidity is carried out by the Company. Detail of principal risks are described in risk and opportunities section.

Risk Management Framework Covering Risk Methodology, Risk Appetite and Risk Reporting

The Board of Directors are responsible for the creation and supervision of the company's risk management function. Subsequently, the Audit Committee, which is Board's risk management committee, oversees the Management's role in monitoring the company's compliance with risk management policies and procedures. Moreover, they analyze the adequacy of the risk management framework concerning the risks faced by the company. An ERM committee is also formed comprising the CEO and senior Management with its role pertaining to the implementation and monitoring of the Risk Management Policy. The structure of the ERM committee is as follows:

Level	Key Roles
BOD	• Development and effective implementation of risk management policy for managing threats.
Audit Committee (Board's risk management Committee)	• Providing direction and evaluating the operation of the ERM Committee • Reviewing risk assessments prepared by the ERM Committee • Monitoring emerging issues and sharing best practices
ERM Committee	• Overall risk management including the evaluation of risks associated with the new projects of the company. This mainly includes the identification, evaluation and treatment of risks associated with the business of the company and new projects. • Reviewing and monitoring the existing controls and implementing new controls wherever necessary for effective risk management.

Risk Management Framework Covering Risk Methodology, Risk Appetite and Risk Reporting

The Company is employing a systematic five-stage approach to effectively manage risk

1. Stakeholder Education: The importance of risk management and the establishment of a risk-conscious culture is emphasized to all stakeholders.
2. Risk Identification: Both external and internal sources of risk are carefully identified and acknowledged.
3. Risk Assessment: Each identified risk is assessed in terms of its likelihood of occurrence and potential impact on the Company.
4. Risk Response: Appropriate responses to the identified risks are determined, which may involve tolerating, treating, transferring, or terminating the risk.
5. Monitoring and Communication: The Company establishes a framework for continuously monitoring and communicating the progress of risk treatments and the associated activities.

Risk of Supply Chain Disruption Due to an ESG Incident and Company's Strategy for Monitoring and Mitigating These Risks

At FCCL we recognize the dependency of business operations on ESG factors. Company proactively identifies potential risks to supply chain linked to any ESG factor. Principal risks associated with ESG factors and mitigating strategies are as under

Risk	Mitigating Strategy
Environmental pollution	Company complies with all the applicable NEQs and PEQs for handling, manufacturing and transportation of its products and materials
Shortage of raw materials and natural resources	Company has its own Quarry operations that makes less dependency on raw material suppliers Recycling, where ever possible, and conservation of natural resources is top priority
Work force health and safety	All occupational health and safety laws and regulations are adhered with – also refer to risk and opportunity section
Labour disputes	Company complies with the relevant labour laws and creates a good working relationship with employees to avoid any labour dispute
Geopolitical considerations	Company maintains well reputed and diversified portfolio of suppliers to cater for any political incident in some part of the country that might impact the supply of materials and fuels

GOVERNANCE

Corporate Governance

We proudly present our unwavering commitment to robust corporate governance practices. With a steadfast focus on transparency, accountability, and ethical conduct, FCCL upholds the highest standards of integrity.

Our board of directors diligently oversees our operations, ensuring that every decision is made in the best interest of our stakeholders. We have implemented stringent internal controls and risk management frameworks to safeguard our assets and maintain financial discipline. By adhering to these principles, FCCL continues to build trust, foster long-term sustainability, and drive excellence in the cement industry.

Role of the Chairman

The Chairman of the Board plays a crucial role in managing and providing leadership to the Board of Directors. They ensure that the Board fulfills its responsibilities effectively. The Chairman's responsibilities include (but are not limited to) the following:

1. To set the strategic direction and vision of the company, leading it towards success.
2. To chair Board meetings, ensuring effective governance and making impactful decisions.
3. To provide guidance and support to the CEO, fostering a strong leadership partnership.
4. To represents the company to stakeholders, leaving a lasting impression of excellence.
5. To facilitate communication between the Board and the CEO, ensuring alignment and progress.
6. To oversee the Board's performance and composition.
7. To promote impeccable corporate governance and ethical conduct, setting the highest standards.

Role of the CEO

The CEO is responsible for putting the strategy defined by the Board into practice. The CEO's leadership role also entails being ultimately responsible for all day-today management decisions and for implementing the Company's long and short term goals and plans. The main responsibilities of the CEO are as follows:

1. To implement the company's strategy defined by the Board.
2. To make day-to-day management decisions and oversee the company's operation.
3. To ensure the achievement of long and short-term goals.
4. To maintain effective communication with the Chairman and bring important company matters to the attention of the Board.
5. To work in the best interest of the company and drive overall growth by surpassing performance targets set by the Board.
6. To oversee the implementation of the company's financial and operational plans aligned with the business strategy.
7. To identify potential avenues for diversification and investments, and recommend plans for Board approval.
8. To develop Key Performance Indicators (KPIs) for the company and disseminate them throughout the organization.
9. To communicate on behalf of the company with shareholders, employees, government authorities, and other stakeholders.
10. To ensure overall success of the organization.

Foreign Director

FCCL has no foreign director on the Board, therefore the need for security clearance never arose. In case a foreign director is elected on FCCL board in future, security clearance will be obtained from the ministry of interior through the SECP.

Director Orientation

The Company has made sufficient arrangements to carry out orientation sessions for their directors to acquaint them with company's operations, applicable laws and regulations and their duties and responsibilities in order to enable them to effectively govern the affairs of the company on behalf of shareholders. Non-executive directors are provided with exposure to operating management and major customers of the Company on a regular basis throughout the year. Moreover, non-executive directors may elect to contact any employee, customer, advisor or supplier of the Company. Exceeding the requirement of regulatory framework, the Company, besides tailoring a formal Director's training program, also has an arrangement place to acquaint the Director's with Company's orientations, applicable clauses and regulations.

Diversity in the Board

We recognize the importance of having diversity in our board based on competencies, requisite knowledge, skills, and experience. It enables us to make well-informed decisions and adapt to the dynamic business environment. By bringing together individuals with diverse backgrounds and expertise, we foster robust discussions and effective problem-solving, ensuring the long-term success of our organization.

List of Companies in Which the Executive Director is Serving as Director

Mr. Haris Manzoor (CEO/MD) of FCCL is also serving as Non - Executive Director of the following company: FFBL, FPCL, FPCDL, FKPCL and FFCEL.

Board's Function

At FCCL, our Board is the powerhouse behind our organization's success. With their wealth of expertise, knowledge, and experience, they make strategic decisions that propel us forward in the cement sector. Through meticulous analysis and thoughtful discussions, our Board members ensure that every choice aligns with our long-term goals and maximizes value for our stakeholders. Their collaborative approach and diverse perspectives enable us to navigate challenges, seize opportunities, and stay ahead of the competition. With their guidance, FCCL continues to make informed decisions that shape our future and drive our growth.

Decision Delegated to the Management

The decision-making authority at FCCL is delegated to the management, allowing them to make informed choices that drive the company's growth. This delegation empowers the management to assess market trends, analyze financial data, formation and implementation of strategies that align with our goals. By entrusting decision-making to the capable hands of our management team, FCCL ensures agility, efficiency, and effective execution of plans of operational management. This approach enables us to adapt to changing market dynamics and seize opportunities in the cement sector.

Corporate Governance

External Oversight of Function

To enhance the credibility of internal controls and systems, FCCL implements various measures, including external oversight. This involves conducting system audits and internal audits by external specialists. These audits provide an independent evaluation of our processes, ensuring compliance with regulations and identifying areas for improvement. By involving external experts, FCCL demonstrates its commitment to transparency and accountability. These measures strengthen the credibility of our internal controls, giving stakeholder's confidence in the integrity and reliability of our operations.

Related Party Transaction

FCCL's directors have approved a policy for related party transactions that emphasizes conducting them on an arms-length basis. This means that transactions with related parties are carried out at fair market value, ensuring fairness and transparency. By having this approved policy in place, FCCL demonstrates its commitment to maintaining integrity and avoiding any conflicts of interest. This approach enhances trust and confidence among stakeholders, ensuring that related party transactions are conducted in a manner that upholds the highest standards of corporate governance.

Details of Related Party Transactions

Pursuant to the requirements of the Companies Act and the Listed Companies (Code of Corporate Governance) 2019, the complete details including of all related party transactions are given at note 41 of the Financial Statements. The same were reviewed at the end of each quarter by the Audit Committee before placing it before the Board for approval.

Contract or arrangement with related party other than in normal course of business

Not Applicable.

Disclosure and management of the Board if any conflict arises

Conflict if any is managed in line with the provisions of the Companies Act 2017. During the period no conflict arose in the Company.

Director's Interest in Related Party Transaction

No director of FCCL has any personal interest in related party transactions.

Details of Any Board Meetings Held Abroad

Since all the directors of the company are based in Pakistan, no meeting of the Board of Directors of the company held abroad.

Policy of Safety Of Records

Record retention and preservation policy of the company extends beyond statutory and legal requirements. Physical record including books of account, documentation relating to secretarial, legal, contractual, taxation and other important matters is archived in secure and well preserved manner.

Key features of our record safety policy are as under:-

- Contracts and documents of permanent nature are kept fire proof lockers with restricted access to authorized persons.
- Storage of physical financial record at secure place with protection against physical deterioration, fire and natural disaster etc.
- IT related record is safeguarded in accordance with IT governance policy. Following are the key elements:

  I. Three well established data centers at all locations having C9 and CIO servers with live and real time replications are in place.

  II. A well-known brand of hardware firewalls with cloud sandboxing features are installed all data centers.

  III. Installation of auto fire suppression system (FM-200) on all server rooms.

  IV. Only authorized persons, as per IT policy, have physical access to server room. A log of all to server room is maintained through biometric access.

Corporate Governance

Investors Grievance Policy

FCCL in order to be has designated an investors section on website to handle Investor Relations & Grievance. The Company has a designated email ID as well as an online Complaint Form at its website for the Shareholders to lodge a complaint or query with the Management. Shareholders can also lodge a complaint or query using telephone, fax or conventional mail. This is to ensure that grievances notified by the shareholders are handled and resolved efficiently at appropriate level within shortest possible time frame.

Social Environmental Policy

Company continues to work for the betterment and uplift of the surrounding communities. Accordingly, Social Environmental Policy of the Company, duly approved by the Board of Directors is in place and adhered to.

Risk Management and Business Continuity

Business Continuity Management Strategy and Policy is in place. The application of risk management and business continuity management remains a priority for the Company. Risk management, having been reviewed and updated recently and is considered effective.

Disaster Recovery Planning (DRP)

A comprehensive Disaster Recovery plan is in place and tested by the assigned experts of IT team. This enables the Company to continue its Information Technology related operations in case of any disaster, earthquake or fire in a near to zero downtime.

External Search Consultancy for Appointment of Any Director

This year no external search consultancy was used for appointment of any director on the Board.

Communication with Stakeholder

We prioritize effective and transparent communication with our stakeholders. We understand the importance of keeping our valued partners, investors, and customers informed about our operations, achievements, and future plans. Through regular updates and annual reports, we ensure that our stakeholders are well-informed and engaged. We actively seek feedback and suggestions, valuing their input in shaping our strategies and initiatives. By fostering open lines of communication, we build strong relationships, instill confidence, and demonstrate our commitment to transparency and accountability.

Employee Health, Safety and Protection

We prioritize the health and safety of our employees above all else. We firmly believe that our workforce is our most valuable asset, and their well-being is of utmost importance. We have implemented stringent safety protocols and provide comprehensive training to ensure a secure working environment. Our dedicated team continuously monitors and assesses potential risks, taking proactive measures to prevent accidents and promote a culture of safety. We strive to create a workplace where employees feel safe, supported, and empowered to prioritize their well-being. Through regular communication and engagement, we foster a strong safety culture, ensuring that everyone goes home safely at the end of the day.

Details of Shares Held by Sponsors / Directors / Executives and Distribution of Shareholders

Details of shares held by sponsors and distribution of shareholders are given in the Shareholders' category and Pattern of Shareholding sections of this report.

Policy for Governance of Risk and internal controls

FCCL prioritizes effective governance of risk and internal control. FCCL has implemented a comprehensive policy to ensure that risks are identified, assessed, and managed in a proactive manner. The company follows a robust framework that includes regular risk assessments, internal control evaluations, and monitoring mechanisms. FCCL's management is committed to maintaining a strong control environment and continuously improving risk management practices. By adhering to these policies, FCCL aims to safeguard its assets, enhance operational efficiency, and maintain transparency and accountability throughout the organization.

Justification of Independent Directors

FCCL presently has three independent directors on the Board. These Directors meet the criteria of Independence as prescribed in section 166 (2) of The Companies Act 2017 and have been selected from the data bank of independent Directors maintained by PICG.

Disclosure of director's interest and significant contracts and arrangement

Even though none of our directors have an interest in related party transactions, FCCL still maintains a strict policy regarding the disclosure of director's interest in significant contracts and arrangements. This policy ensures transparency and accountability by requiring directors to disclose any potential conflicts of interest. By adhering to this policy, FCCL upholds the highest standards of corporate governance and ensures that the decision-making process is fair and unbiased.

Board's policy on Diversity

At Fauji Cement (FCCL), no one is discriminated against based on gender or any other characteristic. FCCL strongly upholds the principles of equality, fairness, and respect for all individuals. The company ensures that its policies, practices, and decision-making processes are free from any form of discrimination. FCCL fosters a culture of inclusivity and provides a safe and supportive environment where everyone can contribute their unique talents and perspectives. By promoting a work environment that is free from gender bias, FCCL strives to create a truly diverse and empowering workplace for all its employees.

Retention of Board Fee by the Executive Director against Services Rendered As Non-Executive Director in Other Companies

The executive director is authorized to retain board fee earned by him against provision of their service as non-executive director in other companies. From 2023, any fee payable to executive director will be paid to the Company.

Company's approach to managing and reporting policies related to procurement, waste and emissions

FCCL takes a proactive approach to managing and reporting its policies on procurement, waste, and emissions. FCCL has implemented robust procedures to ensure responsible procurement practices, including sourcing materials from trusted suppliers who meet ethical and sustainability standards. In terms of waste management, FCCL prioritizes recycling and minimizing waste generation through efficient processes. FCCL also places a strong emphasis on reducing emissions by implementing environmentally friendly technologies and regularly monitoring its carbon footprint. By adhering to these policies and reporting on their progress, FCCL demonstrates its commitment to sustainable practices and being a responsible corporate citizen.

Announcement of Financial Results

The company has communicated its Quarterly/ Half- Yearly and Annual Financial Results in a timely manner. Following is the timeline for authorization of financial statements by the Board of Directors:

Particulars	Date of Authorization	Date of Authorization
First Quarterly Financial Statements	24th October 2022	Within one month
Half-yearly Financial Statements	14th February 2023	Within two months
Third Quarterly Financial Statements	19th April 2023	Within one month
Annual Financial Statements	29th August 2023	Within 60 days

Commitment to Compliance

We are committed to conducting our business in compliance with applicable laws, regulations, corporate policies and in accordance with high ethical standards, as embedded in Code of Corporate Governance Regulations,2019, which is periodically ratified by all employees.

Living the principles in Our Code is key to our success and our ability to achieve our strategic vision. Inspiring and empowering our people to always do the right thing is fundamental to our vision of building and sustaining a better and stronger future. FCCL's commitment to compliance is clearly communicated by our company´s leadership. Our values and ethical standards are conveyed throughout our organization through communication campaigns, training, the values and principles behind Our Code and other corporate policies, and through internal meetings.

Furthermore, at FCCL, one of our core values is acting with Integrity. Acting with Integrity is necessary in our day-to-day interactions, as it is crucial for FCCL´s sustained success of fostering a workplace environment in which our people can thrive. The value of Acting with Integrity is even included as one of the five core competencies that are taken into consideration in employee´s performance evaluations.

Composition of the Board

The total number of Director is 8 as per following:

Male: 6

Female: 2

Executive Directors (Male)	Mr. Qamar Haris Manzoor
Independent Directors (Male)	Mr. Sami Ul Haq Khilji
Independent Director (Female)	Ms. Naila Kassim Ms. Maleeha Bangash
Non-Executive Director	Mr.Waqar Ahmed Malik Dr. Nadeem Inayat Maj.Gen Naseer Khan HI(M), (Retd) Mr. Syed Bakhtiyar Kazmi

Directors' Report

The Board of Directors are pleased to present to you the Annual Report of the Company along with the audited financial statements for the year ended 30th June 2023.

Economic Overview

FY 23 has been by far the toughest year for Pakistan's economy with the indicators of inflation and interest rates touching an all-time high of 38% and 22% respectively. The balance of payment crisis saw a massive devaluation of the rupee by 30% during FY 23, which for a country heavily reliant on imports caused an across the board super commodity price boom. The continued political instability added to the overall economic woes of the country.

The looming external debt default and dwindling foreign exchange reserves saw the State Bank of Pakistan issue instructions to banks prioritizing sectors eligible to get letters of credit opened, thus we saw plant shutdowns and production cuts across a host of industries. The much delayed and this time exorbitantly negotiated IMF Loan Programme was revived which then brought with it an increase in the fuel and power costs as various pre conditions were already met. This however also brings with it a hope that with the funds from this Programme combined with the other bilateral funding, further deterioration would be controlled. Spending on infrastructure in the public sector also significantly reduced because of the government's limited fiscal space. Pakistan's economy has had 'boom and bust' cycles before too, but FY 23 bust has been the loudest and undoubtedly, the most difficult one as it was felt by the people across all walks of life, especially the marginalized segment of the society and those living below the poverty line.

Realizing the tough economic and business conditions in FY 23, the management under the guidance of the Board took various initiatives to lower costs, increase its market share and introduce innovative products to ensure that the company is able to mitigate the impacts of these economic shocks as far as possible.

Cement Industry Overview

FY-23 saw a double-digit decline in the overall dispatches on the back of the economic slowdown and an across the board increase in the entire spectrum of construction materials. Overall dispatches of the industry were 44.6 Million tons as compared to 52.9 Million tons last year, a decline of 15.7%. The drop in domestic dispatches was 16% i.e. from 47.6 Million tons last year to 40 Million tons in FY-23 and the drop in exports was 13.1% i.e from 5.3 million tons to 4.6 million tons in FY 23.

After an all-time high, FY 23 saw a decrease in international coal prices but its impact could not translate into reduction of cost and hence cement prices due to devaluation of the rupee;. Among the other cost increases were the increase in fuel prices and electricity tariffs. While the manufacturers were able to pass on the cost increase, this phenomenon is not considered conducive to growth for the cement demand as buying power of the consumer is fast declining due to record inflation in the country.

Company's Performance

The company's cement dispatches during FY 23 were recorded at. 4.8 million tons compared to last year's 5.6 million tons (domestic 4.4 million tons vs 5.3 million tons in FY 22) and exports 0.4 million tons vs 0.3 million tons in FY 22). FY 23 is the best performing year for Fauji Cement Company Limited during which the Company' delivered a record profit after tax (PAT) of Rs. 7.4 billion, an improvement of 5% from FY 22. This was despite the imposition of additional 6% Super Tax of Rs. 1,984 million (including deferred tax impact) introduced in the budget for FY 24 but applicable retrospectively for FY 23. With the objective of increasing market share with more outreach and the addition of new areas the company successfully implemented its marketing strategy and achieved capacity utilization of 65% as compared to 60% of the industry. The key figures for FY 23 are as follows:-

(Rupees in Thousand)

Particulars	2023	2022	Change	% Change
Gross Revenue	**90,089,281**	74,255,138	15,834,143	21%
Net Revenue	**68,069,282**	54,243,118	13,826,164	25%
Gross Profit as percentage of net Revenue	**30%**	29%		1%
EBITDA	**20,179,000**	15,678,540	4,516,720	29%
PBT	**12,900,109**	11,528,093	1,372,016	12%
PAT	**7,439,681**	7,112,540	327,141	5%
EPS - Rs.	**3.16**	3.02	0.14	5%

Revenues

Overall sales revenue increased by 25% during the year. Local sales revenue increased by 18% mainly due to the increase in prices owing to the higher input costs. Exports revenue increased by 120% due to higher dispatches and devaluation of Rupee.

Cost of Sales

An increase of 42% was witnessed in per ton cost of production during the year as compared to last year. This is mainly attributable to higher fuel and energy costs because of significant devaluation of PKR and increase in coal and power prices. The unprecedented hike in input costs is partially mitigated through cost optimization initiatives taken by management including the following:

1. Higher use of Local coal compared to expensive imported coal.
2. Reduction in cost of power by increasing captive power generation and enhancing green energy, which has led to your company producing 57% of the total required power during optimal generation.
3. Rationalization of fixed costs.

Gross Profit

Despite increase in unprecedented hike in input costs, gross profit margin of the company increased from 29% to 30% due to better marketing strategy and management's cost optimization initiatives.

Finance Cost

Finance cost of the Company increased from Rs. 1,202 Million to Rs. 3,645 Million as compared to last year. This is mainly attributable to high interest rates, increase in debt of the company availed for expansion and massive devaluation of PKR by over 30% against USD, as a result the company booked an exchange loss of Rs. 960 million in finance cost that relates to expansion project's financial liability which is not allowed to be capitalized as per IFRS.

Directors' Report

Financial Position

Net Worth

Net worth of the company increased by Rs. 7,439 Million and resultantly stood at Rs. 65,176 Million, translating into a breakup value of Rs. 26.57 per share. The net worth registered an increase of 13 % in comparison to the last financial year.

Long-Term Loans and Deferred Government Grants

Long-term loans and deferred government grant (including the current portion) stood at Rs. 39,304 Million, which increased by Rs. 14,414 Million over the previous financial year as a result of new loans for cement expansions.

Deferred Tax Liabilities

Deferred tax liabilities stood at Rs.10,312 Million, which increased by Rs. 2,879 Million over the previous year mainly due to increase in effective tax rate to 39% from earlier 33% mainly due to imposition of additional super tax.

Loan from Parent - Unsecured

Loan received from the parent (Fauji Foundation) stood at Rs. 7,387 Million obtained for cement expansion.

Short-Term Borrowings

Short-term borrowing balance stood at Rs. 4,531 Million which increased by Rs. 1,313 Million over previous financial year. This includes slightly cheaper export refinance facilities.

Trade & Other Payables and Accrued Liabilities

Trade & other payables were recorded at Rs. 6,516 at year-end and saw decrease of Rs. 401 Million compared to the last financial year, mainly due to decrease in federal excise duty payable at year end. Accrued liabilities stood at Rs. 4,022 and decreased by Rs. 299 Million over the previous financial year.

Property, Plant & Equipment

The total value stood at Rs. 104,425 Million with an increase of Rs. 30,299 Million, mainly due to the Expansions at Nizampur and DG Khan.

Stores, Spares and Loose Tools

The stores, spares and loose tools were valued at Rs. 8,011 Million with a decrease of Rs. 3,928 Million as compared to the previous financial year, owing to decrease in coal stocks and its prices.

Short-Term Investments and Cash & Bank Balances

Short-term investments stood at Rs. 250 Million while cash and bank balance stood at Rs. 970 Million as compared to Rs. 2,307 Million during the previous financial year as the available cash was utilized to fund the Expansions.

Contribution to National Exchequer

FCCL contributed PKR 25.3 Billion (in comparison to PKR 23.1 Billion for the previous year) to the national exchequer on account of income tax, excise duty, sales tax, and other government levies. Valuable foreign exchange to the tune of US $ 20.9 Million was generated by FCCL from the export of Cement during the year.

Outstanding Statutory Dues

The company does not have any outstanding statutory dues except as shown in Note 11 of the Financial Statements.

Information About Defaults in Payments of Debt

There is no default in payments of any long-term or short-term debt. All the debts of the company including relevant finance costs are being repaid in accordance with the terms and conditions of the respective loan.

Material Changes on Commitments

There is no material change on commitment affecting the financial position of the company since the year-end to the date of this report.

Risk Management

Risk management framework, methodology and key risks along with mitigating steps/ strategies can be found in the risk & opportunities section of this Annual Report.

Provident Fund

The total value of this Fund, as of 30th June 2023, is given below: -

S/No	Category of Staff	Rs in Million
a.	Management staff	1,307
b.	Non- Management staff	722
Total		2,029

Rs. 26.5

Break-up Value per Share

Rs. in Million

Rs. 104,425

Property, Plant & Equipment

Rs. in Million

Rs. 250

Short Term Investments

Rs. in Million

Rs. 970

Cash and Bank Balance

Rs. in Million

Rs. 25,305

Contribution to National Exchequer

Directors' Report

Composition of the Board

The diverse knowledge and expertise of an eight member Board contributed to the best interest of all the stakeholders while simultaneously adding value to the company.

Total Number of Directors

Male Directors	6
Female Directors	2

Composition of The Board

Independent Directors	3
Non- Executive Directors	4
Executive (CEO)	1

Meetings of the Board of Directors

Directors	Total No. of Meetings
Mr. Waqar Ahmed Malik, Chairman	5
Mr. Qamar Haris Manzoor	6
Dr. Nadeem Inayat	6
Maj Gen Naseer Ali Khan, HI(M), (Retd)	6
Syed Bakhtiyar Kazmi	6
Mr. Sami ul Haq Khilji	6
Mr. Tariq Ahmad Khan*	3
Ms. Maleeha Bangash**	3
Ms. Naila Kassim	6

* Passed away on dated on 22nd Dec 2022
** Joined on 5th Jan 2023

Vision, Mission and Corporate Strategy by the Board

After conducting a thorough review, the Board of Directors had diligently examined and sanctioned the vision, mission, and overarching corporate strategy of Fauji Cement Company Limited. The Board

firmly believes that these elements encapsulate the fundamental principles upon which the company was founded. Our vision and mission play a pivotal role in shaping the trajectory of our corporate strategy and guiding our collective efforts across all levels. Every facet of our organization is aligned and motivated by this purpose, serving as the primary criterion for decision-making in our daily business operations.

CEO's Performance Review by the Board

The CEO of the Company was appointed for a three year tenure from the date of election of directors. The Board regularly reviews and evaluates the CEO's performance as per targets assigned at the start of every financial year.

Qualification of CFO and Head of Internal Audit

The Chief Financial Officer and Head of Internal Audit possess the requisite qualifications and experience as prescribed in the Code of Corporate Governance.

Chairman's Review of the Performance of the Board

The Chairman's review of the Board's overall performance and its efficacy in achieving the Company's objectives has been outlined in the 'Chairman's Review'

External Auditors

A.F. Ferguson & Co, chartered accountants, have completed the annual audit of Company for the year ended 30th June 2023 and are due to retire on 27th October 2023 after conclusion of 31st Annual General Meeting (AGM). However, as proposed by the Audit Committee, the Board is recommending their reappointment as External Auditors of Company for the year ending 30th June 2024, after approval by the shareholders during 31st AGM.

Compliance with Best Corporate Practices

In order to comply with the standards, the Board of Directors has complied with the requirements of the code of corporate governance, listing regulations of the Pakistan Stock Exchange and the requirements for the Financial Reporting Framework of Securities & Exchange Commission of Pakistan (SECP) throughout the financial year 2022-2023.

This Annual Report 2023 comprises the report of the Board's audit committee on adherence to the code of corporate governance, a statement of compliance by the Chief Executive Officer of the company with the Code of Corporate Governance, besides the review report by the Company's Auditors.

Shareholding Pattern

Statements showing the pattern of shareholding as of 30th June 2023, required vide section 227(f) of the Companies Act, 2017 are annexed to this Report.

Board's Role and Decision Making

The Board of Directors' pre-eminent focus is developing a value-creating, meritocratic environment that paves the path of the growth trajectory of the Company and fulfills the commitment to our shareholders. The Board meticulously follows the legal and regulatory framework whilst executing its responsibilities. The Board contemplates each and every decision, analyzing and discussing it diligently, ensuring the welfare of the company as well as the shareholders. Under the guidance of the Chairman, the Board assists and guides the Management, giving it strategic direction for the betterment of the Company and overseeing the subsequent implementation.

Ethics and Compliance

The Board of Directors have instituted a robust governance and legal framework that corroborates with the applicable laws and regulations and is instrumental in the trajectory of growth and sustainability of the Company. There are various committees instituted by the Company, for advisory and supervision of tasks. The aforementioned committees are mandated with the provision of strategic framework, recommendation, reinforcing governance and delivering requisite guidance to management to maximize resource utilization. They are incumbent on executing key initiatives including but not limited to the assessment of investments and refining capital structure.

Ethics and integrity are the essence of our business operation, both internal and external. In accordance with these values, the code of conduct is disseminated to all employees and is accessible on our website. Furthermore, the audit committee is routinely briefed regarding risk management policies and the potency of internal controls.

Unreserved Compliance with International Financial Reporting Standards (IFRS)

For the accurate and verifiable presentation of financial statements, management believes in unreserved compliance with international financial reporting standards (IFRS). Annexed financial statements for the year ended on 30 June 2023 are prepared in accordance with the IFRS as applicable in Pakistan.

The status of adoption is discussed in detail in notes 2.1 & 2.5 of the annexed financial statement.

Salient Aspects of Company's Control and Reporting System

FCCL complies with all the requirements of the Companies Act 2017 and Listed Companies (Code of Corporate Governance) Regulations 2019. In this regard, the Board is in charge of ensuring to it that corporate governance principles are followed by the company. This entails approving the strategic course that the Company management has recommended, approving and overseeing capital expenditures, ensuring senior management is in compliance with succession policies, establishing and overseeing the achievement of management's goals, the integrity of internal controls, and approving and overseeing the financial and other reporting systems.

Demise of a Member of the Board

The board expresses their deep grief and sorrow over the sad demise of a member of the Board Mr. Tariq Ahmad Khan (Director) due to Cancer in Dec 2022. We pray that Allah Almighty grant him an exalted place in heavens and bless his departed soul. We are grateful to his contribution and services towards the Board.

Induction of New Director

To fill the casual vacancy generated by the death of Mr. Tariq Ahmad Khan, a new Director Ms. Maleeha Bangash was appointed as Director of FCCL Board and Chairperson of the Audit Committee. The members of the Board welcomed Ms. Maleeha Bangash and wish her well for the future role on the Board.

Female Directors

Female representation on the FCCL Board of Directors remains, and this time around, we have two female board members, which is more than the minimum regulatory requirement.

Director Training Program

Through the implementation of the best practices, the company is aware of the requirements indicated in the Listed Companies (Code of Corporate Governance) Regulations 2019.

The Board members have all received the necessary certifications under the Directors Training Program from SECP-authorized institutions.

Evaluation of the Board's Performance

Committees and Directors

As required by the code of corporate governance, the performance of the Board is evaluated in the following areas: -

- Performance of the Board as a whole.
- Performance of Board Committees.
- Performance of the individual Directors of the Board.

External Evaluation of The Board

In order to encourage transparency in the process, a third party assessment was conducted by PICG to evaluate the performance. Results are accordingly shared to highlight the areas of improvement.

Corporate Briefing Session

The first briefing session organized this fiscal year was held on Tuesday 18th October 2022. This session primarily focused on the comprehensive analysis of the company's annual performance for FY 21-22. Subsequently, another briefing was held on Thursday 23rd February 2023 which centered around the evaluation of the company's half-yearly performance for FY 22-23. These sessions included an extensive Q&A session with the analysts and other attendees, followed by a general discussion of the Company's financial and operational performance. The presentation of these sessions can be accessed from the FCCL website.

Human Resource Management Policy & Succession Planning

FCCL recognizes the pivotal role of its human capital in ensuring long-term sustainability and growth. The company is dedicated to fostering a diverse and inclusive culture that enhances productivity, aligns with business objectives, and agilely responds to ever-emerging challenges. The management of FCCL is committed to a comprehensive approach that includes attracting, recruiting, and training individuals, thereby empowering them to realize their maximum potential. This approach centers around dynamic and progressive programs that prioritize employee retention, nurture talent, and reinforce alignment with organizational goals.

Central to FCCL's success is the well-defined framework that maintains a promising position for its employees. By providing a clear career growth path and competitive benefits, FCCL ensures alignment with strategies vital to the business plan, allowing for cohesive efforts and prompt initiation of new projects.

Furthermore, FCCL has invested heavily in succession planning, a cornerstone of the company's commitment to endurance and continuity. Each department is spearheaded by proficient leaders, and FCCL has instituted a systematic approach to train employees for higher positions. Succession planning considers a wide range of factors including attitude, performance, potential, qualifications, expertise, teamwork, and professionalism, creating a flexible and responsive leadership development strategy. Regular updates to the succession policy and an annual appraisal system incorporating the bell curve methodology are key components of FCCL's commitment to nurturing a performance-driven culture.

FCCL's sustained focus on human resource initiatives and the successful implementation of targeted strategies, particularly in the area of succession planning, have substantially contributed to the company's growth and productivity. These achievements, coupled with FCCL's vision to become the employer of choice, reflect the company's belief in the power of people and its dedication to creating a work environment where talent thrives and leads to organizational excellence.

Policy for Remuneration of Directors

The "Remuneration Policy for Directors" has been approved by the Board of Directors. Stated below are the prominent feature of the policy:

- The Company shall only pay remuneration fees to the members attending the Board and its Committee meetings.
- The remuneration fee of Directors is to be reviewed at periodic intervals to assure that they are in line with the input from the Board Members, as well as with fees prevailing in good corporate companies.
- A Director shall be provided or reimbursed for all travelling, boarding, lodging and other expenses, incurred by him/her for attending meetings of the Board, its Committees and/ or General Meetings of the Company.
- The total amount of money paid to the Directors during the year is indicated in Note 39 of the attached financial statements.

Related Party Transactions

All transactions involving related parties during the year were brought before the Audit Committee for evaluation and, following careful consideration, were recommended to the Board. The financial statements Note 41 provides details on how each transaction was carried out on an arm's length basis.

Anti-Harassment Policy

The Board has approved comprehensive anti harassment policies. FCCL is devoted to establishing an environment free from harassment, a place where all workers are shown respect and dignity. Any type of workplace harassment will be met with a zero-tolerance policy. All incidences will be taken seriously, and all claims of harassment will be quickly looked into. Any person found to have harassed another will be subject to strict disciplinary action, up to dismissal from service. Fortunately, no issues were reported during the year.

Whistle Blowing Policy

There is a possibility of things going wrong occasionally or rare instances of unlawful or unethical behavior in the complex, unpredictable, and uncertain operational environment that most organizations operate in. In order to proactively manage such risks

by preventing them from happening, transparency, accountability, and integrity are vital for the efficient management of operations.

The Company's whistle blowing policy comprehensively covers all aspects and encourages all stakeholders to remain alert in a transparent and efficient manner, with adequate safeguards in place for the whistleblower.

No significant issues were reported during the period under review. The minor issues reported did not qualify as whistleblowers; however, the complaints were duly addressed by the management on merits.

Relations With Company Personnel

The management of the Company and its employees continued to have cordial, trusting relationships. For the benefit of the workers, FCCL maintains two funds: the FCCL workers profit participation fund and the FCCL employees provident fund. Along with providing a secure and comfortable workplace for them, considerable investment has also been made in the welfare of the workforce.

General Meetings

FCCL held two general meetings in this fiscal year 2023, the 30th Annual General Meeting (AGM) conducted on the 21st October 2022 and the 14th Extraordinary General Meeting held on the 22nd June 2023.

Divestment in Foundation Solar Energy (Pvt) Ltd (FSEL)

FCCL has disinvested its ownership in Foundation Solar Energy (Private) Limited (FSEL). The shares purchase agreement (SPA) was signed on the 23rd June 2023, and a total of 6,250,000 shares, with a nominal value of PKR 10/- per share, were sold and transferred to Foundation Power Company Daharki Limited (FPCDL). The transaction was conducted on 27th June 2023 at a price of PKR 20.50 per share, resulting in a cash consideration of PKR 128,125,000. This transaction was authorized by the shareholders in the 14th Extraordinary General Meeting (EOGM) held on the 22nd June 2023.

SAP

FCCL has entered a new era of automation and IT-based operations given that SAP, a comprehensive enterprise resource planning (ERP) system, is now successfully operational. SAP software has allowed FCCL better performance, analytical capabilities, and improved operating margins. It has improved business functions and accelerated workflows.

Corporate Social Responsibility

Fauji Cement Company Limited is well-aware of and prioritizes its responsibility towards the local population, especially those in its vicinity. We have dedicated special funds towards the enhancement of children's education, technical & vocational skills of individuals and tree plantation in the area. In addition, people of neighboring villages are employed at the Plant sites and financial assistance is being provided to the poverty-stricken residents in the vicinity of the Plants.

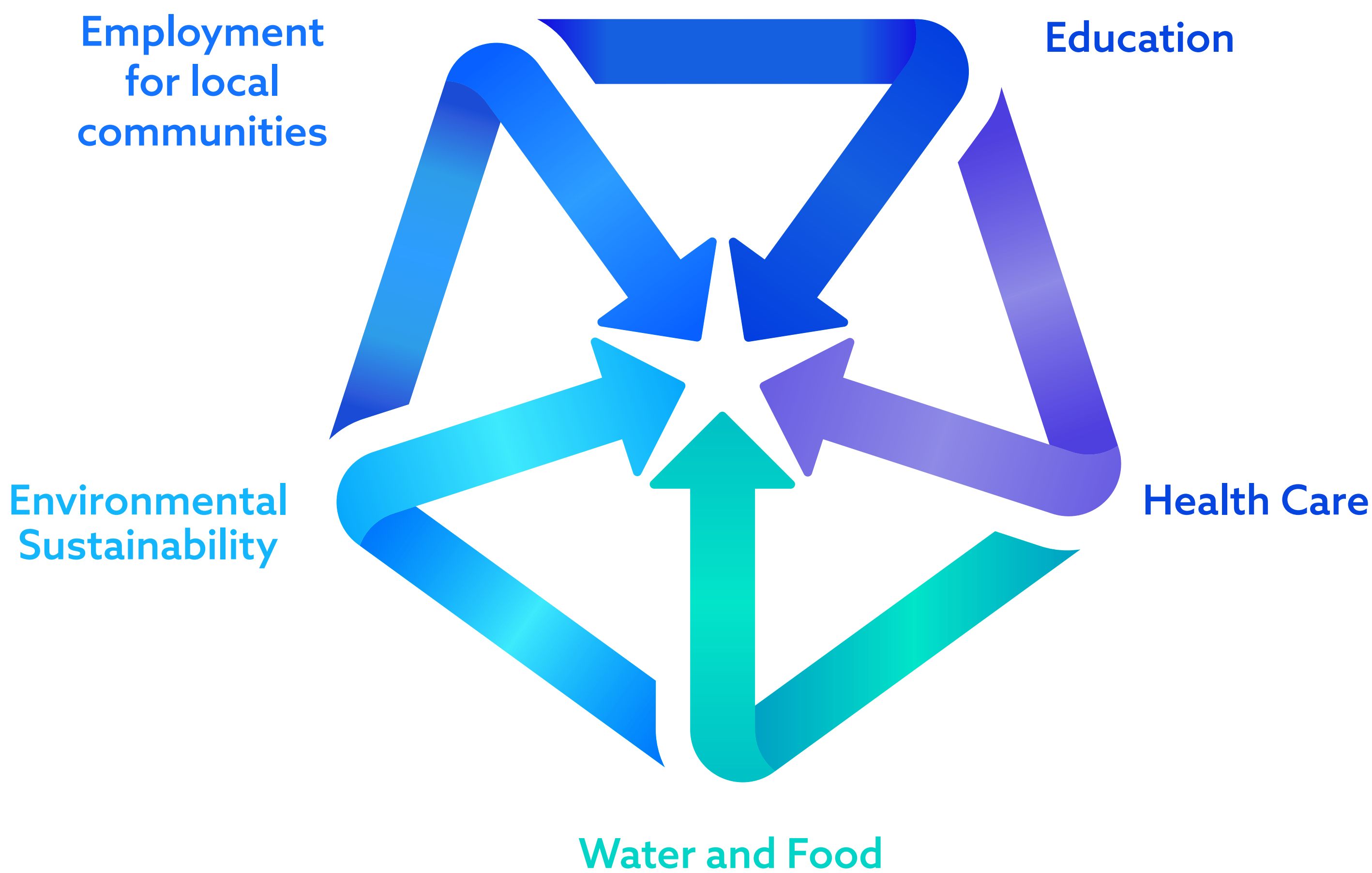
Corporate Social Responsibility

At FCCL, Sustainability and Community Welfare have been at the heart of our operations since the very beginning. FCCL is a benchmark setter in the cement industry with the largest green footprint. As we soar into a bliss of unprecedented growth and profitability, we aim to create "A Better Tomorrow" for all our stakeholders. FCCL is an industry leader in Sustainable Initiatives and CSR projects.

CSR Initiatives

We pride ourselves in being a responsible corporate entity and hence, firmly believe in safeguarding and providing for the communities that we operate in. For this purpose, significant initiatives are under implementation to address societal demands, especially those relevant to our local population.

Under the CSR vision, the key focus areas of the Company are as under: -



Education

Fauji Model School Systems

On March 2023 FCCL handed over its 4 institutes to Fauji Model School Systems for a period of three years. These institutes will benefit greatly from the expertise of FMSS in Education and Management. The following Institutes are managed by FMSS at 2 production locations:

1) Fauji Model Secondary School for Boys – Wah Plant
2) Fauji Model Secondary School for Girls – Wah Plant
3) Fauji Model Secondary School for Boys & Girls – Jhang Bahtar
4) Fauji Vocational Training Institute – Jhang Bahtar

Over 2,500 students benefit yearly from subsidized education in 3 Fauji Model Secondary Schools. Through these institutes, 280 students are also provided subsided transportation services as well.

FCCL Plant (WAH)

The presence of two subsidized schools, one for boys and one for girls, in FCCL Wah Colony, shows a commitment towards providing quality education to children from nearby neighborhoods and employees' children as well. The model school located on the premises of the Wah plant offers state-of-the-art facilities such as a cutting-edge computer center, a well-stocked library, and labs, which contribute to a comprehensive learning experience.

The regular events, social service projects, and tree-planting campaigns demonstrate a holistic approach to education, instilling values of community engagement and environmental consciousness in the students. Celebrations organized for Pakistan Resolution Day and Independence Day play a significant role in nurturing pride and awareness among the youth. By involving parents of the students and local notables in these events, the schools create a sense of community participation and highlight the achievements and progress of the students.

FCCL Plant (Jhang Bahtar)

Along with the subsidized Model Secondary School for boys and girls, to impart technical education to the youth and enhance their skills, FCCL runs a Technical Training Institute, named Fauji Technical Training Institute (FTTI), at the Plant, since year 2014. In collaboration with TEVTA Punjab, FCCL has been conducting a three-year training program in 2023.

Education

Apprenticeship Course (3 Years)

Under the auspices of TEVTA Punjab, Apprenticeship Program is a three-year rigorous training program, in which a total of 69 students are trained to become skillful workers. 50 to 60% of the students are from the local community. 25x students from DG Khan have also been inducted this year for subject training. Only students with Matric in Science or DAE are recruited.

Scholarships at FMSS

FMSS offers a generous scholarship scheme under which thirty (30) deserving students, comprising fifteen (15) students carefully chosen based on merit/ academic performance and another fifteen (15) selected based on their lack of privilege and financial resources, are accommodated to benefit from the academic scholarships.

Education in the 21st century requires evolution and adaptation in order to stay relevant. In an effort to improve the expertise and teaching abilities of faculty members, FCCL acquired the services of an internationally renowned NGO, "Development in Literacy" during the year 2017-18. The school's principal, senior faculty members and teachers of Montessori / Prep level were trained and as a result of the process, emerged with a further refined skillset.

Fauji Women Vocational Training Institute - (FWVTI) – FCCL Jhang Bahtar

The FCCL Women Vocational Training Institute (FWVTI) founded in May 2015 provides hundreds of female students residing in the vicinity of the plant, with the opportunity to register themselves to avail quality vocational training free of cost, on plant premises. A basic course of 07-month duration is run annually, that trains approximately 70-80 female students from the local community every year. The primary focus of the course is to make the students proficient in the following works: -

- Drafting, Cutting & Tailoring
- Hand Embroidery
- Fashion Designing
- Color Theory
- Home Management

FCCL Plant (Nizampur)

FCCL Nizampur firmly believes in motivating students to flourish in academics and rewarding them accordingly. To accomplish this, following programs are led by FCCL Nizampur plant:

- Scholarship to students of Union Council Kahi: In an effort to appreciate and encourage academically bright students, FCCL Nizampur offers an inclusive scholarship policy for the students of Union Council Kahi, which comprises 8 Villages housing 26 Schools and 2 Colleges. As a result of the policy, scholarships are awarded to the top three position holders (1st, 2nd, & 3rd) of class 5th to BA/ B.Sc. subject to securing 60% marks worth PKR 1,500,000.
- Financial Assistance of over PKR 250,000 has been provided to Government Girls Degree College Khan Kohi (Kahi) for BS – Affiliation and Inspection fees, as a result, the college has started BS program.
- Another donation for the replacement of Hiace tyres was made to Government Girls Degree College Khan Kohi (Kahi) in order to ensure safe transportation services.

FCCL Plant (DG Khan)

FCCL is in the process to set up its 4th Plant, a Greenfield project near Basti Ghulam Hussian in DG Khan area, the human capital index of the surrounding areas is one of the lowest in Pakistan. To facilitate students of Jaffarabad and the surrounding area, FCCL has established a two-room school equipped with solar power kits. Currently, around 90 students are studying in this school. Apart from this facility, other government educational facilities are 8 km away, thus making it impossible for children to attend school. The establishment of this school has encouraged students and parents alike to gain knowledge and educate our youth.

Health Care

Health Care / Medical Facility

FCCL Jhang Bahtar

A new medical dispensary, with better infrastructure and improved facilities, has started functioning since March 2019 at the plant premises. Since then, approx. 80,000 patients, including FCCL employees, contractor labor and surrounding village patients, were extended free medical treatment (including medicines). Furthermore, an ambulance service for the evacuation of critical patients to the main hospitals was also made available.

Medical Facilities for Local Community

- Daily Medical Treatment
- Free-of-cost OPD functions are conducted daily during working hours, whereas emergencies are handled on a 24/7 basis.
- In FY 2022-23, a total of 5,557 local patients from Union Counsel Jhang have been given free treatment and free medicines.
- Covid 19 Vaccination camp was set up by FCCL where approximately 400 FCCL employees were vaccinated.

FCCL Plant (Wah)

In 1997, FCCL fully funded and built a hospital with high-class amenities and infrastructure on the premises of the plant that has been providing free medical care (including medicines) to the locals, FCCL employees, contractors, workers, and residents. Additionally, an ambulance service is available for transporting seriously ill patients to major hospitals.

FCCL Plant (Nizampur)

Since 1995, FCCL has operated a fully funded medical inspection room at its Nizampur plant site to provide free medical care and medicines to FCCL employees, contractors, workers, and residents. To further safeguard the interest of the communities we operate in, the following donations were made during the year:

I. 4x Quarterly donations to Basic Health Unit (BHU) Kahi for issuance to poor and needy people.
II. Financial assistance for 3 individuals in the local community amounting to PKR 550,000.
III. Bi-annual eye camps for the local community.

FCCL Plant (DG Khan)

At the beginning of this year, FCCL established a medical inspection room with qualified doctors and dispensers at its DG Khan plant site to provide free medical care and medicines to FCCL employees, contractors, and workers. An ambulance is also available at the plant 24/7 to attend and facilitate any emergencies.

Water and Food

Water Filtration Plant at Wah Cantt

The primary benefit of a water filtration plant is the provision of clean and safe drinking water to the local community. Subsequent to our efforts to eradicate waterborne diseases in communities that we operate in, Fauji Cement Company Limited Wah has established a state-of-the-art water filtration plant for local communities at the boundary wall of its plant. The plant is maintained by FCCL to ensure safe and clean drinking water for our communities.

Flood Relief Activities

Floods hit the surrounding areas of DG Khan on 14th August 2022, turning a day of joy into sadness. FCCL firmly believes that we are strongest when our resilience is tested. As the natural calamity hit our communities, FCCL sprung into providing immediate relief to flood-affected countrymen.

As the probability of flash floods increased in Soore Nallah, posing a potential risk to the local communities and our plant, a water diversion was created carving the mountains in an effort of protecting the community from loss of life or wealth.

Upon realizing the poor state of the embankment, FCCL took it upon itself to repair the embankment, saving hundreds of villages within an area of 16sq. kilometer from flooding.

Once the flood hit the surrounding areas, FCCL immediately started its donation campaign through which hundreds of people were provided cooked food, dry ration, and clean drinking water.

Ramadan Package for Widows and needy

A special package, amounting to PKR 4.1 million containing necessary food items was distributed to widows and the destitute in the surrounding areas of our Wah and Jhang Bahtar plant. During times of economic distress, these packages to locals ensured that they have sufficient nutrition to go through the blessed month of Ramadan. Furthermore, donations amounting to PKR 185,000 were made to the District Administration for further distribution to the needy.

Environmental Sustainability

FCCL zealously participates in tree plantation campaigns by planting and donating thousands of plants every year to ensure a healthy environment in and around FCCL plants to create a better ecological balance for local flora and fauna. During the year 2022-23, FCCL planted and distributed over 112,000 trees.

Tree Plantation

FCCL Plant (Jhang Bahtar)

In FY 2022-2023, FCCL has planted and donated approximately 10,500 trees on FCCL lands, FCCL employees and several government departments in District Attock in liaison with EPA Attock. This huge quantity of trees will generate oxygen and will be helpful for carbon sequestration to cope with ever-increasing climate change factors. FCCL, being a pioneer of green initiatives in the cement sector, aims to launch a massive tree plantation drive in the region for the "Clean and Green Pakistan" Campaign.

FCCL Plant (Wah)

Throughout the year, significant plantation activities were conducted at Wah Plant. During the initial phase, a total of 32 acres were utilized to plant over 5,600 diverse fruit trees. Moving on to the second phase, an additional 37 acres of Old Clay Land Area were dedicated to planting approximately 64,000 native trees, resulting in a grand total of 69,600 trees planted in the year. Moreover, as part of our commitment to supporting the livelihood of local communities, FCCL generously distributed 21,000 fruit trees to these communities.

FCCL Plant (Nizampur)

During FY 23, 8,850 indigenous trees were planted inside and outside the walls of the Nizampur plant. These indigenous trees include species like Arjun, Alastonia, Sukhchain, Silver Oak etc. Along with embellishing the land, these trees will greatly help to mitigate CO2 emissions and generate oxygen. Nizampur continued with its tradition of distributing Orange Plants to support the livelihood of local communities. In FY 22-23, 3000 orange trees were distributed to and planted by local communities.

Children Park

The recreational facility for the children of the local community is being maintained in the best possible manner by the Horticulture Admin Section of FCCL. Families & children from surrounding villages use this facility quite frequently. The upgradation of the rose garden and flowering trees in the park has added value in creating a more pleasant experience for the local community.

Honeybee Farming

Honeybees are pollinating insects that are in fact improving the food production of 2 billion farmers worldwide, helping to ensure food security for the world's population. To endorse the importance of honeybees, the United Nations has declared 20th August as World Honeybee Day. The population of honeybees is declining day by day and it is badly affecting agriculture production Worldwide.

An initiative has also been taken by FCCL to increase the honeybee population in the local vicinity by starting an expandable pilot project at FCCL plant fruit orchards. This will help to maintain the ecological balance in local flora and fauna by increasing the pollination of crops and orchards in surrounding villages as well as increasing the production of pure honey every year.

Employment for Local Communities

Community Employment

FCCL Plant (Jhang Bahtar)

139 people, all belonging to local villages, have been employed at the Plant. Due to a lack of requisite education and relevant skills, most of them are daily wage labourers.

Provision of Business Opportunities – Jhang Bahtar

FCCL has allowed the locals to establish 2x Tire Shops, 4x Hotels, 1x Tea / Pakora Shop and 3x general stores outside the plant, 1x mobile shop, 1x barber shop.

Welfare Projects – Jhang Bahtar

FCCL carried out the following welfare projects for the surrounding villages: -

1- Repair and maintenance of local Mosques

2- Provision of clean drinking water supply

FCCL Plant (Wah)

330 people from the local village have been employed at the plant. Due to a lack of requisite education and relevant skills, most of them are on daily wages.

FCCL Plant (DG Khan)

600 people, belonging to local villages, have been employed at the Plant. Due to a lack of requisite education and relevant skills, most of them are daily wage labourers.

Welfare Projects – DG Khan

1. In collaboration with the National Rural Support Program, a freshwater bore has been established to supply clean drinking water to habitants of Haft Ghat and the surrounding area.
2. Clean drinking water has been made available to all surrounding communities as a water point has been established outside the boundary wall of the DG Khan factory to be availed by all.
3. To facilitate our local communities who lost their houses in the floods, FCCL built 10 new rooms along with solar kit installation that provides an uninterrupted supply of electricity during the day.

FCCL Plant (Nizampur)

159 people, belonging to local villages, have been employed at the Plant. Due to a lack of requisite education and relevant skills, most of them are daily wage labourers.

Welfare Projects – Nizampur

The following projects were carried out in Nizampur:

1. Concrete flooring of Village Shwangi Track (length 1425 ft) that cost PKR 2,200,000.
2. Construction of stone retaining wall for water drainage and whitewash of Village Kahi Janazagah and improvement of its access road from the main road.
3. Donation of bricks for the construction of Masjid Khalid Bin Walid (RA) of Mohallah Farhad Abad Village Kahi.

Achievements

15th Annual CSR Award 2023

In recognition of our efforts to protect and provide for communities and the wider stakeholders, NFEH through a Panel of Jury has decided to confer the 15th Annual CSR Awards 2023, for steps taken for "Green Energy" as well as "Education and Scholarships" to Fauji Cement Company Limited. Under the education scheme of FCCL over 2,200 students benefit every year from its schools and scholarships. FCCL through a mix of Solar Energy, Waste Heat Recovery and Alternative Fuels fulfils 60% of its energy needs thus taking the pressure off the national grid and avoiding over 140,000 tons of CO^{2} emission.

The Award was presented by the National Forum of Environment and Health (NFEH) to the management of FCCL in an award ceremony held on 21 February 2023 at Serena Hotel, Islamabad.

Health, Safety and Environment

Fauji Cement Company Limited (FCCL) endorses a proactive strategy to support employee health & safety and sustainability. The primary focus of Health, Safety & Environment is to focus on well-being in the workplace and minimize the environmental impact where FCCL operates. FCCL's HSE encompasses a range of practices, policies, and standards to minimize hazards, prevent injuries, and promote sustainable development.

Awards and Recognition

FCCL plant management regularly recognizes the efforts of the workforce who actively participate in value-adding initiatives, which include many and not limited to the following: -

- FCCL Safety Poster Competition
- Alternate Fuel Utilization
- Neika Solar Project
- Hazard Identification and Ractifications

World Day for Safety and Health at Work

On April 28, 2023, FCCL commemorated the "World Day for Safety and Health at Work" by organizing various events aimed at promoting global awareness and dedication to ensuring a safe work environment. The theme for World Day was centered around the fundamental principle and right of every individual to work in a safe and healthy environment. The day's activities commenced with an Awards Ceremony, followed by a visit by FCCL plant management to the operational area, where they interacted with workers, assessed their knowledge of safety practices, and recognized and rewarded those who demonstrated a commendable understanding of Health, Safety, and Environment (HSE) protocols.

World Environment Day

The theme for World Environment Day on 5 June 2023 focused on solutions to plastic pollution under the campaign #BeatPlasticPollution. Plastic pollution is one of the greatest threats to Mother Nature as it clogs our landfills, leaches into the rivers & oceans and is combusted into toxic smoke. All plants of the Fauji Cement endorse the occasion by creating awareness regarding plastic pollution and lesser-known microplastics.

Workers Participation & Consultation

FCCL has a vibrant and dynamic working environment. FCCL Management consistently fosters a conducive platform to encourage active worker participation. Through initiatives such as on-spot encouragement and recognition, exemplified by the provision of gift hampers, Management reinforces its commitment to engaging with the workforce. Additionally, Visual Felt Leadership (VFL) programs are employed to facilitate workers' involvement and consultation, further enhancing the collaborative and consultative approach to decision-making within the organization.

FCCL established Oracle-based "Hazard Identification (HI)" & "Visual Felt Leadership (VFL)" programs and set SMART targets for each employee at all levels to share their feedback liberally in Employee Management System (EMS). Furthermore, these SMART targets reflect the annual performance of each employee along with the mechanism of "HSE Reward and Disciplinary Action".

Training & Awareness (Learning & Development Program)

Furthermore, the FCCL's HSE department, in collaboration with the medical team, conducted multiple awareness sessions regarding heat stress management, defensive driving, dengue eradication, snake bite prevention etc. Throughout the plant, special arrangements were made for first aid awareness and the concerns of the workforce regarding CPR and the immediate handling of injured workers were addressed. Each FCCL plant engaged its workers to be aware of the contemporary health & safety challenges and how to prevent them.

Community Health Care

Fauji Cement has established a noteworthy track record of unwavering dedication to improving the societies and communities in which it operates. During FY 2022-23, the company extended great support to the local communities, daily wage labourers and contractor workers by facilitating free OPD and essential medicines. This exemplifies the commitment of the company to making a positive impact on the welfare of the community it influences.

Water Filtration Facility Maintenance

There were 5x water filtration units installed in Tehsil Fateh Jhang which were not operational, therefore limiting the access to clean water for the locals. Fauji Cement Company worked with district administration and made all-out efforts and carried out maintenance activities on these filtration units to make them operational again. As a result, the availability of clean drinking water to the local community is ensured again.

Integrated Management System

Fauji Cement developed and implemented Integrated Management System (IMS) to improve QHSE performance and operational excellence. Currently, FCCL is certified against the following ISO standards.

- ISO 9001: 2015 (Quality Management System).
- ISO 14001: 2015 (Environmental Management System).
- ISO 45001: 2018 (Occupational Health & Safety Management System)
- ISO 50001:2018 (Energy Management System)

Note:

FCCL became the second plant in Pakistan's cement sector that has achieved the Energy Management System Certification i.e., ISO 50001:2018 for FCCL.

Human Capital

Nations are built on solid foundations that represent commitment and dedication.

Fauji Cement Company Limited (FCCL) has a long-standing history of delivering quality products while prioritizing its most valuable asset Human Capital. As one of Pakistan's leading cement manufacturers, FCCL has achieved its objectives and placed significant importance on human capital at all levels of the organization. This commitment to its workforce has positioned FCCL at the forefront of the industry.

Emphasize Human Capital Development

FCCL recognizes that the success of the organization depends not only on advanced technology, in-depth research, and experience but also on the dedication and enthusiasm of its young talent. In line with this, FCCL has recently hired two batches of freshly graduated engineers as trainees for the DG Khan, Nizampur, Wah, and Jhang Bahtar plants. This initiative provides maximum employment opportunities to fresh graduates, allowing them to gain valuable training and effectively enhance their skills.

Additionally, FCCL has taken a pioneering step by hiring apprentices from the local community near the DG Khan Plant. This initiative aims to empower the unprivileged population by providing them with opportunities to harness their potential and make significant positive changes in their lives, the city, and the country.

Commitment to Diversity and Women's Empowerment

At FCCL, diversity is a cornerstone of our strategies and policies. We firmly believe that diversity fosters innovation, creativity, and entrepreneurship. FCCL takes pride in maintaining a diverse workforce with no discrimination based on gender, ethnicity, or religion, providing everyone with equal opportunity for growth. We actively promote women's participation at all levels of management and have set quotas for female representation in each department. We are also hiring several female management trainees for our plants' Head Office, Marketing & Sales Division, and Engineering Trainees. FCCL ensures counselling, training, and succession planning for newly hired female staff to further enhance their role within the company.

Focus on Employee Growth and Development

FCCL is dedicated to providing its employees with opportunities for personal and professional growth. Our commitment to individual learning is evident in our performance management process, training needs assessment, and exposure programs. We believe in decentralized management, which encourages employees at different levels to contribute and grow, resulting in improved productivity, efficiency, and trust. Additionally, FCCL has implemented SAP in its functional areas, which has proven to be instrumental in cultivating a productive workforce.

Human Capital

Effective Performance Management

At FCCL, we have established a formal, well-structured, and effective performance management system. This system encompasses setting performance standards, recognizing contributions, identifying learning and development needs, and establishing criteria for rewarding and encouraging individuals and teams. We align our efforts with key performance indicators to achieve our strategic objectives. Our transparent and fair performance management system minimizes organizational bias and prejudice, ensuring equal assessments for all employees.

Synergies and Continuous Improvement

FCCL emphasizes creating synergies not only within departments but also between plants. Our practice of job rotation and knowledge exchange among expert technicians from various plants contributes to staff training, enhanced knowledge transfer, and increased workforce productivity and efficiency. By strengthening our current talent and fostering interest, motivation, and employee retention, FCCL facilitates career development opportunities for its workforce.

Emphasis on Learning and Development

The Learning and Development Section at FCCL aims to provide the best possible opportunities for skill development, enhance aptitude, share best practices, stimulate learning, and encourage team building. Our programs encompass leadership development, succession planning, technical and soft skills development, and IT training. Through a blend of experience and exposure, employees are provided with developmental assignments, job rotations, project assignments, functional and leadership training, as well as e - training.

Competitive Compensation and Employee Well-being

To retain competitiveness in the cement industry, FCCL offers market based salaries and benefits, with a focus on competitive pay programs and reward schemes aligned with the organization's business plan. The company implements internal equity policies and ensures fairness and transparency in its compensation system. FCCL values its employees' well-being and has included them in internal healthcare programs that provide free treatment, including OPD and IPD as well as medical facilities to complex procedures. Health insurance coverage is extended to naturally disabled employees.

Expansion Projects

Fauji Cement Co Ltd signed EPC contracts with renowned Chinese company namely Hefei Cement Research and design Institute (HCRDI) for two projects of 6500 TPD cement plants in March and April 2021. One brown field project is located at Nizampur, Distt. Nowshera KPK and other green field project is located at Shadan Lund, D.G. Khan.

Fauji Cement Company Limited selected the best and state of the art plant equipment in terms of production and energy efficiency. Both the projects comprises of selected European equipment like, Vertical Roller Mills for Raw Mill and Cement Mills, Rotary Packers, Clinker Cooler, Main Burner and Rotary Packers.

With these latest technology plants Fauji Cement Ltd will not only maintain its high quality products but will also become the best in energy efficiency.

Nizampur Project has been, successfully commissioned and started commercial production in October 2022. The project was completed in record time of 18 months, despite all the challenges posed by Covid 19. The plant equipment have achieved all the guaranteed figures and is performing smoothly.

The second project i.e. greenfield project at D.G. Khan is in the process of installation and the erection work is at its full swing. The project is expected to be completed in 16 months' time and will start commercial production in 2nd quarter FY24.

The remote location of plant and the fact that it is a green field project, posed numerous challenges. FCCL team developed all the basic infra structure at site including accommodation for EPC contractor and own staff, with supply of basic amenities like water, power, food, IT facilities and provision of foolproof security arrangement for foreigners.

It is worth mentioning that two difficult tasks have been accomplished by FCCL on its own. First, completion of 7 KM access road to limestone quarry for long belt conveyor and second was laying of 16 Km long pipeline for water supply from D.G. Khan Canal.

Future Outlook

Considering where we closed FY 23 the next Financial Year is expected to be tough for Pakistan's economy and especially businesses till the inflation and interest rates decrease considerably and eventually reach single digit again. The external debt financing requirements in FY 24 despite the IMF loan will continue to keep the Rupee under pressure, especially with the condition agreed with IMF to keep the gap with open market rate up to 1.25%.

On the Cement market front, with the all-time high construction material prices demand will continue to remain depressed in the domestic market with some hope of recovery in the 2nd half of FY 24 post the elections. The exports to Afghanistan are showing promise with good recovery in FY 23 and the momentum is expected to continue in the next Financial Year.

The Management under the able guidance of the Board will continue to strive to increase its market share especially with the completion of the Greenfield Expansion at D.G. Khan expected to come online in the 2nd Quarter of FY 24. The cost optimization initiatives will be pursued with the same spirit and vigor to add value to the overall bottom line.

Analysis of forward looking disclosure made in previous year

Extract of matter reported in previous year's statement	Actual results
Pakistan's economy continues to go through a boom and bust cycle with every bust bringing with it the challenges of high inflation prompting the central bank to increase interest rates and slowing down growth. The tight fiscal space faced by the government forces it to cut PSDP spending. This time again it's no different but is definitely more challenging. The rising inflation, deprecation of PKR and higher cost of construction is going to contribute towards a lower off take of cement. Additionally with new capacities of approx. 9 Million tons being added in the North region between Q2 FY23 and Q2 FY24 will keep capacity utilization lower.	FY-23 saw a double-digit decline in the overall dispatches on the back of the economic slowdown and an across the board increase in the entire spectrum of construction materials. Overall dispatches of the industry were 44.6 Million tons as compared to 52.9 Million tons last year, a decline of 15.7%. The drop in domestic dispatches was 16% i.e. from 47.6 Million tons last year to 40 Million tons in FY-23 and the drop in exports was 13.1% i.e from 5.3 million tons to 4.6 million tons in FY 23. The company's cement dispatches during FY 23 were recorded at. 4.8 million tons compared to last year's 5.6 million tons.
Exports to Afghanistan although are likely to improve but will depend on the stabilization of the country.	With improving stability in Afghanistan, Company's export to Afghanistan improved during the year i.e 0.4 million tons in FY 23 vs 0.3 million tons in FY 22

Future Outlook

Status of projects in progress and were disclosed in previous year

Nizampur Expansion Project

The project commissioned successfully during the year.

SAP Implementation

Successfully implemented during the year and go live on 01 October 2022.

DG Khan Expansion Project

Work is in progress and COD is expected in Q2 of FY 24.

Sources of Information and Assumptions used for Projections / Forecasts

Future forecast and projections are always subject to some degree of uncertainty and contains some assumptions. All projections and forecasting in the Company are made after critically analyzing the past trends, initiatives and decisions taken by management, current market conditions and prospective developments (either related to cement industry or to overall economy). As a part of decision making process, BOD and its Committees analyze critically the assumptions and data used by management for budgets and forecasts.

Internal information is retrieved through the well-equipped data base of the Company and external information is obtained from companies engaged in research, regulators, financial institutions and related trade organizations

For and on Behalf of FCCL Board

Waqar Ahmed Malik
Chairman Board of Directors FCCL
Rawalpindi
Dated: 29 August 2023

Qamar Haris Manzoor
CEO/MD FCCL
Rawalpindi
Dated: 29 August 2023

Independent Auditor's Review Report

To the members of Fauji Cement Company Limited

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Fauji Cement Company Limited, (the Company) for the year ended June 30, 2023, in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions and also ensure compliance with the requirements of section 208 of the Companies Act, 2017. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2023.

A.F. Ferguson & Co.

Chartered Accountants
Islamabad

Date: September 12, 2023
UDIN: CR2023100837DJAVZxNs

Statement of Compliance

With Listed Companies (Code Of Corporate Governance) Regulations, 2019

Name of Company: Fauji Cement Company Limited
Year Ended: 30 June 2023

The company has complied with the requirements of the Regulations in the following manner:-

1. The total number of Director is 8 as per following:-

   Male: 6
   Female: 2

2. The Composition of the Board is as follow:-

Independent Directors (Male)	Mr. Sami Ul Haq Khilji
Non-Executive Director	Mr. Waqar Ahmed Malik Dr. Nadeem Inayat Maj. Gen Naseer Ali Khan HI(M), (Retd) Syed Bakhtiyar Kazmi
Independent Director (Female)	Ms. Naila Kassim Ms. Maleeha Bangash
Executive Directors (Male)	Mr. Qamar Haris Manzoor

3. The Directors have confirmed that none of them is serving as a Director on more than seven Listed Companies, including this Company.

4. The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.

5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies for the Company. The Board has ensured that a complete record of particulars of the significant policies along with their date of approval or the Company maintains updating.

6. All the powers of the Board have been duly exercised and the Board / Shareholders as empowered by the relevant provisions of the Act and these Regulations have taken decisions on relevant matters.

7. The meetings of the Board were presided over by the Chairman and, in his absence, by a Director elected by the Board for this purpose. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meetings of the Board.

8. The Board has a formal policy and transparent procedures for the remuneration of Directors in accordance with the Act and these Regulations.

9. The Board has arranged Directors' Training Program for the following:-

   a. Mr. Sami ul Haq Khilji
      Independent Director
   b. Brig Aziz ul Hassan Usmani, SI(M),(Retd) GM Marketing & Sales
   c. Brig Abid Hussain Bhatti,SI(M),(Retd)
      Company Secretary
   d. Mr. Rehan Nazir
      DGM Internal Audit

   The Directors and Executive Management have already received the necessary certifications under the Directors Training Program from SECP-authorized institutions.

10. The Board has approved the appointment of Chief Financial Officer, Company Secretary and head of Internal Audit, including their remuneration, terms, and conditions of employment and complied with relevant requirements of the Regulations.

11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board.

12. The Board has formed committees comprising of members given below:-

a. Audit Committee

(1) Ms. Maleeha Bangash
Chairperson

(2) Syed Bakhtiyar Kazmi
Member

(3) Maj Gen Naseer Ali Khan,HI(M),(Retd)
Member

(4) Ms. Naila Kassim
Member

(5) Brig Abid Hussain Bhatti,SI(M),(Retd)
Secretary

b. Human Resource & Remuneration Committee

(1) Ms. Naila Kassim
Chairperson

(2) Dr. Nadeem Inayat
Member

(3) Mr. Sami ul Haq Khilji
Member

(4) Brig Abid Hussain Bhatti,SI(M),(Retd)
Secretary

c. Investment Committee

(1) Dr. Nadeem Inayat
Chairman

(2) Mr. Qamar Haris Manzoor
Member

(3) Mr. Sami ul Haq Khilji
Member

(4) Maj Gen Naseer Ali Khan,HI(M),(Retd)
Member

(5) Brig Abid Hussain Bhatti,SI(M),(Retd)
Secretary

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committees for compliance.

14. The frequency of meetings (Quarterly/Half Yearly/ Yearly) of the Committees were as per following:-

a. Audit Committee - Quarterly

b. HR and Remuneration Committee - On required basis

c. Investment Committee - On required basis

15. The Board has set up an effective internal audit function that is suitably qualified and experienced for the purpose and is conversant with the policies and procedures of the Company.

16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Director of the Company.

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except, in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.

18. We confirm that all requirements of the regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.

19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32 and 36 is below:-

The board functions of Nomination Committee and Risk Management are already being performed by other committees. The Board is therefore of the opinion that separate committees for Nomination and Risk Management are not required.

Waqar Ahmed Malik
Chairman Board of Directors FCCL
Rawalpindi
Dated: 29 August 2023

Qamar Haris Manzoor
CEO/MD FCCL
Rawalpindi
Dated: 29 August 2023

Board Committees

The Board meetings were held in every quarter for approval of Company's financial statements. During this year, six Board meetings were held with the attendance as under:-

Changes to the Board

Ms. Maleeha Bangash 5th Jan 2023

Attendance at Board Meetings 2022-2023

Director	STATUS	149th	150th	151st	152nd	153rd	154th	Total No. of Meetings
Mr. Waqar Ahmed Malik, Chairman	Non-Executive Director	✓	✓	✓	✓	✓	Leave	5
Mr. Qamar Haris Manzoor, CEO, MD	Executive Director	✓	✓	✓	✓	✓	✓	6
Dr. Nadeem Inayat	Non-Executive Director	✓	✓	✓	✓	✓	✓	6
Maj Gen Naseer Ali Khan	Non-Executive Director	✓	✓	✓	✓	✓	✓	6
HI(M), (Retd)	Non-Executive Director	✓	✓	✓	✓	✓	✓	6
Mr. Syed Bakhtiyar Kazmi	Independent Director	✓	✓	✓	✓	✓	✓	6
Mr Sami Ul Haq khilji	Non-Executive Director	✓	✓	✓	✓	✓	✓	6
Mr. Muhammad Tariq Khan	Independent Director	✓	✓	✓				3
Ms. Maleeha Bangash (Joined on 5th Jan 2023)	Independent Director				✓	✓	✓	3
Ms. Naila Kassim	Independent Director	✓	✓	✓	✓	✓	✓	6

Attendance at Audit Committee 2022-2023

Director	STATUS	7th Jul 2022	15th Sep 2022	21st Oct 2022	13th Feb 2023	14th Apr 2023	Total No. of Meetings
Mr. Tariq Ahmed Khan	Independent Director	✓	✓	✓			3
Maj Gen Naseer Ali Khan HI(M), (Retd)	Non-Executive Director	✓	✓	✓	✓	✓	5
Mr. Syed Bakhtiyar Kazmi	Non-Executive Director	✓	✓	✓	✓	✓	5
Ms. Maleeha Bangash	Independent Director				✓	✓	2
Ms. Naila Kassim	Independent Director	✓	✓	✓	✓	✓	5

Terms of Reference - Audit Committee

The Board of Directors shall provide adequate resources and authority to enable the audit committee to carry out its responsibilities effectively. The terms of reference of the audit committee shall include the following:-

- Determination of appropriate measures to safeguard the company's assets.
- Review of annual and interim financial statements of the company including Director's Report, prior to their approval by the Board of Directors, focusing on:-
  - Major judgmental areas.
  - Significant adjustments resulting from the audit.
  - Going concern assumption.
  - Any changes in accounting policies and practices.
  - Compliance with applicable accounting standards.
  - Compliance with Listed Companies (Code of Corporate Governance) Regulations

Board Committees

  - 2019, as applicable, and other statutory and regulatory requirements.
  - All related party transactions.
- Review of preliminary announcements of results prior to external communication and publication.
- Facilitating the external audit and discussion with external auditors of major observations arising from interim and final audits and any matter that the auditors may wish to highlight (in the absence of management, where necessary).
- Review of management letter issued by external auditors and management's response thereto.
- Ensuring coordination between the internal and external auditors of the Company.
- Review of the scope and extent of internal audit, audit plan, reporting framework and procedures and ensuring that the internal audit function has adequate resources and is appropriately placed within the company. The performance appraisal of head of internal audit shall be done jointly by the Chairman of the Audit Committee and the Chief Executive Officer.
- Consideration of major findings of internal investigations of activities characterized as fraud, corruption and abuse of power and management's response thereto.
- Ascertaining that the internal control systems including financial and operational controls, accounting systems for timely and appropriate recording of purchases and sales, receipts and payments, assets and liabilities and the reporting structure are adequate and effective.
- Review of the company's statement on internal control systems prior to endorsement by the board of directors and internal audit reports.
- Instituting special projects, value for money studies or other investigations on any matter specified by the board of directors, in consultation with the CEO and to consider remittance of any matter to the external auditors or to any other external body.
- Determination of compliance with relevant statutory requirements.
- Monitoring compliance with Listed Companies (Code of Corporate Governance) Regulations 2019, where applicable, and identification of significant violations thereof.
- Review of arrangement for staff and management to report to audit committee in confidence, concerns, if any, about actual or potential improprieties in financial and other matters and recommend instituting remedial and mitigating measures.
- Recommend to the board of directors the appointment of external auditors, their removal, audit fees, the provision of any service permissible to be rendered to the company by the external auditors in addition to audit of its financial statements, measures for redressal and rectification of non-compliances with Regulations. The Board shall give due consideration to the recommendations of the audit Committee and where it acts otherwise, it shall record the reasons thereof.
- To review whistle blowing cases reported under the Whistle Blowing Policy of the Company.
- The AC shall also review the annual business plan/budget, including cash flow projections, forecasts and strategic plan before recommending it to the Board.
- In order to ensure the financial health of the company and to comment on the going concern status of the business, review of Key Performance Indicators (KPI) in comparison of the industry benchmark shall be carried out by the Committee.
- To review the effectiveness of risk management procedures and to present a report to the Board

in this respect, the committee shall at least twice a year:-

- Monitor and review all material controls (financial, operational, compliance).
- Ensure that risk mitigation measures are robust along with integrity of financial information.
- Ensure appropriate extent of disclosure of company's risk framework and internal control system in Directors' report.
- The Committee shall review the vision and / or mission statement, monitor the effectiveness of the company's governance practices and overall corporate strategy for the company before adoption by the Board

- To critically review the technical aspects of feasibility studies submitted for new investments.
- To evaluate proposal regarding balancing, modernization and expansion of existing projects.
- To monitor the progress of ongoing projects with budgeted targets in order to identify "early warning signals" at the right time and suggest corrective measures in order to put the project on the right track.
- Consideration of any other issue or matter, as may be assigned by the Board of Directors.

Attendance at HR & R Committee 2022/2023

Director	Status	5th July 2022	8th Feb 2023	21st Jun 2023	Total no. of Meeting
Ms. Naila Kassim	Independent Director	✓	✓	✓	3
Dr. Nadeem Inayat	Non-Executive Director	✓	✓	✓	3
Mr. Sami Ul Haq Khilji	Non-Executive Director	✓	✓	✓	3

Terms of Reference: HR & R Committee

- Recommend to the Board, for consideration and approval of a policy framework for determining remuneration of Directors (both Executive and Non-Executive Directors) and members of Senior Management.
- Undertaking annually a formal process of evaluation of performance of the Board as a whole and its Committees either directly or by engaging external independent consultant.
- Recommending human resource management policies to the Board.
- Recommending to the Board the selection, evaluation, development, compensation (including retirement Benefits) of Chief Operating Officer, CFO, Company Secretary and Head of Internal Audit.
- Consideration and approval on recommendations of Chief Executive Officer (CEOS on such / matters for key management / positions who report directly to CEO or Chief Operating Officer.
- Where Human Resource and Remuneration consultants are appointed. (The Committee will know they will make their credentials and a statement as to whether they have any other connection with the Company.

Board Committees

Terms of Reference - Investment Committee

The Committee has the following specific responsibilities:

- Make recommendations to the Board of Director regarding viable option for different project(s) within the existing available financial resources offering attractive returns.
- Make recommendations for the new avenues with respect to vertical and horizontal growth of the company.
- Review Management's proposals for investments, diversification in projects and feasibility studies and forward recommendations for the approval of the Board.
- Review proposals external growth opportunities, potential investments, as proposed by the Management.
- To evaluate performance of investments made in projects over the period and monitor progress of on-going projects in line with Board approvals.
- Review Management's proposals for strategic alliances with other entities/companies to achieve growth or diversification objectives of the Company.
- Provision of guidance to the management on all matters related to investment.

Report of the Audit Committee

The members of the Audit Committee are pleased to present their report to the shareholders for the year ended June 30, 2023.

Composition of the Audit Committee

Audit Committee of the FCCL Board of Directors comprises of four directors. Two members of the Committee including the Chairman are independent, non-executive directors, whereas the other two are non-executive directors. During the year Chairperson Audit Committee Mr. Tariq Ahmed Khan passed away and Ms. Maleeha Bangash joined as Chairperson of the Committee. All the Committee members are financially literate, who possess substantial insight related to finance, economics and business management.

Composition of the Audit Committee and TOR are given on Page _____ of the Report.

Chief Financial Officer of the Company attends the meeting of Audit Committee on invitation; Head Internal Audit is present in all the Committee meetings whereas External Auditors attend the meetings twice during the year as requirement of CCG.

Meetings of the Audit Committee

The Audit Committee meetings were convened on quarterly basis to review and recommend financial statements for consideration and approval of the Board. In the same all the related party transactions were placed before the committee and on recommendation transactions were placed before the Board for approval.

Separate meetings were also held with the Company's external and internal auditors in compliance with the regulatory requirements.

In order to ensure transparency and independence of the Internal Audit function, the Head of Internal Audit reports directly to the Audit Committee. FCCL's annual internal audit plan is also approved by the Audit Committee and its progress reviewed on quarterly basis.

Minutes of the meetings were circulated to all members, directors, internal audit and on requirement to CFO prior to the meeting of the Board. Chairman highlights significant matters to be discussed during the Board.

Financial Statements. The Committee has concluded its annual review of the Company's performance, financial position and cash flows during 2023, and reports that:

The financial statements of FCCL for the year ended June 30, 2023 have been prepared on a going concern basis under requirements of the Companies Act 2017, incorporating the requirements of the Code of Corporate Governance, International Financial Reporting Standards and other applicable regulations.

These financial statements present a true and fair view of the state of affairs of the Company, results of operations, profits, cash flows and changes in equity of the Company and its subsidiaries for the year under review.

The auditors have issued unmodified audit reports in respect of the above financial statements in line with the Auditors (Reporting Obligations) Regulations, 2018 issued by SECP.

Appropriate accounting policies have been consistently applied, which have been appropriately disclosed in the financial statements.

A Director, Chief Executive Officer, and the Chief Financial Officer have endorsed the financial statements of the Company, while the Directors' Report is signed by Chairman and Chief Executive Officer. They acknowledge their responsibility for true and fair presentation of the Company's financial condition and results, compliance with regulations and applicable accounting standards and establishment and maintenance of internal controls and systems of the Company.

Accounting estimates are based on reasonable and prudent judgment. Proper and adequate accounting records have been maintained by the Company in accordance with the Companies Act, 2017. The financial statements comply with the requirements of the Fourth Schedule to the Companies Act, 2017 and the external reporting is consistent with management processes and adequate for shareholder needs.

All related Party transactions have been reviewed by the Committee prior to approval by the Board.

The Company has issued a Statement of Compliance with the Code of Corporate Governance which has also been reviewed and certified by the External Auditors of the Company.

The committee members have carried out the annual evaluation of the Board Audit Committee in terms of the Board's structure, strategy decision-making, internal control, and risk management.

Risk Management and Internal Control

The Company has developed a sound mechanism for identification of risks and assigning appropriate criticality level and devising appropriate mitigation measures which are regularly monitored and implemented by the management across all major functions of the Company and presented to the audit committee for information and review.

The Company has devised and implemented an effective internal control framework which also includes an independent internal audit function.

The Internal Audit function is responsible for providing assurance on the effectiveness and adequacy of internal control and risk management framework in managing risks within acceptable levels throughout the Company.

Audit Committee has provided proper arrangement for staff and management to report to Audit Committee in confidence, concerns, if any, about actual or potential improprieties in financial and other matters. Adequate remedial and mitigating measures are applied, where necessary.

The types and detail of risks along with mitigation measures are disclosed in relevant section of the Annual Report.

Internal Audit Function

- The Board has implemented the internal control framework including an independent internal audit function. The Company's system of internal controls is sound in design and has been continually evaluated by Internal Audit function for effectiveness and adequacy. All the processes and functions are subject to periodic review by Internal Audit Function.
- The Audit Committee has ensured the achievement of operational, compliance, risk management, financial reporting and control objectives, safeguarding of the assets of the Company and shareholders' wealth, through assurances provided by internal audit function
- The Internal Audit function has carried out internal audits s in accordance with annual internal audit plan approved by the Audit Committee. The Committee has reviewed material Internal Audit findings, taken appropriate actions where necessary or brought the matters to the Board's attention where required. Status of follow up of open audit observations is regularly reviewed by Audit Committee to ensure completion of agreed action by management.
- The Head of Internal Audit has direct access to the Chairman of the Audit Committee and the

Committee has ensured staffing of personnel with sufficient internal audit wisdom and that the function has all necessary access to Management and the right to seek information and explanations.

- The progress of Internal audit function was duly discussed during the Audit Committee meetings, held during the year, in order to ensure that the Audit Function effectively performed its audits as per approved annual internal audit plan.
- Coordination between the External and Internal Auditors was facilitated to ensure efficiency and contribution to the Company's objectives, including a reliable financial reporting system and compliance with laws and regulations.

Annual Report 2023

The company has issued a comprehensive Annual report, in accordance with all the applicable laws, and has given fair and balanced information in an understandable way for an in-depth understanding of the management style. It also highlights policies set by the Company, the performance during the year, and the future outlook for all the stakeholders of the company.

The Audit Committee ensures that the Annual report comprehensively covers the financial and non-financial information for the stakeholders in relation to performance, outcomes risks, and opportunities in particular for value creation ability of the Company.

External Auditors

The statutory Auditors of the Company, M/s A.F Ferguson & Co., Chartered Accountants, have completed their audit assignment of the Company's Financial Statements, and the Statement of Compliance with the Code of Corporate Governance for the financial year ended June 30, 2023 and shall retire on the conclusion of the 31st Annual General Meeting of the Company.

The Auditors met the Audit Committee twice during the course of Audit, the first meeting principally covered their Audit planning, new Accounting standards applicable for the current financial year and the key risk areas to be covered and the and the second meeting discussed Financial Statements.

Being eligible M/s A.F Ferguson & Co., Chartered Accountants have offered themselves to be reappointed as auditors for the financial year 2023 – 2024. Audit Committee recommended M/s A.F Ferguson & Co., Chartered Accountants as External Auditors of the Company for the year ending June 30, 2024.

Conclusion

The Committee has performed its duties and discharges its responsibilities in compliance with the Code and as per the Terms of Reference approved by the Board. The evaluation of the Committee was carried out by external independent consultant, Pakistan Institute of Corporate Governance.

Maleeha Bangash

Chairperson Audit Committee

Rawalpindi

29 August 2023

Stakeholders' Relationship and Engagement

Stakeholders' Relationship and Engagement

At FCCL, our core belief is that sustainability is best achieved by actively engaging and generating value for all stakeholders. We are committed to creating a positive impact on our stakeholders' well-being while ensuring the long-term viability and success of our operations.

Stakeholders' Engagement Policy

We are aware of the genuine needs, rights and expectations of every stakeholder. Keeping in view the applicable regulatory framework, legitimate rights and needs of any stakeholder we:

- are open and honest to every stakeholder
- will provide accurate and timely related information to every stakeholder
- will listen and respond on views and concerns of every stakeholder
- will keep on improving our engagement process through feedback from stakeholders
- will engage ourselves with stakeholders on regular basis and at appropriate forums

How We Identify Stakeholders

We define our Stakeholders as individuals or groups who have interests that are effected or could be effected by our operations. Relevant stakeholders are profiled and prioritized for engagement based on interest, influence and responsibility. Based on above criteria following are key internal and external stakeholder of the Company:

External

- Customers & Suppliers
- Financial Institutions
- Local Community
- Regulators
- Analysts and Media

Internal

- Our People
- Shareholders

Stakeholders' Relationship and Engagement

Stakeholder	Engagement Process	Frequency of engagement	Relationship and its effect on Company	Management of Relationship
Our people	• Employees are engaged through regular departmental meetings • Employee Rabta day is held for addressing concerns of employees • In-house employee trainings • Long service recognition	Continuous	• Human Capital is the most precious capital of the Company for achieving strategic goals • Individuals' performance, motivation level, and satisfaction determine the value creation of the company	• The company prioritizes employee training and development • Company offers competitive compensation and performance-based monetary rewards • Clear career progression and development • Additionally, employees are involved in the decision-making process to uphold their self-esteem and foster collaboration.
Shareholders	• Corporate affairs department to educate and communicate with shareholders • Meetings of shareholders as per law • Timely sharing of information regarding Company's operations as per law	Periodic as per rules and regulations	• Shareholders are the owners of the Company • Certain decisions are required to be approved by shareholders in accordance with the law	• Through open and honest communication at all shareholders' meetings • Management keeps shareholders informed about the operations and affairs of the Company and value the suggestions of shareholders during relevant decision making process
Customers & Suppliers	• Regular business meetings with Suppliers and Customers • Feedback from Customers on regular basis to know their concerns • Annual gathering of Sales customers to get their feedback and inform them of latest product developments	Continuous	• Company has long term business relationship with its suppliers and dealers • Customers and suppliers are the key elements of business supply chain	• A focal person is available at the relevant department to communicate with suppliers and customers and to address queries and issues • Customer satisfaction through quality of products
Financial Institutions	• Regular business meetings with our treasury department • Financial institutions are engaged through formal contracts depicting terms and conditions and cost of financial capital etc.	Continuous	• Company has relationship with financial institutions in ordinary course of business • The liquidity of the company is managed through financial institutions • They are providers of financial capital for business operations and projects	• The engagement with financial institutions is managed through a separate treasury department. • Company fulfills all contractual commitments with financial institutions
Local Community	• The Management maintains a close relationship and is sensitive about the needs of the surrounding communities of the plant site to understand their concerns, needs, and steps required to resolve the issues. • Provision of health, education, employment and amenities to nearby communities	Continuous	As a responsible corporate citizen, the company feels that without the development of the community, the goal of sustainability cannot be achieved	Provision of medical facilities, education, freshwater, and employment to local communities
Regulators	• Management remains engaged with all regulatory authorities • Company complies with all related rules and regulations.	Continuous	• Non-compliance can lead to penalties and hindrances in business operations • Developing a common understanding with regulators on the application of rules and regulations is important for compliance	• The company complies with all the regulatory requirements • Pays all duties and taxes as per the relevant laws • Files all statutory returns and filings in time
Analysts and media	• Open and honest communication at analyst meetings. • Continuous update of Company's Website and other social media platforms • Timely provision of information to PSX	Periodic	Beyond statutory requirements, the company feels it has the responsibility to educate the community about its business activities	Analyst briefings are arranged which is followed by detailed question-and-answer sessions. The company's website and social media platforms also provide all the latest information about the company

Participation of Minority Shareholders at General Meetings

The Management of the company holds a strong belief that all shareholders should be treated equitably, especially minority shareholders so that they can attend, speak, vote, and appoint another member as their proxy in the Annual General Meeting.

The notice of the Annual General Meeting is delivered to all shareholders at least 21 days prior to the scheduled date. Moreover, it is also published in leading newspapers (both English and Urdu) having national circulations.

During meetings, participants possess the authority to express their reservations and enjoy the full right to propose and, second, any presented agenda item. Furthermore, they are entitled to request the draft minutes of the meeting within the allotted timeframe following the event. Moreover, participants have the privilege to raise objections to significant investment decisions, planned acquisitions, mergers, takeovers, or any other corporate or capital restructuring initiatives.

Investor Relations Section on Fauji Cement's Website

Detailed information about the company, as well as the requirements of the applicable regulatory framework, are displayed on FCCL's website. The section of "Investor Relations" is duly updated and provides all information pertaining to dividend history, financial highlights, financial results, and other requisite information.

In accordance with the requirements of the applicable regulatory framework, the website is maintained in both English and Urdu languages facilitating the shareholders. The Company's website may be accessed through the link www.fccl.com.pk.

The online pdf version of the report will be considered the most current version and takes precedence over any previously printed version. The online PDF version can be accessed at the FCCL website.

Issues Raised at the Last AGM

FCCL maintains a strong commitment to actively engage with its shareholders, attentively listening to their concerns, and formulating suitable strategies to meet their expectations. At the previous Annual General Meeting, we provided transparent and comprehensive updates on our performance. The Chairman of the meeting diligently addressed all points and inquiries raised by the shareholders, ensuring their satisfaction with the responses provided.

Understanding the views of Stakeholders through Corporate Briefing Sessions

FCCL continues to maintain a healthy relationship with the Investor community by holding regular Corporate Briefings Sessions.

The first briefing session organized this fiscal year was held on Tuesday 18th October 2022. This session primarily focused on the comprehensive analysis of the company's annual performance for FY21-22. Subsequently, another briefing was held on Thursday 23rd February 2023 which centred around the evaluation of the company's half-yearly performance for FY22-23. These sessions held an extensive Q&A session with the analysts and other attendees, followed by a general discussion of the company's financial and operational performance. The presentation of these sessions can be accessed from the FCCL website.

Highlights about Redressal of Investors Complaints

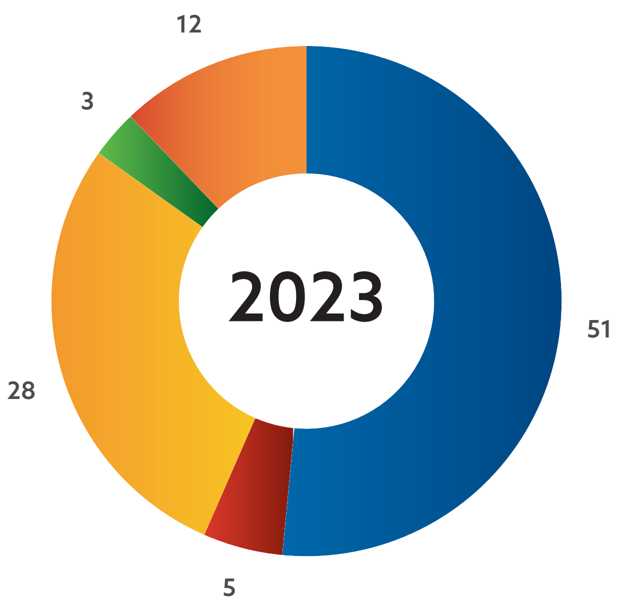
The Management of the company aims to provide equal and impartial treatment to all investors/shareholders through transparency in investor relations, increased awareness, effective communication, and prompt resolution of investors/ shareholders' complaints. Investor complaints and query forms are available on the company's website. During the year, there were no notable complaints or inquiries raised by investors.

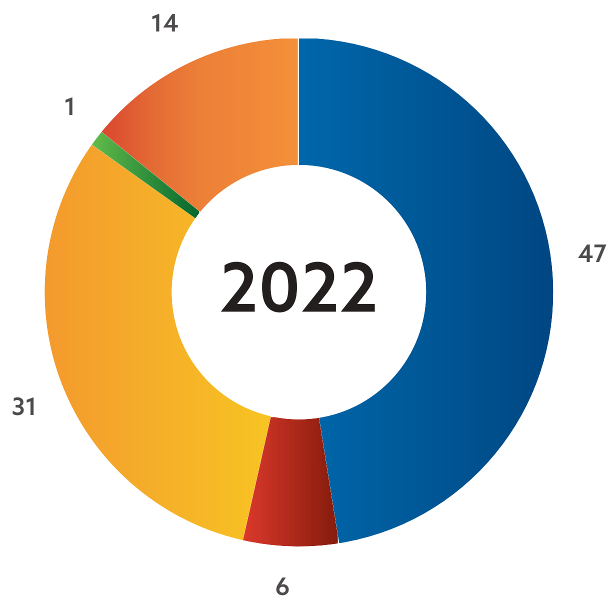
Shareholders' Information

Intending to apprise all shareholders about the operations, growth and state of affairs of the company, the Management promptly disseminates all material information including, but not limited to, the announcement of interim and final results to the Pakistan Stock Exchange. Quarterly, Half Yearly and Annual Financial Statements are propagated to all the concerned within the stipulated timeframe. Similarly, notices and announcements of dividends are transmitted to all stakeholders and regulators within the time laid down in Listed Companies (Code of Corporate Governance) Regulations 2019 and Companies Act 2017. This entire information is also uploaded immediately on the Company's website (www.fccl.com.pk).

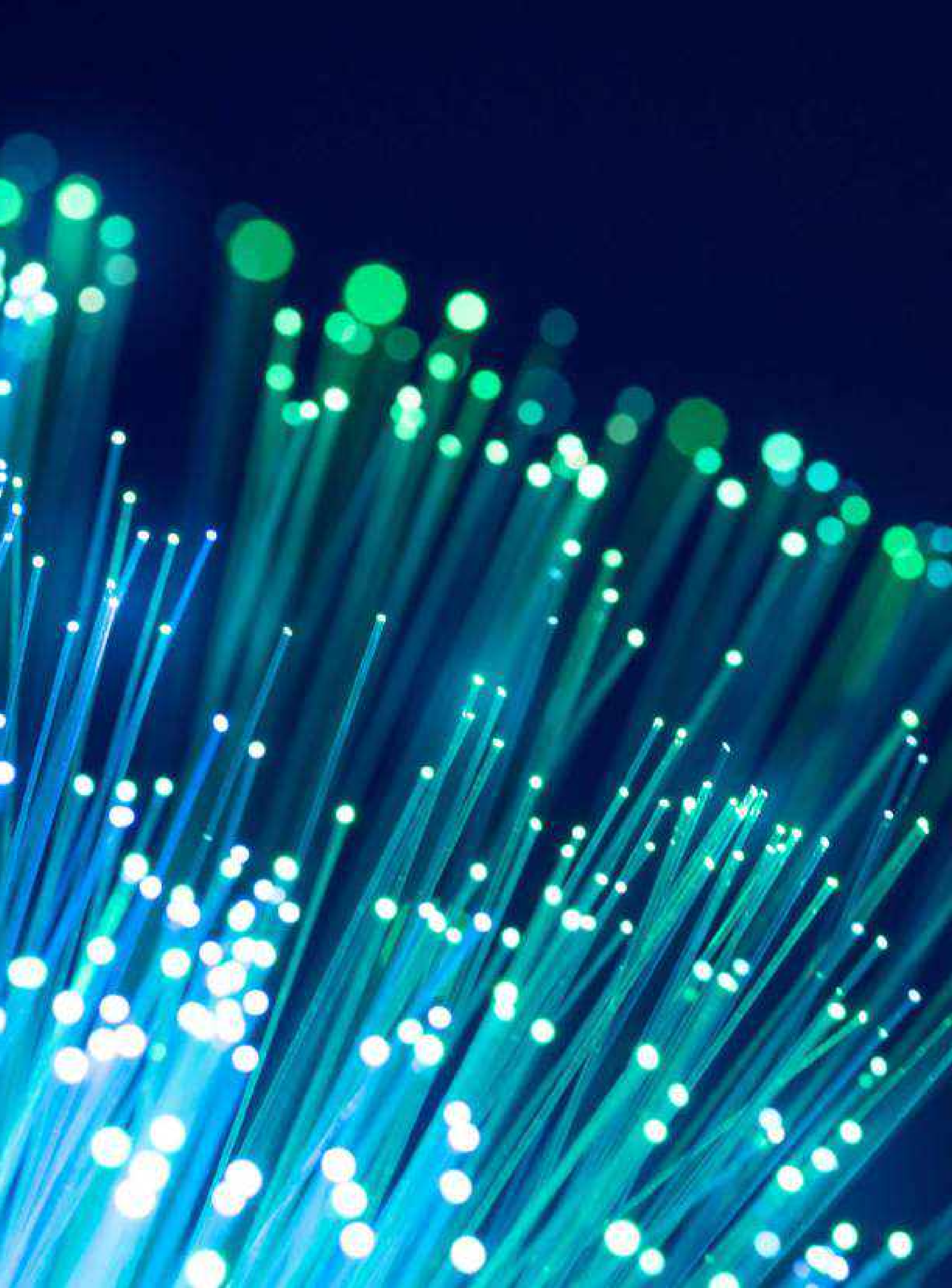
Statement of Value Addition

	2023 PKR in '000	2023 %	2022 PKR in '000	2022 %
Wealth Generated				
Gross Sales/ Revenues	89,016,292	100	73,420,865	100
Wealth Distribution				
To Suppliers and Service Providers (Brough-in-Material and services)	45,083,726	51	34,736,003	47
To Employees Salaries, Benefits & other costs	4,712,951	5	4,360,002	6
To Government Income Tax, Sales Tax, Excise Duty & Others	25,305,113	28	23,100,688	31
To Society Donations	155,196	0	13,340	0
To Providers of Capital Markup expenses on borrowed funds	2,685,764	3	1,040,200	1
To Company Depreciation, Amortization & Retained Profit	11,073,542	12	10,170,632	14
	89,016,292	100	73,420,865	100





To Suppliers and Service Providers | To Employees | To Government | To Society | To Providers of Capital | To Company



IT Governance and Cybersecurity

IT Governance Policy

Statement on the Evaluation and Enforcement of Legal and Regulatory Implications of Cyber Risks

The evaluation and enforcement of legal and regulatory implications regarding cyber risks play a crucial role in ensuring the security and protection of business in the digital age. With the increasing prevalence and sophistication of cyber threats, it has become imperative for organization to assess the potential risks associated with operations. The evaluation process involves a comprehensive examination of the various cyber risks that could impact the business, including data breaches, hacking attempts, and unauthorized access to sensitive information. By conducting this evaluation, company can identify vulnerabilities in their systems and implement appropriate measures to mitigate potential risks.

When evaluating the potential risks faced by the business, the Board has taken into account the cyber risks and the potential legal and regulatory consequences that may arise in the event of any breaches. It's important to note that the Company does not conduct electronic transactions with its customers and does not gather any sensitive personal or financial data from them. The Company has put in place sufficient measures to protect the security of its network and has implemented strict controls to ensure the privacy of its data. As a result, the Board has determined that the cyber risks are not considered to be significant.

Effectively enforced legal and regulatory implications, Company invested in cybersecurity measures and technologies, including implementation of advanced firewalls, encryption protocols, intrusion detection systems and regular security audits.

IT Governance and Cyber Security Programs

IT governance ensures that the Company's IT activities align with its business goals, making sure that resources are used wisely and efficiently. On the other hand, cyber security policy programs act as a protective shield, creating a set of rules, procedures, and safeguards to keep the organization's valuable information safe from cyber threats. These programs include various measures such as evaluating risks, preparing for potential incidents, controlling access to data, and training employees to be aware of potential dangers. By implementing robust IT governance and cyber security policy programs, Company strengthen its defenses against cyber-attacks, safeguard important data and comply with regulations. It's like fortifying the organization's digital fortress and ensuring its stability in the face of evolving risks.

Cyber Security and Board's Risk Oversight

Board actively participate in the evaluation and oversight of cyber security risks by reviewing and assessing the organization's cyber security posture, policies and procedures. Audit Committee, which is Boards' Risk Management Committee, as part of risk over sight function also reviews and evaluates the cyber security risks. They collaborate with executive management to understand the potential impact of cyber threats on the business, including financial, operational, and reputational risks. Additionally, boards approve budgets for cyber security initiatives and ensured adequate resources are allocated to protect critical assets and data. By actively engaging in cyber security risk oversight, Board contributes to enhancing the organization's resilience against cyber threats, protecting sensitive information, and maintaining stakeholder confidence.

Board Level Committee Charged with IT Governance Policy

FCCL understands the importance of IT Governance and cyber security, we prioritize the importance of IT governance and cyber security in our operations. Audit Committee of the Board is responsible for overseeing IT governance and cyber security matters. The committee is tasked with reviewing and assessing the company's cyber security risks and ensuring that appropriate measures are in place to mitigate these risks effectively.

To administer risk oversight function related to cyber security risks, the Committee follows a proactive approach. Board receives regular updates and reports from the Audit Committee, which provide insights into the current threat landscape, potential vulnerabilities, and mitigation strategies. The board actively engages in discussions and decision-making regarding the company's cyber security posture, including the allocation of resources for cyber security initiatives and the approval of cyber security policies and procedures.

Moreover, the board ensures that risk management processes and controls are in place to identify, assess, and manage cyber security risks throughout the organization. This includes conducting periodic risk assessments, implementing appropriate safeguards, and fostering a culture of cyber security awareness among employees at all levels.

Company's Controls About Early Warning System

Through advanced threat detection algorithms, firewall systems and real-time analysis, the system identifies anomalies, unauthorized access attempts, and malware in its early stages. This allows the company's IT team to take immediate action, implementing countermeasures and preventing potential breaches before they escalate. This has allowed the FCCL to protects sensitive data and maintain uninterrupted production process.

Policy Related to Independent Security Assessment of Technology Environment

To ensure the effectiveness of IT controls, regular in-house audits and reviews are performed by the Internal Audit Department. Additionally, we conduct third-party assessments and evaluations of our technology environment and networks. This ensures that we have sufficient controls in place to address cybersecurity risks and assess our overall preparedness for security incidents. The most recent review was conducted during Year 2022. Furthermore, we regularly conduct vulnerability assessments to proactively address potential security weaknesses

IT Governance Policy

Resilient Contingency and Disaster Recovery Plan

Fauji Cement Company Limited has implemented well documented DR plan to ensure business continuity in unforeseen disasters or disruptions. It includes proactive measures, processes, and resources to mitigate risks, minimize downtime, and enable swift recovery. Key components include well-documented procedures for data availability, safeguarding, and business continuity. FCCL has robust backup systems, maintaining multiple copies of data on various media, offsite storage, and database-level replications for maximum data accessibility. Our business critical landscape consists of Active-Passive server i.e. Primary and Local High Availability Servers. In addition, a remote site Disaster Recovery Server is also deployed which can come online within required downtime mentioned in DR plan. Regular database restore on sandbox environment ensures data integrity and usability.

Digital Transformation

The company places a strong emphasis on fostering collaboration between its technical and functional teams, which plays a pivotal role in selecting and implementing information systems. This approach enables seamless integration among cross-functional groups, enhancing planning, coordination, and decision-making across various activities.

To enhance process efficiency and transition towards paperless office operations, FCCL has incorporated digital transformation as a fundamental element of its ICT Strategy. Throughout 2022, the company automated numerous manual processes and migrated various paper-based approval procedures to online workflows. Additionally, FCCL embarked on an Enterprise Data Management and Analytics project to empower management in making data-driven decisions. To facilitate this, the company developed a range of dashboards, catering to both senior management and operational staff, providing valuable insights to support well-informed decision-making.

Education and Training to Mitigate Cyber Secuirty Risk

Our ongoing education and training initiatives play a crucial role in strengthening our cybersecurity posture and reducing the likelihood of cyber incidents.

Our IT department plays a pivotal role in this regard by providing comprehensive security policies and guidelines. These resources outline the best practices and protocols for handling sensitive information, utilizing company systems, and maintaining robust password security. We also foster a culture of continuous learning, encouraging employees to stay up to date with the latest cybersecurity trends and practices. This includes providing access to relevant resources, industry certifications, and encouraging participation in cybersecurity conferences and workshops.

Through our investments in education and training, our aim is to develop a cybersecurity-conscious workforce that actively contributes to mitigating cybersecurity risks. We are committed to continuously improving our education and training programs to effectively address emerging threats and ensure the ongoing protection of our digital assets and sensitive information.

SAP

FCCL has always strived for the best and when it comes to automation and enterprise resource planning, the company has now implemented SAP. 74% of all fortune 500 companies use SAP because of the transparency and level of command it provides to the management in taking informed decisions. Through this implementation, we anticipate better performance, analytical capabilities and improved operating margins.

The Implementation

The SAP implementation at FCCL has been completed in current financial year in a record time frame of just 6 months. The SAP implementation office was established at Fauji Technical Training Institute, FCCL Jhang Bahtar plant. Implementation was led by IT department with more than 80 business process owners and power users form all departments of the Company. All the major modules of SAP have been implemented ranging from FICO, MM, PP, QM, PM, SD, PS, FM and HCM modules. SAP is a very complex ERP system that is highly customizable, thus two customized modules were added to implement gate pass and weigh bridge related automation, providing strict monitoring and enhanced controls in sale of cement and receipt of all procured raw materials and fuels.

SAP Go Live

FCCL went live on SAP on October 01, 2022 and all operations were smoothly taken over by SAP right from the word go. SAP implementations in the manufacturing industries are usually very complex and to have implemented such a refined and personalized SAP flavor in such a tight timeline was a really big achievement. The FCCL management did not hold back and celebrated the achievement by honoring the implementation team consisting of the power users, FCCL IT team, implementation partner's team, project manager and project director. The Go Live ceremony was honored by MD FCCL and the Head of Siemens SAP division.

Environmental Sustainability Report

ESG

Today, our planet is being challenged by sustainability issues such as climate change, water scarcity, waste disposal, loss of biodiversity and more. These sustainability challenges have implications for our environment, economy, society and global political scenario. Sustainability focuses on meeting the needs of the present without compromising the ability of future generations to meet their needs.

Industries are one of the major contributors to sustainability issues and the cement sector is not an exception. But, as one of the most responsible sectors, the cement industry takes all possible necessary steps not only to reduce its impact but also make positive contributions towards the environment and society. At FCCL, we are committed to play our role responsibly and contribute towards making this planet a sustainable one.

Vision

We are committed to driving down our energy and carbon impacts, as we believe that climate change is one of the greatest risks to our world. Our sustainability program is committed to environmentally sustainable initiatives that deliver near-term efficiency, value, and health for our business.

Mission

To create a sustainable tomorrow for all our stakeholder while keeping our focus of achievement of targets set under Environment, Social and Governance areas.

Priority Areas:

1) (E) Reduced Carbon Emissions: Through green projects such as Afforestation, WHR, Solar Plants and alternative fuels, FCCL aims to sequester /avoid 160,000 tons of CO2 in the FY 23-24. Currently 156,761 tons of CO2 is being avoided per year. Solar (20,656 tons), WHR (81,264 tons), Alternative Fuels (47,041 tons) and Afforestation (7,800 tons). One tree absorbs 48 pounds of Co2 per year.

2) (S) Clean Drinking Water: to safeguard the communities we operate in, provide a combined 4000 liters of clean and safe drinking water to local communities through FCCL's 4 Water Filtration Plants. 3 in DG khan and One at WAH plant.

3) (S) Sanitation: Provide free of cost cleanliness material to 500+ students in schools, such as tooth brush, tooth paste, soap etc. along with education on personal hygiene. This program will be run in DG Khan Schools benefitting one of the least privileged communities in the region.

4) (S) Quality Education: Provide free or subsidies education or tools to over 3,000 students in FY 23 – 24. Educational support provided to children include subsidized fees, subsidized transportation and food support to children in DG Khan encouraging improved attendance and interest.

5) (E) Wet land Management: Effectively manage 40,000 m2 area that accumulates and stores rain water improving the local flower and fauna and serving as water storage for industrial use. Ensuring zero ground water extraction at all manufacturing locations for production purpose.

6) (S) Good health and wellbeing: Provision of free basic health care facilities to employees as well as local communities at all manufacturing locations free of cost. Medical facilities now exist at all manufacturing locations including DG Khan to dispense medical advice and medication free of cost.

7) (G) Equal Opportunity Employer: Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision making. Formulate and implement policies for gender equality, eliminating any pay gap, develop and implement whistle blowing policy and provide disclosures in annual report regarding these policies.

8) (G) Board Diversity: Ensure that the board is comprised of Female as well as non-executive directors and follow best practices of corporate governance.

9) (G) Bribery and corruption: Ensure policies are in place to proactively protect the employees of the organization from taking bribes or indulging in corruption. A whistle blowing mechanism ensuring anonymity. Penalties for non-compliance should be clearly defined and implemented, non-compliance disclosures should be made to the board.

Environmental Sustainability Report

The Sustainable Development Goals (SDGs) are a collection of 17 global objectives adopted by the 193 United Nations Members, designed to serve as a shared blueprint for peace and prosperity for people and the planet, now and into the future. These 17 Global Goals each include specific targets (a total of 169), most to be achieved by 2030. The SDGs cover environmental, social, and economic development issues, including poverty, hunger, health, education, global warming, gender equality, water, sanitation, energy, urbanization, and social justice. SDGs are members' state responsibility and industries are not required to comply with them. However, achieving the SDGs not only requires significant efforts but also material contributions. Therefore, FCCL recognizes that small efforts concerning SDGs can reinforce national commitment towards global goals of sustainability.

As the industry evolves, the bar is being raised for stricter requirements and increased transparency of environmentally sustainable and socially responsible best practices. Therefore, contemporary industries are required to foresee their environmental, social and governance (ESG) practices and the risks associated with each of these areas. FCCL endorse ESG as a forward-looking lens for mitigating risks and making its assets more resilient and sustainable.

FCCL contributes to 7 of the 17 SDG goals and delivers on 12 of the 169 SDG targets; linked with the above-mentioned themes. FCCL has aligned its activities to accelerate and maintain progress on the said SDGs.

SDG's Goal	Target	FCCL Action	Indicator
6. Clean Water and Sanitation	• Ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains, and dry lands.	• Wetland Management	• Approx. 40,000 m^2 rainwater storage in zones reserved for wetlands.
	• Protect and restore water-related ecosystems, including mountains, forests, wetlands, rivers, aquifers, and lakes.	• Water Conservation	• Water is recycled & used instead of groundwater at JB Plant. 99.7 % of water footprints have been reduced concerning groundwater.
7. Affordable & Clean Energy	• Increase substantially the share of renewable energy in the global energy mix.	• Renewable Energy Generation	• Solar power plants of 40 MW combined capacity • 52.5 MW Waste Heat Recovery Plants.

FCCL is also working on the SDGs which are identified as relevant based on PSX Minimum SDGs Reporting requirements and Government of Pakistan Priority SDGs. The icons below will appear in addition to the core SDGs in the report where we believe that our work contributes towards the achievement of these relevant goals.

SDG's Goal	Target	FCCL Action	Indicator
9. Industry, Innovation, and Infrastructure	• Retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes.	• Process Optimization • Green Cement • Clean Energy	• In-house upgrading of the Packing Plant PLC System • Compressed air leakage rectification • Launch of Tile Bond • Commissioning of Solar power plants
11. Sustainable Cities and Communities	• Make cities and local communities inclusive, safe, resilient, and sustainable.	• FCCL Restrain: Protecting our communities	• Donation of Cement bags to the local community for road pavement. • Development of 1.8 KM KKH Link Road for community safety • 1.4 KM Shwangi Track Nizampur concrete flooring • Construction of retaining wall at Village Kahi drainage.

SDG's Goal	Target	FCCL Action	Indicator
12. Responsible Consumption and Production	• Significantly reduce waste/ pollutant release to air, water & soil to minimize their adverse impact on human health and the environment. • Substantially reduce waste generation through prevention, reduction, recycling, and reuse, to strengthen their scientific and technological capacity to move towards more sustainable patterns of consumption and production. • Achieve sustainable management and efficient use of natural resources	• Emission control at Stationary Sources. • Utilization of Alternative fuel. • Natural Resource Management	• Compliance with International standards for emission from cement plants • Enhancing AF utilization up to 7 % • Reduction in Groundwater footprint to 99.7%. • Use of High Grade/LSD. • Max. Utilization of solar power plant • Grey water recycling & reuse.
13. Climate Action	• Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters	• CO2 Reduction & Sequestration • Alternative Fuel Utilization • Natural Resource Management	• Solar power plant of 40 MW. • 52.5 MW clean energy generation via WHRPP • Enhancing AF utilization up to 7% • Reduce dependency on groundwater • Wetland establishment • Biodiversity enhancement through Beehives and plantation drive

SDG's Goal	Target	FCCL Action	Indicator
15. Life on Land	• Substantially increase afforestation and reforestation. • Combat desertification, and restore degraded land and soil, including land affected by desertification, droughts, and floods. • Take urgent and significant action to reduce the degradation of natural habitats and halt the loss of biodiversity. • Integrate ecosystem and biodiversity values into national and local planning, development processes, poverty reduction strategies and accounts.	• Tree Plantation Drive. • Natural Resource Management • Biodiversity Protection • Carbon Sequestration	• Approximately 130,000 trees were planted. • Afforestation to reduce soil erosion, Quarry rehabilitation program & Rainwater harvesting. • Biodiversity enhancement through Beehives & Wetland management. • Participation in National environmental protection campaigns, Plantation drives and funding relief activities.

FCCL continuously monitors these targets and annually contributes to the national and global objectives of SDG. FCCL is committed towards more sustainable cement production that will not only meet the national commitment towards SDGs but also ascertain FCCL's due diligence towards ESG. FCCL has adopted an integrated approach that covers material issues, challenges & opportunities, and societal needs for improvement. This means FCCL consider the following themes:

1. Energy Use & Efficiency
2. Environmental Impact
3. Resource Utilization

Energy Use & Efficiency

Factors that reflect the above theme are energy efficiency, climate change, carbon emissions, biodiversity, air and water quality, afforestation, and waste management. FCCL acknowledges that organizations that do not consider these environmental risks may face unforeseen financial risks, and investor scrutiny.

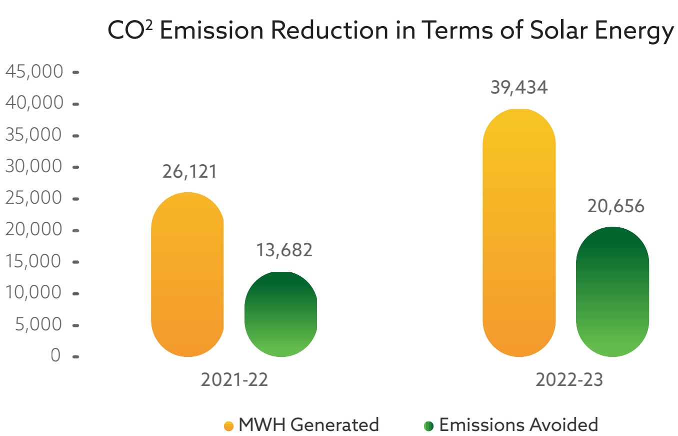
The industrial sector is evolving at a rapid speed with growing demand for energy. This drive compelled corporate environmental, social and governance initiatives, competitive pressure, and compliance with new policies. Therefore, FCCL explores sustainability goals and its overall business strategies. In doing so, FCCL has enhanced renewable energy generation by boosting the solar power plants' combined capacity to 39.85 MW at all company plants and increasing waste-to-energy use.

Captive Solar Power Plants

Recent flooding manifests the climate crisis has a disastrous impact on Pakistan and is growing at an alarming rate. FCCL's understanding of the matter's gravity and the need for action is exhibited through its Captive Solar Power plant through all its production units.

Fauji Cement Company Limited timely endorsed climate action by pioneering renewable energy projects in the cement sector of Pakistan. FCCL installed the first biggest Captive Solar Power Plant of 12.5 MW in 2019 at Jang Bahtar (JB) Plant. Since then, FCCL has boosted the capacity of FCCL (JB) solar power plants to 20 MW and extended its capability in renewable energy generation to FCCL (N) & FCCL (W) units. The addition of 8.6 MW of FCCL (W) & 11.25 MW of FCCL (N) plant enhanced overall FCCL Solar capacity to 39.38 MW. In the year 2022-23, FCCL generated 369,434 MW of energy, approximately avoided 20,656 tons of CO2 emissions.

Energy Source	**2021-22**		**2022-2023**	
	Energy Generated (MWH)	Emission Avoided (Tons)	Energy Generated (MWH)	Emission Avoided (Tons)
20 MW FCCL (JB) Solar	26,121	13,682	27,512	14,411
8.77 MW FCCL (W) solar	0	0	10,623	5,565
11.25 FCCL (N) Solar	0	0	1,299	680
40.02 MW (All FCCL Solar)	26,121	13,682	39,434	20,656

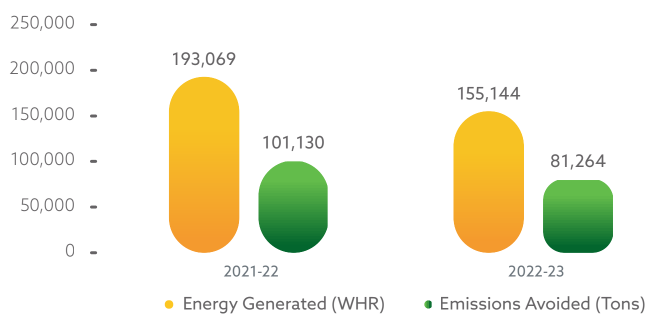


Waste Heat Recovery Power Plants

FCCL owns and operates five high-performance Waste Heat Recovery Power Plants (WHRPP) with a combined capacity of 52.5 MW at all the company's cement plants. The environmental benefits associated with the utilization of waste heat for power generation is avoiding heat island phenomena as well as the CO2 emissions reduction. The WHRPPs have generated 155,144 MW of clean energy in 2022-2023 avoiding approximately 81,264 tons of CO2.

Energy Source	**2021-22**		**2022-2023**	
	Energy Generated (MWH)	Emission Avoided (Tons)	Energy Generated (MWH)	Emission Avoided (Tons)
21 MW FCCL (JB) WHR	105,948	55,496	89,056	46,647
7.5 MW FCCL (W) WHR	33,657	17,630	22,636	11,857
24 FCCL (N) WHR	53,464	28,004	43,452	22,760
52.5 MW (All FCCL) WHR	193,069	101,130	155,144	81,264

CO2 Emissions Reduction in Terms of WHRP Energy



Energy Use & Efficiency

Wetland Management

FCCL initiated the wetland management in 2019 at FCCL Jang Bahtar Plant. The wetland now serves as the major protection zone for the local habitat. FCCL wetland biodiversity observed bird species like seagulls and amphibians mostly. A few ducks and some species of fish are also spotted in these wetlands.

FCCL wetlands consist of approximately more than 40,000m^2 area that accumulate and store rainwater. The wetland ecosystem also serves as water storage and retention for industrial use. It also helps in hydrological flows by recharging groundwater along with its purification. The major utility of wetlands is the fuel wood and fodder by the local community and roaming shepherds.

FCCL anticipating the reoccurring heat waves phenomena and climate crises manage the wetlands to underpin temperature regulation. The wetland as a major sink for greenhouse gases influences the climatic processes and maintains precipitation patterns. FCCL has also noticed a visible enhancement in the local bee population and indigenous flora.

Water Conservation

FCCL (JB) maintains water conservation by adopting the pathway of utilizing recycled water from the Naika wastewater stream, rainwater ponds and blowdown water. FCCL has achieved a water footprint reduction, with a remarkable 99.7% decrease in groundwater extractions. As a result of FCCL's efforts, its net water footprint remains approximately zero in FY 2022-23 based on groundwater.

Water–Energy Relationship

FCCL's target is to substantially increase water-use efficiency across all sectors, ensure sustainable withdrawals, supply freshwater to address water scarcity, and considerably reduce the number of people suffering from water scarcity.

- Implement integrated water resources management at all levels.
- Ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains, and dry lands.
- Provision of renewable energy for water sources in order to reduce fossil fuel footprints. In further accordance with the United Nation's sustainable development goal of Clean Water and Sanitation, FCCL has improved its water conservation technique and significantly reduced dependency on the consumption of groundwater for industrial purposes by an impressive 100%.

In alliance with green initiatives, FCCL is transforming its energy requirements for Neika stream water from fossil fuels/National Grid to Solar energy. In FY 2022-23, approximately 25% of the energy requirement for the Neika water pumping station is shifted to solar and work is in progress to achieve 100% renewable energy.

Tree Plantation and CO2 Sequestration

FCCL has planted more than 130,000 trees and distributed more than 170,000 plants in local villages, government schools and offices to encourage tree plantation at all three plant sites. This tree plantation drive will effectively reduce approximately 7800 tons of CO2 emissions annually. Approximately 87 acres at FCCL (W), 100 acres at FCCL (JB) & 29 acres at FCCL (N) are dedicated to orchards, native plants and agroforestry.

Plantation Drive 2022-2023

Fauji Cement as part of its sustainability drive and with a commitment to make Pakistan Green organized its annual spring tree plantation drive on Monday, 20th February 2023 at FCCL (N). Respected DG (EPA) Khyber Pakhtunkhwa inaugurated the plantation drive. Manager Admin FCCL (N) presented FCCL Green initiatives and achievements in this perspective to the chief guest and Islahi Committee of village Kahi. Approximately 1000 shady fruit trees were planted that day. FCCL (N) set an 8,000 shady fruit trees plantation target in the year 2023.

The tree plantation drive reiterates the importance of plants in strengthening ecological resilience, ambient air purification, regulating atmospheric heat and reducing carbon footprints. FCCL (JB) initiated Tree Plantation Drive 2023 on Wednesday, 08th March 2023 The Environmental Protection Department and officials from Attock and Rawalpindi graced the occasion and commenced a tree plantation drive. The officials appreciated the contributions being made by Fauji Cement to help improve the environment and the sustainability footprint".

Uptill 2022-23 total of 130,000 plants were taken into consideration keeping in view their age and survival rate and growth from small to medium trees. The tree approximately reduces 7800 tons of CO2 per year.

Resource Utilization

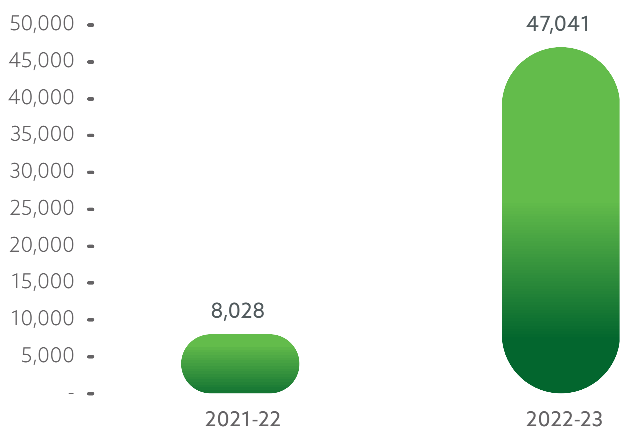
Emission Control at Stationary Sources

All FCCL plants are equipped with state-of-the-art emission control equipment. This equipment conserves our natural resources and brings the level of emission well below the national level and up to international/IFC world standards/ limits. The Management has allocated special funds for the maintenance and efficient operation of emissions control equipment to maintain international standards of emissions from cement manufacturing.

FCCL has initiated a dust management program. In order to minimize fugitive dust emission at Packing Plant, the FCCL Wah team has worked on dust collectors and suctioning ducts. The utilization of suctioning ducts helps in cleaning the cement bags, collecting cement dust, and reusing it through the dust collectors, FCCL has reduced waste and optimised the utilization of resources.

FCCL is a responsible company that believes in the sustainable utilization of its resources. For this purpose, FCCL has endorsed waste to energy initiative known as Alternative Fuel, reducing CO2 emissions by utilization of cementation material instead of calcination of clinker that required both heat energy and mining of natural limestone.

CO^2 Emission Reduction in Terms of AF

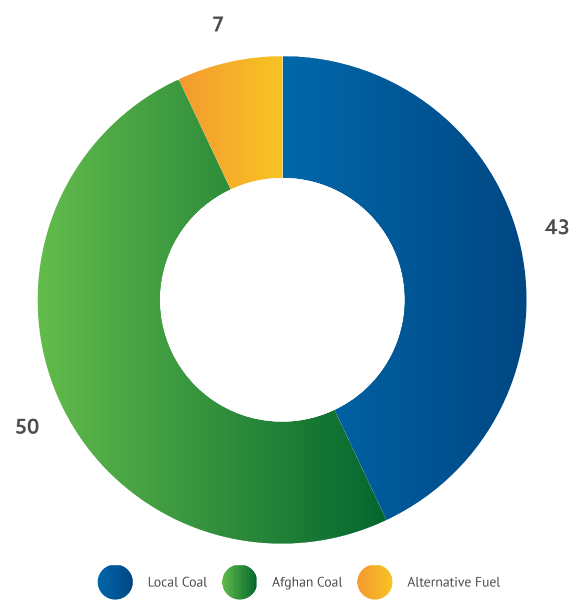


Alternative Fuel (Af)

FCCL prioritizes alternative fuels & raw materials as indispensable resources for sustainable production. Other industries' by-products serve as a valuable alternative and are utilized instead of non-renewable fossil fuels and raw materials to produce cement and to support the circular economy. Simultaneously while doing so these efforts also reduce FCCL CO2 emissions.

In 2022-23, FCCL has enhanced its capacity of utilizing AF to approximately 7% from 2.4%, a record utilization of AF in the history of FCCL. As a result of the substitution, approximately 47,041 tons of CO2 emissions are avoided. Additionally, FCCL also contributes to foreign exchange savings through the utilization of local coal in the cement manufacturing process instead of imported coal, which boosts national revenue while simultaneously curbing carbon emissions resulting from the supply chain.

FCCL Fuel Consumption FY 2023



Cementitious Material

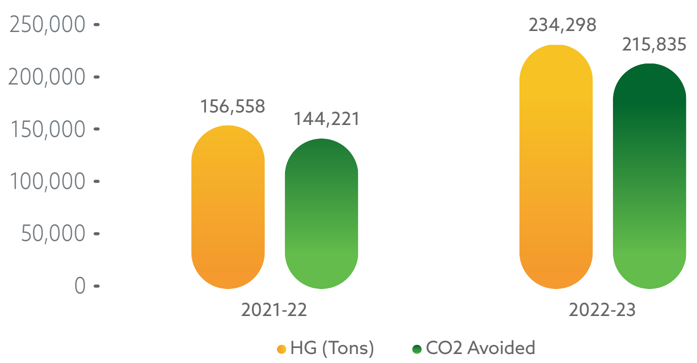
A noteworthy achievement of FCCL in the arena of product innovation and environmental sustainability within Pakistan is that it introduced green products at its plants. FCCL leads in the production of green products. After the launch of Pamir – Green Cement in 2020-2021 & Green Cement by FCCL in 2022; this year FCCL (JB) has launched Tile Bond.

FCCL is the pioneer to use a filler that has no hazards of silicosis. Tile Bond has zero CO2 emissions in terms of its constituents. The green product is made up of cementitious material and helps in the abatement of climate change-causing agents.

Furthermore, FCCL has tremendously reduced CO2 emissions in terms of calcination. In the year 2022-23, approximately 215,835 tons of CO2 have been avoided by utilizing cementitious material.

Location	2022-2023		2021-22	
	HG (Tons)	**Emission Avoided (Tons)**	HG (Tons)	Emission Avoided (Tons)
FCCL (JB)	78929	72709	82810	76284.6
FCCL (N)	112143	103306.1	22441	20672.6
FCCL (W)	43,226	39,820	51,307	47,264
Total	234,298	215,835	156,558	144,221

CO^2 Emission Reduction in Terms of Calcination



Process Optimization

Upgradation Of Plc System At Packing Plant – Fccl (Jb Plant)

FCCL (JB) plant has recently upgraded the PLC system of the Packing Plant. The optimization was done indigenously by replacing the conventional desk with HMI graphic interface. This improvement in system efficiency will help with proper data logging with process events, fault lists, and trends, and reduce time to decision and action. Additionally, the system improves batch and process consistency, quality and cycle time.

Face Raker Split Modification (FCCL JB plant)

FCCL (JB) face raker system was deficient (600 tons/hr) for both raw mills with a required feed of 740 tons/hr. Subsequently, the equipment reliability was also a challenge for both lines as equipment single drive of 30KW. Therefore, manual feeding was carried out to meet the requirement of feed for both mills. Hence, hired machinery costs with no time for maintenance were making the operation of the Face Raker system inefficient and challenging. Therefore, two separate drives each of 28.5 KW were installed in June 2022:enhancing the capacity from 600 tons/hr to 900 tons/hr.

In doing so, FCCL (JB) has not only achieved the desired capacity of Raw Mill for both lines but also eliminated the hired machinery cost due to manual feeding. The modification has improved the machinery's reliability and minimized downtime.

Cement Dust Collection & Reuse

In order to minimize dust emission at Packing Plant, the FCCL Wah team has worked on Dust Collectors and Suctioning Ducts. The utilization of suctioning ducts helps in cleaning the cement bags and removing any dust particles that might have accumulated on them. This process ensures that the cement bags are free from dust before they are dispatched, reducing the potential for dust emissions during transportation and handling.

An additional benefit of collecting cement dust is its reuse. By collecting and reusing the cement particles captured by dust collectors, FCCL (W) can reduce waste and optimize the utilization of resources. Reusing cement collected from dust collectors not only helps to minimize the environmental impact but also contributes to cost savings and sustainable practices.

Energy Efficiency & Production Enhancement

FCCL (W) has conducted a comprehensive survey to identify potential leaks and areas of deterioration. This proactive approach helps prevent further equipment failures, reducing the wastage of expensive compressed air and ultimately preserving hard-earned revenue. Regular maintenance, repairs, and monitoring of compressed air systems are essential to ensure their optimal performance and cost-effectiveness in industrial settings.

Achievements

Commissioning Of New Production Line-3:

Fauji Cement Company Limited striving for national stability and economic growth established a brownfield plant line – III at FCCL Nizampur plant, District Nowshera, and Khyber Pakhtunkhwa (KP). The FCCL Line – III has been successfully commissioned on 28th October 2022. The production capacity of FCCL Line-III is 6500 TPD. The project aims to enhance export to neighboring countries and cater to local market demand, especially in hard areas of northern areas and ex-FATA of Pakistan. The reserves are expected to serve for over 70 years with respect to limestone & 54 years regarding clay.

The project has been completed by the KP Environmental Protection Act 2014 and complied with other required legal obligations. FCCL has invested in state-of-the-art equipment in order to ensure contemporary requirements of environmental protection and sustainable development. The FCCL Line - III is an effort of FCCL to put its share in the national economy to grow, create opportunities for business and employment, uplifting of the community by providing a standard product that strengthens the nation.

Boosting Captive Solar Power Plants

In continuation of getting self-sufficiency in our power generation and with the objective of clean and green energy, FCCL boosted its capacity of clean energy by installing captive solar power plants at FCCL (N) and FCCL (W). 11.25 MW Solar Power Plant was inaugurated on 7th June 2023 at FCCL (N) with a net renewable energy generation capacity of 16,800 MWh/year. Moreover, an 8.77 MW Solar Power Plant was inaugurated at FCCL WAH on 29 Nov 2022. These efforts will enable FCCL plants to meet approximately 50% of their total power needs from their generation.

Introduction of Tile Bond

A significant accomplishment of FCCL in the field of environmental sustainability is the launch of Tile Bond at the Jhang Bahtar plant. FCCL is a pioneer in the use of a filler that poses no silicosis risks. In terms of its components, Tile Bond emits no CO2. The green product is made of cementitious material and contributes to the reduction of climate change-causing agents.

EPA Punjab Appreciation Letter

In recognition of FCCL's efforts towards sustainable and environmentally friendly initiatives, DG EPA Punjab issued an appreciation letter to MD FCCL. EPA endorses the vision and efforts of MD FCCL and his team for taking green initiatives and investment in clean energy.

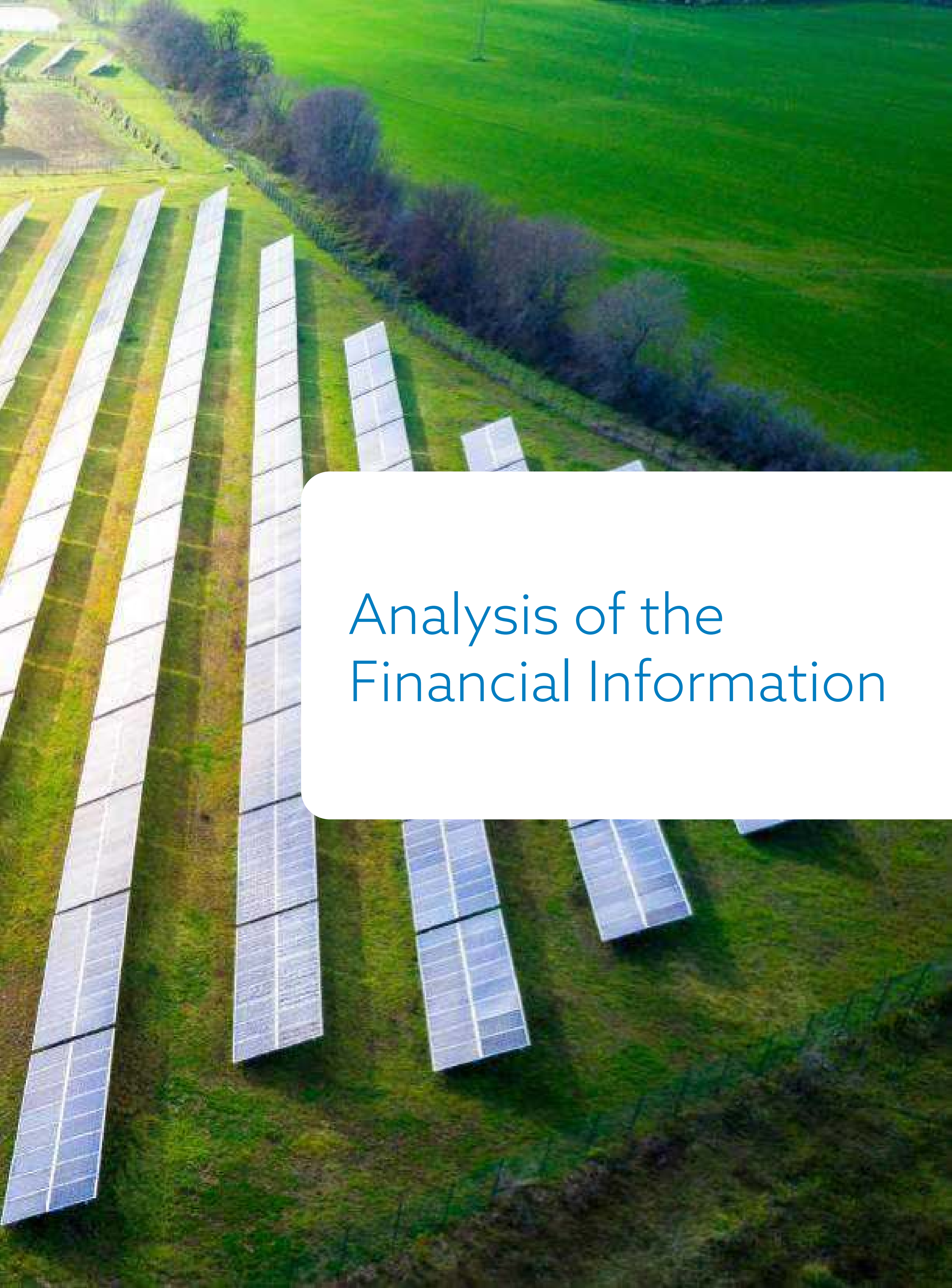
Epa Pedal Drive

FCCL (W) team participated in Pedal Drive organized by EPA Punjab on 12th February 2023 to promote Clean Air through Green Living. DG EPA Punjab awarded the certificate of participation to Mr. Humayun Naseer Manager HSE FCCL Wah.


CERTIFICATE OF PARTICIPATION

The certificate is presented to you for participation in Pedal 2023 conducted on 12th Feb by Environmental Protection Agency, Government of the Punjab to promote Clean Air through Green Living

Director General
Environmental Protection Agency
Government of the Punjab



Analysis of the Financial Information

Operating Results

	2023	2022	2021	2020	2019	2018
Statement of Financial Position			(Rs in Million)			
Equity & Liabilities						
Shareholders' Equity	65,176	57,736	23,276	19,804	20,899	20,489
Long Term Loans Including Current Portion	35,953	22,541	853	751	668	1,063
Deferred tax liabilities - net	10,312	7,433	3,960	3,644	3,926	3,601
Other Non-current and current liabilities	27,387	25,988	5,963	5,009	3,472	3,896
	138,828	113,698	34,052	29,208	28,965	29,049
Assets						
Property, plant and equipment	104,425	74,126	21,422	22,065	23,203	22,624
Intangible assets and goodwill	10,958	11,030	-	-	-	-
Other Non-current and current assets	23,445	28,542	12,630	7,143	5,762	6,425
	138,828	113,698	34,052	29,208	28,965	29,049
Profit or Loss						
Net Sales	68,069	54,243	24,271	17,232	20,798	21,161
Gross Profit	20,418	15,463	6,064	649	5,323	5,036
Operating Profit	16,018	11,982	5,054	11,676	4,463	4,246
EBITDA	20,179	15,680	6,814	1,789	6,039	5,663
Finance Cost	3,645	1,202	110	234	107	148
Profit / (loss) After Taxation	7,440	7,113	3,471	(59)	2,824	3,429
EPS / (LPS) (Rs)						
Basic	3.16	3.02	2.52	(0.04)	2.05	2.49
Diluted	3.16	3.02	2.52	(0.04)	2.05	2.49
Cash Flows						
Cash flows from operating activities	16,200	7,568	5,739	1,013	5,558	3,219
Cash flows from investing activities	(29,667)	(26,065)	(5,142)	(545)	2,025	(1,413)
Cash flows from financing activities	10,818	19,346	(5,455)	(1,182)	(3,020)	(3,119)
Cash and cash equivalents at beginning of the year	(912)	(716)	(1,308)	(594)	(1,107)	205
Cash and cash equivalents acquired through business combination	-	(1,044)	-	-	-	-
Cash and cash equivalents at end of the year	(3,561)	(912)	(716)	(1,308)	(594)	(1,107)

Review on Financial Performance and Position

Profit or Loss

Revenues

The Revenues of the Company have grown from Rs. 21 Billion to Rs. 68 Billion during the 6-year period, which has two key ingredients. Firstly as a result of the Merger effective July 1 2021 of Askari Cement there has been an increase due to increased capacity and secondly this last 6 year period has seen tremendous increase in the input costs of making cement which were passed on to the end users and are shown in the form of increased revenues. Overall dispatches due to consistent good quality helped the Company enhance and maintain its market share in local as well as export markets. As far as the revenues are concerned, for FY 23, Company achieved budgetary targets in PKR terms.

Cost of Sales

During the year Company incurred total cost of sales amounting to Rs. 47.5 billion as compared to Rs. 16 Billion in 2018, an increase of 197%. On per ton basis there is an increase of 100 % since 2018. This hike in cost of sales is mainly attributable to higher fuel and energy costs because of significant devaluation of PKR and increase in coal and power prices. The unprecedented hike in input costs is partially mitigated through cost optimization initiatives taken by management including the following:

- Higher use of Local coal compared to expensive imported coal.
- Reduction in cost of power by increasing captive power generation and enhancing green energy, which has led to your company producing 57% of the total required power during optimal generation.
- Rationalization of fixed costs.

Due to above cost optimization initiatives, cost of sales of the Company for FY 23 remained within budgetary targets of FY 23.

Gross Profit

As the company was able to pass on the increase and input costs along with better marketing strategy and management's cost optimization initiatives. Gross profit margin of the company increased from 24% in 2018 to 30% in current year

Distribution Cost

During the year Company has reclassified freight charges amounting to Rs. 2.1 Billion related to delivery of cement from cost of sales to distribution cost for better presentation. Except for the above there is an increase of 113 % in distribution cost since 2018 which is mainly attributable to inflationary impact and amortization cost of brand amounting to Rs.198 million acquired during merger with Askari Cement Company Limited. Currently, distribution cost, including freight charges and brand amortization, is 4% of sales revenue. For FY 23, distribution cost remained within budgetary limits.

Admin Cost

Since 2018, admin cost has increased at an average of 11% per year compared to average inflation of 12% in the country. For FY 23 admin cost remained within budgetary targets.

Finance Cost

Finance cost of the Company increased from Rs. 1,202 Million to Rs. 3,645 Million as compared to last year. This is mainly attributable to high interest rates, increase in debt of the company availed for expansion and massive devaluation of PKR by over 30% against USD, as a result the company booked an exchange loss of Rs. 960 million in finance cost that relates to expansion project's financial liability which cannot be capitalized as per IFRS.

Regarding finance cost, Company is unable to achieve its budgetary target due to unprecedented devaluation of PKR against USD.

Net Profit

Due to main factors described above, Company earned profit of Rs. 7.4 Billion during the year with net profit ratio of 11% as compared to 16% of 2018. Lower net profit ratio is mainly due to higher burden of taxation i-e super tax during the year as compared to 2018. For FY 23 Company meets the budgetary target of profits.

Review on Financial Performance and Position

Statement of Financial Position

Property, Plant and Equipment

Total value stood at Rs. 104.4 Billion as compared to Rs. 22.6 Billion in 2018 with an increase of Rs. 81 Billion i-e 362%. The increase is mainly due to merger of Askari Cement with the Company, expansion projects and continuous capital expenditures on energy generation and modernization of existing manufactured capital.

Intangibles

These mainly consist of goodwill, brand and customer relationship acquired through merger of Askari Cement with the Company effective July 1, 2021.

Current Assets

Current assets of the Company stood at Rs 23 Billion as compared to Rs 6.3 Billion in 2018, an increase of Rs. 16.7 Billion. As the Company expands and cost of inputs increase, its working capital requirements increased significantly during the period from 2018 to 2023. Company tries to keeps optimal working capital ratios at all times.

Share Capital and Reserves

As on 30 June 2023, the net worth of the Company stood at Rs.65 Billion as compared to Rs. 20 Billion in 2018, an increase of Rs. 45 Billion. This increase is mainly due to higher profit and merger of the Company with Askari Cement Company Limited.

Long Term Loans including Current Portion and Deferred Grant

Long term loans of the Company stood at Rs 39 Billion as compared to Rs. 1 Billion in 2018. During merger with Askari Cement Company acquired loans amounting to Rs.9.8 effective July 1, 2021. Remaining increase in long term loans is mainly due to expansion projects and renewable energy loans.

Deferred Tax Liabilities

Deferred tax liabilities of the Company increased significantly since 2018. This is mainly due to increased tax rates and capitalization of Nizampur Expansion Project.

Current Liabilities

Current liabilities of the Company stood at Rs. 28.4 Billion as compared to Rs. 4.2 Billion in 2018. As the Company expands, its working capital requirements increased significantly during the period from 2018 to 2023. Company keeps optimal working capital ratios at all times. Further, loan amounting to Rs. 7.3 Billion taken from parent for expansion projects is also classified as current liability under respective IFRS but for the purpose of current ratio it is excluded.

Statement of Cashflows

Over the years Company has a stable stream of cash flow generation through operations and financing activities. During FY 2023 and FY 2022 major outflow was made due to expansion projects that are funded through mix of equity, internal cash generation and long term financing

Future Prospects of Profitability

A Profitability forecast is always based on a set of assumptions that are made at the time the forecast is being done which are subject to change when the actual events occur. At the moment it is expected that if the demand trend remains positive and Company is able to pass on input costs in future also then the Company will manage to achieve positive bottom-line in years to come.

Economic Value Added

EVA is the relevant yardstick for measuring economic profits. EVA is the company's net operating profit after tax, after deducting the cost of capital. Companies, which return higher than the cost of capital, create wealth for the shareholders.

	2023	2022	2021	2020	2019	2018
	Rupees'000					
Weighted Average Cost of capital -%	19%	16%	16%	18%	22%	17%
Average Capital Employed	75,810,470	57,174,654	22,511,907	18,686,392	20,545,319	19,913,099
Economic Value Added						
Net Profit After Tax	10,557,244	7,568,300	3,421,431	125,562	2,931,056	3,577,277
Less: Cost of Capital	14,593,515	8,964,986	3,529,867	3,344,864	4,478,880	3,305,574
	(4,036,271)	(1,396,686)	(108,436)	(3,219,302)	(1,547,824)	271,703

Free Cash Flows

	2023	2022	2021	2020	2019	2018
	Rupees'000					
Cash Flow from operations	16,200,329	7,567,564	5,739,097	1,013,426	5,557,926	3,219,300
Capital Additions & Investments	(29,667,173)	(26,064,704)	(5,141,658)	(545,109)	(2,025,760)	(1,413,028)
Free Cash Flows to the Company	(13,466,844)	(18,497,140)	597,439	468,317	3,532,166	1,806,272
Add : Net Debt	13,471,378	20,504,005	141,373	92,311	(426,176)	(426,176)
Free Cash Flows to the Equity Holders	4,534	2,006,865	738,812	560,628	3,105,990	1,380,096

Direct Method
Statement of Cash flows

For the year ended 30 June 2023

	2023 Rupees'000	2022 Rupees'000
Cash Flow from operating Activities		
Cash receipts from customers	73,095,451	70,523,298
Cash Paid to suppliers & employees	(53,764,799)	(59,414,793)
Compensated absences paid	(101,419)	(94,902)
Payment to Workers' (Profit) Participation Fund	(699,068)	(549,335)
Taxes paid	(2,329,836)	(2,896,704)
Net cash generated from operating activities	16,200,329	7,567,564
Cash flows from investing activities		
Additions in property, plant and equipment	(33,903,442)	(28,425,596)
Additions in intangible	(133,329)	-
Proceeds from disposal of / investment (made) in associate	128,126	(50,000)
Short term investments - net	3,593,010	1,758,221
Proceeds from disposal of property, plant and equipment	116,244	23,250
Interest received on bank deposits	532,218	629,421
Net cash used in investing activities	(29,667,173)	(26,064,704)
Cash flows from financing activities		
Repayment of long term loans	(2,505,227)	(3,098,399)
Disbursements from new long term loans	15,976,605	17,059,404
Loan from parent	-	6,543,000
Lease payments	(89,354)	(171,588)
Dividend paid	(1,156)	(1,322)
Finance cost paid	(2,562,932)	(985,172)
Net cash generated from financing activities	10,817,936	19,345,923
Net increase / (decrease) in cash and cash equivalents	(2,648,908)	848,783
Cash and cash equivalents at beginning of the year	(911,616)	(716,009)
Cash and cash equivalents acquired through business combination	-	(1,044,390)
Cash and cash equivalents at end of the year	(3,560,524)	(911,616)

Quarter Wise
Profit or Loss

	1st Quarter Rupees'000	2nd Quarter Rupees'000	3rd Quarter Rupees'000	4th Quarter Rupees'000	Total (FY 2022-23) Rupees'000
Turnover - net	14,329,566	18,434,826	17,601,754	17,703,136	**68,069,282**
Cost of sales	(10,116,118)	(13,318,432)	(12,872,080)	(11,344,179)	**(47,650,809)**
Gross profit	4,213,448	5,116,394	4,729,674	6,358,957	**20,418,473**
Other income	25,396	50,215	111,197	249,365	**436,173**
Selling and distribution expenses	(128,865)	(137,770)	(156,072)	(2,282,556)	**(2,705,263)**
Administrative expenses	(318,748)	(432,672)	(383,407)	(246,806)	**(1,381,633)**
Other expenses	(236,045)	(229,899)	(166,749)	(117,385)	**(750,078)**
EBIT	3,555,186	4,366,268	4,134,643	3,961,575	**16,017,672**
Finance cost	(414,642)	(483,437)	(1,611,884)	(1,135,302)	**(3,645,265)**
Finance income	174,607	86,828	172,621	93,646	**527,702**
	(240,035)	(396,609)	(1,439,263)	(1,041,656)	**(3,117,563)**
Share of profit of associate	-	(2,313)	-	2,313	**-**
Taxation	(1,046,556)	(1,258,218)	(844,554)	(2,311,099)	**(5,460,427)**
PAT	2,268,595	2,709,128	1,850,826	611,133	**7,439,682**
EPS - Basic & diluted (Rupees)	1.06	1.19	0.77	0.14	**3.16**

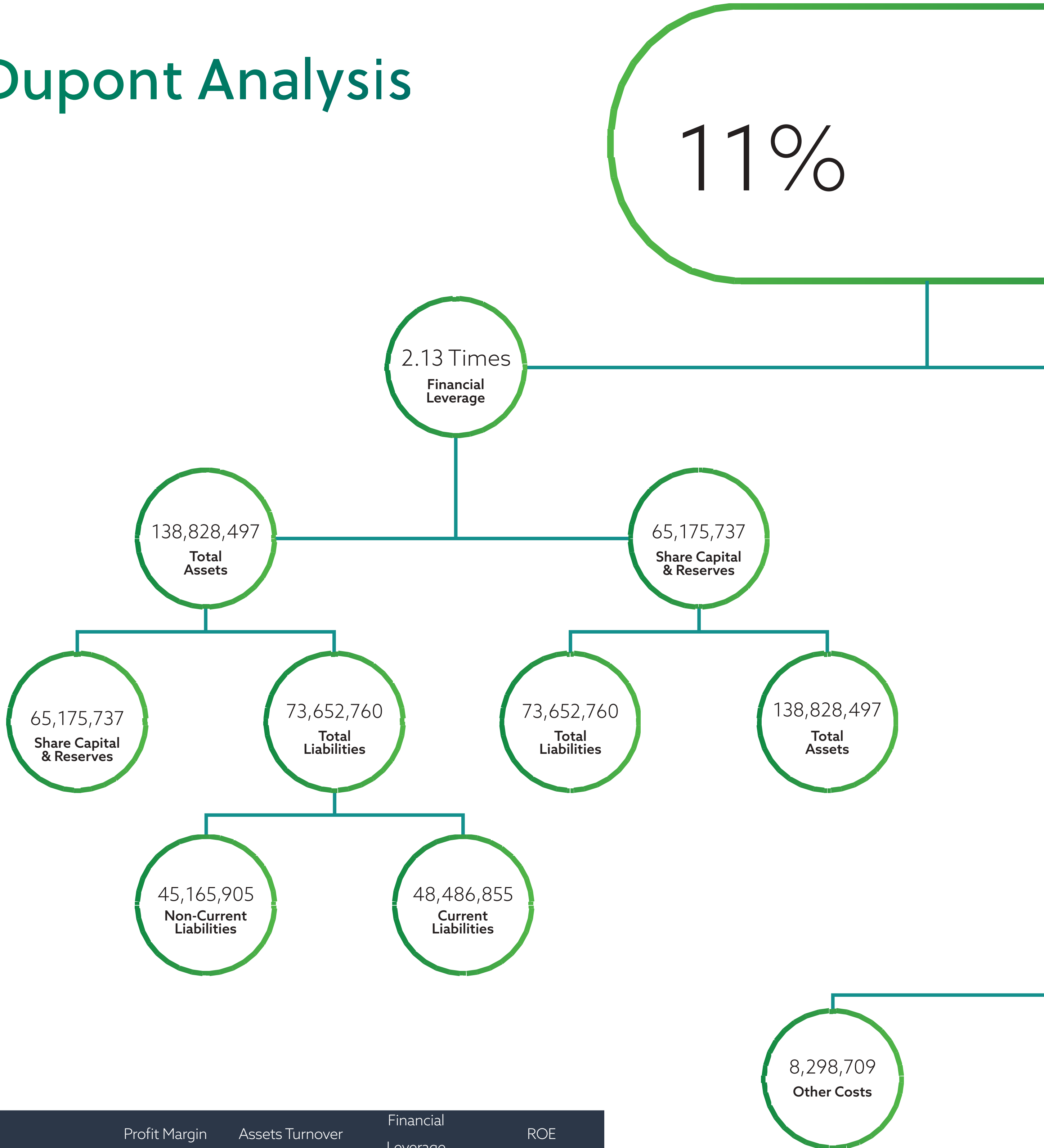
Key Ratio Analysis

		2023	2022	2021	2020	2019	2018
Profitability Ratios							
Gross Profit Ratio	%	**30.00**	28.51	24.99	3.77	25.60	24.17
Net Profit to Sales	%	**10.93**	13.11	14.30	(0.34)	13.58	16.21
EBITDA Margin to Sales	%	**29.65**	28.91	28.07	10.38	29.04	26.76
Operating Leverage Ratio	%	**1.18**	1.17	208.40	5.75	(3.75)	1.10
Return on Equity and Shareholders Fund	%	**11.41**	12.32	14.91	(0.30)	13.51	16.74
Return on Capital Employed	%	**25.00**	23.00	15.55	(0.28)	13.11	16.05
Shareholders' Funds	(Rs'000)	**65,175,737**	57,736,056	23,275,675	19,804,322	20,898,562	20,488,941
Total Shareholders' Return (per share)	Rs.	**(1.16)**	(8.83)	6.12	1.15	(5.62)	(16.18)
Liquidity Ratios							
Current Ratio *	Times	**1.10**	1.46	2.02	1.35	1.51	1.49
Quick/Acid Test Ratio *	Times	**0.38**	0.65	1.14	0.44	0.45	0.48
Cash to Current Liabilities	Times	**0.04**	0.23	0.86	0.11	0.11	0.12
Cash Flow from Operations to Sales	Times	**0.24**	0.14	0.24	0.06	0.27	0.15
Cash Flow from operations to Capital Expenditures	Times	**0.55**	0.29	1.11	1.88	(0.11)	2.74
Cash Flow coverage ratio	Times	**0.41**	0.30	6.58	1.39	(0.04)	5.23
Turnover Ratios							
Total Assets Turnover Ratio	Times	**0.08**	0.10	0.71	0.59	0.72	0.73
Fixed Assets Turnover Ratio	Times	**0.11**	0.16	1.13	0.78	0.90	0.94
No. of Days in Inventory	Days	**41**	22	24	23	26	26
No. of Days in Receivables	Days	**18**	13	19	19	19	20
No. of Days in Payables	Days	**30**	17	15	8	11	9
Operating Cycle	Days	**90**	52	58	50	56	55

		2023	2022	2021	2020	2019	2018
Investment/Market Ratios							
Earnings Per Share (EPS)/Diluted EPS	Rs	**3.16**	3.02	2.52	(0.04)	2.05	2.49
Price Earnings Ratio	Rs	**3.92**	6.00	7.96	-	10.38	11.59
Price to Book Ratio	Rs	**0.44**	0.54	1.36	1.18	1.04	1.54
Dividend Yield Ratio	%	**-**	-	-	-	7.05	4.70
Dividend Payout Ratio	%	**-**	-	-	-	73.17	40.16
Dividend per share - Cash	Rs	**-**	-	-	-	1.50	1.00
Break-up Value Per Share	Rs	**26.57**	26.48	16.87	14.35	15.15	14.85
Market value per share - at year end	Rs	**11.76**	14.17	23.00	16.88	15.73	22.85
Highest market value per share during the year	Rs	**16.31**	23.26	27.61	22.85	23.60	32.52
Lowest market value per share during the year	Rs	**10.51**	13.99	18.43	11.50	12.23	18.85
Capital Structure Ratios							
Financial leverage ratio	Times	**0.67**	0.61	0.11	0.13	0.08	0.13
Weighted Average Cost of Debt	%	**13.77**	6.60	7.26	11.28	8.54	6.96
Debt to Equity Ratio - as per books	Times	**0.60**	0.43	0.04	0.04	0.03	0.05
Debt to Equity Ratio - as per market value	Times	**1.36**	0.08	0.03	0.03	0.03	0.03
Net Assets per Share	Rs	**26.57**	26.48	16.87	14.35	15.15	14.85
Interest Cover Ratio	Times	**6.38**	11	48	0.26	42	29
Non-Financial Ratios							
% of plant availability	%	**100**	100	100	100	100	100
Production per Employee	Tons	**2,256**	2,541	3,130	2,514	2,461	2,807
Revenue per Employee	Rs'000	**41,344**	33,358	30,733	22,130	23,868	24,508
Staff Turnover Ratio	%	**1.59**	2.06	1.29	0.24	0.41	1.73
Spares Inventory as % of Assets Cost	%	**34.63**	42.31	34.17	50.20	53.83	48.40
Maintenance Cost as % of Operating Expenses	%	**3.60**	4.69	4.72	4.62	5.60	4.79

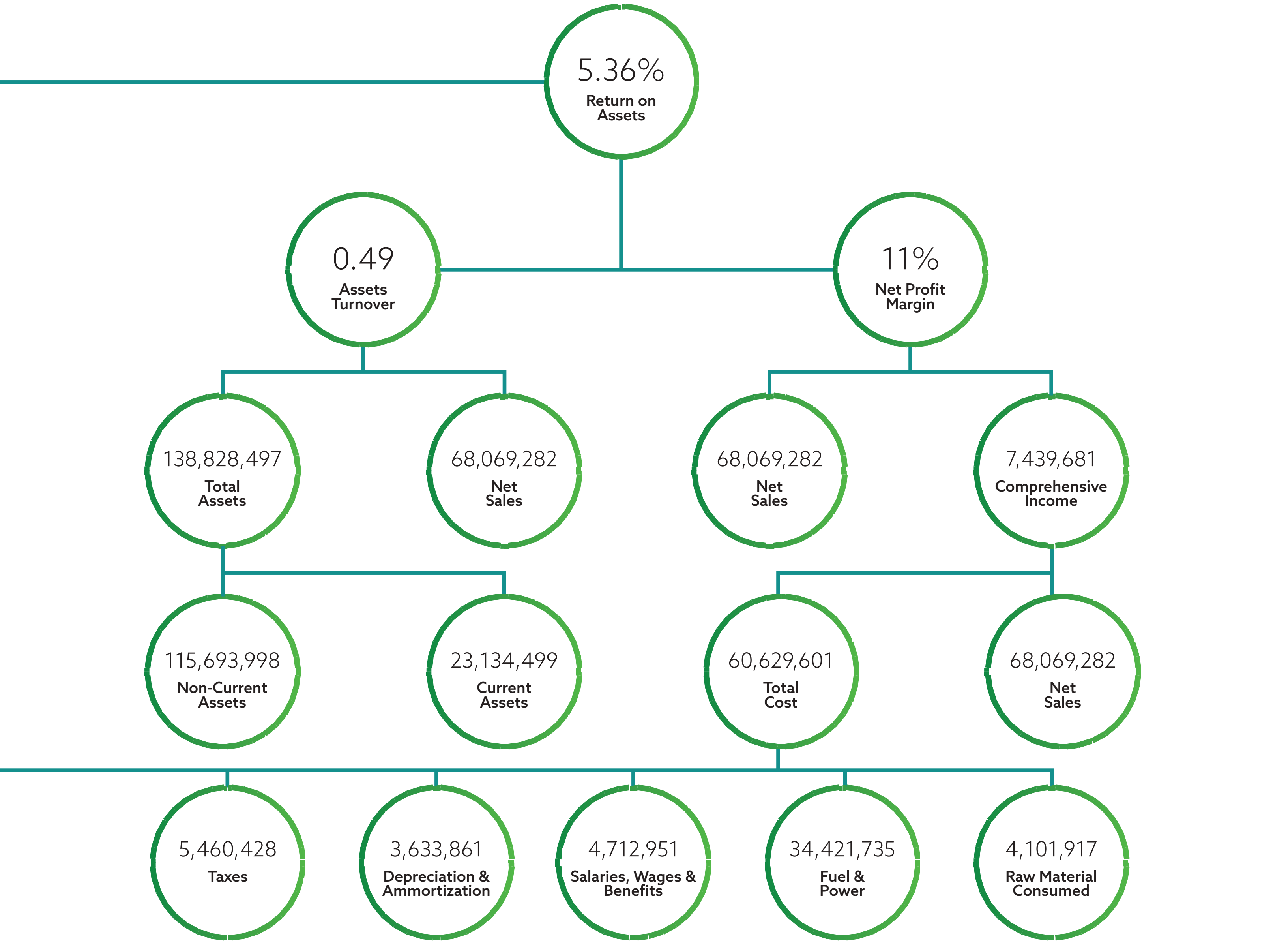
* In calculation of current and quick/acid test ratio, loan from parent has been excluded

Dupont Analysis



Year	Profit Margin (Net Profit/ Turnover	Assets Turnover (Turnover/Total Assets)	Financial Leverage (Total Assets/ Total Equity)	ROE (Return On Equity)
	A	B	C	AxBxC
2023	11%	0.49	2.13	11%
2022	13%	0.48	1.97	12%
2021	14%	0.71	1.46	15%
2020	-0.34%	0.59	1.48	-0.30%
2019	13.58%	0.72	1.39	14%
2018	16.21%	0.73	1.42	17%

Return on Equity

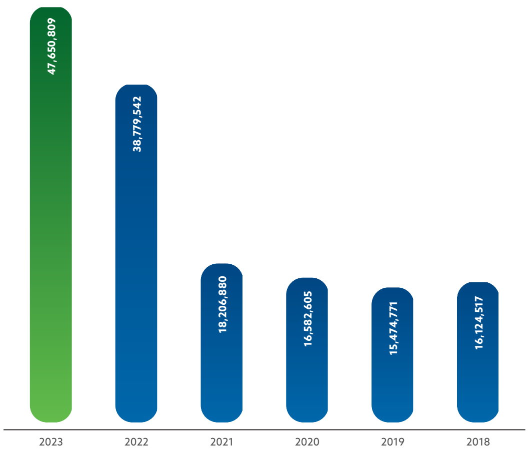


The main highlights of DuPont analysis are as follows:

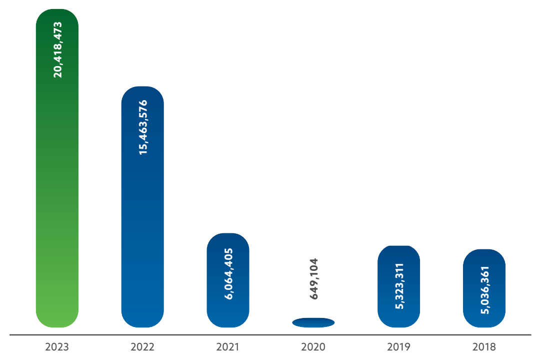
- Net profit margin decreased compared to previous year due to increased deferred tax cost as a result of imposition of additional super tax.
- Assets turnover increased due to higher turnover as a result of better retentions
- Over the past years financial leverage shows an increasing trend due to loans taken for expansion projects
- Over the past years Company has generated a sustained returns for its equity holders

Graphical Presentation of Financial Information

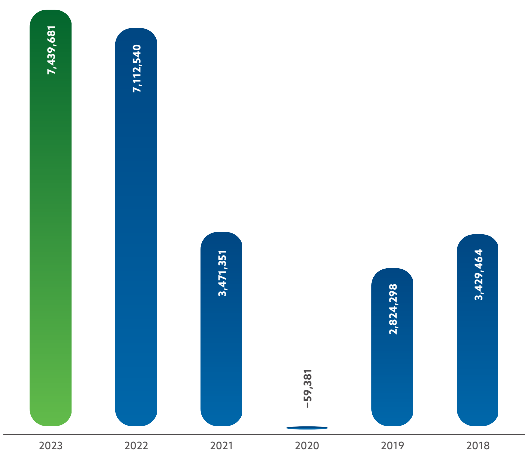
Cost of Sales (Rs in 000)



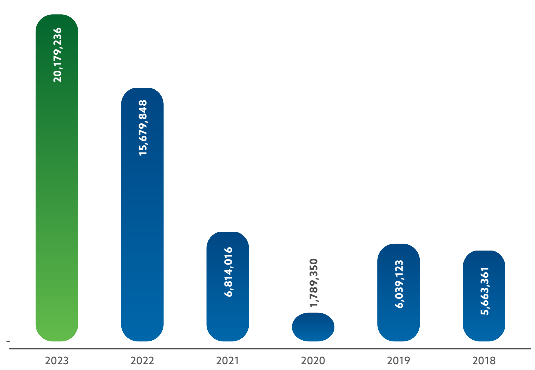
Gross Profit (Rs in 000)



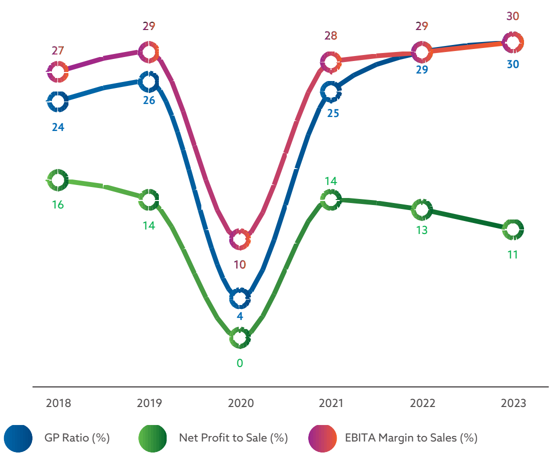
Net Profit / Loss (Rs in 000)



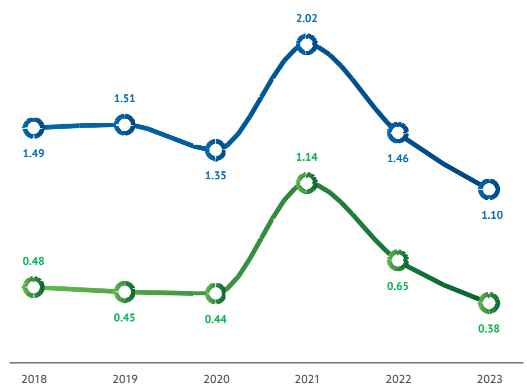
EBITDA (Rs in 000)



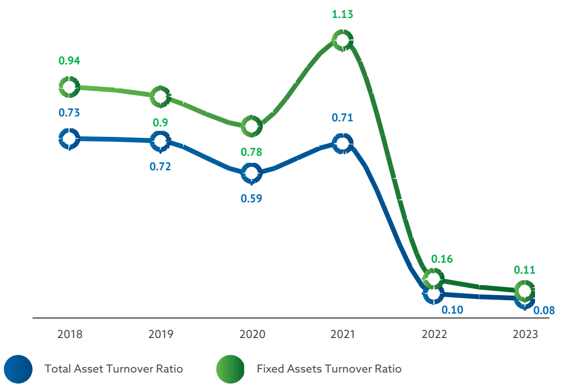
Profitability Ratios (%)



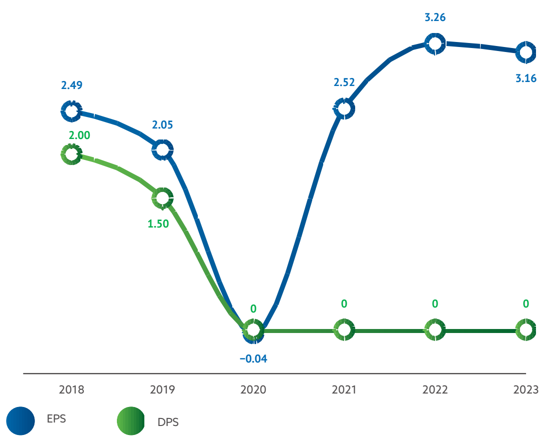
Liquidity Ratios (Times)



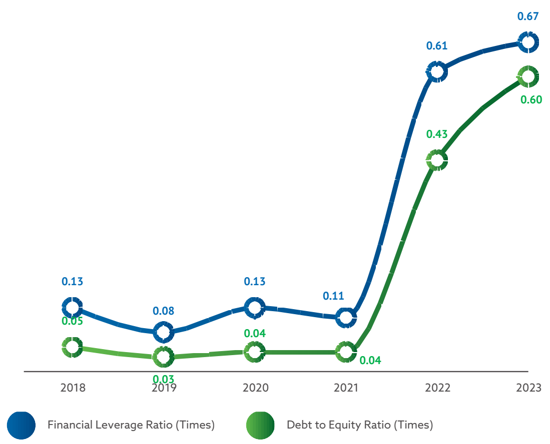
Turnover Ratio (Times)



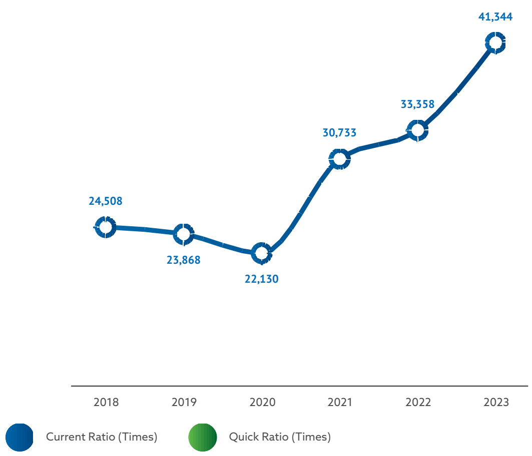
Comparison of EPS and DPS



Capital Structure Ratio (Times)

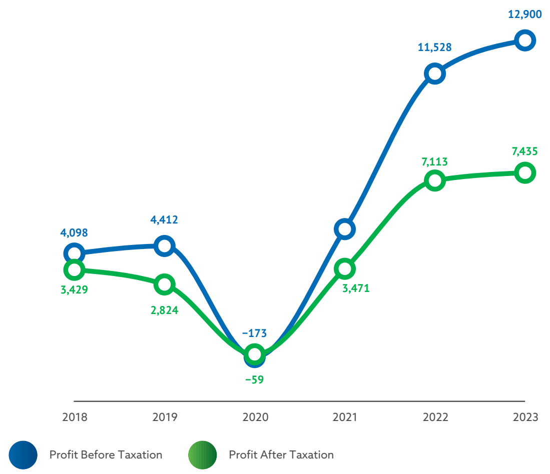


Revenue per Employee (Rs.)

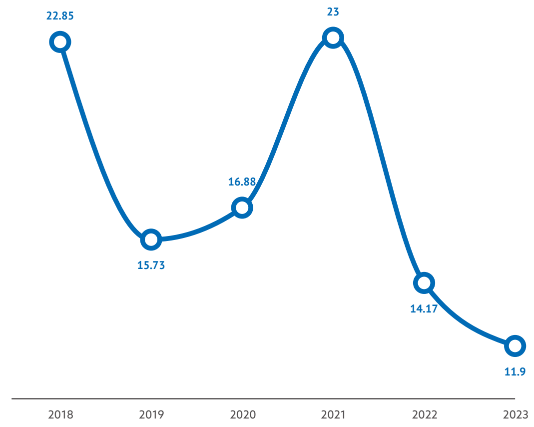


Graphical Presentation of Financial Information

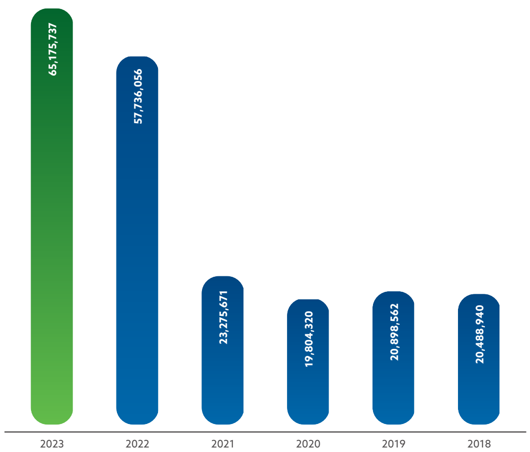
Comparison Between PBT & PAT



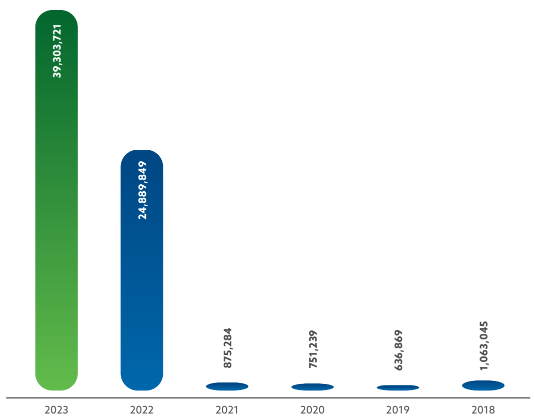
Share Price (Rupees)



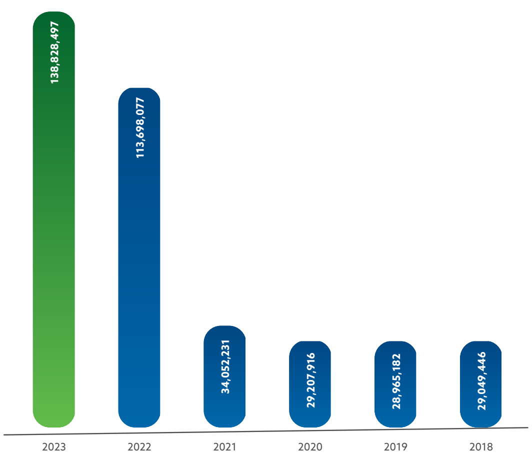
Shareholders Equity (Rs in 000)



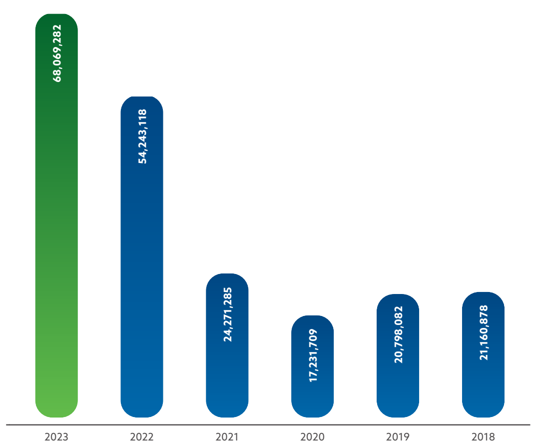
Long-term Loans (Rs in 000)



Total Assets (Rs in 000)



Revenue (Rs in 000)



Analysis to the Financial Ratios

Profitability Ratios

With consistent year on year performance profitability ratios remain stable during past years. GP ratio and EBITDA margins show a positive trend year on year due to better retentions and cost reduction initiatives by management. Return on equity and return on capital employed also improved year on year.

Liquidity Ratios

Liquidity ratios depict a stable financial position of the Company.

Turnover Ratios

Decrease in turnover ratios is mainly due to increase in assets book value post merger with Askari Cement Limited.

Investment/Market Ratios

Earning per share is increased due to higher profits. Break up value per share is showing positive trend due to increase in un-distributed accumulated profits. Cash dividend was not declared by the Board this year due to funding requirments of ongoing expansions.

Capital Structure Ratios

Debts obtained for financing of new production lines resulted in increase debt equity ratio.

Increase in weighted average cost of debt is due to increase in KIBOR.

Methods and Assumptions Used in Compiling Financial Indicators

General purpose Financial Statements of the Company are prepared as per applicable reporting framework as is disclosed in financial statements. Ratios and other Key indicators related to past performance are calculated and derived in accordance with the generally accepted formulas and assumptions. Any assumption that management take into account for assessment of future events is based on management experience of past information and trend and generally available information on macroeconomic indicators that may impact Company in particular.

Composition of Local Versus Imported Materials

The Company procures many kinds of local and imported materials that are used in cement manufacturing process directly and indirectly

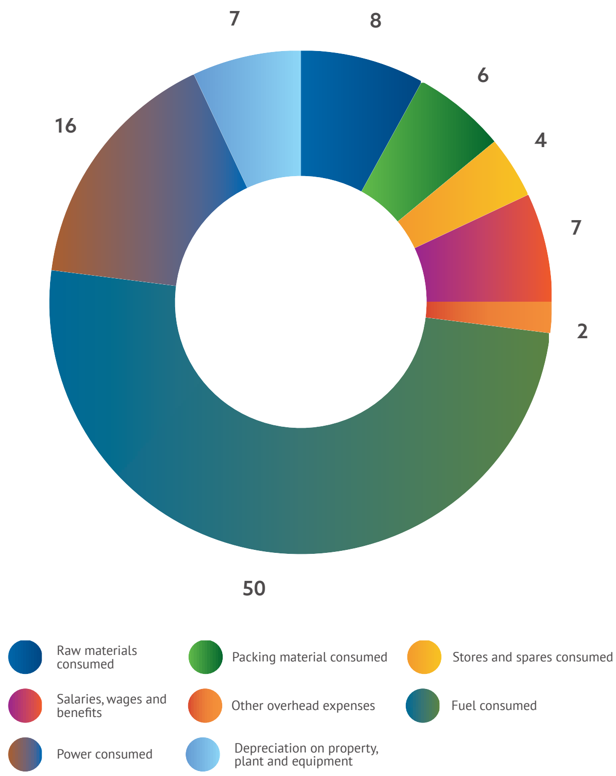
Raw materials – most of raw materials of cement are available locally and are not exposed to forex rates.

Packing material - although, packing material is purchased locally by the Company but raw materials for packing material is forex rate sensitive.

Power – company uses mix of own source power and from national gird, element of electricity procured from grid is forex sensitive.

Stores and Spares – Most of the items of repairs are direct imported by the Company and change in foreign currency rates impact the cost of spares.

Fuels – Coal is the main fuel of the Company. Company uses local as well as imported coal. During the year 53% local and 47% imported coal was used by the Company. Imported coal is forex sensitive. An increase of Rs. 100 per ton of coal impacts the cost of production of the Company by Rs. 13 per ton.

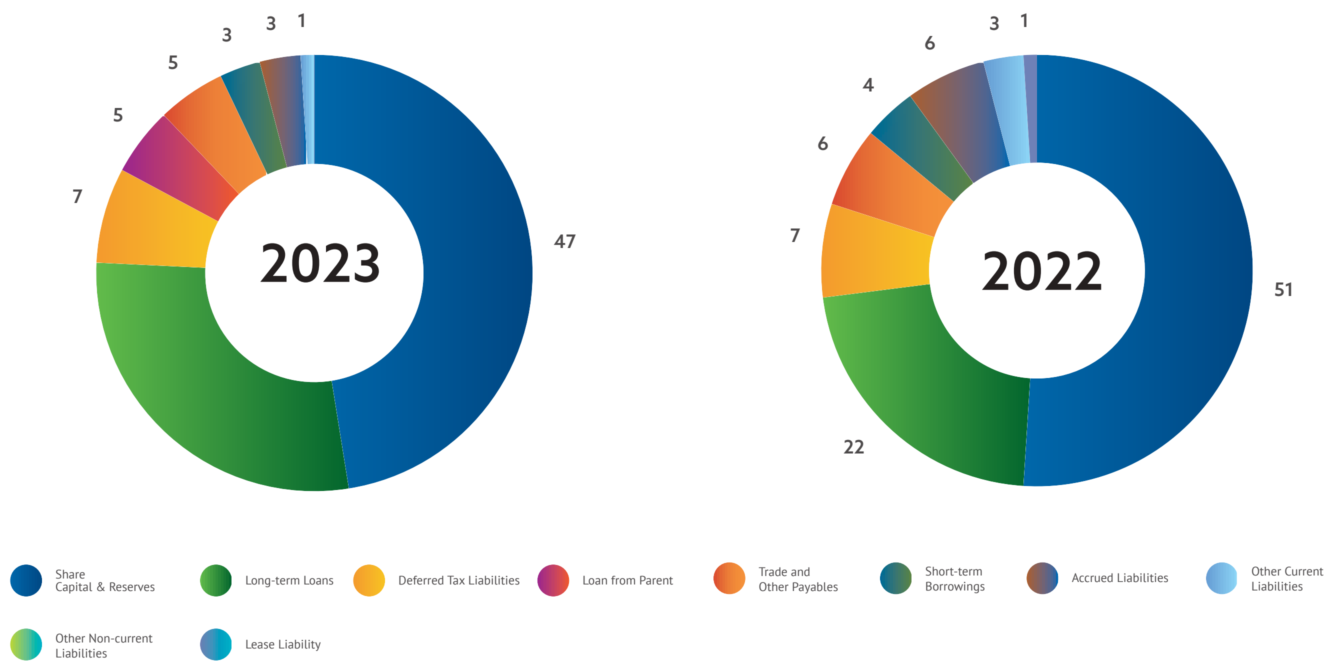


Reasons for not Declaring Dividend and Future Prospects

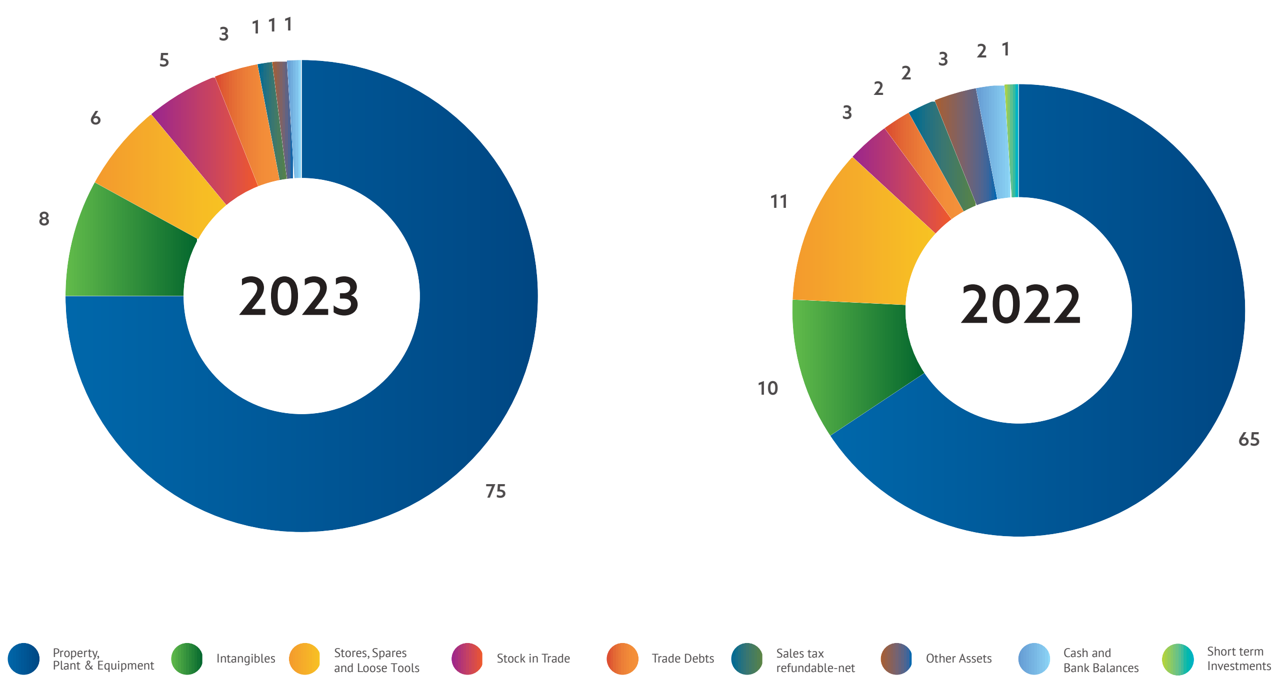
Cash dividend was not declared by the Board to meet funding requirements of expansion projects. Theses expansion projects are expected to contribute positively in earnings of the Company in the future and towards the long-term wealth of shareholders including dividend.

Statement of Financial Position
Composition

Equity & Liabilities



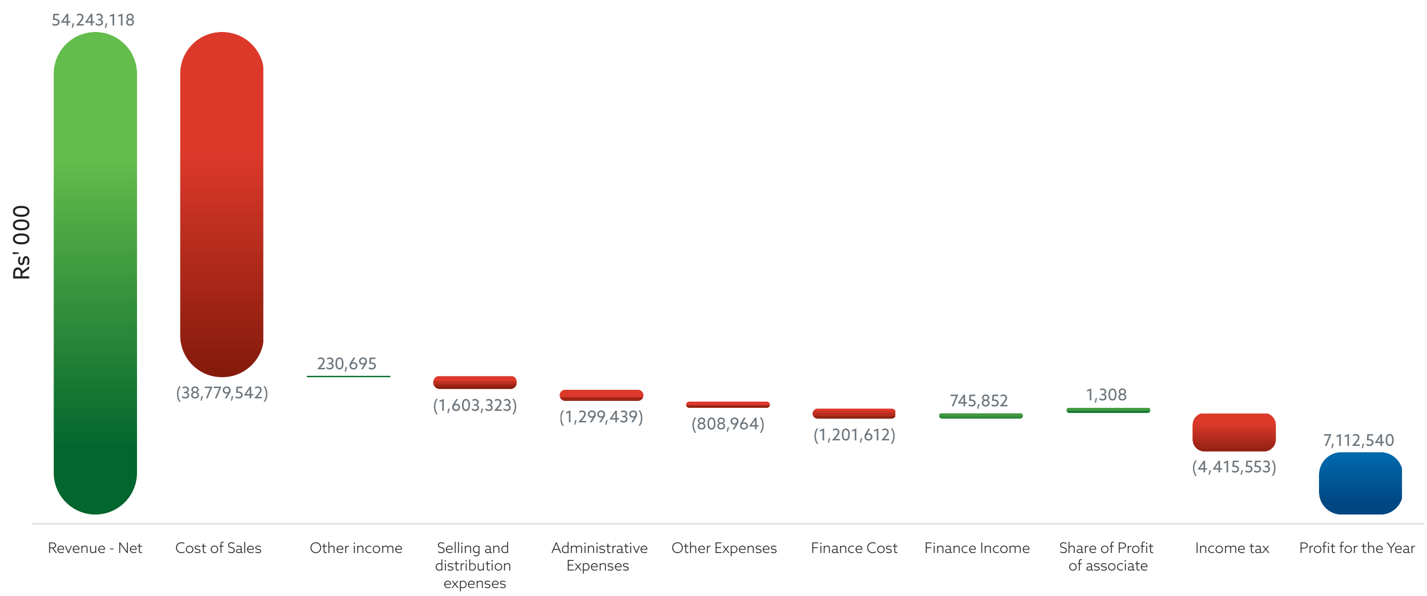
Assets



Statement of Profit or loss Composition

Water Fall Analysis 2023

Water Fall Analysis 2022



Horizontal Analysis
Statement of Profit or Loss

	2023	2023 Vs 2022	2022	2022 Vs 2021
	Rupees'000	Increase/ (Decrease)	Rupees'000	Increase/ (Decrease)
Turnover - net	68,069,282	25%	54,243,118	123%
Cost of sales	(47,650,809)	23%	(38,779,542)	113%
Gross profit	20,418,473	32%	15,463,576	155%
Other income	436,173	89%	230,695	182%
Selling and distribution expenses	(2,705,263)	69%	(1,603,323)	746%
Administrative expenses	(1,381,633)	6%	(1,299,439)	148%
Other expenses	(750,078)	-7%	(808,964)	114%
Operating profit	16,017,672	34%	11,982,545	137%
Finance cost	(3,645,265)	203%	(1,201,612)	996%
Finance income	527,702	-29%	745,852	365%
Net finance income / (cost)	(3,117,563)	584%	(455,760)	-995%
Share of profit of associate	-	-100%	1,308	-54%
Profit / (loss) before taxation	12,900,109	12%	11,528,093	126%
Income tax (expense) / credit	(5,460,428)	24%	(4,415,553)	170%
Profit / (loss) for the year	7,439,681	5%	7,112,540	105%
Earnings / (loss) per share - Basic (Rupees)	3.16	5%	3.02	20%
Earnings / (loss) per share - Diluted (Rupees)	3.16	5%	3.02	20%

2021	2021 Vs 2020	2020	2020 Vs 2019	2019	2019 Vs 2018	2018
Rupees'000	Increase/ (Decrease)	Rupees'000	Increase/ (Decrease)	Rupees'000	Increase/ (Decrease)	Rupees'000
24,271,285	41%	17,231,709	-17%	20,798,082	-2%	21,160,878
(18,206,880)	10%	(16,582,605)	7.2%	(15,474,771)	-3.6%	(16,046,291)
6,064,405	834%	649,104	-88%	5,323,311	4%	5,114,587
81,710	126%	36,134	-61%	92,947	4%	89,582
(189,537)	-7%	(204,344)	-3%	(210,335)	-24%	(275,933)
(524,709)	12%	(468,651)	13%	(415,979)	8%	(385,602)
(377,946)	66,557%	(567)	-100%	(326,689)	5%	(311,184)
5,053,923	43,185%	11,676	-100%	4,463,255	5%	4,231,450
(109,623)	-53%	(233,800)	119%	(106,758)	-28%	(147,813)
160,543	229%	48,857	-12%	55,411	282%	14,512
50,920	128%	(184,943)	-460%	51,347	-61%	133,301
2,849	100%	-		-	0%	-
5,107,692	3048%	(173,267)	-104%	4,411,908	8%	4,098,149
(1,636,341)	1,537%	113,886	-107%	(1,587,610)	137%	(668,685)
3,471,351	5,946%	(59,381)	-102%	2,824,298	-18%	3,429,464
2.52	6,400%	(0.04)	-102%	2.05	-18%	2.49
2.52	6,400%	(0.04)	-102%	2.05	-18%	2.49

Horizontal Analysis
Statement of Financial Position

	2022	2022 Vs 2021	2021	2021 Vs 2020
	Rupees'000	Increase / (Decrease)	Rupees'000	Increase / (Decrease)
SHARE CAPITAL AND RESERVES				
Share capital	24,528,476	12%	21,803,090	58%
Premium /(Discount) on issue of shares	15,253,134	-15%	17,978,520	-1418%
Unappropriated profits	25,394,127	41%	17,954,446	66%
Total equity	65,175,737	13%	57,736,056	148%
NON - CURRENT LIABILITIES				
Long term loans-secured	31,777,087	62%	19,555,997	3879%
Employee benefits	211,595	18%	179,291	118%
Lease Liability	118,972	32%	89,965	22%
Deferred government grant	2,745,849	39%	1,982,301	29903%
Deferred tax liabilities - net	10,312,402	39%	7,433,214	88%
	45,165,905	54%	29,240,768	534%
CURRENT LIABILITIES				
Loan from Parent - unsecured	7,387,000	100%	7,387,000	100%
Trade and other payables	6,516,462	-6%	6,917,149	280%
Accrued liabilities	4,022,396	-7%	4,321,163	178%
Security deposits payable	455,052	-1%	461,712	77%
Contract liabilities	584,809	-32%	862,309	98%
Employee benefits - current portion	96,468	19%	80,756	287%
Payable to employees' provident fund trust	26,438	67%	15,875	48%
Unclaimed dividend	36,001	-3%	37,157	-3%
Markup accrued	-	-	-	-
Short term borrowings	4,530,981	41%	3,218,249	99%
Current portion of lease liability	50,463	-26%	68,332	177%
Current portion of long term loans	4,176,493	40%	2,985,087	726%
Current portion of deferred government grant	604,292	65%	366,464	2241%
	28,486,855	7%	26,721,253	334%
Total Equity and Liabilities	138,828,497	22%	113,698,077	234%
NON - CURRENT ASSETS				
Property, plant and equipment	104,425,181	41%	74,126,315	246%
Right of use asset	181,380	37%	132,263	48%
Intangibles	10,957,737	100%	11,029,756	100%
Long term deposits	129,700	3%	126,274	46%
Advance against issue of shares	-	100%	-	100%
Long term investment in associate	-	-100%	66,657	334%
	115,693,998	35%	85,481,265	295%
CURRENT ASSETS				
Stores, spares and loose tools - net	8,011,181	-33%	11,939,147	181%
Stock in trade	7,112,327	92%	3,697,721	211%
Trade debts - net	3,572,445	48%	2,412,758	66%
Advances	366,231	89%	193,629	325%
Sales tax refundable-net	1,820,851	31%	2,650,804	100%
Trade deposits, short term prepayments	24,840	10%	22,559	-14%
Interest accrued	-	-	-	-
Advance tax - net	723,704	-26%	975,108	983%
Other receivables	282,463	61%	175,443	97%
Short term Investments	250,000	-93%	3,843,310	-13%
Cash and bank balances	970,457	-58%	2,306,633	156%
	23,134,499	-18%	28,217,112	127%
Total Assets	138,828,497	22%	113,698,377	234%

2020 Rupees'000	2020 Vs 2019 Increase / (Decrease)	2019 Rupees'000	2019 Vs 2018 Increase / (Decrease)	2018 Rupees'000	2018 Vs 2017 Increase / (Decrease)	2017 Rupees'000
13,798,150	-	13,798,150	-	13,798,150	-	13,798,150
(1,364,385)	-	(1,364,385)	-	(1,364,385)	-	(1,364,385)
10,841,906	47%	7,370,555	-13%	8,464,797	5%	8,055,175
23,275,671	-	19,804,320	-5%	20,898,562	2%	20,488,940
		118%				
491,502	10%	447,327	41%	317,835	-50%	636,868
82,380	14%	72,547	2%	71,216	11%	64,178
73,593	28%	57,656	100%	-	-	-
6,607	100%	-	-	-	-	-
3,960,489	9%	3,643,608	-7%	3,925,740	9%	3,600,638
4,614,571	9%	4,221,138	-2.2%	4,314,791	0%	4,301,684
-	-	-	-	-	-	-
1,822,642	46%	1,244,933	31%	948,864	-7%	1,024,758
1,554,895	49%	1,040,530	25%	834,816	46%	573,347
260,652	3%	253,940	16%	219,704	25%	176,339
435,097	18%	367,952	13%	324,300	32%	245,133
20,862	-16%	24,708	21%	20,399	19%	17,107
10,714	-21%	13,528	14%	11,832	24%	9,534
38,479	-4%	40,051	-8%	43,747	-61%	111,561
-	-	-	0%	-	-100%	35,980
1,616,787	-14%	1,869,167	87%	997,701	-39%	1,638,886
24,686	100%	23,737	100%	-		-
361,521	19%	303,912	-13%	350,466	-18%	426,177
15,654	-	-	-	-		-
6,161,989	19%	5,182,458	38%	3,751,829	-12%	4,258,822
34,052,231	17%	29,207,916	0.8%	28,965,182	0%	29,049,446
21,422,215	-3%	22,065,172	-5%	23,202,930	3%	22,624,413
89,334	48%	60,322	100%	-	-	-
-	-	-	-	-	-	-
86,601	-	86,601	-	86,601	-	86,601
-	-100%	12,500	100%	-	-	-
15,349	100%	-	-	-	-	-
21,613,499	-3%	22,224,595	-5%	23,289,531	3%	22,711,014
4,250,754	21%	3,505,809	15%	3,055,041	0%	3,067,684
1,189,198	0%	1,187,752	26%	944,022	-24%	1,244,805
1,449,600	38%	1,050,640	11%	947,046	-19%	1,168,343
45,593	-38%	73,695	104%	36,176	-5%	37,927
-	-	-	-	-	-	-
26,147	32%	19,843	-3%	20,463	-69%	66,669
-	-	-	-	-	-100%	1,031
90,073	-84%	562,239	115%	261,998	127%	115,550
88,890	301%	22,169	189%	7,660	-93%	104,664
4,397,699		-	-	-	-	-
900,778	61%	561,174	39%	403,245	-24%	531,759
12,438,732	78%	6,983,321	23%	5,675,651	-10%	6,338,432
34,052,231	17%	29,207,916	1%	28,965,182	0%	29,049,446

Vertical Analysis
Statement of Profit or Loss

	2023		2022	
	Rupees'000	%	Rupees'000	%
Turnover - net	68,069,282	100%	54,243,118	100%
Cost of sales	(47,650,809)	-70%	(38,779,542)	-71%
Gross profit	20,418,473	30%	15,463,576	29%
Other income	436,173	1%	230,695	-
Selling and distribution expenses	(2,705,263)	-4%	(1,603,323)	-3%
Administrative expenses	(1,381,633)	-2%	(1,299,439)	-2%
Other expenses	(750,078)	-1%	(808,964)	-1%
Operating profit	16,017,672	24%	11,982,545	22%
Finance cost	(3,645,265)	-5%	(1,201,612)	-2%
Finance income	527,702	1%	745,852	1%
Net finance income/ (cost)	(3,117,563)	-5%	(455,760)	-1%
Share of profit of associate	-	-	1,308	-
(Loss) / profit before taxation	12,900,109	19%	11,528,093	21%
Income tax (expense) /credit	(5,460,428)	-8%	(4,415,553)	-8%
Profit / (Loss) for the year	7,439,681	11%	7,112,540	13%

2021		2020		2019		2018	
Rupees'000	%	Rupees'000	%	Rupees'000	%	Rupees'000	%
24,271,285	100%	17,231,709	100%	20,798,082	100%	21,160,878	100%
(18,206,880)	-75%	(16,582,605)	-96%	(15,474,771)	-74%	(16,046,291)	-76%
6,064,405	25%	649,104	4%	5,323,311	26%	5,114,587	24%
81,710	-	36,134	-	92,947	-	89,852	-
(189,537)	-1%	(204,344)	-1%	(210,335)	-1%	(275,933)	-1%
(524,709)	-2%	(468,651)	-3%	(415,979)	-2%	(385,602)	-2%
(377,946)	-2%	(567)	-	(326,689)	-2%	(311,184)	-1%
5,053,923	21%	11,676	-	4,463,255	21%	4,231,720	20%
(109,623)	-	(233,800)	-1%	(106,758)	-1%	(147,813)	-1%
160,543	1%	48,857	-	55,411	-	14,512	-
50,920	-	184,943	1%	51,347	-	133,301	1%
2,849	-	-	-	-	-	-	-
5,107,692	21%	(173,267)	-1%	4,411,908	21%	4,098,149	19%
(1,636,341)	-7%	113,886	1%	(1,587,610)	-8%	(668,685)	-3%
3,471,351	14%	(59,381)	0%	2,824,298	14%	3,429,464	16%

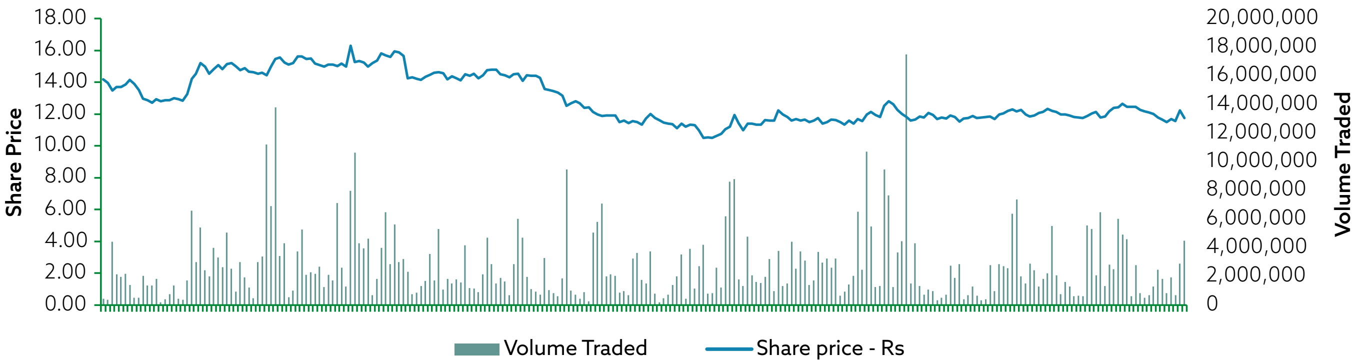
Vertical Analysis

Statement of Financial Position

	2023		2022	
	Rupees'000	%	Rupees'000	%
SHARE CAPITAL AND RESERVES				
Share capital	24,528,476	18%	21,803,090	19%
Premium /(Discount) on issue of shares	15,253,134	11%	17,978,520	16%
Unappropriated profits	25,394,127	18%	17,954,446	16%
Total equity	65,175,737	47%	57,736,056	51%
Long term loans-secured	31,777,087	23%	19,555,997	17%
Employee benefits	211,595	0%	179,291	-
Lease Liability	118,972	0%	89,965	-
Deferred government grant	2,745,849	2%	1,982,301	2%
Deferred tax liabilities - net	10,312,402	7%	7,433,214	7%
	45,165,905	33%	29,240,768	26%
Loan from Parent - unsecured	7,387,000	5%	7,387,000	6%
Trade and other payables	6,516,462	5%	6,917,149	6%
Accrued liabilities	4,022,396	3%	4,321,163	4%
Security deposits payable	455,052	0%	461,712	-
Contract liabilities	584,809	0%	862,309	1%
Employee benefits - current portion	96,468	0%	80,756	-
Payable to employees' provident fund trust	26,438	0%	15,875	-
Unclaimed dividend	36,001	0%	37,157	-
Markup accrued	-	0%	-	-
Short term borrowings	4,530,981	3%	3,218,249	3%
Current portion of lease liability	50,463	0%	68,332	-
Current portion of long term loans	4,176,493	3%	2,985,087	3%
Current portion of deferred government grant	604,292	0%	366,464	-
	28,486,855	21%	26,721,253	24%
Total Equity and Liabilities	138,828,497	100%	113,698,077	100%
NON - CURRENT ASSETS				
Property, plant and equipment	104,425,181	75%	74,126,315	65%
Right of use asset	181,380	0%	132,263	-
Intangibles	10,957,737	8%	11,029,756	10%
Long term deposits	129,700	0%	126,274	-
Advance against issue of shares	-	0%	-	-
Long term investment in associate	-	0%	66,657	-
	115,693,998	83%	85,481,265	75%
CURRENT ASSETS				
Stores, spares and loose tools - net	8,011,181	6%	11,939,147	11%
Stock in trade	7,112,327	5%	3,697,721	3%
Trade debts - net	3,572,445	3%	2,412,758	2%
Advances	366,231	0%	193,629	-
Sales tax refundable-net	1,820,851	1%	2,650,804	2%
Trade deposits, short term prepayments	24,840	0%	22,559	-
Interest accrued	-	0%	-	-
Advance tax - net	723,704	1%	975,108	1%
Other receivables	282,463	0%	175,443	-
Short term Investments	250,000	0%	3,843,010	-
Cash and bank balances	970,457	1%	2,306,633	3%
	23,134,499	17%	28,216,812	25%
Total Assets	138,828,497	100%	113,698,077	100%

2021		2020		2019		2018	
Rupees'000	%	Rupees'000	%	Rupees'000	%	Rupees'000	%
13,798,150	41%	13,798,150	47%	13,798,150	48%	13,798,150	47%
(1,364,385)	-4%	(1,364,385)	-5%	(1,364,385)	-5%	(1,364,385)	-5%
10,841,906	32%	7,370,555	25%	8,464,797	29%	8,055,175	28%
23,275,671	68%	19,804,320	68%	20,898,562	72%	20,488,940	71%
491,502	1%	447,327	2%	317,835	1%	636,868	2%
82,380	-	72,547	-	71,216	-	64,178	-
73,593	-	57,656	-	-	-	-	-
6,607	-	-	-	-	-	-	-
3,960,489	12%	3,643,608	12%	3,925,740	14%	3,600,638	12%
4,614,571	14%	4,221,138	14%	4,314,791	15%	4,301,684	15%
-	-	-	-	-	-	-	-
1,822,642	5%	1,244,933	4%	948,864	3%	1,024,758	4%
1,554,895	5%	1,040,530	4%	834,816	3%	573,347	2%
260,652	1%	253,940	1%	219,704	1%	176,339	1%
435,097	1%	367,952	1%	324,300	1%	245,133	1%
20,862	-	24,708	-	20,399	-	17,107	-
10,714	-	13,528	-	11,832	-	9,534	-
38,479	-	40,051	-	43,747	-	111,561	-
-	-	-	-	-	-	35,980	-
1,616,787	5%	1,869,167	6%	997,701	3%	1,638,886	-
24,686	-	23,737	-	-	-	-	-
361,521	1%	303,912	1%	350,466	1%	426,177	1%
15,654	-	-	-	-	-	-	-
6,161,989	18%	5,182,458	18%	3,751,829	13%	4,258,822	15%
34,052,231	100%	29,207,916	100%	28,965,182	100%	29,049,446	100%
21,422,215	63%	22,065,172	76%	23,202,930	80%	22,624,413	78%
89,334	-	60,322	-	-	-		-
-	-	-	-	-	-		-
86,601	-	86,601	-	86,601	-	86,601	-
-	-	12,500	-	-	-	-	-
15,349	-	-	-	-	-	-	-
21,613,499	63%	22,224,595	76%	23,289,531	80%	22,711,014	78%
4,250,754	12%	3,505,809	12%	3,055,041	11%	3,067,684	11%
1,189,198	3%	1,187,752	4%	944,022	3%	1,244,805	4%
1,449,600	4%	1,050,640	4%	947,046	3%	1,168,343	4%
45,593	-	73,695	-	36,176	-	37,927	-
-	-	-	-	-	-	-	-
26,147	-	19,843	-	20,463	-	66,669	-
-	-	-	-	-	-	1,031	-
90,073	-	562,239	2%	261,998	1%	115,550	-
88,890	-	22,169	-	7,660	-	104,664	-
4,397,699		-	-	-		-	
900,778	3%	561,174	2%	403,245	1%	531,759	2%
12,438,732	37%	6,983,321	24%	5,675,651	20%	6,338,432	22%
34,052,231	100%	29,207,916	100%	28,965,182	100%	29,049,446	100%

Share Price Sensitivity



Shares of the Company are traded on Pakistan Stock Exchange. Share price is impacted by internal as well as external factors. The main internal factor is profitability, some of key factors affecting the profitability are as under:

Sensitivity	PAT impact (Rs in Million)
Selling Price (1% +-)	415
Fuel and Power (1% +-)	211
Interest Rate (1%+-)	33
Currency (1% +-)	15

Explanations of key internal and external factors are as under

Profitability

The Company's operational and financial performance directly affects the profitability of the Company, which is the main internal factor for share price sensitivity. Factors affecting profitability can be viewed as under:

Selling Prices – Although selling price is determined internally but is impacted by market conditions and related to supply and demand situation.

Input Costs – Main cost component of cement is fuel and power. Any change in fuel and energy prices impact's the profitability.

Interest Rates – Any adverse movement in interest rates increases the finance cost and consequently reduce margins with negative impact on share price

Government policies and macroeconomic indicators

The share price of the Company is directly related to the overall macroeconomic conditions of the country. Further, Government overall and, specifically, cement sector related policies have direct impact on business and profitability and accordingly on share price of the Company. Favorable policies have positive impact on share price and vice versa.

Investor sentiments and market performance

Apart from systematic risk, the market share price is also exposed to its respective sector performance. The Beta of FCCL with respect to Pakistan Stock Exchange is 1.35.

Segmental Review of Business

The revenue stream of the Company is generated only through Manufacturing and Sale and different types of Cement. Primary market of the Company's products is local market where Company sold 90% of total sales volume during the year. Due to inherent limitation of its manufacturing locations, the only feasible export market of the Company is Afghanistan where Company dispatched 10 % of its sales volume.

Striving for Excellence in Corporate Reporting

Striving for Excellence in Corporate Reporting

Board's Responsibility Statement on Full Compliance of Financial Accounting and Reporting Standards as Applicable in Pakistan

The Board of Directors are fully cognizant with the fact they are responsible for overseeing the Company's financial reporting process. The Board of Directors of the Company confirm that the financial statements are prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Standards), issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

Adoption of IR Framework

The Company has adopted the Integrated Reporting Framework by fully applying the 'Fundamental Concepts', Content Elements and Guiding Principles in the IR Framework. The Company's statement on adoption of IR Framework is also contained in the section 'About the Report'.

Specific Disclosures of the Financial Statements

1	Fair value of Property, Plant and Equipment.	Not Applicable
2	Particulars of significant/ material assets and immovable property including location and area of land.	Note 16 of financial statements
3	Capacity of an industrial unit, actual production and the reasons for shortfall.	Note 43 of financial statements
4	Forced sale value in case of revaluation of Property, Plant and Equipment or investment property.	Not Applicable
5	Specific disclosures required for shariah compliant companies/ companies listed on the Islamic Indices as required under clause 10 of the Fourth Schedule of the Companies Act, 2017.	Note 45.3 of financial statements
6	Disclosure requirements for common control transactions as specified under the Accounting Standard on 'Accounting for common control transactions' developed by ICAP and notified by SECP (through SECP S.R.O. 53 (I)/2022 dated January 12, 2022)	Not applicable
7	Disclosure about Human Resource Accounting (includes the disclosure of process of identifying and measuring the cost incurred by the company to recruit, select, hire, train, develop, allocate, conserve, reward and utilize human assets).	Not applicable
8	In financial statements issued after initial or secondary public offering(s) of securities or issuance of debt instrument(s) implementation of plans as disclosed in the prospectus/offering document with regards to utilization of proceeds raised till full implementation of such plans.	Not applicable
9	Where any property or asset acquired with the funds of the company and is not held in the name of the company or is not in the possession and control of the company, this fact along with reasons for the property or asset not being in the name of or possession or control of the company shall be stated; and the description and value of the property or asset, the person in whose name and possession or control it is held shall be disclosed.	Not applicable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Financial Statements

For the year ended 2023

INDEPENDENT AUDITOR'S REPORT

To the members of Fauji Cement Company Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of Fauji Cement Company Limited (the Company), which comprise the statement of financial position as at June 30, 2023, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2023 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the Key audit matters:

S. No.	Key audit matters	How the matter was addressed in our audit
(i)	**Revenue recognition** (Refer notes 3.8 and 28 to the financial statements) The Company is engaged in the production and sale of cement in the local and export market. Revenue is recognised when performance obligation is satisfied by transferring control of promised goods to the customers. We considered revenue recognition as a key audit matter due to revenue being one of the key performance indicators of the Company, large number of revenue transactions with a large number of customers in various geographical locations, inherent risk of material misstatement and significant increase in revenue from last year.	Our audit procedures in relation to the matter, amongst others, included: • Understood and evaluated management controls over revenue and checked their validation; • Performed testing of sample of revenue transactions with underlying documentation including dispatch documents and sales invoices; • Performed cut-off procedures on sample basis to assess whether revenue was recognised in the correct period; • Checked on a sample basis, approval of sales prices by the appropriate authority; • Performed recalculation of rebates, and discounts as per Company's policy; • Performed analytical procedures to analyse variation in the price and quantity sold during the year; • Tested journal entries relating to revenue recognised during the year based on identified risk criteria; and • Assessed the adequacy of disclosures made in the financial statements related to revenue in accordance with the applicable accounting and reporting standards.
(ii)	**Additions to property, plant and equipment** (Refer notes 2.4.1, 3.2 and 16 to the financial statements) During the current year, the Company has incurred significant capital expenditure mainly on construction of a new plant and an additional production line at an existing plant. The production line has been completed during the current year.	Our audit procedures in relation to the matter, amongst others, included: • Understood and evaluated internal controls relating to purchase of the assets; • Tested, on a sample basis, costs capitalised during the year by comparing the costs capitalised with the relevant underlying documentation, including suppliers' invoices; • Checked that the costs capitalised including the borrowing cost, met the criteria for capitalisation in accordance with the requirements of the applicable accounting and reporting standards;

S. No.	Key audit matters	How the matter was addressed in our audit
	The incurrence of capital expenditure requires determination of the costs which meets criteria for capitalisation as per the International Accounting Standard – 16, 'Property, Plant and Equipment' We consider the above as a key audit matter being significant transactions and events for the Company during the year having significant impact on the financial position of the Company.	• Inspected supporting documents for the date of transfer of capital work in progress to operating fixed assets to assess the reasonableness of depreciation charge and cessation of capitalisation of further costs, including borrowing costs; and • Assessed the adequacy of disclosures made in the financial statements related to property, plant and equipment in accordance with the applicable accounting and reporting standards.
(iii)	**Impairment testing of intangible assets and goodwill** (Refer notes 2.4.6, 3.24, 18 and 18.5 to the financial statements) Goodwill and certain other intangibles that were recognised on business acquisitions undertaken by the Company in the prior year are disclosed in note 18 to the annexed financial statements. The Company annually tests the carrying values of goodwill and intangibles having indefinite useful lives for impairment. The testing is subject to estimates and judgments made by the management of the Company with respect to future sales growth and profitability, cash flow projections and selection of appropriate discount rates. As the amounts in respect of goodwill and other intangibles and their estimations and assumptions involved are significant for first year audit, this is considered a key audit matter	Our audit procedures in relation to the matter, amongst others, included: • Analysed the process of management's identification of the Cash Generating Units; • Discussed with the management key assumptions used in valuation models, including assumptions of future prices and discount rates; • Checked the mathematical accuracy of management's valuation models and agreed relevant data, including assumptions on timing and future capital and operating expenditure, to the latest production plans and budgets; • Conducted sensitivity analyses on the recoverable amounts computed by the management of the Company to determine the head room available based on reasonably expected movements in the assumptions used for the testing; • Assessed the adequacy of disclosures made in the annexed financial statements with respect to the requirements of the applicable accounting and reporting standards.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

INDEPENDENT AUDITOR'S REPORT

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always

detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our

conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

1. proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
2. the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
3. investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
4. No zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980)

Other Matter

The financial statements of the Company for the year ended June 30, 2022 were audited by another auditor who expressed an unmodified opinion on those statements on September 30, 2022.

The engagement partner on the audit resulting in this independent auditor's report is JehanZeb Amin.

Chartered Accountants
Islamabad
Date: September 12, 2023
UDIN: AR202310083X3ogHJ8K0

Statement of Financial Position

As at June 30, 2023

	Note	2023 Rupees'000	2022 Rupees'000
EQUITY & LIABILITIES			
EQUITY AND RESERVES			
Share capital	4	**24,528,476**	21,803,090
Premium on issue of shares		**15,253,134**	17,978,520
Revenue reserve		**25,394,127**	17,954,446
		65,175,737	57,736,056
NON-CURRENT LIABILITIES			
Long term loans - secured	5	**31,777,087**	19,555,997
Employee benefits	6	**211,595**	179,291
Lease liabilities	7	**118,972**	89,965
Deferred government grant	8	**2,745,849**	1,982,301
Deferred tax liabilities - net	9	**10,312,402**	7,433,214
		45,165,905	29,240,768
CURRENT LIABILITIES			
Loan from Parent - unsecured	10	**7,387,000**	7,387,000
Trade and other payables	11	**6,516,462**	6,917,149
Accrued liabilities		**4,022,396**	4,321,163
Security deposits payable	12	**455,052**	461,712
Contract liabilities	13	**584,809**	862,309
Employee benefits - current portion	6	**96,468**	80,756
Payable to employees' provident fund trust		**26,438**	15,875
Unclaimed dividend		**36,001**	37,157
Short term running finance - secured	14	**4,530,981**	3,218,249
Current portion of lease liability	7	**50,463**	68,332
Current portion of long term loans	5	**4,176,493**	2,985,087
Current portion of deferred government grant	8	**604,292**	366,464
		28,486,855	26,721,253
TOTAL EQUITY AND LIABILITIES		**138,828,497**	113,698,077
CONTINGENCIES AND COMMITMENTS	15		

The annexed notes 1 to 45 form an integral part of these financial statements.

	Note	2023 Rupees'000	2022 Rupees'000
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	16	**104,425,181**	74,126,315
Right of use asset	17	**181,380**	132,263
Intangible assets and goodwill	18	**10,957,737**	11,029,756
Long term deposits		**129,700**	126,274
Long term investment in associate		**-**	66,657
		115,693,998	85,481,265
CURRENT ASSETS			
Stores, spares and loose tools	19	**8,011,181**	11,939,147
Stock in trade	20	**7,112,327**	3,697,721
Trade debts	21	**3,572,445**	2,412,758
Advances	22	**366,231**	193,629
Sales tax refundable-net	23	**1,820,851**	2,650,804
Trade deposits and short term prepayments	24	**24,840**	22,559
Advance tax - net		**723,704**	975,108
Other receivables	25	**282,463**	175,443
Short term investments	26	**250,000**	3,843,010
Cash and bank balances	27	**970,457**	2,306,633
		23,134,499	28,216,812
TOTAL ASSETS		**138,828,497**	113,698,077

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

Statement of Profit or Loss

For the year ended June 30, 2023

	Note	2023 Rupees'000	2022 Rupees'000
Revenue - net	28	**68,069,282**	54,243,118
Cost of sales	29	**(47,650,809)**	(38,779,542)
Gross profit		**20,418,473**	15,463,576
Other income	30	**436,173**	230,695
Selling and distribution expenses	31	**(2,705,263)**	(1,603,323)
Administrative expenses	32	**(1,381,633)**	(1,299,439)
Other expenses	33	**(750,078)**	(808,964)
Operating profit		**16,017,672**	11,982,545
Finance cost	34	**(3,645,265)**	(1,201,612)
Finance income	35	**527,702**	745,852
Net finance cost		**(3,117,563)**	(455,760)
Share of profit of associate		**-**	1,308
Profit before taxation		**12,900,109**	11,528,093
Income tax expense	36	**(5,460,428)**	(4,415,553)
Profit for the year		**7,439,681**	7,112,540
Earnings per share - basic and diluted (Rupees)	37	**3.16**	3.02

The annexed notes 1 to 45 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

Statement of Comprehensive Income

For the year ended June 30, 2023

	2023 Rupees'000	2022 Rupees'000
Profit for the year	**7,439,681**	7,112,540
Other comprehensive income for the year - net of tax	**-**	-
Total comprehensive income for the year	**7,439,681**	7,112,540

The annexed notes 1 to 45 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

FAUJI CEMENT COMPANY LIMITED

Statement of Cash Flows

For the year ended June 30, 2023

	Note	2023 Rupees'000	2022 Rupees'000
Cash flows from operating activities			
Profit before tax		**12,900,109**	11,528,093
Adjustments for:			
Depreciation	16.2	**3,395,331**	2,705,692
Depreciation on right of use asset	17	**49,207**	45,751
Amortization on intangibles	18	**205,348**	198,700
Provision for employee benefits	6	**149,435**	107,740
Workers' (Profit) Participation Fund including interest	11.1	**686,122**	616,399
Workers' Welfare Fund	33	**64,756**	179,363
Finance cost excluding exchange loss	34	**2,652,853**	1,039,914
Exchange loss	34	**959,501**	161,412
Gain on disposal of property, plant and equipment	30	**(45,466)**	(1,653)
Loss on disposal of right of use asset		**24,053**	-
Gain on disposal / share of profit of equity accounted investee		**(61,469)**	(1,308)
Investment and bank deposit income		**(527,702)**	(818,099)
		7,551,969	4,233,911
Operating cash flows before working capital changes		**20,452,078**	15,762,004
Changes in			
Stores, spares and loose tools		**3,933,104**	(5,585,138)
Stock in trade		**(3,414,606)**	(810,691)
Trade debts		**(1,159,687)**	(561,200)
Advances		**(172,602)**	(69,687)
Trade deposits and short term prepayments		**(2,281)**	3,588
Other receivables		**(107,020)**	107,141
Long term deposits		**(3,426)**	(15,973)
Sales tax refundable - net		**829,953**	(2,650,804)
Trade and other payables		**(452,497)**	2,872,047
Accrued liabilities		**(298,767)**	1,699,315
Security deposits payable		**(6,660)**	75,963
Contract liabilities		**(277,500)**	276,779
Payable to employees' provident fund trust		**10,563**	5,161
		(1,121,426)	(4,653,499)
Cash generated from operating activities		**19,330,652**	11,108,505
Employee benefits paid	6	**(101,419)**	(94,902)
Payment to Workers' (Profit) Participation Fund	11.1	**(699,068)**	(549,335)
Taxes paid		**(2,329,836)**	(2,896,704)
Net cash generated from operating activities		**16,200,329**	7,567,564
Cash flows from investing activities			
Additions in property plant and equipment		**(33,903,442)**	(28,425,596)
Additions in intangible		**(133,329)**	-
Proceeds from disposal of / investment (made) in associate		**128,126**	(50,000)
Short term investments - net		**3,593,010**	1,758,221
Proceeds from disposal of property, plant and equipment	16.1	**116,244**	23,250
Income received against income deposits and investments		**532,218**	629,421
Net cash used in investing activities		**(29,667,173)**	(26,064,704)
Cash flows from financing activities			
Repayment of long term loans		**(2,505,227)**	(3,098,399)
Long term loans received during the year		**15,976,605**	17,059,404
Loan from parent		**-**	6,543,000
Lease payments		**(89,354)**	(171,588)
Unclaimed dividend paid during the year		**(1,156)**	(1,322)
Finance cost paid		**(2,562,932)**	(985,172)
Net cash generated from financing activities		**10,817,936**	19,345,923
Net increase in cash and cash equivalents		**(2,648,908)**	848,783
Cash and cash equivalents at beginning of the year		**(911,616)**	(716,009)
Cash and cash equivalents acquired through business combination		**-**	(1,044,390)
Cash and cash equivalents at end of the year	38	**(3,560,524)**	(911,616)

The annexed notes 1 to 45 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER DIRECTOR CHIEF FINANCIAL OFFICER

Statement of Changes in Equity

For the year ended June 30, 2023

	Share capital	Capital reserve	Revenue reserve	Total
	Ordinary shares	(Discount)/ Premium on issue of shares		
		Rupees'000		
Balance at July 01, 2021	13,798,150	(1,364,385)	10,841,906	23,275,671
Total comprehensive income for the year				
Profit for the year	-	-	7,112,540	7,112,540
Other comprehensive income for the year	-	-	-	-
Total comprehensive profit for the year	-	-	7,112,540	7,112,540
Shares issued pursuant to amalgamation	8,004,940	19,342,905	-	27,347,845
Balance at June 30, 2022	21,803,090	17,978,520	17,954,446	57,736,056
Balance at July 01, 2022	**21,803,090**	**17,978,520**	**17,954,446**	**57,736,056**
Total comprehensive income for the year				
Profit for the year	-	-	**7,439,681**	**7,439,681**
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	**7,439,681**	**7,439,681**
Bonus shares issued @ 12.5%	**2,725,386**	**(2,725,386)**	-	-
Balance at June 30, 2023	**24,528,476**	**15,253,134**	**25,394,127**	**65,175,737**

The annexed notes 1 to 45 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

Notes to the Financial Statements

For the year ended June 30, 2023

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. The Company is a subsidiary of Fauji Foundation 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

1.2 In the prior year, a scheme of arrangement for amalgamation of Askari Cement Limited (ACL) with and into the Company was approved through resolutions passed by Board of Directors of both Companies. The scheme was sanctioned by the Honourable Lahore High Court ("the Court") through its order dated March 2, 2022. The effective date of amalgamation was July 1, 2021 i.e. the date at which all assets and liabilities of ACL be vested in the Company.

1.3 The Company is in the process of setting up a Cement Manufacturing Plant with production capacity of 2.05 million tons per annum at Dera Ghazi Khan. For this purpose, the Company has entered into agreements with M/s Hefei Cement Research & Design Institute Corporation Limited for supply of offshore equipment and M/s Sinoma Handan Engineering Company Private Limited for construction related services.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Standards), issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Basis of measurement and preparation

These financial statements have been prepared under historical cost convention unless otherwise stated in respective policy note.

2.3 Functional and presentation currency

The financial statements are presented in Pakistan Rupees (PKR) which is the Company's functional currency. Amounts presented in PKR have been rounded-off to nearest thousand, unless other wise stated.

2.4 Use of estimates and judgments

In preparing these financial statements, management has made judgments, estimates and assumptions that affect the application of Company's accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.
Information about judgments made in applying accounting policies that have significant effect on the amounts recognized in the financial statements are discussed in the ensuing paragraphs.

2.4.1 Property, plant and equipment

The Company reviews the residual values and useful lives of property, plant and equipment on regular basis. Further, where applicable, an estimate of recoverable amount of assets is made for possible impairment on an annual basis. Any change in such estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment with corresponding effect on the depreciation charge, impairment and related deferred tax liability.

2.4.2 Provision for inventory obsolescence

The Company reviews the net realizable value of stock in trade and stores, spare and loose tools to assess any diminution in the respective carrying values. Net realizable value is determined with reference to estimated selling price less estimated cost to complete and estimated cost to make the sales.

2.4.3 Taxation

The Company takes into account the current income tax law and decisions taken by the taxation authorities. Instances where the Company's views differ from the income tax department at the assessment stage and where the Company considers that its view on items of material nature is in accordance with law, the amounts are shown as contingent liabilities.

Temporary difference are adjusted by the portion of income expected to fall under presumptive tax regime in accordance with the requirement of Accounting Technical Release - 27 of the Institute of Chartered Accountants of Pakistan. The effect of the adjustment is charged or credited to income currently.

2.4.4 Provisions

A provision is recognized in the statement of financial position when the Company has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are determined by discounting the expected future cash flows at a pre tax discount rate that reflects current market assessment of time value of money and risk specific to the liability.

Provisions are reviewed at each reporting date and adjusted to reflect current best estimate.

2.4.5 Contingent liabilities

A contingent liability is disclosed when the Company has a possible obligation as a result of past events, whose existence will be confirmed only by the occurrence or non-occurrence, of one or more uncertain future events not wholly within the control of the Company; or the Company has a present legal or constructive obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

2.4.6 Impairment of intangible assets

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash generating units (CGUs), or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the Company at which the goodwill is monitored for internal management purposes.

Impairment reviews of intangible assets with indefinite useful life are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of the CGU containing the goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognized immediately as an expense in profit or loss and is not subsequently reversed.

2.5 Standards, interpretations and amendments to approved accounting standards that are not yet effective

2.5.1 There are certain amendments and interpretations to the accounting and reporting standards which are mandatory for the Company's annual accounting period which began on July 1, 2022. However, these do not have any significant impact on the Company's financial statements.

2.5.2 Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company:

		Effective date (annual reporting periods beginning on or after)
IAS 1	Presentation of Financial Statements (Amendments)	January 1, 2023
IAS 8	Accounting Policies, Changing in Accounting Estimates and Errors (Amendments)	January 1, 2023
IAS 12	Income Taxes (Amendments)	January 1, 2023
IFRS 4	Insurance contracts (Amendments)	January 1, 2023
IAS 7	Statement of Cash Flows (Amendments)	January 1, 2023
IFRS 7	Financial Instruments	January 1, 2023
IFRS 16	Leases (Amendments)	January 1, 2024

2.5.3 The above standards, amendments to approved accounting standards and interpretations are not likely to have any material impact on the Company's financial statements.

Other than the aforesaid standards, interpretations and amendments, International Accounting Standards Board (IASB) has also issued the following standards and interpretation, which have not been notified locally or declared exempt by the Securities and Exchange Commission of Pakistan (SECP) as at June 30, 2023;

IFRS 1 First-time Adoption of International Financial Reporting Standards
IFRS 17 Insurance Contracts
IFRIC 12 Service Concession Arrangement

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements. Significant accounting policies of the Company are as follows:

3.1 Income tax

Income tax expense comprises current and deferred tax. Income tax is recognized in statement of profit or loss except to the extent that it relates to items recognized directly in statement of comprehensive income or equity.

Current

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax assets and liabilities are offset if certain criteria is met.

Deferred

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for:

- temporary differences on initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future;
- taxable temporary differences arising on the initial recognition of goodwill.

Taxable temporary difference are adjusted by the portion of income expected to fall under presumptive tax regime in accordance with the requirement of Accounting Technical Release - 27 of the Institute of Chartered Accountants of Pakistan. The effect of the adjustment is charged or credited to income currently.

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on business plans for the Company and the reversal of temporary differences. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves. Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantially enacted at the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset if certain criteria are met.

3.2 Property, plant and equipment

Property, plant and equipment except for freehold land and capital work in progress are stated at cost less accumulated depreciation and impairment losses, if any. Freehold land and capital work in progress are stated at cost less allowance for impairment, if any. Cost of property, plant and equipment includes acquisition cost, borrowing cost during construction phase of relevant asset and other directly attributable costs. Transfers from capital work in progress are made to the relevant category of property, plant and equipment as and when the assets are available for use in the manner intended by the Company's management.

Depreciation is charged to statement of profit or loss on the straight line method so as to write off the depreciable amount of the property, plant and equipment over their estimated useful lives at the rates specified in note 16. Depreciation on depreciable assets is commenced from the date the asset is available for use upto the date when the asset is disposed off or written off.

The cost of replacing a major item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the item will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced item is derecognized. The cost of the day to day servicing of property, plant and equipment are recognized in statement of profit or loss as incurred.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposals with the carrying amount of property, plant and equipment.

Capital work-in-progress is stated at cost less accumulated impairment losses, if any. It consists of expenditure incurred and advances made in respect of operating fixes assets, capital stores and intangibles assets in the course of their acquisition, construction and installation.

3.3 Impairment

(i) Non - derivative financial assets

The Company recognises loss allowances for Expected Credit Losses (ECLs) on financial assets measured at amortised cost. The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.
The Company measures loss allowances at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 120 days past due.

The Company considers a financial asset to be in default when:

- the counter party is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is more than 120 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial asset.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

Measurement of ECLs

Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive).

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the counterparty;
- a breach of contract such as a default or being more than 120 days past due;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the counterparty will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the carrying amount of the assets and charged to profit or loss.

Write-off

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

(ii) Non-financial assets

At each reporting date, the Company reviews the carrying amount of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash generating units (CGUs).

The recoverable amount of an asset or CGU is greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amounts of any goodwill allocated to CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis. An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

3.4 Inventories

Inventories comprises of stores, spares and loose tools and stock in trade.

3.5 Stores, spares and loose tools

Stores, spares and loose tools are valued at lower of weighted average cost and net realizable value. Cost is determined using weighted average method except for items in transit which is determined on the basis of cost incurred upto the statement of financial position date. For items which are slow moving and / or identified as surplus to the Company's requirements, adequate impairment is recognized. The Company reviews the carrying amount of stores, spares and loose tools on a regular basis and provision is made for obsolescence.

3.6 Stock in trade

Stock of raw material, work in process and finished goods are valued at the lower of weighted average cost and net realizable value. Stock of packing material is valued at weighted average cost less impairment, if any. Cost of work in process and finished goods comprises cost of direct materials, labour and directly allocatable manufacturing overheads.

Net realizable value signifies the estimated selling price in the ordinary course of business less estimated cost of completion and estimated costs necessary to be incurred in order to make a sale.

3.7 Foreign currency transactions and translation

Transactions in foreign currencies are translated into functional currency at exchange rates at the date of transaction. Monetary assets and liabilities denominated in foreign currencies at statement of financial position date are translated to the functional currency at the exchange rates at that date. The foreign currency gain or loss on monetary items is the difference between amortized cost in the functional currency at beginning of the year, adjusted for effective interest and payments during the year, and amortized cost in foreign currency translated at the exchange rate at statement of financial position date. Exchange differences are included in the statement of profit or loss.

3.8 Revenue recognition

Revenue associated with the sale of cement and clinker (shariah compliant business) is recognised when control of the products has transferred, being when the products are delivered to the customer, and there is no unfulfilled obligation that could affect the customer's acceptance of the product. Revenue is recognised as follows:

Local and export sale of goods to dealers and other end users is recognised on vehicle, carrying goods, leave the plant of the Company.

Revenue from project sales is recognised upon delivery of goods to customers at site as per the agreement.

No element of financing is deemed present as the sales are made with a credit term of up to 120 days, which is consistent with the market practice.

3.9 Financial instruments

3.9.1 Classification

The Company classifies its financial assets on initial recognition in the following categories: at amortized cost, at fair value through profit or loss (FVTPL) and at fair value through other comprehensive income (FVOCI). Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial asset, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

(a) Amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL: (i) It is held within a business model whose objective is to hold assets to collect contractual cash flows; and (ii) Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(b) Fair value through other comprehensive income

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL: (i) It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and (ii) Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment by investment basis.

(c) Fair value through profit or loss

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company irrevocably designates a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

3.9.2 Recognition and measurement

Trade and other receivables are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

3.9.3 Subsequent measurement and gains and losses

(i) Financial assets at amortized costs	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.
(ii) Financial assets at FVOCI	Debt investments are subsequently measured at fair value. Interest income calculated using effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
	Equity investments are subsequently measured at fair value. Interest income calculated using effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
(iii) Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

Financial assets of the Company include trade debts, other receivables, cash and bank balances, long term deposits, trade deposits and short term investments.

3.9.4 Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as FVTPL if it is classified as held-for-trading, it is derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in statement of profit or loss. Any gain or loss on derecognition is also recognized in profit or loss. The financial liabilities of the Company includes long term loans, lease liability, creditors, retention money, other liabilities, payable to employees provident fund trust, accrued liabilities, security deposit payable, unclaimed dividend and short term running finance.

3.9.5 Derecognition

(i) Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

(ii) Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

(iii) Off-setting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position, if the Company has a legally enforceable right to offset the recognised amounts and intends either to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

3.10 Borrowing cost

Borrowing costs are recognized as an expense in the period in which they are incurred except where such costs relate to the acquisition, construction or production of a qualifying asset in which case such costs are capitalized as part of the cost of that asset.

3.11 Employees benefits

Salaries, wages and benefits are accrued in the period in which the associated services are rendered by employees of the Company and measured on an undiscounted basis. The accounting policies for other employee benefits are described below:

3.12 Defined contribution plan - Provident fund (retirement benefit)

The Company operates a defined contribution provident fund scheme for permanent employees. Contributions to the fund are made monthly by the Company and employees at the rate of 10% of the basic salary, the fund is managed by its Board of Trustees. The contributions of the Company are charged to statement of profit or loss.

Notes to the Financial Statements

For the year ended June 30, 2023

3.13 Compensated leave absences

The Company provides for compensated absences on the unavailed balance of privilege leaves of all its permanent employees in the period in which leave is earned. Provision for the year is charged to statement of profit or loss.

3.14 Earnings per share

The Company presents basic and diluted earnings per share (EPS). Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by using profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for the effects of all potential dilutive ordinary shares.

3.15 Provisions

A provision is recognized in the statement of financial position when the Company has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are measured at the present value of expected expenditure, discounted at a pre tax rate that reflects current market assessment of the time value of the money and the risk specific to the obligation. Provisions are reviewed at each statement of financial position date and adjusted to reflect current best estimate.

3.16 Share capital and dividend

Ordinary shares are classified as equity and recognized at their face value. Dividend distribution to the shareholders is recognized as liability in the period in which it is declared.

3.17 Finance income and finance cost

Finance income comprises interest income on funds invested, deposit accounts and dividend income on investment in marketable securities. Income on bank deposits is accrued on a time proportion basis by reference to the principal outstanding and the applicable rate of return. Income on investments is recognized on time proportion basis taking into account the effective yield of such securities.

Finance cost comprises interest expense on borrowings, Workers' Profit Participation Fund, lease, exchange losses and bank charges.

3.18 Fair value measurement

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When one is available, the Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Company uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Company measures assets and long positions at a bid price and liabilities and short position at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price i.e. the fair value of the consideration given or received. If the Company determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognized in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

3.19 Leases

3.19.1 Right of use asset

The Company recognises right-of-use assets at the commencement date of the lease i.e. the date the underlying assets are available for use. Right-of-use assets are measured at cost less any accumulated depreciation and impairment losses and adjusted for any remeasurement of lease liabilities except plant and machinery for which the Company has elected to use the revaluation model.

The cost comprising the following:
- the Amount of the initial measurement of lease Liabilities
- any lease payments made at or before the commencement Date less any lease incentives received any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use assets are depreciated over the underlying assets' useful life.

3.19.2 Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate. Lease payments in the measurement of the lease liability comprise the following:

a) fixed payments, including in-substance fixed payments;

b) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

c) amounts expected to be payable under a residual value guarantee; and

d) the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

3.20 Government grant

The Company recognizes government grants as deferred income at fair value when there is reasonable assurance that they will be received, and the Company will comply with the conditions associated with the grant. Grants that compensate the Company for expenses incurred, are recognized on a systematic basis in the income for the year in which the related expenses are recognized. Grants that compensate for the cost of an asset are recognized in income on a systematic basis over the expected useful life of the related asset.

3.21 Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balances, term deposit receipts and short term running finance under mark-up arrangements, used by the Company in the management of its short-term commitments.

3.22 Operating segments

The Board of Directors who are operating decision-makers, are responsible for allocating resources and assessing Company's performance and operations and have identified one reportable segment. Accordingly, these financial statements have been prepared on the basis of single reportable segment. Revenue from external customers along with local and export sales is disclosed in note 28. The Company only makes export sales to one foreign country. Revenue from transaction with a single customer did not exceed 10% of Company's total revenue. All the assets of the Company are based in Pakistan.

3.23 Other income

Other income includes the following:

- Gain on disposal of property, plant and equipment, investment in associate and sale of scrap items is recognised as income when risks and rewards of ownership are transferred.

- Amortisation income on deferred government grant is recognised on a systematic basis over the period in which the Company recognise interest expense (related cost) for which the grant is intended to compensate.

3.24 Intangible assets and goodwill

Goodwill:

Goodwill arises on the acquisition of subsidiary or business and represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired. If the total of consideration transferred, non-controlling interest recognized and previously held interest measured at fair value is less than the fair value of the net assets of the subsidiary acquired, the difference is recognized directly in the profit or loss.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash generating units (CGUs), or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the Company at which the goodwill is monitored for internal management purposes.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of the CGU containing the goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognized immediately as an expense in profit or loss and is not subsequently reversed.

Other intangible assets:

Other intangible assets that are acquired by the Company and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses. Impairment reviews of intangible assets with indefinite useful lives are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss. The estimated useful lives of intangible assets are given in note 18.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Notes to the Financial Statements

For the year ended June 30, 2023

4 SHARE CAPITAL

4.1 Authorized share capital

	2023 Rupees'000	2022 Rupees'000
5,000,000,000 (2022: 2,500,000,000) ordinary shares of Rs 10 each	**50,000,000**	25,000,000

4.2 Issued, subscribed and paid up capital

2023 Number '000	2022 Number '000	Ordinary shares	2023 Rupees'000	2022 Rupees'000
171,311	171,311	Ordinary shares of Rs. 10 each paid in cash	**1,713,105**	1,713,105
199,433	199,433	Ordinary shares of Rs. 10 each issued at a discount of Rs. 3.85 per share - paid in cash	**1,994,325**	1,994,325
322,546	322,546	Ordinary shares of Rs. 10 each issued at a premium of Rs. 6 per share - paid in cash	**3,225,465**	3,225,465
637,826	637,826	Ordinary shares of Rs. 10 each issued at a discount of Rs. 5 per share - paid in cash	**6,378,263**	6,378,263
48,699	48,699	Ordinary shares of Rs. 10 each issued on conversion of preference shares	**486,992**	486,992
800,494	800,494	Ordinary shares of Rs. 10 each issued pursuant to amalgamation of ACL with and into the Company	**8,004,940**	8,004,940
272,539	-	Bonus shares of Rs. 10 each issued @12.5%	**2,725,386**	-
2,452,848	2,180,309		**24,528,476**	21,803,090

4.2.1 Fauji Foundation, holds 1,512,162 thousand (2022: 1,344,144 thousand) ordinary shares of the Company at the year end. In addition Fauji Fertilizer Company Limited and Fauji Oil Terminal & Distribution Company Limited are related parties that hold 105,469 thousand (2022: 93,750 thousand) and 21,094 thousand (2022: 18,750 thousand) ordinary shares respectively of the Company at the year end, whereas 10 thousand (2022: 11 thousand) shares are held by Directors of the Company.

4.2.2 All ordinary shares rank equally with regard to the Company's residual assets. Holders of these shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company.

Notes to the Financial Statements

For the year ended June 30, 2023

5 LONG TERM LOANS - SECURED

5.1 Loans from banking companies (under mark up arrangements)

Lender	Note	2023 Rupees '000	2022 Rupees '000	Rate of interest per annum	Outstanding installments	Interest payable
Syndicate term finance - II	5.1.1	**500,000**	700,000	6 month's KIBOR + 0.30% (2022: 6 month's KIBOR + 0.30%)	5 semi annual installments ending September 2025	Semi annual
Syndicate term finance - III	5.1.2	**2,000,000**	2,800,000	6 month's KIBOR + 0.30% (2022: 6 month's KIBOR + 0.30%)	5 semi annual installments ending November 2025	Semi annual
Syndicate term finance - IV	5.1.3	**1,212,530**	1,697,542	6 month's KIBOR +1.25% (2022: 6 month's KIBOR +1.25%)	5 semi annual installments ending October 2025	Semi annual
Temporary economic relief facility (TERF)- Syndicate term finance IV	5.1.4	**412,500**	481,250	3.5% (2022: 3.5%)	6 semi annual installments ending December 2025	Quarterly
Syndicate term finance -V	5.1.5	**8,826,225**	6,991,213	6 month's KIBOR + 0.90% (2022: 6 month's KIBOR + 0.90%)	14 semi annual installments ending September 2031	Semi annual
Long term financing facility (LTFF)-Syndicate term finance V	5.1.6	**3,273,775**	3,162,898	3.5% & 5.5% (2022: 3.5% & 5.5%)	14 semi annual instalments ending September 2031	Quarterly
Temporary economic relief facility (TERF) Syndicate term finance V	5.1.7	**4,900,000**	4,900,000	2.5% (2022: 2.5%)	16 semi annual instalments ending May 2031	Quarterly
SBP renewable energy finance-I	5.1.8	**208,020**	208,020	3.75% (2022: 3.75%)	40 quarterly instalments ending December 2033	Quarterly
SBP renewable energy finance-I	5.1.8	**536,980**	536,980	3 month's KIBOR +1% (2022: 3 month's KIBOR +1%)	40 quarterly instalments ending December 2033	Quarterly
SBP renewable energy finance-II	5.1.9	**109,579**	153,411	4.25% (2022: 4.25%)	5 semi annual installments ending October 2025	Quarterly
SBP renewable energy finance-III	5.1.10	**167,896**	215,866	3.75% (2022: 3.75%)	14 quarterly installments ending October 2026	Quarterly
Syndicate term finance -VI	5.1.11	**7,909,981**	-	6 month's KIBOR + 0.90%	14 semi annual instalments ending November 2032	Semi annual
Syndicate term finance VI-Musharka	5.1.11	**3,249,367**	-	6 month's KIBOR + 0.90%	14 semi annual instalments ending November 2032	Semi annual
Temporary economic relief facility (TERF) Syndicate term finance VI	5.1.12	**4,000,000**	1,166,798	2.25% (2022: 2.25%)	16 semi annual installments ending November 2032	Quarterly
Long term financing facility (LTFF)-Syndicate term finance VI	5.1.13	**596,415**	596,415	3.25% (2022: 3.25%)	16 semi annual installments ending March 2032	Quarterly
SBP renewable energy finance	5.1.14	**197,866**	172,507	3.75% (2022: 3.75%)	16 semi annual installments ending March 2032	Quarterly
SBP renewable energy finance	5.1.14	**42,134**	29,326	6 month's KIBOR + 0.75% (2022: 6 month's KIBOR + 0.75%)	16 semi annual installments ending March 2032	Quarterly
Syndicate term finance - I		**-**	558,333	-	Not applicable	-
Salary refinance facility		**-**	156,844	-	Not applicable	-
Salary refinance facility		**-**	144,486	-	Not applicable	-
		38,143,268	24,671,889			
Less: current portion shown under current liabilities		**(2,331,175)**	(2,478,065)			
deferred portion of grant income		**(3,891,645)**	(2,458,745)			
Transaction cost		**(143,361)**	(179,082)			
		31,777,087	19,555,997			

Current portion

	2023 Rupees '000	2022 Rupees '000
Current portion of long term financing	**2,331,175**	2,478,065
Markup accrued	**1,845,318**	507,022
	4,176,493	2,985,087

5.1.1 This facility is obtained from the consortium of Askari Bank Limited (related party), Faysal Bank Limited and Bank Al Habib Limited and is secured against pari passu charge by way of hypothecation over all present and future current and fixed assets of the Company (excluding land and building) with a 25% margin. This includes loan amounting to Rs 200,000 thousand under Islamic mode of financing.

5.1.2 This facility is obtained from the consortium of Allied Bank Limited, United Bank Limited, Faysal Bank Limited and The Bank of Khyber and is secured against pari passu charge by way of hypothecation over all present and future current and fixed assets of the Company (excluding land and building) with a 25% margin. This includes loan amounting to Rs 725,000 thousand under Islamic mode of financing.

5.1.3 This facility is obtained from the consortium of Bank Al Habib Limited and Dubai Islamic Bank and is secured against pari passu charge by way of hypothecation over all present and future current and fixed assets of the Company (excluding land and building) with a 25% margin. This includes loan amounting to Rs 312,500 thousand under Islamic mode of financing.

5.1.4 This facility is obtained from Bank Al Habib Limited in accordance with the concessionary relief facility (TERF) of State Bank of Pakistan for setting up new industrial units vide IH&SMEFD Circular letter No 1 dated March 17, 2020 as amended from time to time and is secured against pari passu charge by way of hypothecation over all present and future current and fixed assets of the Company (excluding land and building) with a 25% margin.

5.1.5 This facility is obtained from consortium of Habib Bank Limited, National Bank of Pakistan, Bank Al Falah Limited and Faysal Bank Limited for setting of new cement production line at Nizampur and is secured against hypothecation charge over all present and future current and fixed assets (excluding land and building) of the Company, mortgage charge inclusive of 25% margin over all present immovable assets (inclusive of land and building). This includes loan amounting to Rs 1,760,063 thousand under Islamic mode of financing.

5.1.6 This represents draw down against Long Term Finance Facility (LTFF) from consortium of Habib Bank Limited, National Bank of Pakistan, Bank Al Falah Limited and Faysal Bank Limited in accordance with the State Bank of Pakistan long term financing facility (LTFF) for setting up new industrial unit at Nizampur being sub limit of Syndicate Term Finance V. This includes loan amounting to Rs 1,489,941 thousand under Islamic mode of financing.

5.1.7 This facility is obtained from consortium of Habib Bank Limited, National Bank of Pakistan, Bank Al Falah Limited and Faysal Bank Limited being sub limit of Syndicate Term Finance V in accordance with the concessionary relief facility (TERF-II) of State Bank of Pakistan for setting up new industrial unit at Nizampur vide IH&SMEFD Circular letter No 1 dated March 17, 2020 as amended from time to time being sub limit of Syndicate Term Finance-V. This includes loan amounting to Rs 1,000,000 thousand under Islamic mode of financing.

5.1.8 This represents SBP Renewable Energy Finance Category - 1 (REFF) from Askari Bank Limited (related party) and is secured against pari passu charge over all present and future current and fixed assets (excluding land and building) with 25% margin.

5.1.9 This represents SBP Renewable Energy Finance from Allied Bank Limited and is secured against pari passu charge over all present and future current and fixed assets (excluding land and building) with 25% margin.

5.1.10 This represents SBP Renewable Energy Finance from United Bank Limited and is secured against pari passu charge over all present and future current and fixed assets (excluding land and building) with 25% margin.

5.1.11 This facility is obtained from consortium of Habib Bank Limited, Bank of Punjab, Bank of Khyber, MCB Bank Limited, Bank Al-Habib Limited, Habib Metropolitan Bank Limited, Faysal Bank Limited and Meezan Bank Limited for setting of new cement production line at D.G.Khan and is secured against hypothecation charge over all present and future current and fixed assets (excluding land and building) of the Company, mortgage charge inclusive of 25% margin over all present immovable assets (inclusive of land and building) . In addition to this an amount of Rs 3,249,367 thousand has been obtained under Islamic mode of financing.

5.1.12 This facility is obtained from consortium of Habib Bank Limited, First Women Bank Limited, Bank Al Falah Limited, Faysal Bank Limited and Askari Bank Limited (a related party) for setting of new cement production line at D.G.Khan in accordance with the concessionary relief facility (TERF) of State Bank of Pakistan for setting up new industrial units vide IH&SMEFD Circular letter No 1 dated March 17, 2020 as amended from time to time and is secured against hypothecation charge over all present and future current and fixed assets (excluding land and building) of the Company, mortgage charge inclusive of 25% margin over all present immovable assets (inclusive of land and building).

5.1.13 This facility is obtained from consortium of Habib Bank Limited, First Women Bank Limited, Bank Al Falah Limited, Faysal Bank Limited and Askari Bank Limited (a related party) for setting of new cement production line at D.G.Khan in accordance with the State Bank of Pakistan long term financing facility (LTFF) for setting up new industrial units and is secured against hypothecation charge over all present and future current and fixed assets (excluding land and building) of the Company, mortgage charge inclusive of 25% margin over all present immovable assets (inclusive of land and building). This includes loan amounting to Rs 119,283 thousand under Islamic mode of financing.

5.1.14 This represents SBP Renewable Energy Finance from Bank of Punjab and is secured against pari passu charge over all present and future current and fixed assets (excluding land and building) with 25% margin.

5.2 Undrawn long term loan facilities

Company has undrawn long term loan facilities at year end amounting to Rs 4,643 million (2022: Rs 20,621 million).

	Note	**2023 Rupees'000**	2022 Rupees'000
6 EMPLOYEE BENEFITS			
Balance at beginning of the year		**260,047**	103,242
Addition due to business combination		**-**	143,967
Charge for the year		**149,435**	107,740
		409,482	354,949
Payments made during the year		**(101,419)**	(94,902)
	6.2	**308,063**	260,047
Less: amount transferred to current liabilities		**(96,468)**	(80,756)
		211,595	179,291

6.1 As per the rules of compensated absences, unavailed leaves up to 30 days are payable at the time of retirement on the basis of gross salary. Compensated absences over and above the period of 30 days are paid to the employees as per the Company policy. Therefore the balance of unavailed compensated absences expected to be realised within 1 year are transferred to current liabilities. Impact of actuarial valuation is considered immaterial.

6.2 This includes Rs. 17.6 million (2022: Rs. 4.64 million) payable to key management personnel of the Company.

	2023 Rupees'000	2022 Rupees'000
7 LEASE LIABILITIES		
Balance at the beginning of the year	**158,297**	98,279
Acquisition through business combination	**-**	203,142
Additions during the year	**79,626**	-
Lease modification during the year	**(2,192)**	-
Lease settled during the year	**(6,092)**	(114,462)
Payments made during the year	**(89,354)**	(57,126)
Interest on lease liability	**29,150**	28,464
Balance at end of the year	**169,435**	158,297
Shown under current liabilities	**(50,463)**	(68,332)
	118,972	89,965

The Company has recognized lease liabilities at the present value of the remaining lease payments using the Company's incremental borrowing rates at inception or modification of lease dates ranging from 15.6 % to 16.13%.

For contractual maturity of remaining lease commitments refer note 40.5.

	Note	**2023 Rupees'000**	2022 Rupees'000
8 DEFERRED GOVERNMENT GRANT			
Balance at beginning of the year		**2,348,765**	22,261
Acquired through business combination		**-**	25,606
Recognised during the year	8.1	**1,469,618**	2,478,824
Amortized during the year		**(468,242)**	(177,926)
		3,350,141	2,348,765
Less: Current portion shown under current liabilities		**(604,292)**	(366,464)
Balance at end of the year		**2,745,849**	1,982,301

8.1 This represents State Bank of Pakistan's concessionary relief facility namely Temporary Economic Refinance Facility (TERF) for manufacturing industry for setting up new industrial units vide IH&SMEFD Circular letter No 1 dated March 17, 2020. The value of benefit of below-market interest rate on the loans disclosed in note 5 to these financial statements has been accounted for as government grant under IAS - 20 Government grants.

	2023 Rupees'000	2022 Rupees'000
9 DEFERRED TAX LIABILITIES - NET	**10,312,402**	7,433,214

9.1 The movement in deferred tax is as follows:

	Opening Balance as on 01 July	Acquired through business combination	Recognized in profit or loss	Closing balance as on 30 June
		Rupees'000		
2023				
Deductible temporary difference				
Provision for slow moving spares	**(12,162)**	**-**	**(1,466)**	**(13,628)**
Lease liability	**(8,155)**	**-**	**(51,317)**	**(59,472)**
Alternative corporate tax	**-**	**-**	**(832,922)**	**(832,922)**
Taxable temporary difference				
Property, plant and equipment	**7,337,741**	**-**	**3,557,519**	**10,895,260**
Right of use assets	**-**	**-**	**63,664**	**63,664**
Intangibles	**115,790**	**-**	**143,710**	**259,500**
	7,433,214	**-**	**2,879,188**	**10,312,402**
2022				
Deductible temporary difference				
Provision for slow moving spares	(10,824)	-	(1,338)	(12,162)
Lease liability	(2,493)	-	(5,662)	(8,155)
Tax losses	-	(327,892)	327,892	-
Minimum Tax	-	(374,310)	374,310	-
Alternative Corporate tax	-	(30,037)	30,037	-
Taxable temporary difference				
Property, plant and equipment	3,973,806	2,927,902	436,033	7,337,741
Intangibles	-	-	115,790	115,790
	3,960,489	2,195,663	1,277,062	7,433,214

Notes to the Financial Statements

For the year ended June 30, 2023

10 LOAN FROM PARENT - UNSECURED

This represents the amount received from Fauji Foundation, the parent, in accordance with project financing agreement with ACL (now merged with the Company) for expansion project at Nizampur. The loan is unsecured, interest free and payable on demand subject to Company's lenders approval. Fauji Foundation may convert this loan into ordinary shares of the Compnay at any time during the term of the agreement at mutally agreed terms and conditions.

	Note	2023 Rupees'000	2022 Rupees'000
11 TRADE AND OTHER PAYABLES			
Creditors		**2,623,342**	2,683,210
Retention money		**3,045,172**	2,549,004
Workers' (Profit) Participation Fund (WPPF)	11.1	**78,167**	91,113
Workers' Welfare Fund (WWF)		**83,774**	206,326
Federal excise duty payable		**348,016**	803,166
Withholding tax payable		**32,957**	87,418
Other liabilities		**305,034**	496,912
		6,516,462	6,917,149
11.1 Workers' (Profit) Participation Fund (WPPF)			
Balance at beginning of the year		**91,113**	24,049
Interest on funds utilized in the Company's business		**3,761**	286
Allocation for the year		**682,361**	616,113
Payment to the fund during the year		**(699,068)**	(549,335)
		78,167	91,113
Allocation for the year is made up as follows:			
Profit for the year before tax, WPPF and WWF		**13,647,226**	12,322,261
Charge for the year at the rate of 5%		**682,361**	616,113

12 SECURITY DEPOSITS PAYABLE

This represents security deposits received from customers and suppliers kept in a separate bank account as required under Section 217(2) of the Companies Act, 2017. These have not been utilized by the Company.

13 CONTRACT LIABILITIES

This represents advances received from customers in the ordinary course of business.

	Note	2023 Rupees'000	2022 Rupees'000
14 SHORT TERM RUNNING FINANCE - SECURED			
Short term running finance - Conventional	14.1	**3,378,886**	2,870,811
Short term running finance - Islamic	14.1	**1,000,000**	300,000
Markup accrued		**152,095**	47,438
		4,530,981	3,218,249

14.1 The aforesaid draw down relates to short term running finance facility out of the total utilisable amount of Rs. 8,600 million (2022: Rs. 7,930 million) from banking companies including facility of Rs. 1,000 million (2022: Rs 800 million) obtained under Islamic mode of financing. These facilities are secured against first pari passu and ranking charge by way of hypothecation over the present and future assets of the Company (excluding land and building) retaining 25% margin. These facilities carry markup ranging from 1 month KIBOR to 6 month KIBOR plus 0.25% to 1% (2022: 1 month KIBOR to 6 month KIBOR plus 0.25% to 1%) per annum of the utilized amount.

15 CONTINGENCIES AND COMMITMENTS

15.1 Contingencies

a) The Custom Authorities allowed release of plant and machinery imported by the Company at concessionary rates of duty in terms of SRO 484(1)/92 dated May 14, 1992 against an undertaking provided by the the Company. Subsequent to the release of plant and machinery, the Custom Authorities raised a demand in respect of aforesaid items which are considered by the Federal Board of Revenue (FBR) as not qualifying for the concessionary rate of duty. After dismissal of customs appeal from Supreme Court of Pakistan on April 25, 2019, the Custom Authorities issued fresh show cause notice of Rs. 455 million in September 2020 to the Company without providing the details/description of subjected items and including some items which were never contested before which are patently time barred. On December 18, 2020 Collector Customs decided the case in favor of customs with directions to provide the Company complete GD wise detail depicting the items and relevant duties applicable on subjected items, which is not yet provided to the Company. The Company filed an appeal before Custom Appellate Tribunal on February 17, 2020 against the order of Collector Customs, which is still pending, on the grounds of time limitation and on the basis that Company is not being informed about the alleged duties, basis or facts which may form the basis of proceedings against the Company in aforesaid show cause notice. The Company also filed a stay application before Sindh High Court (SHC) in July 2020 and SHC vide order dated February 26, 2021 accepted the case that no recovery be initiated during pendency of the Appeal at Custom Appellate Tribunal. The management of the Company is of the view that the ultimate outcome of these cases are expected to be favorable and a liability, if any, arising on the settlement of these cases is not likely to be material. Accordingly, no provision has been made in the financial statements in this regard.

b) On July 16, 2021, Custom Authorities have issued a recovery notice for payment of default surcharge and penalty amounting to Rs. 1.373 billion related to the principal amount Rs 337 million which was paid by the Company in accordance with the decision of Honorable Supreme Court of Pakistan dated June 15, 2021. The Company responded to the Custom Authorities with the plea that penalty or default surcharge can not be imposed without judicial determination by the Courts and that the Company has not failed deliberately to pay the tax due and also the order of Honorable Supreme Court of Pakistan did not impose any penalty or default surcharge on the Company in this regard. Further, the interim stay orders were granted by the Honorable High Court during the pendency of the litigation. The management of the Company is of the view that the ultimate outcome of these cases are expected to be favorable and a liability, if any, arising on the settlement of these cases is not likely to be material. Accordingly, no provision has been made in the financial statements in this regard.

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For the year ended June 30, 2023

c) Competition Commission of Pakistan (CCP) has issued a show cause notice dated October 28, 2008 to 21 cement manufacturers (including the Company) under section 30 of the Competition Ordinance, 2007 ("Ordinance") and imposed a penalty of Rs 499 million on the Company. The cement manufacturers (including the Company) have filed a petition in Lahore High Court (Court) and challenged the CCP proceedings and penalty in the Court. An amended writ petition challenging applicability of Ordinance was filed on October 01, 2009 in the Court. After numerous hearings, Lahore High Court dismissed the case on October 26, 2020. Against the said dismissal, Company has filed an appeal in Supreme Court of Pakistan which is still pending. Meanwhile Competition Appellate Tribunal (CAT) on the directions of Supreme Court of Pakistan issued notice dated October 18, 2017 for refiling of appeal in CAT after removal of deficiencies. The Company filed the appeal in CAT on December 13, 2017 and also filed another constitutional petition in Sindh High Court (SHC) on January 6, 2018 challenging the vires of Section 42, 43 and 44 of Competition Act 2010. The management of the Company is of the view that the ultimate outcome of these cases are expected to be favorable and a liability, if any, arising on the settlement of these cases is not likely to be material. Accordingly, no provision has been made in the financial statements in this regard.

d) For FY 2013, FY 2014, FY 2015 and FY 2016 DCIR created demand of sales tax amounting to Rs. 15.4 million, 19.9 million, 13.7 million and 16.5 million respectively. Without giving opportunity of being heard, DCIR created aforesaid demand by disallowing the claimed input tax credit of the Company on spare parts and fuel purchases. Commissioner Inland Revenue (Appeals) upheld the orders of DCIR. The Company filed appeals before Appellate Tribunal Inland Revenue (ATIR) on October 16, 2017 against the orders of Commissioner Inland Revenue (Appeals) whereby proceedings are under way. The management of the Company is of the view that the ultimate outcome of these cases are expected to be favorable and a liability, if any, arising on the settlement of these cases is not likely to be material. Accordingly, no provision has been made in the financial statements in this regard.

e) DCIR through his orders dated April 15, 2022 imposed sales tax amounting to Rs. 518 million alleging that the Company had claimed input sales tax, for period from August 2016 to April 2021, on invoices issued by suspended suppliers. The Company filed an appeal against the aforesaid order before CIR (Appeals), where CIR(A) remand back the case to DCIR for further verification on September 19, 2022. The Company filed appeal before ATIR against the order of CIR(A) which is pending for adjudication. The management of the Company is of the view that the ultimate outcome of these cases are expected to be favorable and a liability, if any, arising on the settlement of these cases is not likely to be material. The management of the Company is of the view that the ultimate outcome of these cases are expected to be favorable and a liability, if any, arising on the settlement of these cases is not likely to be material. Accordingly, no provision has been made in the financial statements in this regard.

f) For tax period July 2022 to September 2022 DCIR issued show cause notice dated 27 February 2023 on the matter of claim of input tax of Rs. 2,851 million. Company submitted its response against the the matter in show cause notice during the year. Subsequent to the year end, the DCIR issued an order dated July 18, 2023 and raised sales tax demand of Rs 3,134 million. This further includes a penalty of Rs. 156.7 million. The Company filed an appeal before CIR (Appeals) dated August 17, 2023 against the aforesaid order of DCIR where case is pending for adjudication. The management of the Company is of the view that the ultimate outcome of these cases are expected to be favorable and a liability, if any, arising on the settlement of these cases is not likely to be material. Accordingly, no provision has been made in the financial statements in this regard.

g) For tax year 2015, DCIR raised a demand of income tax amounting to Rs. 535 million through order dated June 30, 2021 by alleging the Company that it has suppressed its production. The DCIR's decision is based on an assumed ratio of lime stone consumption per unit of cement produced without considering the actual norms of production. The Company has filed an appeal before the CIR (Appeals) dated July 29, 2021 where the case is pending for adjudication. The management of the Company is of the view that the ultimate outcome of these cases are expected to be favorable and a liability, if any, arising on the settlement of these cases is not likely to be material. Accordingly, no provision has been made in the financial statements in this regard.

h) AdCIR vide order dated June 29, 2016 disallowed the determined refunds of previous years which company claimed, based on certificate issued by the Commissioner after determination and created demand of Rs. 70 million. The Company filed an appeal before CIR (Appeals) who vide his order dated January 17, 2017 remanded back the case to AdCIR to allow the Company the refunds claimed by it. While giving the appeal effects, AdCIR did not follow the directions of CIR (Appeals). The Company filed another appeal before CIR (Appeals) and, he once again, remanded the case back to AdCIR vide Order dated March 26, 2019 with specific directions to allow the refunds after necessary verification. AdCIR issued appeal effects vide order dated June 25, 2021 and rejected the claim of the company. The company filed appeal before CIR (Appeals) dated July 29, 2021 which is pending for adjudication. The management of the Company is of the view that the ultimate outcome of these cases are expected to be favorable and a liability, if any, arising on the settlement of these cases is not likely to be material. Accordingly, no provision has been made in the financial statements in this regard.

i) For tax year, 2016 the AdCIR issued amended assessment order dated June 15, 2017 under section 122(5A). In this respect, the Company has filed rectification application before AdCIR for allowance relating to WPPF and normal / initial depreciation in respect of finance cost and exchange loss capitalized by him. AdCIR issued rectified order dated September 7, 2017 whereby depreciation in respect of finance cost was allowed. The Company has filed appeal and stay application before CIR(A) against aforesaid order of AdCIR. The CIR (Appeals) on disposing off the Company's appeal vide order dated October 18, 2017, upheld the disallowances made by the DCIR relating to capitalisation of finance cost and exchange loss and ACT brought forward from TY 2015 and remanded back the issue of minimum tax and WPPF. In response to appellate order dated October 18, 2017, AdCIR has issued an appeal effect order dated December 29, 2017 in which he has allowed WPPF paid amounting to Rs. 420.42 million and excess minimum tax in respect of tax year 2012 amounting to Rs. 36.39 million. The Company filed rectification application dated May 30, 2019 requesting the AdCIR to allow adjustment of minimum tax aggregating to Rs. 305.59 million instead of Rs. 36.39 million for excess minimum tax paid by it in tax years 2012, 2013 and 2014. AdCIR rejected the application of the Company. The Company filed an appeal before CIR (A) on March 16, 2020. CIR (A) upheld the order of AdCIR through his order in appeal dated May 25, 2021. The Company has filed an appeal before ATIR dated July 28, 2021 which is pending for adjudication. The management of the Company is of the view that the ultimate outcome of these cases are expected to be favorable and a liability, if any, arising on the settlement of these cases is not likely to be material. Accordingly, no provision has been made in the financial statements in this regard.

j) For the Tax Year 2014, the AdCIR amended the Company's assessment and created a demand of Rs. 34 million. The Company filed an appeal before CIR(A) against the order of ADCIR. The CIR(A) remanded back the case to assessing officer for re-assessment on issue non-deduction of tax on commission paid and confirmed the action of ACIR on account of addition of long outstanding trade and other payables. The Company has filed an appeal before ATIR against the order of CIR(A) which is pending adjudication till date. The management of the Company is of the view that the ultimate outcome of these cases are expected to be favorable and a liability, if any, arising on the settlement of these cases is not likely to be material. Accordingly, no provision has been made in the financial statements in this regard.

k) For the Tax Year 2015, the ADCIR amended Company's assessment and created a demand of Rs. 48 million. The Company has filed an appeal before CIR(A) against the order of ADCIR. CIR (A) decided the case partially in favor of the Company and partially against the Company. Both the Company and Department filed appeals before ATIR against the decision of CIR(A), which are pending adjudication. The management of the Company is of the view that the ultimate outcome of these cases are expected to be favorable and a liability, if any, arising on the settlement of these cases is not likely to be material. Accordingly, no provision has been made in the financial statements in this regard.

l) For tax year 2018, DCIR amended Company Assessment and raised income tax demand amounting to Rs. 201 million mainly disallowing the deductions claimed by the Company. The Company has filed an appeal against the order of DCIR before CIR (A) where case is pending for adjudication. The management of the Company is of the view that the ultimate outcome of these cases are expected to be favorable and a liability, if any, arising on the settlement of these cases is not likely to be material. Accordingly, no provision has been made in the financial statements in this regard.

m) For tax year 2021, AdCIR issued amended assessment order and created a demand amounting to Rs. 976 million by disallowing refund adjustment of prior years. The Company filed an appeal before CIR(Appeals) on August 10, 2022 which is pending for adjudication. The management of the Company is of the view that the ultimate outcome of these cases are expected to be favorable and a liability, if any, arising on the settlement of these cases is not likely to be material. Accordingly, no provision has been made in the financial statements in this regard.

n) The Company is contingently liable in respect of guarantees amounting to Rs. 765 million (2022: Rs. 661 million) issued by banks on behalf of the Company in the normal course of business. These guarantees are secured against margin / lien on bank deposits and against first pari passu ranking charge by way of hypothecation over the present and future assets of the Company (excluding land and building) retaining 25% margin.

15.2 Commitments

a) The Company has outstanding letters of credit for the import of plant and machinery and spare parts valuing Rs. 5,025 million (2022: Rs. 21,832 million).

b) The Company has capital contractual commitment of Rs. 5,285 million (2022: Rs. 22,428 million) in respect of new cement manufacturing line.

Notes to the Financial Statements

For the year ended June 30, 2023

16 PROPERTY, PLANT AND EQUIPMENT

	Freehold land (Note 16.3)	Buildings on freehold land	Plant and machinery	Stores held for capital expenditure	Office equipment	Computers	Electric installation and other equipment	Furniture and fittings	Motor vehicles	Quarry equipment	Road and related development	Capital work in progress (Note 16.5)	Total
							Rupees'000						
As at July 01, 2021													
Cost	360,282	6,768,444	30,546,353	33,688	20,497	96,724	125,980	46,075	235,990	-	27,855	202,087	38,463,975
Accumulated depreciation	-	(3,138,260)	(13,439,896)	(27,780)	(17,991)	(88,421)	(103,329)	(38,887)	(159,341)	-	(27,855)	-	(17,041,760)
Net book value	360,282	3,630,184	17,106,457	5,908	2,506	8,303	22,651	7,188	76,649	-	-	202,087	21,422,215
Year ended June 30, 2022													
Opening net book value	360,282	3,630,184	17,106,457	5,908	2,506	8,303	22,651	7,188	76,649	-	-	202,087	21,422,215
Acquisition through business combination	6,858,125	4,280,160	12,030,648	49,028	32,196	31,319	121,087	94,448	98,496	45,663	99,752	3,150,414	26,891,336
Additions	51,865	4,256	296,433	481,514	5,836	16,378	13,105	19,327	43,559	-	-	27,493,323	28,425,596
Transfers	-	4,550,662	24,169,388	(456,937)	-	31,888	-	770	36,493	-	-	(28,332,264)	-
Transfers leased vehicles (Note 17)	-	-	-	-	-	-	-	-	66,488	47,974	-	-	114,462
Disposals													
Cost	-	-	-	-	155	3,201	160	-	33,882	-	-	-	37,398
Accumulated depreciation	-	-	-	-	(156)	(2,811)	(159)	-	(12,670)	-	-	-	(15,796)
	-	-	-	-	(1)	390	1	-	21,212	-	-	-	21,602
Depreciation charge	-	(550,680)	(1,994,426)	(656)	(6,380)	(18,890)	(24,549)	(18,424)	(72,334)	(9,364)	(9,989)	-	(2,705,692)
Closing net book value	7,270,272	11,914,582	51,608,500	78,857	34,159	68,608	132,293	103,309	228,139	84,273	89,763	2,513,560	74,126,315
As at June 30, 2022													
Cost	7,270,272	11,075,129	43,800,927	564,230	58,374	141,220	260,012	159,850	455,332	93,637	176,818	29,802,170	93,857,971
Accumulated depreciation	-	(3,688,940)	(15,434,322)	(28,436)	(24,215)	(104,500)	(127,719)	(57,311)	(219,005)	(9,364)	(37,844)	-	(19,731,656)
Net book value	7,270,272	7,386,189	28,366,605	535,794	34,159	36,720	132,293	102,539	236,327	84,273	138,974	29,802,170	74,126,315

Notes to the Financial Statements

For the year ended June 30, 2023

	Freehold land (Note 16.3)	Buildings on freehold land	Plant and machinery	Stores held for capital expenditure	Office equipment	Computers	Electric installation and other equipment	Furniture and fittings	Motor vehicles	Quarry equipment	Road and related development	Capital work in progress (Note 16.5)	Total
	Rupees'000												
Year ended June 30, 2023													
Opening net book value	7,270,272	7,386,189	28,366,605	535,794	34,159	36,720	132,293	102,539	236,327	84,273	138,974	29,802,170	74,126,315
Additions	377,191	-	43,404	193,404	2,188	20,239	19,628	1,592	51,201	-	-	33,194,595	33,903,442
Transfers	-	4,550,662	24,169,388	(456,937)	-	31,888	-	770	36,493	-	-	(28,332,264)	-
Change in classification	-	-	-	(33,688)	-	-	-	-	-	-	-	-	(33,688)
Transfer to intangibles	-	-	-	-	-	-	-	-	-	-	-	(133,329)	(133,329)
Disposals													
Cost	-	-	-	-	-	496	-	-	64,474	76,069	-	-	141,039
Accumulated depreciation	-	-	-	-	-	(399)	-	-	(57,774)	(12,088)	-	-	(70,261)
	-	-	-	-	-	97	-	-	6,700	63,981	-	-	70,778
Depreciation													
Depreciation charge	-	(648,875)	(2,563,153)	(114)	(6,451)	(25,822)	(29,026)	(19,463)	(84,247)	(6,237)	(11,943)	-	(3,395,331)
Change in classification	-	-	-	28,550	-	-	-	-	-	-	-	-	28,550
	-	(648,875)	(2,563,153)	28,436	(6,451)	(25,822)	(29,026)	(19,463)	(84,247)	(6,237)	(11,943)	-	(3,366,781)
Closing net book value	7,647,463	11,287,976	50,016,244	267,009	29,896	62,928	122,895	85,438	233,074	14,055	127,031	34,531,172	104,425,181
As at June 30, 2023													
Cost	7,647,463	15,625,791	68,013,719	267,009	60,562	192,851	279,640	162,212	478,552	17,568	176,818	34,531,172	127,453,357
Accumulated depreciation	-	(4,337,815)	(17,997,475)	-	(30,666)	(129,923)	(156,745)	(76,774)	(245,478)	(3,513)	(49,787)	-	(23,028,176)
Net book value	7,647,463	11,287,976	50,016,244	267,009	29,896	62,928	122,895	85,438	233,074	14,055	127,031	34,531,172	104,425,181
Rates of depreciation (per annum) - %	-	4%-21%	3%-21%	10%	15%	33%	10%-15%	15%	20%-25%	5%-33%	10%		

16.1 Detail of property, plant and equipment disposed

	Cost	Book value	Sale proceeds	Gain/(loss)	Mode of disposal	Particular of Purchaser
	Rupees'000					
Motor vehicle	1,800	1,349	4,750	3,401	Auction	Mr. Umer Abdul Aziz
Motor vehicle	1,800	1,349	4,750	3,401	Auction	Mr. Umer Abdul Aziz
Motor vehicle	2,000	1,364	2,175	811	Auction	Mr. Syed Saqlain Haider
Motor vehicle	2,944	674	288	(386)	As per Company policy	Lt. Col. Arshad Iqbal
Motor vehicle	2,400	1,649	236	(1,413)	As per Company policy	Mr. Muhammad Iqbal Tahir
Quarry equipment	47,974	40,350	42,735	2,385	Auction	M/s Rising Sons Mining (Pvt) Ltd
Quarry equipment	3,802	3,198	3,132	(66)	Auction	M/s Rising Sons Mining (Pvt) Ltd
Quarry equipment	7,044	5,925	5,803	(121)	Auction	M/s Rising Sons Mining (Pvt) Ltd
Quarry equipment	1,201	1,010	1,166	155	Auction	M/s Rising Sons Mining (Pvt) Ltd
Quarry equipment	680	572	2,171	1,599	Auction	M/s Rising Sons Mining (Pvt) Ltd
Quarry equipment	1,681	1,414	5,366	3,952	Auction	M/s Rising Sons Mining (Pvt) Ltd
Quarry equipment	2,802	2,357	6,993	4,636	Auction	M/s Rising Sons Mining (Pvt) Ltd
Quarry equipment	7,924	6,665	6,559	(105)	Auction	M/s Rising Sons Mining (Pvt) Ltd
Quarry equipment	2,401	2,019	1,988	(32)	Auction	M/s Rising Sons Mining (Pvt) Ltd
Other assets with individual book value not exceeding Rs. 500,000	54,586	882	28,132	27,250		
	141,039	70,778	116,244	45,466		

Notes to the Financial Statements

For the year ended June 30, 2023

		Note	2023 Rupees'000	2022 Rupees'000
16.2	**Depreciation charge for the year has been allocated on actual basis as follows:**			
	Cost of sales	29	**3,326,193**	2,658,965
	Selling and distribution expenses	31	**11,516**	11,867
	Capital work in progress		**9,377**	7,168
	Administrative expenses	32	**48,245**	27,692
			3,395,331	2,705,692

16.3 Freehold land

Freehold land of the Company is located as follows:

	2023 Kanals	2022 Kanals
Jhang Bahtar, tehsil Fateh Jang, district Attock,	**4,976**	4,976
Railway station Wah, district Attock	**5,228**	5,228
Village Kahi, Nizampur, district Nowshera	**1,806**	1,806
Zinda Peer , district Dera Ghazi Khan	**11,537**	3,899
	23,547	15,909

16.4 Immovable fixed assets

The immovable fixed assets of the Company comprises of freehold land and buildings are located as disclosed in note 16.3 of the financial statements.

		2023 Rupees'000	2022 Rupees'000
16.5	**Capital work in progress**		
	Expansion projects	**34,308,692**	28,859,605
	Solar power project	**-**	808,830
	Advance for capital expenditures	**207,407**	19,900
	Others	**15,073**	113,835
		34,531,172	29,802,170

16.6 Borrowing cost amounting to Rs. 1,644,653 thousand (2022: Rs. 567,225 thousand) is captalized during the year at captalization rate of 14.88% (2022: 8.98%). This includes the markup on Islamic mode of financing amounting to Rs.456,208 thousand (2022: Rs.243,038 thousand).

Notes to the Financial Statements
For the year ended June 30, 2023

		2023 Rupees'000	2022 Rupees'000
17	**RIGHT OF USE ASSET**		
	Balance at beginning of the year	**132,263**	89,334
	Acquisition through business combination	**-**	203,142
	Leased vehicles transferred to owned	**-**	(114,462)
	Modification of lease	**22,503**	-
	Additions during the year	**79,626**	-
	Deletions during the year	**(3,805)**	-
	Amortisation	**(49,207)**	(45,751)
	Balance at end of the year	**181,380**	132,263

17.1 These include rented premises and vehicles leased by the Company. Rate of depreciation for right of use assets is 5%-33% (2022: 20%-33%) per annum.

17.2 Amortisation for the year has been allocated on actual basis.

		Note	2023 Rupees'000	2022 Rupees'000
18	**INTANGIBLE ASSETS AND GOODWILL-EXTERNALLY ACQUIRED**			
	Goodwill	18.1	**6,541,456**	6,541,456
	Customer relationships	18.2	**1,589,600**	1,788,300
	SAP software		**126,681**	-
	Brand	18.3	**2,700,000**	2,700,000
			10,957,737	11,029,756

	Goodwill	Customer relationships	SAP software	Brand	Total
			Rupees'000		
Cost					
Balance at July 01, 2022	6,541,456	1,987,000	-	2,700,000	11,228,456
Additions during the year	-	-	133,329	-	133,329
Balance at June 30, 2023	**6,541,456**	**1,987,000**	**133,329**	**2,700,000**	**11,361,785**
Accumulated amortisation and impairment losses					
Balance at July 01, 2022	-	198,700	-	-	198,700
Amortization for the year	-	198,700	6,648	-	205,348
Balance at June 30, 2023	-	397,400	6,648	-	404,048
Carrying amounts - 2023	6,541,456	1,589,600	126,681	2,700,000	10,957,737
Carrying amounts - 2022	6,541,456	1,788,300	-	2,700,000	11,029,756
Useful life/ amortization rate	-	10%	10%	-	

18.1 Goodwill recognised on the acquisition relates to the expected growth, cost synergies and the value of ACL's workforce which cannot be separately recognised as an intangible asset. The recognized goodwill is deductible for tax purposes.

18.2 This represents the value that Company expects to receive through the customers relationship of ACL. It is valued by using the generally accepted multi-period excess earning method .The management has estimated useful life of the Customer Relationships to be ten years starting from the date of acquisition.

18.3 This represents brand acquired through business combination and is recognised on the basis of economic benefit expected to be derived through its use. The value of this intangible has been determined by using the generally accepted relief from royalty method. As a going concern, the Company is expected to achieve the benefit of brand indefinitely as there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the Company. Management intends to continue the brand to market its products in the perpetuity.

18.4 The remaining useful life of customer relationship is 8 whole years.

18.5 **Impairment testing of goodwill and brand**

The recoverable amount of goodwill and brand is tested for impairment annually based on its value in use, determined by discounting the future cash flows to be generated by internally allocated cash generating units. The key assumptions used in the estimation of value in use were as follows:

Discount rate	21%
Terminal value growth rate	4%
Growth rate - revenues	4%

This discount rate represents estimate of rate implicit in relevant market for the same currency in which the cash flows arise. Ten years of free equity cash flows were included in the discounted cash flow model, and thereafter on the basis of terminal value growth rate.

Growth rate was based on expectations of future outcomes taking into account past experience, adjusted for anticipated revenue growth. Revenue growth was projected taking into account the average growth levels experienced in the recent years and the estimated sales volume and price growth.

Following the impairment testing, management concludes that recoverable amount of investment exceeds its carrying value. However, in the future years, any adverse movement in the key assumptions may lead to reduction in recoverable amount.

Notes to the Financial Statements

For the year ended June 30, 2023

		Note	2023 Rupees'000	2022 Rupees'000
19	**STORES, SPARES AND LOOSE TOOLS**			
	Stores		**4,063,044**	8,103,805
	Spares (Including items in transit of Rs. 199 million (2022: Rs. 290 million))		**3,933,565**	3,817,941
	Provision for slow moving spares	19.1	**(38,828)**	(38,828)
			3,894,737	3,779,113
	Loose tools		**53,400**	56,229
			8,011,181	11,939,147

19.1 Management has perfromed a detailed assessment of stores and spares utilised and has concluded that related items are not obsolete and will be consumed in ordinary course of business.

		Note	2023 Rupees'000	2022 Rupees'000
20	**STOCK IN TRADE**			
	Raw and packing material		**1,407,051**	973,018
	Work in process		**4,464,731**	2,098,340
	Finished goods	20.1	**1,240,545**	626,363
			7,112,327	3,697,721
20.1	This includes in transit stock of Nil (2022: Rs 41.3 million)			
21	**TRADE DEBTS**			
	Unsecured			
	Considered good		**3,492,349**	2,388,678
	Considered doubtful		**3,281**	3,281
			3,495,630	2,391,959
	Secured - considered good		**80,096**	24,080
	Less: Impairment loss on trade debts		**(3,281)**	(3,281)
			3,572,445	2,412,758
22	**ADVANCES**			
	Advances - considered good			
	To suppliers - non interest bearing	22.1	**353,316**	184,673
	To employees against business expenditures		**12,915**	8,956
			366,231	193,629

22.1 These are given to suppliers in ordinary course of business.

23 SALES TAX REFUNDABLE-NET

This mainly includes the sales tax paid at import stage against imports for new expansion project. This amount is adjustable against the future output sales tax of the Company.

		Note	2023 Rupees'000	2022 Rupees'000
24	**TRADE DEPOSITS AND SHORT TERM PREPAYMENTS**			
	Trade deposits		**24,406**	14,925
	Short term prepayments		**434**	7,634
			24,840	22,559
25	**OTHER RECEIVABLES**			
	Other receivables - considered good		**280,556**	173,536
	Margin on letter of guarantee		**1,907**	1,907
			282,463	175,443
26	**SHORT TERM INVESTMENTS**			
	Amortized cost - conventional	26.1	**250,000**	250,000
	At fair value through profit or loss - conventional	26.2	**-**	3,593,010
			250,000	3,843,010

26.1 These carry markup at 6 month's KIBOR+2.25% per annum.

26.2 This represents investments in open ended mutual funds and are measured at fair value through profit or loss. Fair value of these investments is determined using quoted repurchase price. Breakup is as follows:

	2023	2022
Units held (Numbers)	**-**	85,665,414
Fair value (Rs. 000)	**-**	3,593,010

Notes to the Financial Statements

For the year ended June 30, 2023

27 CASH AND BANK BALANCES

	Note	2023 Rupees'000	2022 Rupees'000
Cash at bank			
Deposit accounts			
Conventional banks	27.1 & 27.2	**374,071**	516,064
Islamic banks	27.2	**389**	328
Term deposit receipts			
Conventional banks	27.2	**544,256**	1,623,936
Islamic banks		**-**	13,950
Current accounts			
Conventional banks		**50,728**	151,770
Islamic banks		**478**	14
		969,922	2,306,062
Cash in hand		**535**	571
		970,457	2,306,633

27.1 Deposits of Rs. 4 million (2022: Rs. 4 million) with banks are under lien for letters of guarantee issued on behalf of the Company.

27.2 These carry mark-up ranging from 3.5% to 22.25% (2022: 6.3% to 15%) per annum.

28 REVENUE - NET

	Note	2023 Rupees'000	2022 Rupees'000
Revenue from external customers			
Sales - Local	28.1	**85,011,673**	71,951,456
- Export		**5,077,608**	2,303,682
		90,089,281	74,255,138
Less: - Sales tax		**13,570,621**	11,231,599
- Excise duty		**7,363,929**	7,940,009
- Rebates and discounts		**1,072,989**	834,273
- Export development surcharge		**12,460**	6,139
		22,019,999	20,012,020
		68,069,282	54,243,118

28.1 This includes sale of tile bonds Rs 133.3 million (2022: Nil)

28.2 Revenue recognised during the year includes Rs. 862.3 million (2022: Rs. 585.5 million) which was shown as contract liabilities at the beginning of the year.

29 COST OF SALES

	Note	2023 Rupees'000	2022 Rupees'000
Raw materials consumed		**4,101,917**	3,270,503
Packing material consumed		**2,731,077**	2,717,539
Stores and spares consumed		**1,836,574**	1,858,666
Salaries, wages and benefits	29.1	**3,644,796**	3,409,524
Rent, rates and taxes		**75,947**	60,822
Insurance		**217,479**	228,170
Fuel consumed		**26,567,938**	17,790,062
Power consumed		**7,853,797**	7,088,559
Depreciation on property, plant and equipment	16.2	**3,326,193**	2,658,965
Depreciation on right of use asset		**2,834**	-
Technical assistance		**81,850**	35,847
Vehicle running and maintenance expenses		**70,991**	49,874
Printing and stationery		**6,306**	6,405
Travelling and conveyance		**138,158**	87,272
Communication and other expenses		**326,713**	249,662
Water conservancy charges		**1,418**	158,368
		50,983,988	39,670,238
Add: Opening work-in-process		**2,098,340**	629,288
Acquired through business combination		**-**	1,088,106
Less: Closing work-in-process		**(4,464,731)**	(2,098,340)
Cost of goods manufactured		**48,617,597**	39,289,292
Add: Opening finished goods		**626,363**	146,340
Acquired through business combination		**-**	239,785
Less: Closing finished goods		**(1,240,545)**	(626,363)
		48,003,415	39,049,054
Less: Own consumption		**(352,606)**	(269,512)
		47,650,809	38,779,542

29.1 This includes retirement benefits of Rs. 211.9 million (2022: Rs. 174.3 million).

Notes to the Financial Statements

For the year ended June 30, 2023

		Note	2023 Rupees'000	2022 Rupees'000
30	**OTHER INCOME**			
	Gain on disposal of property, plant and equipment		**45,466**	1,653
	Deferred government grant		**169,331**	72,247
	Income from disposal of Foundation Solar Energy (Pvt) Ltd.	30.1	**61,469**	-
	Others		**159,907**	156,795
			436,173	230,695

30.1 During the year the Company has disposed off its investment in associate which represents 6,250 thousand number of ordinary shares in Foundation Solar Energy (Private) Limited (FSEL). The entire shareholding (6,250 thousand shares) was disposed off for consideration amounting to Rs. 128,125 thousand against carrying amount of Rs. 66,656 thousand resulting in a gain of Rs. 61,469 thousand.

		Note	2023 Rupees'000	2022 Rupees'000
31	**SELLING AND DISTRIBUTION EXPENSES**			
	Salaries, wages and benefits	31.1	**292,237**	270,898
	Freight charges on sale of cement		**2,122,848**	1,064,309
	Travelling and conveyance		**10,464**	4,248
	Vehicle running and maintenance expenses		**16,339**	9,868
	Rent, rates and taxes		**411**	127
	Repairs and maintenance		**683**	1,441
	Printing and stationery		**1,706**	1,781
	Depreciation on property, plant and equipment	16.2	**11,516**	11,867
	Depreciation on right of use asset		**15,103**	15,253
	Amortization		**198,700**	198,700
	Communication and other expenses		**14,429**	13,425
	Advertisement and sale promotion expenses		**20,023**	10,808
	Insurance		**804**	598
			2,705,263	1,603,323

31.1 This includes retirement benefits of Rs. 17.7 million (2022: Rs. 27.2 million).

		Note	2023 Rupees'000	2022 Rupees'000
32	**ADMINISTRATIVE EXPENSES**			
	Salaries, wages and benefits	32.1	**775,918**	679,580
	Travelling and conveyance		**14,897**	6,218
	Vehicle running and maintenance expenses		**32,664**	20,724
	Insurance		**1,863**	2,206
	Rent, rates and taxes		**416**	1,449
	Repairs and maintenance		**2,862**	1,830
	Printing and stationery		**9,940**	7,138
	Communication and other expenses		**138,558**	48,064
	Legal and professional charges		**19,804**	24,762
	Management consultancy fee		**-**	205,769
	Cost charged by Fauji Foundation		**150,000**	150,518
	Depreciation on property, plant and equipment	16.2	**48,245**	27,692
	Depreciation on right of use asset		**31,270**	36,311
	Merger expenses		**-**	73,838
	Donations	32.2	**155,196**	13,340
			1,381,633	1,299,439

32.1 This includes retirement benefits of Rs. 48.6 million (2022: Rs. 26.1 million).

32.2 During the year the Company has paid donation amounting to Rs. 3 million (2022: Nil) to Al-Mujtaba Education Trust and Rs. Nil (2022: 1 million) to Aalam Bibi Trust. None of the director has any interest in aforesaid donee. Refer note 41 for donations paid to Fauji Foundation.

		Note	2023 Rupees'000	2022 Rupees'000
33	**OTHER EXPENSES**			
	Auditors' remuneration:			
	Annual audit		**1,750**	1,657
	Half yearly review		**500**	300
	Out of pocket expenses		**211**	47
	Special purpose Audit / Statutory certifications		**500**	11,484
			2,961	13,488
	Workers' Profit Participation Fund	11.1	**682,361**	616,113
	Workers' Welfare Fund		**64,756**	179,363
			750,078	808,964

Notes to the Financial Statements

For the year ended June 30, 2023

		2023 Rupees'000	2022 Rupees'000
34	**FINANCE COST**		
	Interest and other charges on long and short term running finance		
	- Conventional banks	**2,317,981**	942,110
	- Islamic banks	**273,918**	24,363
		2,591,899	966,473
	Interest on Workers' Profit Participation Fund	**3,761**	286
	Finance cost related to lease	**29,150**	28,465
	Exchange Loss - net	**959,501**	161,412
	Bank charges and commission - Conventional banks	**60,954**	44,976
		3,645,265	1,201,612
35	**FINANCE INCOME**		
	Income from financial assets		
	Income from deposits and investments		
	- Conventional banks	**346,057**	139,800
	- Islamic banks	**29,938**	9,289
		375,995	149,089
	Gain on re-measurement of investments classified as fair value through profit or loss-held for trading - Conventional funds	**56,818**	188,678
	Dividend and bonus received on investments classified as fair value through profit or loss-held for trading - Conventional funds	**94,067**	408,085
	Dividend and bonus received on investments classified as fair value through profit or loss-held for trading - Islamic funds	**822**	-
		527,702	745,852

		Note	2023 Rupees'000	2022 Rupees'000
36	**INCOME TAX EXPENSE**			
	Current			
	For the year		**2,564,424**	3,498,565
	Prior year		**16,816**	(360,074)
			2,581,240	3,138,491
	Deferred	9.1	**2,879,188**	1,277,062
			5,460,428	4,415,553
	Accounting profit before tax for the year		**12,900,109**	11,528,093
	Applicable tax rate for companies (%)		**29%**	29%
	Income tax at applicable rate		**3,741,032**	3,343,147
	Tax effect of income taxable at lower rates		**(113,405)**	(196,871)
	Super tax		**449,785**	1,096,607
	Impact of change in tax rate for future years when temporary differences settled		**1,956,780**	585,843
	Tax effect of change in proportion of export sales to local sales		**(608,244)**	(55,429)
	Prior year adjustment		**16,816**	(360,074)
	Others		**17,664**	2,330
			5,460,428	4,415,553

36.1 Tax assessments up to and including tax year 2022 have been finalized. However, the tax authorities are empowered to reopen these assessments within five years from the end of the financial year in which the returns were filed.

		2023 Rupees'000	2022 Rupees'000
37	**EARNINGS PER SHARE (BASIC AND DILUTED)**		
	Profit after tax (Rs.'000)	**7,439,681**	7,112,540
	Profit attributable to ordinary shareholders (Rs.'000)	**7,439,681**	7,112,540
	Weighted average number of ordinary shares (Numbers '000)	**2,353,539**	2,353,539
	Earnings per share - basic (Rupees) - Restated	**3.16**	3.02

37.1 There is no dilution effect on earnings per share of the Company.

37.2 There is no dilution effect on the basic earning per share of the Company as the Company has no convertible potential dilutive instruments outstanding as on June 30, 2023, which would have effect on the basic EPS, if the option to convert would have been exercised.

38 CASH AND CASH EQUIVALENTS

Cash, cash equivalents and short-term borrowings (used for cash management purposes) include the following for the purposes of statement of cash flows.

	Note	2023 Rupees'000	2022 Rupees'000
Cash and bank balances	27	**970,457**	2,306,633
Short term running finance - secured	14	**(4,530,981)**	(3,218,249)
		(3,560,524)	(911,616)

39 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amounts recognized during the year on account of remuneration, including benefits and perquisites, are as follows:

	Chief Executive		Executives	
	2023	**2022**	**2023**	**2022**
	Rupees'000			
Managerial remuneration	**42,254**	29,162	**774,452**	582,389
Bonus	**22,221**	14,899	**322,240**	285,968
Provident fund	**2,748**	1,836	**40,652**	33,613
Compensated absences	**2,936**	1,202	**29,450**	23,605
Utilities and upkeep	**2,746**	1,836	**123,144**	86,801
	72,905	48,935	**1,289,938**	1,012,376
Number of persons	**1**	1	**215**	176

39.1 Chief Executive, key management personnel and certain executives are provided with Company maintained cars.

39.2 Meeting fee of non-executive directors charged during the year was Rs. 6.9 million (2022: Rs. 7.1 million). Number of non-executive directors at year end were 7 (2022: 7).

39.3 Number of persons include those who worked part of the year.

40 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).

Notes to the Financial Statements

For the year ended June 30, 2023

40.1 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**			
		Amortized Cost	**FVTPL**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
June 30, 2023	**Note**			**Rupees '000**				
Financial assets not measured at fair value								
Trade debts - net of impairment loss	21	3,572,445	-	3,572,445	-	-	-	-
Other receivables	25	282,463	-	282,463	-	-	-	-
Short term investments	26	250,000	-	250,000	-	-	-	-
Cash and bank balances	27	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	-	24,406	24,406	-	-	24,406	24,406
Short term investments	26	-	-	-	-	-	-	-
		-	154,106	154,106	-	-	154,106	154,106
Financial liabilities not measured at fair value								
Long term loans (including current portion)	5	35,953,580	-	35,953,580	-	-	-	-
Lease liability (including current portion)	7	169,435	-	169,435	-	-	-	-
Loan from Parent - unsecured	10	7,387,000	-	7,387,000	-	-	-	-
Creditors	11	2,623,342	-	2,623,342	-	-	-	-
Retention money	11	3,045,172	-	3,045,172	-	-	-	-
Other liabilities	11	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	12	455,052	-	455,052	-	-	-	-
Unclaimed dividend		36,001	-	36,001	-	-	-	-
Short term running finance - secured	14	4,530,981	-	4,530,981	-	-	-	-
		58,554,431	-	58,554,431	-	-	-	-

Notes to the Financial Statements

For the year ended June 30, 2023

On-balance sheet financial instruments

		Carrying amount			Fair value			
		Amortized Cost	FVTPL	Total	Level 1	Level 2	Level 3	Total
June 30, 2022	Note	Rupees '000						
Financial assets not measured at fair value								
Trade debts - net of impairment loss	21	2,412,758	-	2,412,758	-	-	-	-
Other receivables	25	175,443	-	175,443	-	-	-	-
Short term investments	26	250,000		250,000				
Cash and bank balances	27	2,306,633	-	2,306,633	-	-	-	-
		5,144,834	-	5,144,834	-	-	-	-
Financial assets measured at fair value								
Long term deposits		-	126,274	126,274	-	-	126,274	126,274
Trade deposits	24	-	14,925	14,925	-	-	14,925	14,925
Short term investments	26	-	3,593,010	3,593,010	3,593,010	-	-	3,593,010
		-	3,734,209	3,734,209	3,593,010	-	141,199	3,734,209
Financial liabilities not measured at fair value								
Long term loans (including current portion)	5	22,541,084	-	22,541,084	-	-	-	-
Lease liability (including current portion)	7	158,297	-	158,297	-	-	-	-
Loan from Parent - unsecured	10	7,387,000	-	7,387,000	-	-	-	-
Creditors	11	2,683,210	-	2,683,210	-	-	-	-
Retention money	11	2,549,004	-	2,549,004	-	-	-	-
Other liabilities	11	496,912	-	496,912	-	-	-	-
Payable to employees' provident fund trust		15,875	-	15,875				
Accrued liabilities		4,321,163	-	4,321,163	-	-	-	-
Security deposits payable	12	461,712	-	461,712	-	-	-	-
Unclaimed dividend		37,157	-	37,157	-	-	-	-
Short term running finance - secured	14	3,218,249	-	3,218,249	-	-	-	-
		43,869,663	-	43,869,663	-	-	-	-

40.2 The Company has not disclosed the fair value for these financial assets and financial liabilities, as these are either short term in nature or repriced periodically. Therefore, their carrying amounts are a reasonable approximation of their fair values.

40.3 The Company has exposure to the credit risk, market risk and liquidity risk from its use of financial instruments.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is also responsible for developing and monitoring the Company's risk management policies.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Audit Committee of the Company oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

40.4 Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from trade debts, advances, deposits, other receivables, margin on letter of guarantee, short tern investments and bank balances. The carrying amount of financial assets represents the maximum credit exposure.

The Company's credit risk exposure is categorized under the following headings:

Trade debts and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customers/dealers. The Company has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Company's standard payment terms and conditions are offered. Credit limits are established for each customer, which are regularly reviewed and approved by the management. Customers that fail to meet the Company's benchmark creditworthiness may transact with the Company only on a prepayment basis.

Concentration of credit risk

Geographically there is no concentration of credit risk. The maximum exposure to credit risk for financial assets at the reporting date by type of counter party is as follows:

	2023 Rupees'000	2022 Rupees'000
From government institutions	**129,700**	126,274
Banks and financial institutions	**969,922**	5,899,072
Others	**3,879,314**	2,603,126
	4,978,936	8,628,472

Credit quality of financial assets

The credit quality of the Company's financial assets have been assessed below by reference to external credit rating of counterparties determined by the Pakistan Credit Rating Agency Limited (PACRA) and VIS Credit Rating Company Limited (formerly JCR - VIS Credit Rating Company Limited). The counterparties for which external credit ratings were not available have been assessed by reference to internal credit ratings determined based on their historical information for any default in meeting their obligations.

	2023 Rupees'000	2022 Rupees'000
Trade debts		
Counterparties without external credit ratings with no default in the past	**3,572,445**	2,412,758

Impairment loss

The aging of trade debts at the reporting date was:

	2023		2022	
	Gross	Impairment	Gross	Impairment
	Rupees' 000		Rupees' 000	
Past due 1-30 days	**1,911,782**	**-**	1,576,999	-
Past due 31-60 days	**1,189,964**	**-**	384,219	-
Past due 61-90 days	**243,312**	**-**	258,126	-
Past due 91-120 days	**100,694**		106,579	-
Over 120 days	**129,974**	**3,281**	90,116	3,281
	3,575,726	**3,281**	2,416,039	3,281

The movement in allowance for impairment in respect of trade debts during the year was as follows:

	2023 Rupees'000	2022 Rupees'000
Balance at 1 July	**3,281**	3,281
Impairment loss recognised during the year	**-**	-
Balance at 30 June	**3,281**	3,281

Based on past experience, the management believes that no further impairment allowance is necessary in respect of carrying amount of trade debts. The Company expects no material expected credit loss under IFRS 9 'Financial Instruments' on trade debts at the year end.

The allowance account in respect of trade debts is used to record impairment losses unless the Company is satisfied that no recovery of the amount owing is possible at which point the amount considered irrecoverable is written off against the financial asset directly.

Cash at Bank

The Company held cash at bank of Rs. 970 million at 30 June 2023 (2022: Rs. 2,306 million). Cash at bank is held with banks and financial institution, which are rated AAA to A-.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	Note	2023 Rupees'000	2022 Rupees'000
Long term deposits		**129,700**	126,274
Trade debts - net of provision	21	**3,572,445**	2,412,758
Trade deposits	24	**24,406**	14,925
Other receivables	25	**282,463**	175,443
Short term investments	26	**250,000**	3,593,010
Bank balances	27	**969,922**	2,306,062
		5,228,936	8,628,472

Geographically there is no concentration of credit risk.

The maximum exposure to credit risk for trade debts at the reporting date is with end - user customers and represents debtors within the country.

The Company's most significant customer is an end user from whom Rs. 1,269 million (2022: Rs. 796 million) was outstanding and which is included in total carrying amount of trade debtors as at June 30, 2023.

Certain trade debts are secured against letter of guarantee and security deposits. The Company has placed funds in financial institutions with high credit ratings. The Company assesses the credit quality of the counter parties as satisfactory. The Company does not hold any collateral as security against any of its financial assets other than trade debts.

The Company limits its exposure to credit risk by investing only in liquid securities and placing funds with banks that have high credit rating. Management actively monitors credit ratings and given that the Company only has placed funds in the banks and financial institutions with high credit ratings, management does not expect any counter party to fail to meet its obligations.

	2023 Rupees'000	2022 Rupees'000
Long term deposits		
Counterparties with external credit ratings of AA+	**102,711**	25,011
Counterparties without external credit ratings	**26,989**	101,263
Trade deposits		
Counterparties without external credit ratings	**24,406**	14,925
Other receivables		
Counterparties with external credit ratings of A-	**87,738**	453
Counterparties without external credit ratings	**194,725**	174,990
Short term investments		
Counterparties with external credit rating AA- (2022: AA+ to AA)	**250,000**	3,593,010

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Bank balances	Credit rating agency	Long term rating	Short term rating	2023	2022
United Bank Limited	VIS	AAA	A-1+	**37,367**	74,541
Allied Bank Limited	PACRA	AAA	A1+	**19,184**	146,678
MCB Bank Limited	PACRA	AAA	A1+	**88,767**	88,542
Bank Al-Falah Limited	PACRA	AA+	A1+	**463,636**	282,929
Silk Bank Limited	VIS	A-	A-2	**35**	18,633
Bank Of Punjab	PACRA	AA+	A1+	**123**	221
Faysal Bank Limited	PACRA	AA	A1+	**477**	580
Standard Chartered Bank Pakistan Limited	PACRA	AAA	A1+	**4**	-
Habib Bank Limited	VIS	AAA	A-1+	**3,625**	858,817
Askari Bank Limited	PACRA	AAA	A1+	**265,661**	28,712
National Bank Of Pakistan	PACRA	AAA	A-1+	**1,405**	1,077
Bank Al – Habib Limited	PACRA	AAA	A1+	**12**	57
Al Baraka Bank Pakistan Limited	VIS	A+	A-1	**4**	4
BankIslami Pakistan Limited	PACRA	AA-	A1	**61**	132,632
Meezan Bank Limited	VIS	AAA	A-1+	**303**	296
Habib Metropolitan Bank Limited	PACRA	AA+	A1+	**87,737**	87,299
First Women Bank Limited	PACRA	A-	A2	**5**	-
JS Bank Limited	PACRA	AA-	A1+	**1,476**	585,009
Summit Bank Limited	-	-	-	**1**	1
SME Bank Limited	-	-	-	**10**	9
Samba Bank Limited	VIS	AA	A-1	**29**	25
				969,922	2,306,062

40.5 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company uses different methods which assists it in monitoring cash flow requirements and optimizing its cash return on investments. Typically the Company ensures that it has sufficient cash on demand to meet expected operational expenses for a reasonable period, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. In addition, the Company maintains letters of credit as mentioned in note 15.2 to the financial statements.

The following are the contractual maturities of financial liabilities, including expected interest payments and excluding the impact of netting agreements:

	Carrying amount	Contractual cash flows	Up to one year	One to two years	Two to five years	Five years onwards
2023			**Rupees '000**			
Long term loans (including current portion)	**35,953,580**	**67,789,916**	**7,588,113**	**9,449,061**	**18,104,270**	**32,648,472**
Lease liability (including current portion)	**169,435**	**169,435**	**50,463**	**52,273**	**2,431**	**64,268**
Loan from Parent - unsecured	**7,387,000**	**7,387,000**	**7,387,000**			
Trade and other payables	**5,973,548**	**5,973,548**	**5,973,548**	**-**	**-**	**-**
Accrued liabilities	**4,022,396**	**4,022,396**	**4,022,396**	**-**	**-**	**-**
Security deposits payable	**455,052**	**455,052**	**455,052**	**-**	**-**	**-**
Payable to employees' provident fund trust	**26,438**	**26,438**	**26,438**	**-**	**-**	**-**
Unclaimed dividend	**36,001**	**36,001**	**36,001**	**-**	**-**	**-**
Short term running finance - secured	**4,530,981**	**4,530,981**	**4,530,981**	**-**	**-**	**-**
	58,554,431	**90,390,767**	**30,069,992**	**9,501,334**	**18,106,701**	**32,712,740**
2022						
Long term loans (including current portion)	22,541,084	34,069,796	4,652,665	5,129,677	13,341,735	10,945,719
Lease liability (including current portion)	158,297	172,809	76,421	60,835	25,605	9,948
Loan from Parent - unsecured	7,387,000	7,387,000	7,387,000			
Trade and other payables	5,729,126	5,729,126	5,729,126	-	-	-
Accrued liabilities	4,321,163	4,321,163	4,321,163	-	-	-
Security deposits payable	461,712	461,712	461,712	-	-	-
Payable to employees' provident fund trust	15,875	15,875	15,875	-	-	-
Unclaimed dividend	37,157	37,157	37,157	-	-	-
Short term running finance - secured	3,218,249	3,218,249	3,218,249	-	-	-
	43,869,663	55,412,887	25,899,368	5,190,512	13,367,340	10,955,667

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amounts.

The contractual cash flows relating to long term borrowings have been determined on the basis of expected mark-up rates. The mark-up rates have been outlined in note 5 to these financial statements.

40.6 Market risk

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates or the market price due to change in credit rating of the issuer or the instruments' supply and demand of securities and liquidity in the market. The Company is exposed to currency risk, interest rates risks and price risks.

40.6.1 Foreign currency risk

The PKR is the functional currency of the Company and as a result currency exposures arise from transactions and balances in currencies other than PKR. The Company's potential foreign currency exposure comprise:

- Transactional exposure in respect of non functional currency monetary items; and
- Transactional exposure in respect of non functional currency expenditure and revenues.

Transactional exposure in respect of non functional currency monetary items

Financial assets and liabilities which are denominated in currencies other than the functional currency of the Company are periodically restated to PKR equivalent, and the associated gain or loss is taken to the statement of profit or loss. The foreign currency risk related to monetary items is managed as part of the risk management strategy.

The following significant exchange rates have been applied during the year:

	2023	2022	**2023**	2022
	Average rates		**Balance sheet date rate**	
US Dollars	**245.85**	181.08	**287.10**	204.60
Euro	**264.18**	200.72	**314.27**	214.09

Transactional exposure in respect of non functional currency expenditures and revenues

Certain operating and capital expenditure is incurred by the Company in currencies other than the functional currency. Certain sales revenue is earned in currencies other than the functional currency of the Company. These currency risks are managed as part of overall risk management strategy.

Sensitivity

An increase of 1% in exchange rate at the reporting date would have decreased profit or loss and correpondingly equity by the amounts shown below.

2023		2022	
Profit or loss		Profit or loss	
Gross exposure	**Net of tax exposure**	Gross exposure	Net of tax exposure
Rupees '000			
25,751	**15,708**	17,058	4,947

A 1% decrease in exchange rate would have had an equal but opposite effect to the amount shown above.

40.6.2 Interest rate risk

The interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Majority of interest rate exposure arises from short and long term borrowings from banks and deposits with banks. At the date of statement of financial position, the interest rate profile of the Company's interest bearing financial instruments is:

	Effective interest rates		Carrying Amount	
	2023	2022	**2023**	2022
			Rupees '000	
Fixed rate instruments				
Financial assets	**3.5% - 22.25%**	6.3% - 15%	**918,716**	2,154,278
Financial liabilities	**2.5%- 5.50%**	0.35%- 5.50%	**14,866,051**	13,024,801
Variable rate instruments				
Financial assets	**6 month KIBOR + 2.25%**	6 month KIBOR + 2.25%	**250,000**	250,000
Financial liabilities	**1 month KIBOR to 6 month KIBOR + 0.30% to 1.25%**	1 month KIBOR to 6 month KIBOR + 0.25% to 1.55%	**28,808,198**	14,865,337

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and financial liabilities at fair value through profit or loss. Therefore, change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased/ (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2022.

	Profit or loss	
	100 basis points increase	**100 basis points decrease**
	Rupees '000	
Cash flow sensitivity (net)		
Variable rate instruments	**32,864**	**(32,864)**
June 30, 2023	**32,864**	**(32,864)**
Variable rate instruments	(21,549)	21,549
June 30, 2022	(21,549)	21,549

40.6.3 Price risk

Price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

40.7 Capital management

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders, and to maintain a strong capital base to support the sustained development of its businesses.

The Company manages its capital structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to shareholders and/or issue new shares. There were no changes to Company's approach to capital management during the year and the Company is not subject to externally imposed capital requirement.

Notes to the Financial Statements

For the year ended June 30, 2023

41 RELATED PARTY TRANSACTIONS AND BALANCES

Related parties comprise of directors, entities over which the directors are able to exercise significant influence, entities with common directors, major shareholders, staff retirement funds and key management personnel which include persons having designations General Manager and above.

Related party	Basis of relationship	Percentage of shareholding %
Fauji Foundation	Shareholder	61.65
Fauji Fertilizer Company Limited	Shareholder / Common directorship	4.30
Fauji Oil Terminal and Distribution Company Limited	Shareholder / Common directorship	0.86
Askari Bank Limited	Common directorship	Nil
Foundation Solar Energy (Pvt) Limited	Common directorship	Nil
Mari Petroleum Company Limited	Common directorship	Nil
Foundation Power Company Daharki Limited	Common directorship	Nil
Cherat Packaging Limited	Common directorship	Nil
Employees' provident fund trust	Provident fund trust	Nil

Balances and transactions with related parties are disclosed in note 6.2, 10 and 39 to the financial statements. Transactions and balances with related parties other than those disclosed elsewhere in these financial statements are as follows:

	2023 Rupees'000	2022 Rupees'000
Transactions and balances with related parties		
Fauji Foundation		
- Sale of cement	**36,745**	80,325
- Receipts against sale of cement	**32,643**	82,227
- Payable against sale of cement	**-**	1,965
- Receipt of loan	**-**	6,543,000
- Payment for use of medical facilities	**2,480**	4,126
- Payable for use of medical facilities	**359**	9
- Payment of rent and utilities	**72,383**	37,829
- Payable against office rent and utilities	**-**	1,915
- Donation paid through Fauji Foundation	**141,774**	12,340
- Consultancy charges paid through Fauji Foundation	**20,174**	-
- Payable against cost charged	**33,750**	33,119
- Payment against cost charged	**149,369**	154,374
- Reimbursement against CSR activities	**11,240**	-
- Payable against letter of support fee	**31,788**	31,788
- Payment against letter of support fee	**127,805**	120,863

Notes to the Financial Statements

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	2023 Rupees'000	2022 Rupees'000
Foundation Solar Energy (Pvt) Limited		
- Payment against supply of solar equipment and services	**1,258,895**	1,020,674
- Payable against supply of solar equipment	**17,517**	83,429
- Payment against issue of shares	**-**	50,000
Mari Petroleum Company Limited		
- Payment against supply of crude oil	**31,394**	106,628
Foundation Power Company Daharki Limited		
- Receipt against disposal of Foundation Solar Energy (Pvt) Limited shareholding	**128,125**	-
Cherat Packaging Limited		
- Payment against supply of packing material	**775,280**	-
- Payable against supply of packing material	**217,103**	-
Askari Bank Limited		
- Balance in bank accounts	**265,794**	136,929
- Loan payable	**2,845,000**	1,345,000
- Principal repayment of loan	**200,000**	100,000
- Export re-finance payable	**693,000**	700,000
- Bank charges	**5,790**	6,145
- Interest paid on export re-finance	**75,505**	16,165
- Interest charged on long term loans	**224,194**	70,674
- Profit received on deposit accounts	**17,899**	14,696
Employees Fund		
- Payments made into the fund	**127,896**	128,546
Others		
- Remuneration to key management personnel (other than Chief Executive)	**160,892**	144,343

Notes to the Financial Statements

For the year ended June 30, 2023

42 Reconciliation of movement of liabilities to cash flows arising from financing activities

	Liabilities			Equity			
	Lease liability	Long term loan	Loan from the parent	Share capital	(Discount)/ Premium on issue of shares	Revenue reserves	Total
				Rupees'000			
Balance at July 01, 2022	158,298	22,541,084	7,387,000	21,803,090	17,978,520	17,954,446	87,822,438
Lease liability on right of use asset	71,342	-		-	-	-	71,342
Acquired through business combination	-	-	-	-	-	-	-
Changes from financing cash flows							-
Long term loans received during the year	-	15,976,605	-	-	-	-	15,976,605
Repayment of loan	-	(2,505,227)	-	-	-	-	(2,505,227)
Finance cost paid for the year	-	(2,562,932)	-	-	-	-	(2,562,932)
Lease payments	(89,354)	-	-	-	-	-	(89,354)
Deferred grant	-	(1,397,179)	-	-	-	-	(1,397,179)
Total changes from financing cash flows	(89,354)	9,511,267	-	-	-	-	9,421,913
Other changes							
Liability related							
Net increase in short term running finance	-	-		-	-	-	-
Finance cost expense for the year	29,150	3,901,228		-	-	-	3,930,378
Total liability related other changes	29,150	3,901,228	-	-	-	-	3,930,378
Equity related							
Total comprehensive income for the year	-	-		-	-	7,439,681	7,439,681
Bonus share issued	-	-	-	2,725,386	(2,725,386)	-	-
Total equity related other changes		-	-	2,725,386	(2,725,386)	7,439,681	7,439,681
Balance at June 30, 2023	169,436	35,953,579	7,387,000	24,528,476	15,253,134	25,394,127	108,685,752

Reconciliation of movement of liabilities to cash flows arising from financing activities

	Liabilities			Equity			
	Lease liability	**Long term loan**	**Loan from the parent**	**Share capital**	**(Discount)/ Premium on issue of shares**	**Revenue reserves**	**Total**
				Rupees'000			
Balance at July 01, 2021	98,279	853,023		13,798,150	(1,364,385)	10,841,906	24,226,973
Lease liability on right of use asset	-	-		-	-	-	-
Acquired through business combination	203,142	9,840,332	844,000	8,004,940	19,342,905	-	38,235,319
Changes from financing cash flows							
Long term loans received during the year	-	17,059,404	6,543,000	-	-	-	23,602,404
Repayment of loan	-	(3,098,399)	-	-	-	-	(3,098,399)
Finance cost paid for the year	-	(985,172)	-	-	-	-	(985,172)
Lease payments	(171,588)	-	-	-	-	-	(171,588)
Deferred grant	-	(2,458,745)	-	-	-	-	(2,458,745)
Total changes from financing cash flows	(171,588)	10,517,088	6,543,000	-	-	-	16,888,500
Other changes							
Liability related							
Net increase in short term running finance	-	-	-	-	-	-	-
Finance cost expense for the year	28,465	1,330,641	-	-	-	-	1,359,106
Total liability related other changes	28,465	1,330,641	-	-	-	-	1,359,106
Equity related							
Total comprehensive income for the year							
Bonus share issued	-	-	-	-	-	7,112,540	7,112,540
Total equity related other changes	-	-	-	-	-	7,112,540	7,112,540
Balance at June 30, 2022	158,298	22,541,084	7,387,000	21,803,090	17,978,520	17,954,446	87,822,438

		2023		2022	
		Installed capacity	**Actual Production**	Installed capacity	Actual Production
		Metric Tons		Metric Tons	
43	**PLANT CAPACITY AND ACTUAL PRODUCTION**				
	Cement	**7,472,063**	**4,915,536**	6,363,000	5,657,076
	Clinker	**7,116,250**	**4,593,342**	6,060,000	5,135,169

43.1 The new expansion line at Nizampur plant with annual clinker capacity of 1.95 Million Tons commenced commercial production on 16 December 2022 and therefore its available capacity has been included on proportionate basis.

43.2 Difference between capacity and actual production is due to demand supply situation of the market.

44 EMPLOYEES PROVIDENT FUND TRUST

All the investments out of aforementioned provident fund trust have been made in accordance with the provisions of Section 218 of the Companies Act, 2017 and the conditions specified thereunder.

45 GENERAL

45.1 Facilities against letters of guarantee and letters of credit

This includes the Letter of Guarantee and Letter of Credit facilities extended to the Company by various banks to the extent of Rs. 766 million and Rs. 10,574 million (2022: Rs. 661 million and Rs. 47,458 million) respectively. The letter of Guarantees are secured against first pari passu hypothecation charge over present and future assets of the Company (excluding land and building) and lien over bank deposits.

		2023	2022
		Numbers	Numbers
45.2	**Number of persons employed**		
	Total employees of the Company at year end	**2,179**	2,226
	Average employees of the Company during the year	**2,203**	2,034

45.3 DISCLOSURE REQUIREMENTS FOR ALL SHARES ISLAMIC INDEX

Following information has been disclosed as required under Paragraph 10 of Part I of the 4th Schedule to the Companies Act, 2017 relating to "All Shares Islamic Index".

	2023	2022
	Rupees'000	Rupees'000
Description		
Long-term loans as per Islamic mode	**7,246,930**	5,044,997
Shariah compliant bank deposits and bank balances	**867**	14,292
Profit earned from Shariah compliant bank deposits/balances	**29,938**	9,289
Revenue earned from Shariah compliant business segment	**68,069,282**	54,243,118
Dividend from Shariah compliant investments	**822**	-
Mark-up on Islamic mode of financing	**730,126**	267,401
Interest on conventional loans	**3,567,380**	1,311,273

The Company has business relationship with Islamic banks in ordinary course of business. Disclosures other than above are not applicable to the Company.

45.4 These financial statements were authorized for issue by the Board of Directors of the Company in their meeting held on 29 August 2023.

CHIEF EXECUTIVE OFFICER DIRECTOR CHIEF FINANCIAL OFFICER

Shareholders' Information

Pattern of Shareholding

As at June 30, 2023

	------Shareholding------		
No. of Shareholders	From	To	Total Shares Held
539	1	100	15,516
722	101	500	225,811
1820	501	1,000	1,154,286
4799	1,001	5,000	10,581,597
1577	5,001	10,000	10,611,434
904	10,001	15,000	10,700,800
394	15,001	20,000	6,820,941
373	20,001	25,000	8,460,308
267	25,001	30,000	7,428,678
181	30,001	35,000	5,943,358
114	35,001	40,000	4,343,727
130	40,001	45,000	5,658,986
71	45,001	50,000	3,447,952
60	50,001	55,000	3,111,056
122	55,001	60,000	6,923,070
41	60,001	65,000	2,563,621
56	65,001	70,000	3,785,138
33	70,001	75,000	2,400,003
38	75,001	80,000	2,979,623
26	80,001	85,000	2,168,499
36	85,001	90,000	3,212,991
11	90,001	95,000	1,024,124
42	95,001	100,000	4,132,811
17	100,001	105,000	1,735,875
24	105,001	110,000	2,586,022
105	110,001	115,000	11,822,098
13	115,001	120,000	1,526,560
16	120,001	125,000	1,978,500
12	125,001	130,000	1,545,412
11	130,001	135,000	1,469,250
18	135,001	140,000	2,470,473
18	140,001	145,000	2,548,193
9	145,001	150,000	1,342,687
7	150,001	155,000	1,062,749
11	155,001	160,000	1,733,812
8	160,001	165,000	1,296,807
26	165,001	170,000	4,383,562
4	170,001	175,000	695,937
6	175,001	180,000	1,071,375
7	180,001	185,000	1,278,050
5	185,001	190,000	939,750
13	190,001	195,000	2,496,312
20	195,001	200,000	3,986,374

	------Shareholding------		
No. of Shareholders	From	To	Total Shares Held
9	200,001	205,000	1,822,187
4	205,001	210,000	828,750
6	210,001	215,000	1,280,187
34	220,001	225,000	7,636,312
5	225,001	230,000	1,144,812
8	230,001	235,000	1,855,914
1	235,001	240,000	238,937
4	240,001	245,000	967,500
6	245,001	250,000	1,486,174
9	250,001	255,000	2,279,101
4	255,001	260,000	1,027,250
4	260,001	265,000	1,054,937
1	265,001	270,000	267,750
1	270,001	275,000	275,000
4	275,001	280,000	1,110,125
12	280,001	285,000	3,376,062
2	285,001	290,000	574,187
1	290,001	295,000	293,750
13	295,001	300,000	3,892,436
4	300,001	305,000	1,209,186
2	305,001	310,000	618,750
4	310,001	315,000	1,251,562
3	320,001	325,000	975,000
1	325,001	330,000	328,500
3	330,001	335,000	999,875
3	335,001	340,000	1,011,375
3	340,001	345,000	1,028,300
4	345,001	350,000	1,400,000
2	350,001	355,000	708,312
3	355,001	360,000	1,070,912
1	360,001	365,000	364,875
4	365,001	370,000	1,462,875
2	370,001	375,000	744,625
1	375,001	380,000	380,000
2	380,001	385,000	764,250
2	385,001	390,000	778,893
6	390,001	395,000	2,362,500
1	395,001	400,000	400,000
2	400,001	405,000	804,612
1	405,001	410,000	405,562
2	410,001	415,000	827,750
2	415,001	420,000	836,458
1	420,001	425,000	420,012
1	425,001	430,000	427,500

Pattern of Shareholding

As at June 30, 2023

No. of Shareholders	------Shareholding------ From	To	Total Shares Held
2	435,001	440,000	879,375
1	440,001	445,000	443,062
12	445,001	450,000	5,391,937
1	455,001	460,000	459,000
3	460,001	465,000	1,386,625
1	470,001	475,000	471,875
1	475,001	480,000	478,125
1	480,001	485,000	483,750
1	490,001	495,000	490,625
6	495,001	500,000	2,992,949
1	500,001	505,000	500,010
2	505,001	510,000	1,014,750
2	515,001	520,000	1,033,500
1	520,001	525,000	523,312
1	525,001	530,000	528,187
1	530,001	535,000	531,500
1	535,001	540,000	535,500
2	540,001	545,000	1,084,875
6	560,001	565,000	3,376,250
1	575,001	580,000	579,250
1	580,001	585,000	583,312
1	585,001	590,000	586,687
3	595,001	600,000	1,792,437
1	605,001	610,000	605,062
1	615,001	620,000	618,750
3	620,001	625,000	1,873,526
1	625,001	630,000	630,000
2	630,001	635,000	1,265,062
3	635,001	640,000	1,911,437
3	645,001	650,000	1,944,812
1	650,001	655,000	651,375
2	655,001	660,000	1,316,562
1	660,001	665,000	664,312
3	670,001	675,000	2,025,000
1	675,001	680,000	676,937
1	680,001	685,000	683,437
1	685,001	690,000	688,500
3	695,001	700,000	2,097,500
2	710,001	715,000	1,425,375
2	745,001	750,000	1,496,437
1	755,001	760,000	755,750
1	760,001	765,000	760,500
1	770,001	775,000	772,312
2	785,001	790,000	1,575,000

	------Shareholding------		
No. of Shareholders	From	To	Total Shares Held
3	795,001	800,000	2,399,875
1	810,001	815,000	811,687
1	815,001	820,000	820,000
2	820,001	825,000	1,646,250
1	830,001	835,000	831,000
2	835,001	840,000	1,678,125
3	840,001	845,000	2,520,423
1	845,001	850,000	850,000
1	850,001	855,000	855,000
2	870,001	875,000	1,747,500
1	885,001	890,000	889,875
1	890,001	895,000	891,500
6	895,001	900,000	5,400,000
1	905,001	910,000	909,562
1	940,001	945,000	940,812
1	945,001	950,000	948,937
1	985,001	990,000	988,500
5	995,001	1,000,000	5,000,000
4	1,010,001	1,015,000	4,048,862
1	1,020,001	1,025,000	1,021,000
2	1,030,001	1,035,000	2,070,000
1	1,050,001	1,055,000	1,053,312
1	1,065,001	1,070,000	1,068,393
1	1,095,001	1,100,000	1,100,000
3	1,120,001	1,125,000	3,375,000
1	1,130,001	1,135,000	1,132,937
1	1,135,001	1,140,000	1,138,000
1	1,140,001	1,145,000	1,141,875
1	1,155,001	1,160,000	1,155,937
2	1,180,001	1,185,000	2,362,500
1	1,205,001	1,210,000	1,208,375
1	1,230,001	1,235,000	1,231,375
1	1,235,001	1,240,000	1,237,500
1	1,245,001	1,250,000	1,248,750
1	1,250,001	1,255,000	1,250,212
1	1,280,001	1,285,000	1,282,500
2	1,290,001	1,295,000	2,587,500
1	1,305,001	1,310,000	1,309,500
1	1,390,001	1,395,000	1,394,000
4	1,395,001	1,400,000	5,600,000
2	1,405,001	1,410,000	2,812,500
1	1,435,001	1,440,000	1,439,000
1	1,450,001	1,455,000	1,453,500
1	1,460,001	1,465,000	1,462,500

Pattern of Shareholding

As at June 30, 2023

	------Shareholding------		
No. of Shareholders	From	To	Total Shares Held
1	1,495,001	1,500,000	1,500,000
1	1,500,001	1,505,000	1,503,375
1	1,515,001	1,520,000	1,518,750
1	1,525,001	1,530,000	1,526,250
1	1,605,001	1,610,000	1,606,687
1	1,650,001	1,655,000	1,653,750
2	1,685,001	1,690,000	3,375,000
2	1,705,001	1,710,000	3,418,468
1	1,745,001	1,750,000	1,750,000
1	1,795,001	1,800,000	1,800,000
1	1,825,001	1,830,000	1,828,500
1	1,955,001	1,960,000	1,958,687
1	1,965,001	1,970,000	1,968,750
1	2,020,001	2,025,000	2,025,000
1	2,045,001	2,050,000	2,050,000
1	2,110,001	2,115,000	2,111,625
1	2,220,001	2,225,000	2,225,000
2	2,245,001	2,250,000	4,500,000
1	2,305,001	2,310,000	2,309,062
1	2,475,001	2,480,000	2,480,000
1	2,495,001	2,500,000	2,500,000
1	2,580,001	2,585,000	2,582,437
1	2,625,001	2,630,000	2,629,000
1	2,695,001	2,700,000	2,700,000
1	2,810,001	2,815,000	2,812,500
1	3,105,001	3,110,000	3,108,350
1	3,160,001	3,165,000	3,163,502
1	3,180,001	3,185,000	3,184,500
1	3,525,001	3,530,000	3,225,250
1	3,235,001	3,240,000	3,235,125
1	3,255,001	3,260,000	3,256,875
1	3,280,001	3,285,000	3,285,000
1	3,620,001	3,625,000	3,623,500
1	3,710,001	3,715,000	3,712,500
1	3,825,001	3,830,000	3,826,625
1	4,205,001	4,210,000	4,205,250
1	4,255,001	4,260,000	4,256,437
1	4,400,001	4,405,000	4,402,120
1	4,425,001	4,430,000	4,428,500
1	4,490,001	4,495,000	4,491,562
1	4,530,001	4,535,000	4,533,021
1	4,605,001	4,610,000	4,608,000
1	4,880,001	4,885,000	4,882,000
1	5,515,001	5,520,000	5,516,500

	------Shareholding------		
No. of Shareholders	From	To	Total Shares Held
1	5,600,001	5,605,000	5,603,125
1	5,620,001	5,625,000	5,625,000
1	5,710,001	5,715,000	5,712,312
1	5,745,001	5,750,000	5,746,455
1	5,765,001	5,770,000	5,769,812
1	6,030,001	6,035,000	6,033,625
1	6,080,001	6,085,000	6,084,000
1	7,075,001	7,080,000	7,076,375
1	8,435,001	8,440,000	8,439,187
1	8,500,001	8,505,000	8,500,250
1	9,690,001	9,695,000	9,694,125
1	11,010,001	11,015,000	11,013,750
1	11,240,001	11,245,000	11,240,125
1	16,855,001	16,860,000	16,858,375
1	17,245,001	17,250,000	17,250,000
1	21,090,001	21,095,000	21,093,750
1	24,840,001	24,845,000	24,841,031
1	25,180,001	25,185,000	25,183,645
1	33,855,001	33,860,000	33,856,062
1	38,750,001	38,755,000	38,753,160
1	46,845,001	46,850,000	46,848,312
1	47,160,001	47,165,000	47,160,902
1	105,465,001	105,470,000	105,468,750
1	556,815,001	556,820,000	556,819,936
1	955,340,001	955,345,000	955,341,902
13,126			2,452,847,220

Categories of Shareholding required under (Code of Corporate Governance (CCG

As at June 30, 2023

Sr. No.	Name	No. of Shares Held	%
Associated Companies, Undertakings and Related Parties (Name Wise Detail):			
1	COMMITTEE OF ADMIN. FAUJI FOUNDATION (CDC)	494,951,055	22.7010
2	FAUJI FOUNDATION	849,192,802	38.9483
3	FAUJI OIL TERMINAL & DISTRIBUTION	18,750,000	0.8600
4	FAUJI FERTILIZER COMPANY LTD (CDC)	93,750,000	4.2998
Mutual Funds (Name Wise Detail)			
1	CDC - TRUSTEE ABL STOCK FUND (CDC)	2,500,000	0.1019
2	CDC - TRUSTEE AKD INDEX TRAKER FUND (CDC)	233,525	0.0095
3	CDC - TRUSTEE AL AMEEN ISLAMIC DEDICATED EQUITY FUND (CDC)	40,000	0.0016
4	CDC - TRUSTEE AL HABIB ISLAMIC STOCK FUND (CDC)	563,750	0.0230
5	CDC - TRUSTEE AL HABIB STOCK FUND (CDC)	200,000	0.0082
6	CDC - TRUSTEE ALFALAH GHP ALPHA FUND (CDC)	623,526	0.0254
7	CDC - TRUSTEE ALFALAH GHP DEDICATED EQUITY FUND (CDC)	9,474	0.0004
8	CDC - TRUSTEE ALFALAH GHP ISLAMIC DEDICATED EQUITY FUND (CDC)	10,000	0.0004
9	CDC - TRUSTEE ALFALAH GHP ISLAMIC STOCK FUND (CDC)	1,439,000	0.0587
10	CDC - TRUSTEE ALFALAH GHP STOCK FUND (CDC)	988,500	0.0403
11	CDC - TRUSTEE ALHAMRA ISLAMIC STOCK FUND (CDC)	17,250,000	0.7033
12	CDC - TRUSTEE APF-EQUITY SUB FUND (CDC)	635,625	0.0259
13	CDC - TRUSTEE APIF - EQUITY SUB FUND (CDC)	636,812	0.0260
14	CDC - TRUSTEE ATLAS ISLAMIC DEDICATED STOCK FUND (CDC)	1,053,312	0.0429
15	CDC - TRUSTEE ATLAS ISLAMIC STOCK FUND (CDC)	5,712,312	0.2329
16	CDC - TRUSTEE ATLAS STOCK MARKET FUND (CDC)	11,240,125	0.4582
17	CDC - TRUSTEE AWT ISLAMIC STOCK FUND (CDC)	254,500	0.0104
18	CDC - TRUSTEE AWT STOCK FUND (CDC)	110,000	0.0045
19	CDC - TRUSTEE FAYSAL ASSET ALLOCATION FUND (CDC)	191,500	0.0078
20	CDC - TRUSTEE FAYSAL ISLAMIC DEDICATED EQUITY FUND (CDC)	2,480,000	0.1011
21	CDC - TRUSTEE FAYSAL ISLAMIC STOCK FUND (CDC)	1,138,000	0.0464
22	CDC - TRUSTEE FAYSAL MTS FUND - MT (CDC)	305,000	0.0124
23	CDC - TRUSTEE HBL FINANCIAL SECTOR INCOME FUND PLAN 1 - MT (CDC)	183,500	0.0075
24	CDC - TRUSTEE HBL INCOME FUND - MT (CDC)	531,500	0.0217
25	CDC - TRUSTEE HBL IPF EQUITY SUB FUND (CDC)	275,000	0.0112
26	CDC - TRUSTEE KSE MEEZAN INDEX FUND (CDC)	3,184,500	0.1298
27	CDC - TRUSTEE LAKSON EQUITY FUND (CDC)	1,958,687	0.0799
28	CDC - TRUSTEE MCB PAKISTAN ASSET ALLOCATION FUND (CDC)	2,225,000	0.0907
29	CDC - TRUSTEE MCB PAKISTAN STOCK MARKET FUND (CDC)	38,753,160	1.5799
30	CDC - TRUSTEE MEEZAN ASSET ALLOCATION FUND (CDC)	115,625	0.0047
31	CDC - TRUSTEE MEEZAN BALANCED FUND (CDC)	206,250	0.0084
32	CDC - TRUSTEE MEEZAN ISLAMIC FUND (CDC)	5,769,812	0.2352
33	CDC - TRUSTEE NBP BALANCED FUND (CDC)	25,312	0.0010

Sr. No.	Name	No. of Shares Held	%
34	CDC - TRUSTEE NBP SARMAYA IZAFA FUND (CDC)	13,000	0.0005
35	CDC - TRUSTEE NBP STOCK FUND (CDC)	254,375	0.0104
36	CDC - TRUSTEE PAKISTAN CAPITAL MARKET FUND (CDC)	1,248,750	0.0509
37	CDC - TRUSTEE UBL DEDICATED EQUITY FUND (CDC)	80,000	0.0033
38	CDC - TRUSTEE UBL RETIREMENT SAVINGS FUND - EQUITY SUB FUND (CDC)	1,000,000	0.0408
39	CDC - TRUSTEE MEEZAN DEDICATED EQUITY FUND (CDC)	108,750	0.0044
40	CDC-TRUSTEE ALHAMRA ISLAMIC ASSET ALLOCATION FUND (CDC)	8,500,250	0.3465
41	CDC-TRUSTEE HBL ISLAMIC STOCK FUND (CDC)	325,000	0.0132
42	MCBFSL - TRUSTEE ABL ISLAMIC STOCK FUND (CDC)	2,050,000	0.0836
43	MCBFSL - TRUSTEE PAK OMAN ADVANTAGE ASSET ALLOCATION FUND (CDC)	175,000	0.0071
44	MCBFSL - TRUSTEE PAK OMAN ISLAMIC ASSET ALLOCATION FUND (CDC)	125,000	0.0051
45	MCBFSL TRUSTEE ABL ISLAMIC DEDICATED STOCK FUND (CDC)	52,500	0.0021
Directors and their Spouse and Minor Children (Name Wise Detail):			
1	MAJ GEN NASEER ALI KHAN (RETD)	1	0.0000
2	MR. WAQAR AHMED MALIK	1	0.0000
3	MR. QAMAR HARIS MANZOOR (CDC)	10,125	0.0004
4	DR. NADEEM INYAT	1	0.0000
5	MR. SAMI UL HAQ KHILJI	1	0.0000
6	SYED BAKHTIYAR KAZMI	1	0.0000
7	MS. NAILA	1	0.0000
8	MS. MALIHA HUMAYUN BANGASH	1	0.0000
Executives:		-	-
Public Sector Companies & Corporations:		-	-
Banks, Development Finance Institutions, Non Banking Finance Companies, Insurance Companies, Takaful, Modarabas and Pension Funds:		165,815,634	6.7601%
Shareholders holding five percent or more voting intrest in the listed company (Name Wise Detail)			
1	COMMITTEE OF ADMIN. FAUJI FOUNDATION	1,512,161,838	61.6492

All trades in the shares of the listed company, carried out by its Directors, Executives and their spouses and minor children shall also be disclosed:

S.NO.	NAME	SALE	PURCHASE	BONUS
1	MR. QAMAR HARIS MANZOOR (CDC)			1,125

Categories of Shareholding required under (Code of Corporate Governance (CCG

As at June 30, 2023

Ser	Categories of Shareholders	No of Shareholders	Shares Held	Percentage
1	Directors, Chief Executive Officer, their spouse and minor children	8	10,132	0.0004
2	Associated Companies, undertakings and related parties (Parent Company)	4	1,638,724,338	66.8091
3	NIT & ICP	3	9,282,350	0.3784
4	Banks Development Financial Institutions, Non Banking Financial Institutions	16	94,977,497	3.8721
5	Insurance Companies	16	57,642,889	2.3500
6	Modarabas	6	1,350,624	0.0551
7	Mutual Funds	45	114,775,932	4.6793
8	**General Public**			
	a. Local	12,757	387,701,705	15.8062
	b. Foreign	29	801,197	0.0327
9	**Others (to be specified)**			
	a. Investment Companies	7	665,187	0.0271
	b. Joint Stock Companies	149	108,659,876	4.4299
	c. Pension Funds	18	11,844,624	0.4829
	d. Foreign Companies	5	15,780,455	0.6434
	e. Others	63	10,630,414	0.4334
	Total	**13,126**	**2,452,847,220**	**100**
10	**Shareholders Holding 10% or more of the Total Capital**			
	Committee of Admin Fauji Foundation		1,512,161,838	61.6492
11	**Shareholders Holding 5% or more of the Total Capital**			
	Committee of Admin Fauji Foundation		1,512,161,838	61.6492
			1,512,161,838	**61.6492**

12 During the financial year the trading in shares of the company by the Directors, CEO, CFO, Company Secretary and their spouses and minor children is as follows:

Ser	Name	Sale	Purchase
		0	0

FINANCIAL CALENDAR – 2023/2024

The Company's Financial Year start from 1st July and end at 30th June each year. Tentative schedule for announcement of financial results in 2023/2024 is as under:-

a.	Annual General Meeting	-	27th October 2023
b.	1st Quarter ending 30th September 2023	-	20th October 2023
c.	2nd Quarter ending 30th December 2023	-	Last week of Feb 2024
d.	3rd Quarter ending 31st March 2024	-	Last week of Apr 2024
e.	Annual Accounts year ending 30th June 2024	-	Last week of August 2024

Notice of 31st Annual General Meeting

31st Annual General Meeting (AGM) of the shareholders of Fauji Cement Company Limited (FCCL) will be held at Pearl Continental Hotel, The Mall, Rawalpindi on 27th October 2023 (Friday) at 1530 hours to transact the following business:-

Ordinary Business

1. To confirm the minutes of 14th Extraordinary General Meeting held on 22nd June 2023.

2. To consider, approve and adopt Annual Audited Accounts of the Company together with the Directors' and Auditors' Reports for the year ended 30th June 2023.

   In accordance with Section 223 of the Companies Act, 2017 and pursuant to S.R.O. 389(I)/2023 dated 21st March 2023, the financial statements of the Company have been uploaded on the website of the Company which can be downloaded from the following web-link and QR enabled code:-

   https://fccl.com.pk/en/annual-reports/

3. To appoint Statutory Auditors of the Company and fix their remuneration for the year ending 30th June 2024.

Special Business

4. To consider and approve the increase in Director's Remuneration and for this purpose pass the following resolution as special resolution with or without any amendment, modification or alteration:-

   "**RESOLVED THAT** the following increase in remuneration of the Chairman and the non-executive and independent directors of the Company, for attending Board and Committee Meeting, be and is hereby approved".

Meeting	Existing Remuneration	Remuneration after Increase
Board Meeting	Chairman Rs. 150,000 Directors Rs 100,000	Chairman Rs 225,000 Directors Rs 150,000
Committee Meeting	Rs 100,000	Rs. 150,000

Notice of 31st Annual General Meeting

Other Business

5. To transact any other business with permission of the Chairman.

By Order of
FCCL Board of Directors

Brig Abid Hussain Bhatti, SI(M), (Retd)
Company Secretary

Rawalpindi
Dated 06 October 2023

Enclosure: Statement of Material Facts covering the above-mentioned Special Business, as required under Section 134(3) of the Companies Act 2017.

Closure of Share Transfer Books

The Share Transfer Books of the Company will remain closed from 21st October to 27th October 2023 (both days inclusive) for the purpose of attending AGM.

Notes

1. A member of the Company entitled to attend and vote at the General Meeting may appoint a member as proxy to attend and vote in place of member at the meeting. Proxies in order to be effective must be received at Company's registered office duly stamped and signed not later than 48 hours before the time of holding meeting. A member cannot appoint more than one proxy. Attested copy of shareholder's CNIC must be attached with the proxy form.

2. The CDC/ sub account holders are required to follow the under mentioned guidelines as laid down by Securities and Exchange Commission of Pakistan contained in Circular No. 1 of SECP dated 26th January 2000:-

a. For Attending the Meeting

(1) In case of individuals, the account holder or sub-account holder shall authenticate his / her identity by showing his / her original national identity card or original passport at the time of attending the meeting.

(2) In case of corporate entity, the Board of Directors' resolution/ power of attorney with specimen signature of the nominee shall be produced at the time of meeting.

Notice of 31st Annual General Meeting

b. For Appointing Proxies

(1) In case of individuals, the account holder or sub-account holder shall submit the proxy form as per the above requirement.

(2) The Proxy Form shall be witnessed by the two persons whose names, addresses and CNIC Numbers shall be mentioned on the Form.

(3) Attested copies of CNIC or Passport of the beneficial owners and the Proxy shall be furnished with the Proxy Form.

(4) The Proxy shall produce his/ her original CNIC or original Passport at the time of meeting.

(5) In case of corporate entity, the Board of Directors' Resolution/ Power of Attorney with specimen signature shall be submitted along with Proxy Form.

3. Shareholders who have not yet submitted photocopies of their CNIC are requested to send the same at the earliest.

4. Participation in the AGM through Video Conferencing

a. To attend the AGM through video-conferencing facility, members are requested to register themselves by providing the following information through email at secretaryoffice@fccl.com.pk at least forty-eight hours before the AGM. (1) the name of member (2) CNIC/ NTN No (3) Folio No / CDC IAS No (4) Cell No and (5) Email Address.

b. Members will be registered, after necessary verification as per the above requirement and will be provided a video-link by the Company via email.

c. Only those members will be accepted at the AGM via video-conferencing whose names match the details shared with the company for registration (as mentioned in point 'a' above).

d. The login facility will remain open from 03:00 a.m., till the end of AGM.

(Signature of member)

5. Procedure for E-Voting

a. Details of the e-voting facility will be shared through an e-mail with those members of the Company who have their valid CNIC numbers, cell numbers and e-mail addresses (Registered email ID) available in the register of members of the Company by the close of business on 20th October 2023 by M/s Corplink (Private) Limited (being the e-voting service provider).

b. Identity of the members intending to cast vote through e-voting shall be authenticated through electronic signature or authentication for login.

c. E-voting lines will start from 24th October 2023, 09:00 a.m. and shall close on 26th October 2023 at 5:00 p.m.

d. Members can cast their votes at any time in this period. Once the vote on a resolution is cast by a Member, he / she shall not be allowed to change it subsequently.

6. Procedure for Voting Through Postal Ballot.

. The members shall ensure that duly filled and signed ballot paper along with copy of valid CNIC shall reach the Chairman of the meeting through post on the Company's registered address, at Fauji Towers, Block-III, 68-Tipu Road, Chaklala, Rawalpindi or email at secretaryoffice@fccl.com on or before 26th October 2023 during working hours. The signature on the ballot paper shall match with the signature on CNIC. For the convenience of the members, ballot paper is available on the Company's website at www.fccl.com for the download.

7. Availability of Financial Statements and Reports on the Website

a. In accordance with the provisions of Section 223 (6) and (7) of the Companies Act 2017, the Audited Financial Statements of the Company for the year which ended on 30th June 2023, are available on the Company's website (http://www.fccl.com.pk).

b. Notwithstanding the above, the Company will provide hardcopies of the audited financial statements, to any member on their request, at their registered address, free of cost, within one (1) week of receiving such request.

8. Deposit of Physical Shares into CDC Account.

a. As per Section 72 of the Companies Act, 2017, every existing Listed Company is required to replace its Physical Shares with Book-Entry Form (CDC Accounts) in a manner as may be specified and from the date notified by the Commission.

b. The shareholders having physical shareholding are encouraged to open CDC sub account with any of the brokers or Investor Account directly with CDC to place their Physical Shares into scrip less form. This will facilitate them in many ways, including safe custody and sale of shares, any time they want, as the trading of Physical Shares is not permitted as per existing regulations of the Pakistan Stock Exchange.

9. Provision of International Banking Account Number (IBAN Detail)

"Under the provisions of Section 242 of the Companies Act, 2017 and SECP's Circular No 421(I) 2018 dated 19th March 2021, listed Company must pay cash dividends directly into shareholders' designated bank accounts. Shareholders are required to provide their International Bank Account Number (IBAN) details as directed by SECP.

Notice of 31st Annual General Meeting

10. Submission of the CNIC/ NTN Details (Mandatory)

As per notification of the Securities and Exchange Commission of Pakistan (SECP) vide SRO 779(1)/2011 dated 18th August 2011 and SRO 83(1)/ 2012 dated 5th July 2012, dividend warrants should include CNIC number of the registered member or the authorized person, except for minors and corporate members. Shareholders who have not submitted copy of their valid CNIC or NTN for corporate entities should provide to the Company's Shares Registrar. Non-compliance may result in the withholding of dividend warrants until the valid CNIC copy is provided.

11. Unclaimed and Unpaid Dividend / Shares

Shareholders, who have not received previous years dividend amount, right share certificates or share certificates lodged for transfer are requested to please contact to the Company or Share Registrar in this regard. The detail of unclaimed / unpaid dividend and share certificates is available at Company's website www.fccl.com.

12. Submission of Email Address and Contact Number.

Shareholders are requested to provide their valid email address and cell number enabling the Company / Registrar to send the detail of E-Voting procedure. CDC shareholders submit the information to respective member Stock Exchange and physical shareholders to the Company or Share Registrar.

13. Change of Address.

Members are requested to notify any change in their addresses immediately. For any further assistance, the members may contact the Company or the Share Registrar at the following address:-

a. Registered Office - FCCL

Company Secretary
Fauji Cement Company Limited

Fauji Towers, Block -III, 68 Tipu Road
Chaklala, Rawalpindi, Pakistan
Tel: +92-051-9280081- 83
Website: htpp://www.fccl.com.pk

b. FCCL Registrar

M/s Corplink (Pvt) Limited

Wings Arcade, 1-K, Commercial
Model Town Lahore, Pakistan
Tel: +92-042-35916714-19, 35839182
Email: corplink786@gmail.com,
Website: http://www.corplink.com.pk

Statement of Material Facts

Under Section 134 (3) of the Companies Act, 2017

Increase in Remuneration of Directors

1. As per Article 68 of the Articles of Association of the Company read with the Listed Companies (Code of Corporate Governance) Regulations, 2019, the remuneration of directors for attending meetings of the Board and at Committees is required to be fixed in accordance with the formal policy and transparent procedure approved by the Board.

2. FCCL's Board approved the Remuneration Policy in accordance with Article 68.

3. The Board has, upon the recommendation of the HR&R Committee, resolved to increase the remuneration of its Chairman and non-executive and independent directors, subject to approval of the shareholders of the Company, in light of the following:-

    a. The importance of sufficient and appropriate remuneration of independent / non-executive directors and its link to the performance of the Company;

    b. The need to attract, retain and motivate independent / non-executives of the quality required to run the Company successfully;

    c. The need to ensure that Directors are compensated in accordance with their skill set and experience and for the time they contribute to the Board;

    d. To bring the remuneration of the Directors of the Company at par with the remuneration paid to directors of other companies operating in the same industry;

Meeting	Existing Remuneration	Remuneration after Increase
Board Meeting	Chairman Rs. 150,000 Directors Rs 100,000	Chairman Rs 225,000 Directors Rs 150,000
Committee Meeting	Rs 100,000	Rs. 150,000

Ballot Paper

For voting through post for the Special Business at the Annual General Meeting of Fauji Cement Company Limited to be held on Friday, October 27th, 2023 at 15:30 PM (PST) at Pearl Continental Hotel, The Mall, Rawalpindi. Designated email address of the Chairman at which the duly filled in ballot paper may be sent: secretaryoffice@fccl.com.pk

Name of shareholder/joint shareholders	
Registered Address	
Folio No. / CDC Participant / Investor ID with sub-account No	
Number of shares held	
CNIC, NICOP/Passport No. (in case of foreigner) (Copy to be attached)	
Additional Information and enclosures (In case of representative of body corporate, corporation and Federal Government.)	
Name of Authorized Signatory:	
CNIC, NICOP/Passport No. (In case of foreigner) of Authorized Signatory - (Copy to be attached)	

I/we hereby exercise my/our vote in respect of the following resolutions through postal ballot by conveying my/our assent or dissent to the following resolution by placing tick (√) mark in the appropriate box below (delete as appropriate);

Special Resolution

Agenda Item 4

To consider and approve the increase in Director's Remuneration and for this purpose pass the following resolution as special resolution with or without any amendment, modification or alteration:-

*"**RESOLVED THAT** the following increase in remuneration of the Chairman and the Directors (i.e. Non-Executive and Independent Directors) of the company, for attending Board and Committee Meeting, be and is hereby approved".*

Meeting	Existing Remuneration	Remuneration after Increase
Board Meeting	Chairman Rs. 150,000 Directors Rs 100,000	Chairman Rs 225,000 Directors Rs 150,000
Committee Meeting	Rs 100,000	Rs. 150,000

I/We hereby exercise my / our vote in respect of above mentioned special resolutions through postal ballot by conveying my / our assent or dissent to the said resolutions by placing tick (?) mark in the appropriate box below:-

Sr. No.	Nature and Description of resolutions	No. of ordinary shares for which votes cast	I/We assent to the Resolutions (FOR)	I/We dissent to the Resolutions (AGAINST)
1	Special Resolution as per Agenda # 4 (as given above)			

____

Signature of shareholder(s) / Proxy Holder Signature / Authorized Signatory
(In case of Corporate entity, please affix company stamp)

Place: _______________

Date: _______________

NOTES:

Dully filled postal ballot should be sent to Chairman, Fauji Cement Company Limited Fauji Towers, Block -III, 68 Tipu Road Chaklala, Rawalpindi, Pakistan or through email at secretaryoffice@fccl.com.pk.
Copy of CNIC, NICOP/Passport No. (In case of foreigner) should be enclosed with the postal ballot form
Postal ballot forms should reach chairman of the meeting till 5.00 p.m. 26 October 2023. Any postal ballot received after this date, will not be considered for voting.
Signature on postal ballot should match with signature on CNIC, NICOP/Passport (In case of foreigner).
Incomplete, unsigned, incorrect, defaced, torn, mutilated, over written ballot paper will be rejected.

Form of Proxy

31ST ANNUAL GENERAL MEETING – 27TH OCTOBER 2023

I/we ________________ of ______________being a member(s) of Fauji Cement Company Limited, holding _______ordinary shares as per Registered Folio No /CDC Account No _____.____ hereby appoint Mr./ Mrs./Miss________________of (full address)____________________ or failing him / her Mr./Mrs/Miss _______________(address) __________________ (being member of the Company) as my/our Proxy to attend, act and vote for me/us and on my/our behalf at the **31st Annual General Meeting** of the Company to be held on **27th October 2023 (Friday)** and /or any adjournment thereof.

Please affix
Rupees Fifty
revenue Stamp

____

Signature of Shareholders

(The signature should agree with the Specimen registered with the Company)

Signed this ___day of ___2023.

Signature of Proxy _____________

Witnesses:-

1. Signature:	______________________	**2.** Signature:	______________________
Name:	______________________	Name:	______________________
Address:	______________________	Address:	______________________
	______________________		______________________
	______________________		______________________
CNIC/Passport No	______________________	CNIC/ Passport No	______________________

Notes

1. A member entitled to attend and vote at the meeting may appoint another member as his / her proxy who shall have such rights as attending, speaking and voting at the meeting, as are available to a member.
2. Proxy shall authenticate his/her identity by showing his / her Computerized National Identity card (CNIC) or original passport and bring folio number (if members) at the time of attending the meeting.
3. In order to be effective, the instructions/proxy forms must be received at the Company's Registered Office address at FCCL Head Office, Fauji Towers, Block-3, 68 Tipu Road, Chaklala, Rawalpindi not later than **48 hours** before the meeting duly signed and stamped and witnessed by two persons with their signatures names, address, CNIC numbers given on the form.
4. In the case of individuals attested copies of CNIC or passport of the beneficial owners and the proxy shall be furnished with the proxy form.
5. In the case of proxy by a corporate entity, Board of Directors resolution/power of attorney and attested copy of the CNIC or passport of the proxy shall be submitted along with proxy Form.

NOTES

URDU SECTION

پراکسی فارم

31واں سالانہ اجلاس عام۔ 27اکتوبر 2023

میں/ہم۔۔۔۔۔۔۔۔۔۔۔۔۔بحیثیت فوجی سیمنٹ کمپنی لمیٹڈ کے رکن (اراکین)۔۔۔۔۔۔۔۔۔۔۔۔۔عام حصص بمطابق رجسٹرڈ فولیونمبر/سی ڈی سی اکاؤنٹ نمبر۔۔۔۔۔۔۔۔۔۔۔۔۔اپنی جانب سے محترم/محترمہ۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔کوتقرر کرتا/کرتی ہوں۔ان کا مکمل پتہ۔۔۔۔۔۔۔۔۔۔۔اوران کی عدم موجودگی میں محترم/محترمہ۔۔۔۔۔۔۔۔۔۔۔۔کا تقرر کرتا/کرتی ہوں۔ان کا مکمل پتہ ۔۔۔۔۔۔۔۔۔رجسٹرڈ فولیونمبر/سی ڈی سی اکاؤنٹ نمبر (اگرممبر ہے) ۔۔۔۔۔۔۔۔۔۔۔کو اپنی/ہماری عدم موجودگی میں کمپنی کے 27 اکتوبر 2023 بروز جمعہ ہونے والے سالانہ اجلاس عام میں شرکت کرنے،حق رائے دہی استعمال کرنے یا کسی بھی التواء کی صورت میں اپنا/ہمارا پراکسی مقرر کرتا ہوں/کرتے ہیں۔

۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔

دستخط شیئر ہولڈر

دستخط کا کمپنی کے ساتھ رجسٹرڈ دستخط کے نمونے سے مشابہت ہونا لازمی ہے

پچاس روپے مالیت کے ریونیو ٹکٹ

۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔

دستخط پراکسی

آج بروز۔۔۔۔۔۔۔بتاریخ۔۔۔۔۔۔۔۔۔۔۔2023 کو دستخط کئے گئے

گواہان:۔

گواہ نمبر۔۱	**گواہ نمبر۔۲**
دستخط۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔	دستخط۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔
نام۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔	نام۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔
پتہ۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔	پتہ ۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔
شناختی کارڈ /پاسپورٹ نمبر۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔	**شناختی کارڈ /پاسپورٹ نمبر**۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔

اطلاع

۱۔ ایک رکن جو اجلاس میں حاضر ہونے اور ووٹ ڈالنے کا اہل ہے اپنی جگہ کسی اور شیئر ہولڈر کو اپنے نمائندے کے طور پر مقرر کرسکتا ہے جو ایسے حقوق جیسے حاضر ہونے، بات کرنے اور اجلاس میں ووٹ ڈالنے کیلئے اہل ہوجائیگا/گی جیسے حقوق ایک رکن کو دستیاب ہیں۔

۲۔ نمائندہ اجلاس میں حاضری کے وقت اپنی شناخت کا ثبوت اپنا کمپیوٹرائزڈ قومی شناختی کارڈ یا اصل پاسپورٹ دکھا کر ظاہر کرے گا/گی اور فولیو نمبرز (اگر ممبر ہے) بھی ہمراہ لائے گا/گی۔

۳۔ پراکسی فارم موثر ہونے کی غرض سے فوجی سیمنٹ کمپنی لمیٹڈ، ہیڈ آفس، فوجی ٹاوز، بلاک۔۳، ۶۸ ٹیپو روڈ، چکلالہ، راولپنڈی، پاکستان پر اچھی طرح دستخط اور مہر اور دو اشخاص کی گواہی مع ان کے دستخط، نام، پتہ اور شناختی کارڈ نمبر جو فارم پر دیا گیا ہے۔ اجلاس کے انعقاد سے زیادہ سے زیادہ 48 گھنٹے قبل موصول ہونا لازمی ہے۔

۴۔ اگر معاملہ افراد کا ہے۔تو مستفید ہونے والے افراد کے تصدیق شدہ اپنا کمپیوٹرائزڈ قومی شناختی کارڈ یا اصل پاسپورٹ کی تصدیق شدہ نقول پراکسی فارم کے ہمراہ بھیجنے ہوں گے۔

۵۔ کارپوریٹ ادارے کی صورت بورڈ آف ڈائریکٹرز کی قرارداد/مختار نامہ مع نمونہ دستخط پراکسی (Proxy) فارم کے ساتھ کمپنی کو پیش کیا جائے گا۔

اصل حقائق کی دستاویز زیر سیکشن (3)134، کمپنیز ایکٹ، 2017

1۔ کمپنی کی ایسوسی ایشن کے آرٹیکل 68 کے مطابق درج کمپنیوں کے ساتھ پڑھا گیا (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019، بورڈ اور کمیٹیوں کے اجلاسوں میں شرکت کے لیے ڈائریکٹرز کا معاوضہ بورڈ کی طرف سے منظور شدہ پالیسی اور شفاف طریقہ کار کے مطابق طے کرنا ضروری ہے۔

2۔ آرٹیکل 68 کے مطابق، فوجی سیمنٹ کمپنی لمیٹڈ کے بورڈ نے معاوضے کی پالیسی کی منظوری دے دی ہے۔

3۔ بورڈ نے، HR&R کمیٹی کی سفارش پر، کمپنی کے چیئرمین، نان ایگزیکٹو اور آزاد ڈائریکٹرز کے معاوضے میں کمپنی کے شیئر ہولڈرز کی منظوری سے مشروط اضافہ کرنے کا فیصلہ کیا ہے۔

الف۔ کمپنی کی کارکردگی کی مناسبت سے آزاد/غیر ایگزیکٹو ڈائریکٹرز کے مناسب معاوضے کی اہمیت۔

ب۔ اس ضمن میں، کمپنی کو کامیابی سے چلانے کے لیے درکار معیار کے نان ایگزیکٹو اور آزاد ڈائریکٹرز کو برقرار رکھنا اور ان کی حوصلہ افزائی کرنا۔

ج۔ اس بات کو یقینی بنانے کی ضرورت ہے کہ ڈائریکٹرز، جب تک وہ بورڈ کو حصہ ہیں، کو ان کی مہارت اور تجربے کے مطابق معاوضہ دیا جائے۔

د۔ کمپنی کے ڈائریکٹرز کے معاوضے کو دوسری کمپنیوں کے ڈائریکٹرز کو ادا کیے جانے والے معاوضے کے برابر لانا۔

میٹنگ	موجودہ معاوضہ	اضافے کے بعد منظوری
بورڈ میٹنگ	چیئرمین 150,000 روپے ڈائریکٹرز 100,000 روپے	چیئرمین 225,000 روپے ڈائریکٹرز 150,000 روپے
کمیٹی میٹنگ	100,000 روپے	150,000 روپے

اطلاع برائے 31واں سالانہ اجلاس عام

10۔ **CNIC/NTN کی تفصیلات کی فراہمی (لازمی)**

سکیوریٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کے نوٹیفکیشن بذریعہ SRO 779(1)/2011 مؤرخہ 18 اگست 2011 اور SRO 83(1)/2012 مؤرخہ 5 جولائی 2012 کے تحت، منافع جات کی اطلاع کے کاغذات پر رجسٹرڈ ممبر یا اس کے مجاز شخص کا CNIC نمبر موجود ہونا چاہیے، ماسوا بچوں کے یا کاروباری اداروں کے۔ اسی طرح جن شراکت داروں نے تاحال اپنے مؤثر CNIC یا ادارہ ہونے کی صورت میں اپنے NTN کی نقل کمپنی کو فراہم نہیں کی، ان سے گزارش کی جاتی ہے کہ یہ نقول کمپنی کے شیئرز رجسٹرار کے پاس جمع کروائیں۔ عمل درآمد نہ ہونے کی صورت میں کمپنی، نگران ادارے کے علم میں لاکر، منافع جات کی دستاویزات کو روک سکتی ہے تاوقتیکہ ممبر قانون کے مطابق اپنے CNIC کی نقل فراہم کردے۔

11۔ **غیر طلب شدہ/غیر اداشدہ منافع جات**

ایسے شراکت داران جو کسی وجہ سے اپنے غیر طلب شدہ/غیر اداشدہ منافع جات اب تک طلب نہیں کر سکے، ان سے گزارش کی جاتی ہے کہ ایسے منافع جات، اگر کوئی ہوں، حاصل کرنے کے لیے یا ان کے بارے میں دریافت کرنے کے لیے ہمارے شیئرز رجسٹرار میسرز کارپلنک (پرائیویٹ) لمیٹڈ، ونگز آرکیڈ، 1-K، کمرشل، ماڈل ٹاؤن، لاہور سے رابطہ کریں۔ اس ضمن میں کمپنی نے شراکت داران کو ان کے رجسٹرڈ پتوں پر نوٹس بھجوا دیے ہیں اور اخبارات میں اشاعت کے ذریعے بھی ان سے درخواست کی گئی ہے کہ اپنے کلیم جمع کرائیں۔

12۔ **ای میل ایڈریس اور رابطہ نمبر جمع کروانا**

شیئر ہولڈرز سے درخواست کی جاتی ہے کہ وہ اپنا درست ای میل ایڈریس اور سیل نمبر فراہم کریں جو کمپنی/رجسٹرار کو ای ووٹنگ کے طریقہ کار کی تفصیل بھیجی جا سکے۔ سی ڈی سی کے شیئر ہولڈرز متعلقہ ممبر اسٹاک ایکسچینج اور فزیکل شیئر ہولڈرز مذکورہ معلومات کمپنی یا شیئرز رجسٹرار کے پاس جمع کرائیں۔

13۔ **پتے کی تبدیلی:** ممبران سے گزارش ہے کہ ان کے پتے میں کسی طرح کی تبدیلی کی صورت میں فوری طور پر آگاہ کریں۔ مزید معاونت کے حصول کے لیے، ممبران کمپنی یا شیئرز رجسٹرار سے درج ذیل پتوں پر رابطہ کر سکتے ہیں:

الف۔ **رجسٹرڈ آفس — FCCL**

کمپنی سیکرٹری، فوجی سیمنٹ کمپنی لمیٹڈ،
فوجی ٹاور، بلاک —III، 68 ٹیپو روڈ،
چکلالہ، راولپنڈی، پاکستان۔
ٹیلی فون: +92-051-9280081-83
ویب سائٹ: http://www.fccl.com.pk

ب۔ **FCCL رجسٹرار**

میسرز کارپلنک (پرائیویٹ) لمیٹڈ،
ونگز آرکیڈ، 1-K، کمرشل
ماڈل ٹاؤن، لاہور، پاکستان۔
ٹیلی فون: +92-042-35916714-19, 35839182
ای میل: corplink786@gmail.com
ویب سائٹ: http://www.corplink.com.pk

ج۔ AGM میں ویڈیو کانفرنسنگ کے ذریعے صرف وہی ممبران شامل ہوں گے جن کے نام رجسٹریشن کے لیے کمپنی کے ساتھ شیئرز کی گئی تفصیلات سے مماثل ہوں گے۔

د۔ لاگ ان کی سہولت شام 3:00 بجے سے AGM کے اختتام تک کھلی رہے گی۔

5۔ **ای ووٹنگ کا طریقہ کار**

الف۔ ای ووٹنگ کی سہولت کی تفصیلات کمپنی کے ان ممبران کے ساتھ ایک ای میل کے ذریعے شیئرز کی جائیں گی جن کے پاس اپنے درست CNIC نمبر، موبائل نمبر اور ای میل ایڈریس (رجسٹرڈ ای میل آئی ڈی) کمپنی کے رجسٹر میں M/s Corplink (پرائیویٹ) لمیٹڈ مورخہ 20 اکتوبر 2023 کو کاروبار کے اختتام تک دستیاب ہوں گے۔

ب۔ ای ووٹنگ کے ذریعے ووٹ ڈالنے کا ارادہ رکھنے والے اراکین کی شناخت الیکٹرانک دستخط یا لاگ ان کے لیے تصدیق کے ذریعے کی جائے گی۔

ج۔ ای ووٹنگ لائنیں 24 اکتوبر 2023 صبح 09:00 بجے سے شروع ہوں گی اور 26 اکتوبر 2023 کو شام 5:00 بجے بند ہوں گی۔

د۔ ممبران اس مدت میں کسی بھی وقت اپنا ووٹ ڈال سکتے ہیں البتہ ایک بار جب کسی ممبر کی طرف سے قرارداد پر ووٹ ڈال دیا جاتا ہے، تو اسے بعد میں تبدیل کرنے کی اجازت نہیں ہوگی۔

6۔ **پوسٹل بیلٹ کے ذریعے ووٹ ڈالنے کا طریقہ کار۔** تمام ممبران اس بات کو یقینی بنائیں گے کہ صحیح طریقے سے بھرے ہوئے اور دستخط شدہ بیلٹ پیپر درست کمپیوٹرائزڈ شناختی کارڈ کی کاپی کے ساتھ میٹنگ کے چیئرمین تک کمپنی کے رجسٹرڈ ایڈریس " فوجی ٹاورز، بلاک –III، 68 ٹیپو روڈ، چکلالہ، راولپنڈی" بذریعہ ڈاک یا secretaryoffice@fccl.com پر مورخہ دفتری اوقات میں بذریعہ ای میل بھیجیں۔ بیلٹ پیپر پر دستخط CNIC پر دستخط سے مماثل ہونے چاہیے۔ اراکین کی سہولت کے لیے، بیلٹ پیپر کمپنی کی ویب سائٹ www.fccl.com پر ڈاؤن لوڈ کرنے کے لیے دستیاب ہے۔

7۔ **سالانہ آڈٹ شدہ مالی گوشوارے کی دستیابی**

الف۔ کمپنیز ایکٹ 2017 کے سیکشن 223 (6) اور (7) کے تحت، 30 جون 2023 کو ختم ہونے والی مالی سال کے لیے کمپنی کے آڈٹ شدہ مالی گوشوارے کمپنی کی ویب سائٹ (http://www.fccl.com.pk) پر فراہم کیے گئے ہیں۔

ب۔ اس کے علاوہ اگر کوئی شراکت دار سالانہ آڈٹ شدہ مالی گوشوارے، کاغذ پر پرنٹ شدہ صورت میں بھی حاصل کرنے کا خواہش مند ہو، تو اس کی درخواست کے وصول ہونے کے سات فعال دنوں کے اندر بلا قیمت فراہم کر دی جائے گی۔

8۔ **فزیکل شیئرز کو CDC اکاؤنٹ میں جمع کرانا**

الف۔ کمپنیز ایکٹ، 2017 کے سیکشن 72 کے تحت، ہر موجودہ لسٹڈ کمپنی کے لیے لازم ہے کہ وہ کمیشن کی اعلان کردہ تاریخ سے اور اس کے مقرر کردہ طریقے کے مطابق اپنے فزیکل شیئرز کو بک انٹری فارم (CDC اکاؤنٹ) میں بدل دے۔

ب۔ ایسے شراکت داران جن کے پاس فزیکل شیئرز ہیں انھیں ترغیب دی جاتی ہے کہ کسی بھی بروکر یا سرمایہ کار اکاؤنٹ کے ساتھ CDC کا ذیلی اکاؤنٹ کھولیں اور اپنے فزیکل شیئرز کو غیر کاغذی شکل میں تبدیل کر لیں، اس سے انھیں کئی طرح کی سہولت حاصل ہوگی جس میں انھیں حفاظت کے ساتھ رکھنا اور ان کی محفوظ خرید و فروخت شامل ہیں کیونکہ پاکستان سٹاک ایکسچینج کے موجودہ ضابطوں کے تحت فزیکل شیئرز کی خرید و فروخت کی اجازت نہیں۔

9۔ **انٹرنیشنل بینکنگ اکاؤنٹ نمبر (IBAN) کی تفصیلات کی فراہمی**

کمپنیز ایکٹ، 2017 کے سیکشن 242 اور SECP کے سرکلر نمبر 2018(I)421 مؤرخہ 19 مارچ 2021 کے تحت، کسی لسٹڈ کمپنی کے لیے یہ لازم ہے کہ اپنے شراکت داروں کو منافع جات کی ادائیگی صرف شراکت دار کے مجاز بینک اکاؤنٹ میں الیکٹرانک طریقے سے کرے۔ مزید برآں، SECP نے اپنے خط مؤرخہ 19 مارچ 2021 میں ہدایت کی ہے کہ تمام لسٹڈ کمپنیاں اپنے شراکت داروں سے انٹرنیشنل بینک اکاؤنٹ نمبر (IBAN) کی تفصیلات حاصل کریں۔

اطلاع برائے 31واں سالانہ اجلاس عام

شیئرز کی منتقلی کے کھاتہ جات کی بندش

میٹنگ میں شرکت کرنے کے لیے کمپنی کے شیئرز کی منتقلی کے کھاتہ جات 21 اکتوبر سے 27 اکتوبر 2023 (دونوں دن سمیت) بند رہیں گے۔

نوٹ

1۔ میٹنگ میں شرکت کرنے اور ووٹ دینے کا استحقاق رکھنے والا رکن اپنی جگہ کسی دوسرے شخص کو بطور پراکسی، میٹنگ میں شرکت کرنے اور اپنی جگہ ووٹ دینے کے لیے مقرر کر سکتا ہے۔ پراکسی کے تقرر کی دستاویز جس پر باقاعدہ دستخط اور مہر موجود ہو میٹنگ کے مقررہ وقت سے کم از کم 48 گھنٹے قبل کمپنی کے رجسٹرڈ آفس میں موصول ہو جانی چاہیے۔ کوئی ممبر ایک سے زیادہ پراکسی مقرر نہیں کر سکتا۔ شراکت دار کے کمپیوٹرائزڈ شناختی کارڈ (CNIC) کی مصدقہ نقل فارم کے ساتھ لازماً منسلک کی جائے۔

2۔ CDC اکاؤنٹ رکھنے والوں کو درج ذیل رہنما اصولوں کی پیروی کرنا ہوگی جیسا کہ SECP کے 2000 کے سرکلر نمبر 1 مؤرخہ 26 جنوری 2000 میں بیان کیے گئے ہیں:۔

الف۔ **میٹنگ میں شرکت کے لیے**

(1) ایک فرد کی صورت میں، اکاؤنٹ ہولڈر یا ذیلی اکاؤنٹ ہولڈر، میٹنگ میں شرکت کے وقت اپنی شناخت کے ثبوت کے طور پر اپنا اصل CNIC یا اصل پاسپورٹ دکھائے گا۔

(2) کاروباری ادارے کی صورت میں، بورڈ آف ڈائریکٹرز کی قرارداد/مختار نامہ جس پر مقررہ دستخط ہوں اور میٹنگ کے وقت نامزد فرد کے مؤثر CNIC کی مصدقہ نقل بھی فراہم کرنا ہوگی۔

ب۔ **پراکسی کے تقرر کے لیے**

(1) ایک فرد کی صورت میں، اکاؤنٹ ہولڈر یا ذیلی اکاؤنٹ ہولڈر، مذکورہ بالا ضرورت کے مطابق پراکسی فارم جمع کرائے گا۔

(2) پراکسی فارم پر دو افراد بطور گواہ دستخط کریں گے جن کے نام، پتے اور CNIC نمبر فارم پر درج کیے جائیں گے۔

(3) اصل شراکت دار اور پراکسی دونوں کے CNIC کی مصدقہ نقول پراکسی فارم کے ساتھ منسلک کی جائیں گی۔

(4) پراکسی اپنا اصل CNIC یا اصل پاسپورٹ میٹنگ کے وقت فراہم کرے گا۔

(5) کاروباری ادارے کی صورت میں، بورڈ آف ڈائریکٹرز کی قرارداد/مختار نامہ جس پر مقررہ دستخط موجود ہوں پراکسی فارم کے ساتھ کمپنی کو فراہم کیا جائے گا۔

3۔ جن شیئرز ہولڈرز نے ابھی تک اپنے CNIC کی فوٹو کاپی جمع نہیں کرائی، ان سے درخواست ہے کہ وہ جلد از جلد اپنے CNIC کی فوٹو کاپی جمع کروائیں۔

4۔ **ویڈیو کانفرنسنگ کے ذریعے AGM میں شرکت**

الف۔ ویڈیو کانفرنسنگ کی سہولت کے ذریعے AGM میں شرکت کے لیے، ممبران سے درخواست کی جاتی ہے کہ وہ secretaryoffice@fccl.com.pk پر ای میل کے ذریعے درج ذیل معلومات فراہم کر کے خود کو رجسٹر کریں:۔

(1) ممبر کا نام

(2) کمپیوٹرائزڈ شناختی کارڈ نمبر

(3) فولیو نمبر، سی ڈی سی IAS نمبر

(4) موبائل نمبر

(5) ای میل ایڈریس

ب۔ ممبران کو ضروری تصدیق کے بعد مندرجہ بالا ضرورت کے مطابق رجسٹر کیا جائے گا اور کمپنی کی طرف سے ای میل کے ذریعے ویڈیو لنک فراہم کیا جائے گا۔

اطلاع برائے 31واں سالانہ اجلاس عام

فوجی سیمنٹ کمپنی لمیٹڈ کے شراکت داران کا 31واں سالانہ اجلاسِ عام (AGM) بمقام پرل کانٹینینٹل ہوٹل، دی مال، راولپنڈی، بتاریخ 27 اکتوبر 2023 بروز جمعہ بوقت 1530 بجے منعقد ہوگا جس میں درج ذیل امور طے کیے جائیں گے:

عمومی امور

1۔ 22 جون 2023 کو منعقد ہونے والے 14ویں غیر معمولی اجلاسِ عام کی کارروائی کی توثیق کرنا۔

2۔ 30 جون 2023 کو ختم ہونے والے مالی سال کے کمپنی کے سالانہ آڈٹ شدہ اکاؤنٹس اور ڈائریکٹرز اور آڈیٹرز کی رپورٹ کو زیرِ غور لانا اور ان کی منظوری دینا۔

کمپنیز ایکٹ 2017 کے سیکشن 223 کے مطابق اور SRO.389(I)/2023 مورخہ 21 مارچ 2023، کمپنی کے مالیاتی گوشواروں کو کمپنی کی ویب سائٹ پر اپلوڈ کر دیا گیا ہے جسے درج ذیل ویب لنک اور QR فعال کوڈ سے ڈاؤن لوڈ کیا جا سکتا ہے۔

http://fccl.com.pk/en/annual-reports/

3۔ 30 جون 2024 کو ختم ہونے والے مالی سال کے لیے کمپنی کے منظور شدہ آڈیٹرز کا تقرر کرنا اور ان کے معاوضے کا تعین کرنا۔

خصوصی امور

4۔ ڈائریکٹرز کے معاوضوں میں اضافے پر غور و غوض کرنا اور اس مقصد کے لئے درج ذیل عمومی قرارداد کی مع ترمیم یا بغیر ترمیم کے ساتھ پاس کرنا۔

"قرار دیا جاتا ہے کہ بورڈ اور کمیٹی میٹنگ میں شرکت کے لئے کمپنی کے چیئرمین اور ڈائریکٹرز (یعنی نان ایگزیکٹو اور آزاد ڈائریکٹرز) کے معاوضوں میں درج ذیل اضافہ منظور کیا جاتا ہے"

میٹنگ	موجودہ معاوضہ	اضافے کے بعد منظوری
بورڈ میٹنگ	چیئرمین 150,000 روپے ڈائریکٹرز 100,000 روپے	چیئرمین 225,000 روپے ڈائریکٹرز 150,000 روپے
کمیٹی میٹنگ	100,000 روپے	150,000 روپے

دیگر امور

5۔ چیئرمین کی اجازت سے کمپنی کے دیگر کسی طرح کے امور پر غور کرنا۔

راولپنڈی

مؤرخہ : 5 اکتوبر، 2023

بحکم بورڈ آف ڈائریکٹرز، فوجی سیمنٹ کمپنی لمیٹڈ
بریگیڈیر (ر) عابد حسین بھٹی، ستارۂ امتیاز (ملٹری)
کمپنی سیکریٹری

منسلک دستاویزات:

مذکورہ بالا خصوصی امور سے متعلق کمپنیز ایکٹ 2017 کے سیکشن 134(3) کے تحت اصل حقائق پر مبنی تحریری دستاویز

افغانستان کو برآمدات میں بہتری کا امکان ہے لیکن اس کا انحصار ملک کے استحکام پر ہوگا۔	افغانستان میں صورت حال کے استحکام کے باعث، کمپنی کی افغانستان کی برآمدات میں اضافہ ہوا اور یہ 0.4 ملین ٹن رہیں جبکہ مالی سال 2022 کی برآمدات 0.3 ملین ٹن تھیں۔

گزشتہ سال اعلان کیے گئے زیرِ تعمیر منصوبوں کی موجودہ صورت حال

نظام پور توسیعی پراجیکٹ

پراجیکٹ اس سال کے دوران کامیابی سے مکمل ہوگیا۔

SAP کا نفاذ

اس سال کے دوران کامیابی سے نفاذ ہوگیا اور یکم اکتوبر 2022 سے اس کے مطابق کام شروع ہو چکا ہے۔

ڈیرہ غازی خان توسیعی منصوبہ

اس پر کام جاری ہے اور مالی سال 2024 کی دوسری سہ ماہی میں اس کا تجارتی بنیادوں پر کام کا آغاز کرنا متوقع ہے۔

مستقبل کے تخمینوں/پیشن گوئیوں کے لیے استعمال ہونے والی معلومات اور مفروضوں کے ذرائع

مستقبل کی پیشن گوئی اور تخمینے ہمیشہ کچھ حد تک غیر یقینی صورت حال سے مشروط ہوتے ہیں اور اس میں کچھ مفروضے ہوتے ہیں۔ کمپنی میں تمام تخمینے اور پیشن گوئیاں ماضی کے رجحانات، انتظامیہ کی طرف سے کیے گئے اقدامات اور فیصلوں، مارکیٹ کے موجودہ حالات اور ممکنہ پیش رفت (سیمنٹ کی صنعت کی یا مجموعی معیشت سے متعلق) کا تنقیدی تجزیہ کرنے کے بعد کی جاتی ہے۔ فیصلہ سازی کے عمل کے ایک حصے کے طور پر، بورڈ آف ڈائریکٹرز اور اس کی کمیٹیاں بجٹ اور پیشن گوئیوں کے لیے انتظامیہ کے استعمال کیے گئے مفروضوں اور معلومات کا تنقیدی تجزیہ کرتی ہیں۔

کمپنی کی داخلی معلومات کمپنی کے اچھی طرح سے لیس ڈیٹا بیس سے حاصل کی جاتی ہیں اور بیرونی معلومات تحقیق میں مصروف کمپنیوں، نگران اداروں، مالیاتی اداروں اور متعلقہ تجارتی تنظیموں سے حاصل کی جاتی ہیں۔

وقار احمد ملک

چیئرمین بورڈ آف ڈائریکٹرز

راولپنڈی

مؤرخہ 29 اگست 2023

قمر حارث منظور

چیف ایگزیکٹو آفیسر/ منیجنگ ڈائریکٹر FCCL

راولپنڈی

مؤرخہ 29 اگست 2023

مستقبل کا جائزہ

اس امر کو مدِنظر رکھتے ہوئے کہ ہم نے مالی سال 2023 کا اختتام کس صورت حال میں کیا، اگلا مالی سال پاکستان کی معیشت اور خاص طور پر کاروبار کے لیے اس وقت تک مشکل رہے گا جب تک کہ افراطِ زر اور شرح سود میں نمایاں کمی نہ ہو جائے اور بالآخر دوبارہ دس کے ہندسے سے نیچے نہ آ جائے۔ آئی ایم ایف کے قرض کے باوجود مالی سال 2024 میں بیرونی قرضوں کی ادائیگی کی ضروریات روپے کو دباؤ میں رکھیں گی، خاص طور پر آئی ایم ایف کے ساتھ طے کی گئی یہ شرط کہ اوپن مارکیٹ اور بینک کے نرخ کا فرق 1.25 فیصد کے اندر رکھا جائے گا۔

سیمنٹ مارکیٹ کے حوالے سے، تعمیراتی سامان کی قیمتوں کے تاریخ کی بلند ترین سطح پر پہنچنے کے باعث مقامی مارکیٹ میں سیمنٹ کی طلب بدستور دباؤ میں رہے گی، تاہم سیاسی غیر یقینی صورتحال کے ختم ہونے کے بعد مالی سال 2024 کی دوسری ششماہی میں بحالی کی کچھ امید موجود ہے۔ افغانستان کو سیمنٹ کی برآمدات کی مالی سال 2023 میں بحالی حوصلہ افزا ہے اور توقع ہے کہ یہ رفتار اگلے مالی سال میں بھی جاری رہے گی۔

بورڈ کی قابل رہنمائی کے تحت انتظامیہ سیمنٹ کی مارکیٹ میں اپنے حصے کو بڑھانے کی کوشش جاری رکھے گی جس میں ڈیرہ غازی خان میں گرین فیلڈ توسیعی منصوبے کی تکمیل ایک اہم پیش رفت ہوگی جس کے مالی سال 2024 کی دوسری سہ ماہی میں کام شروع کرنے کی توقع ہے۔ سیمنٹ کی لاگت کے اخراجات کو کم کرنے کے اقدامات کو اسی جذبے اور جوش کے ساتھ آگے بڑھایا جائے گا تاکہ مجموعی طور پر کمپنی کی قدر کا اضافہ ہو۔

گزشتہ برس کیے گئے مستقبل کے جائزے کا تجزیہ

گزشتہ برس کے گوشوارے میں بیان کیے گئے جائزے سے اقتباس	فی الواقع نتائج
پاکستان کی معیشت تیزی سے بڑھ رہی ہے اور ہر قدم اپنے ساتھ بلند افراطِ زر کے چیلنجز کو لے کر آ رہا ہے جس نے مرکزی بینک کو شرح سود میں اضافہ کرنے اور ترقی کی رفتار کو سست کرنے پر راغب کیا ہے۔ حکومت کو درپیش تنگ مالیاتی گنجائش اسے PSDP کے اخراجات میں کمی کرنے پر مجبور کرتی ہے۔ اس بار بھی صورت حال مختلف نہیں ہے لیکن یقینی طور پر پہلے سے زیادہ سخت ہے۔ بڑھتی ہوئی مہنگائی، پاکستانی روپے کی قدر میں کمی اور تعمیرات کی زیادہ لاگت سیمنٹ کی طلب کو کم کرنے کا باعث ہو سکتی ہے۔ اس کے علاوہ مالی سال 2023 کی دوسری سہ ماہی اور مالی سال 2024 کی دوسری سہ ماہی کے دوران شمالی زون میں 9 ملین ٹن کی صلاحیت کے نئے پلانٹ فعال ہونے کے باعث صلاحیت کے استعمال کی شرح کم رہے گی۔	مالی سال 2023 میں معاشی سست روی کی وجہ سے مجموعی ترسیلات میں دس فیصد سے زیادہ کی کمی اور بلاتخصیص ہر قسم کے تعمیراتی سامان کی قیمت میں اضافہ دیکھا گیا۔ صنعت کی مجموعی ترسیل 44.6 ملین ٹن رہی جو گزشتہ سال 52.9 ملین ٹن تھی، یوں اس میں 15.7 فیصد کی کمی ہوئی۔ اندرونِ ملک ترسیل میں کمی 16 فیصد تھی یعنی گزشتہ سال کے 47.6 ملین ٹن کی نسبت مالی سال 2023 میں 40 ملین ٹن رہی۔ برآمدات میں کمی 13.1 فیصد تھی یعنی گزشتہ سال کے 5.3 ملین ٹن کی نسبت مالی سال 2023 میں 4.6 ملین ٹن ہوئی۔ مالی سال 2023 کے دوران کمپنی کی سیمنٹ کی ترسیل گزشتہ سال کے 5.6 ملین ٹن کے مقابلے میں 4.8 ملین ٹن ریکارڈ کی گئی۔

مینجنگ ڈائریکٹر کی جائزہ رپورٹ

FCCL پاکستان میں سیمنٹ کے شعبے میں قابل تجدید توانائی کا رجحان ساز رہا ہے، ہماری شمسی توانائی کی پیداواری صلاحیت بڑھ کر 40.1 میگاواٹ تک پہنچ گئی ہے، جس سے ہماری قابل تجدید توانائی کی صافی پیداوار 60,180 میگاواٹ سالانہ ہوگئی ہے۔ اس سے CO2 کے اخراج میں سالانہ تقریباً 31,522 ٹن کمی آئے گی۔ مزید برآں، ہم اپنے تمام سیمنٹ پلانٹس میں 52.5 میگاواٹ کی مشترکہ صلاحیت کے ساتھ پانچ اعلیٰ کارکردگی والے WHRPPs کے حامل ہیں اور انھیں استعمال کرتے ہیں، جس سے CO2 کے اخراج کو تقریباً 120,000 ٹن سالانہ کم کیا جاتا ہے۔ اختیاری پیداوار کے دوران، ماحول دوست توانائی کے یہ دونوں ذرائع کل ضرورت کا 57 فیصد حصہ پورا کرتے ہیں۔

پائیدار ترقی کے لیے کوشاں، FCCL نے 130,000 سے زیادہ درخت لگائے ہیں اور مقامی دیہات، سرکاری اسکولوں اور دفاتر میں 170,000 سے زیادہ پودے تقسیم کیے ہیں، جس سے ان تینوں طرح کے مقامات پر درخت لگانے کی حوصلہ افزائی ہوئی ہے۔ درخت لگانے کی یہ مہم سالانہ تقریباً 7800 ٹن CO2 کو کم کرے گی۔

ہم ان قریبی آبادیوں کی دیکھ بھال کرنے کی اپنی ذمہ داری کو بھی تسلیم کرتے ہیں جہاں ہمارے پلانٹس واقع ہیں، اور ہم ان علاقوں میں صحت، تعلیم، ماحولیاتی پائیداری، اور خواتین کو بااختیار بنانے کے لیے CSR اقدامات میں فعال طور پر مشغول ہیں۔ ڈیرہ غازی خان میں گرین فیلڈ سیمنٹ مینوفیکچرنگ پلانٹ کی تعمیر نے پیشہ ورانہ تربیت، آبادی میں شمسی توانائی کی فراہمی، تعلیم، صحت کی دیکھ بھال، روزگار کے مواقع، اور ماحولیاتی پائیداری پر توجہ مرکوز کرتے ہوئے CSR اقدامات کے لیے نئے امکانات کھولے ہیں۔ ہم گردونواح کی آبادیوں کا طرزِ زندگی بدلنے میں اپنا کردار ادا کرنے کے لیے پرعزم ہیں۔

بات کو سمیٹتے ہوئے، میں اپنے معزز متعلقین کو یقین دلانا چاہتا ہوں کہ ہم آنے والے ایک اور کامیاب سال میں اپنی کمپنی اور ملک کی بہتری کے لیے جدت پسند تصورات کو بروئے کار لاتے ہوئے تندہی سے کام کرتے رہیں گے۔ آخر میں، میں انتظامیہ کی جانب سے اپنے تمام متعلقین کے لیے ان کی مستحکم حمایت اور ہم پر اعتماد کرنے پر تحسین اور تشکر کا اظہار کرتا ہوں۔ میں معزز چیئرمین اور بورڈ آف ڈائریکٹرز کا ان کی گراں قدر رہنمائی اور رہبری کے لیے تہہ دل سے شکریہ ادا کرنا چاہوں گا۔ مجھے یقین ہے کہ ہماری کمپنی مستقبل کے لیے اچھی تیاری میں ہے، اور اپنی استقامت اور لگن کے ساتھ، ہم ترقی کرتے رہیں گے اور اپنے مقاصد کو حاصل کرنے میں کامیاب ہوں گے۔

قمر حارث منظور

چیف ایگزیکٹو آفیسر/مینجنگ ڈائریکٹر FCCL

مینجنگ ڈائریکٹر کی جائزہ رپورٹ

میرے لیے یہ بات اعزاز وافتخار کا باعث ہے کہ میں حال ہی میں مکمل ہونے والے مالیاتی سال کا جائزہ پیش کر رہا ہوں جو اس امر کا شاہد ہے کہ فوجی سیمنٹ کمپنی لمیٹڈ (FCCL) اپنے باوقار مقام کو برقرار رکھتے ہوئے کاروبار کی ترقی اور اس کی قدر میں اضافے کے لیے مسلسل کوشاں ہے۔ ملک کی اعلیٰ سیمنٹ کمپنیوں میں سے ایک کمپنی ہوتے ہوئے ہمارا مقصد اس صنعت میں اپنے کردار کو مزید بہتر بنانا ہے۔

تبدیلی کا سفر جو 2020 میں پیداواری صلاحیت میں اضافے، لاگت میں کمی کے اقدامات اور اپنی پیدا کردہ شمسی توانائی وغیرہ سے شروع ہوا تھا، بدترین اقتصادی حالات کے باوجود اس نے اب نفع دینا شروع کر دیا ہے۔ اس کی شہادت ہمیں آمدن اور منافع کی صورت میں اپنی متاثر کن اقتصادی کارکردگی سے ملتی ہے۔ زیرِ جائزہ سال میں FCCL نے ایک مستحکم مالی کارکردگی کا مظاہرہ کرتے ہوئے گزشتہ برس کے 7.1 ارب روپے کے مقابلے میں 7.4 ارب روپے کا بعد از ٹیکس منافع کمایا ہے باوجود اس کے کہ اس دوران 1.9 ارب روپے کا سُپر ٹیکس بھی نافذ کیا گیا۔ FCCL قومی خزانے میں بھی خاطر خواہ رقم جمع کرانے والا ادارہ رہا اور اس نے مالی سال 2023 میں 25,305 ملین روپے ٹیکس اور دیگر واجبات کے ضمن میں ادا کیے۔ مالی سال 2023 مہنگائی اور شرحِ سُود میں تاریخ کی بلند ترین سطح پر رہنے کے باعث کاروباری اعتبار سے ایک مشکل سال رہا جس کے باعث سیمنٹ کی طلب میں کمی آئی جس نے اس صنعت کو منفی طور پر متاثر کیا۔ ملک کے شمالی اور جنوبی دونوں خطوں میں تعمیراتی سرگرمیاں کم ہونے کی وجہ سے سیمنٹ کی صنعت کی طلب میں 16 فیصد کی کمی واقع ہوئی۔

سخت حالات کے باوجود، FCCL ترقی کی اپنی حکمت عملی پر کاربند رہی اور اللہ سبحانہٗ وتعالیٰ کے فضل سے، اس نے نظام پور سائٹ پر اپنے 6500 ٹن یومیہ کے توسیعی منصوبے کو کامیابی کے ساتھ شروع کیا۔ اس منصوبے میں اخراج کنٹرول کی جدید ترین خصوصیات اور مشینری سے حاصل شدہ زائد حرارت سے بجلی پیدا کرنے والا ایک پلانٹ شامل ہے، جو ہمارے آلودگی سے پاک پاکستان کے عزم پر کو اجاگر کرتا ہے۔ یہ منصوبہ 18 ماہ کے ریکارڈ وقت میں اور بجٹ کے اندر رہ کر کامیابی کے ساتھ مکمل کیا گیا۔ اس کی تکمیل سے فوجی سیمنٹ، سیمنٹ کی پیداوار میں پاکستان کی تیسری سب سے بڑا کمپنی بن گئی ہے۔

مستقبل پر نگاہ ڈالیں تو طویل مدتی بنیادی صنعتی اصولوں میں کوئی تبدیلی نہیں آئی، اور سیمنٹ قوم کے ٹھوس مستقبل کے تعین میں کلیدی کردار ادا کرتا رہے گا۔ کمپنی کی پوری توجہ ڈیرہ غازی خان میں اپنے گرین فیلڈ پروجیکٹ پر ہے جو جنوبی پنجاب، بلوچستان اور سندھ میں اپنی کاروباری رسائی کو بڑھانے کے ساتھ ساتھ نئی منڈیوں کو تلاش کرنے میں معاون ثابت ہوگا۔ اس منصوبے کے مالی سال 2024 کی دوسری سہ ماہی میں مکمل ہونے کی توقع ہے۔

مجھے یہ بتاتے ہوئے خوشی ہو رہی ہے کہ مالی سال 2023 میں ہم نے اپنی مصنوعات میں ایک نئی شے کے طور پر فوجی ٹائل بانڈ متعارف کرایا۔ پائیدار جوڑنے کی اپنی بہترین خصوصیات اور مختلف سطحوں کے لیے موزوں ہونے کے باعث یہ رہائشی اور تجارتی دونوں طرح کی عمارتوں کے لیے ایک عمدہ انتخاب ہے۔

ٹیکنالوجی کے حوالے سے ہم نے اپنی کمپنی میں SAP، ایک جامع انٹرپرائز ریسورس پلاننگ (ERP) سسٹم کو کامیابی کے ساتھ نافذ کیا ہے، اور ہماری تمام افرادی قوت کو SAP کے استعمال میں ماہرانہ تربیت دی گئی ہے۔

ایک ذمہ دار ادارے کے طور پر، FCCL صحت، حفاظت اور ماحولیات کی اپنی بنیادی اقدار کو برقرار رکھنے کے لیے پُرعزم ہے اور اپنے ماحولیاتی اثرات کو منظم کرنے کے لیے کوششیں جاری رکھے ہوئے ہے۔ ہم اپنے پلانٹ کے چلنے کے دوران گرین ہاؤس گیس (CO_2) کے اخراج کو کم کر کے، اپنی قابل تجدید توانائی کی صلاحیت کو بہتر بنا کر، اور بڑے پیمانے پر درخت لگانے کی مہم چلا کر ماحولیاتی پائیداری کے عالمی مقصد میں اپنا حصہ ڈالنے کے لیے پرعزم ہیں۔ کمپنی نے اس سال کے دوران مختلف ماحولیاتی ایوارڈ زجیتے۔

چیئرمین کی جائزہ رپورٹ

دریں اثنا، ڈیرہ غازی خان میں گرین فیلڈ سیمنٹ کی پیداوار کے پلانٹ پر بھی کام جاری ہے، اس پر اچھی پیش رفت ہو رہی ہے اور اس سال کے آخر تک یہ کام کرنا شروع کر دے گا کیونکہ بورڈ آف ڈائریکٹرز اس پراجیکٹ پر گہری نظر رکھے ہوئے ہیں۔

ہم اپنے اقدامات میں بہتر انتظامی اصولوں کو مرکزی حیثیت دینے کے لیے مضبوط عزم رکھتے ہیں۔ ہماری جستجو کا محور احتساب، شفافیت اور اخلاقی رویوں کو برقرار رکھنا ہے۔ پاکستان انسٹی ٹیوٹ آف کارپوریٹ گورننس (PICG) نے بورڈ کی کارکردگی کا آزادانہ طور پر جائزہ لیا جس نے بورڈ اور اس کی کمیٹیوں سے متعلق معاملات میں ڈائریکٹرز کی شرکت کی افادیت پر مثبت رائے دی۔

ہم اپنے ڈائریکٹرز اور انتظامی عہدے داروں کی مسلسل پیشہ ورانہ ترقی کو ترجیح دیتے ہیں۔ اس عزم کی تکمیل میں، ہم نے سال بھر PICG کی طرف سے فراہم کردہ ڈائریکٹرز کے لازمی تربیتی پروگرامز کا انعقاد کیا۔

علاوہ ازیں، آپ کی کمپنی کا ریکارڈ ہے کہ جہاں وہ کام کر رہی ہے، اس معاشرے اور اس میں بسنے والے طبقات کی حالت بہتر بنانے میں اپنے مضبوط عزم کو پورا کرتی ہے۔ کمپنی نے اپنے کام کے علاقے میں صحت کی بنیادی ضروریات کو پورا کرنے کے ساتھ گردونواح کی آبادی کو تعلیمی اور پیشہ ورانہ تربیت کی سہولیات فراہم کی ہیں۔ مزید برآں کمپنی نے ''کاربن سے پاک پاکستان'' کے مشن کی طرف اپنی توجہ مبذول رکھی ہوئی ہے جو اس کے ماحول دوست اقدامات کا حصہ ہے جس میں شمسی توانائی کے پراجیکٹ، مشینری سے پیدا شدہ گرمی کی شدت کو کم کرنے کے پلانٹ اور وسیع شجرکاری شامل ہیں۔

بورڈ آف ڈائریکٹرز کی جانب سے، میں خاص طور پر کمپنی کے تمام شراکت داران کو ان کی مستقل معاونت، قیمتی آراء اور بورڈ پر اعتماد رکھنے پر خراجِ تحسین پیش کرنا چاہتا ہوں۔ میں چیف ایگزیکٹو آفیسر اور کمپنی انتظامیہ کی پیشہ ورانہ وابستگی اور کوششوں پر ہدیہ تہنیت اور ممنونیت پیش کرتا ہوں کہ اس نے بورڈ کی بصیرت کو کامیابی کے ساتھ عملی جامہ پہنایا۔

مجھے کاروباری کامیابی کے اس سفر کا حصہ بننے پر فخر ہے کیونکہ ہم غیر معمولی کارکردگی، تجارتی مواقع سے فائدہ اٹھانے اور پائیدار ترقی کی فراہمی کے لیے کوشاں رہتے ہیں۔ پیشہ ورانہ فضیلت، ذمہ دارانہ طرزِ عمل، اور جدت پسندی کے لیے ہماری وابستگی اس امر کو یقینی بنائے گی کہ ہم سیمنٹ کے شعبے میں ایک سرکردہ فریق کے طور پر موجود رہیں۔

میں آپ کو یقین دلانا چاہتا ہوں کہ بورڈ آپ سب کے مفادات کے تحفظ اور طویل المدت پائیدار ترقی کے حصول کے لیے کمپنی کی رہنمائی کرنے میں اپنا کردار ادا کرتا رہے گا۔

وقار احمد ملک
چیئرمین ایف سی سی ایل بورڈ آف ڈائریکٹرز
راولپنڈی
29 اگست 2023

چیئرمین کی جائزہ رپورٹ

محترم شراکت داران!

میں اس موقع پر مس ملیحہ بنگش کو خوش آمدید کہنا چاہوں گا، جنہوں نے اپنے گراں قدر بین الاقوامی تجربے اور اندرونِ ملک کاروباری بصیرت کے ساتھ آزاد ڈائریکٹر کی حیثیت سے ایک نئی ذمہ داری سنبھالی۔ وہ آڈٹ کمیٹی اور نئی تشکیل شدہ ESG کمیٹی کی سربراہ ہیں۔ یہاں میں بورڈ کے ایک آزاد ڈائریکٹر جناب طارق احمد خان کے کینسر کے باعث انتقال پر گہرے دکھ اور افسوس کا اظہار کرتا ہوں۔ میری دعا ہے کہ اللہ تعالیٰ ان کو جنت الفردوس میں اعلیٰ مقام عطا فرمائے اور ان کی روح کو آسودہ رکھے۔ میں بورڈ کے لیے ان کی انمول خدمات پر مرحوم ڈائریکٹر کو خراجِ تحسین بھی پیش کرنا چاہوں گا۔

بطور چیئرمین، بورڈ آف ڈائریکٹرز، میں فوجی سیمنٹ کمپنی لمیٹڈ (FCCL) کو نظام پور ضلع نوشہرہ، خیبر پختونخوا میں سیمنٹ کی پیداوار کی تیسری لائن کے کامیاب آغاز پر مبارکباد پیش کرتا ہوں۔ یہ ایک بہترین پراجیکٹ ہے جس کے لیے انتظامیہ تعریف اور تحسین کی مستحق ہے۔

نظام پور سیمنٹ پلانٹ میں پیداوار کی تیسری لائن کا اضافہ کمپنی کے متعلقین کے حصص کی قدر میں اضافہ کرے گا اور اس شعبے میں مزید ملازمتوں کے مواقع یقینی بنائے گا۔ اضافی پیداوار سے قومی خزانے کی نمو میں ہمارا حصہ بھی بڑھے گا۔ نئے سیمنٹ پراجیکٹ کا آغاز فوجی فاؤنڈیشن کی معاشرے اور شہداء اور سابق فوجیوں کے خاندانوں کی معاونت کے عظیم مقصد کو آگے بڑھانے اور خدمت جاری رکھنے کے عزم کا مظہر ہے۔

بورڈ بے حد تحسین کرتا ہے کہ زیرِ نظر مالی سال کے دوران مالیاتی ہوں یا مختلف عملی پیمانے، دونوں کے اعتبار سے کمپنی کی کارکردگی شاندار رہی ہے۔ ایندھن اور بجلی کی لاگت کو کم کرنے اور قابلِ تجدید توانائی کے اثرات کو بہتر بنانے کے لیے اہم اقدامات کرنے کے حوالے سے انتظامی ٹیم کی کاوشیں لائقِ تعریف ہیں۔ یوں اس امر کو یقینی بنایا گیا کہ فوجی سیمنٹ کمپنی لمیٹڈ اپنے بہترین مالیاتی نتائج حاصل کرنے میں کامیاب رہی۔

مجھے مالی سال 23-2022 کا جائزہ پیش کرتے ہوئے خوشی ہو رہی ہے جس نے فوجی سیمنٹ کمپنی لمیٹڈ (FCCL) کی حیثیت کو مزید مضبوط کیا ہے، پاکستان کی سیمنٹ انڈسٹری میں اپنی موجودگی کو مستحکم کیا ہے اور کمپنی کے اہم اہداف حاصل ہوئے ہیں۔ مارکیٹ کے اتار چڑھاؤ اور ملک کی معاشی مشکلات کے باوجود، FCCL نے اپنے تمام شراکت داران کے ساتھ کیے گئے وعدوں اور اپنے عزائم کی تکمیل کا سفر جاری رکھا ہوا ہے۔ بورڈ نے بھی اس میں اپنا بھرپور کردار ادا کیا ہے۔

FCCL بورڈ میں، ہم نے مضبوط گورننس اور قانونی فریم ورک کو مستحکم کیا ہے جو قابل اطلاق قوانین اور ضوابط پر عمل درآمد کو یقینی بناتا ہے جو کمپنی کی طویل مدتی ترقی اور کامیابی کے حصول میں بنیادی حیثیت کا حامل ہے۔ بورڈ نے اس سال کے دوران کاروباری حکمت عملی، سالانہ کاروباری منصوبہ بندی، میعادی مالیاتی گوشواروں، افرادی قوت کے مسائل پر لائحہ عمل اور بورڈ کی توجہ کے متقاضی دیگر امور کا جائزہ لینے اور منظوری کے لیے متواتر اجلاس منعقد کیے۔ بورڈ نے کمپنی اور شراکت داران کے ساتھ اپنی وابستگی کو تندہی سے پورا کیا ہے۔

بورڈ نے کئی کمیٹیاں تشکیل دی ہیں جنہیں مشاورت اور نگرانی کے کام سونپے گئے ہیں۔ ان کی سفارشات کو مزید غور و خوض اور فیصلہ سازی کے لیے بورڈ کے سامنے پیش کیا جاتا ہے۔ ان کمیٹیوں کو کاروباری لائحہ عمل کی سفارشات اور انتظامی معاملات کو مضبوط بنانے کے لیے رہنمائی کے امور تفویض کیے گئے ہیں تاکہ وسائل کے بہتر سے بہتر استعمال، سرمایہ کاری کا تخمینہ لگانے اور کاروباری خدشات کے تجزیہ اور تخفیف کے علاوہ سرمائے کے ڈھانچے کو بہتر بنانے سمیت اہم اقدامات پر عمل درآمد کیا جا سکے۔ بورڈ انتظامی امور سے متعلق شعبوں میں بھی معاونت کرتا ہے۔ اہم فیصلوں کو حتمی شکل دینے سے پہلے آزاد ڈائریکٹرز کی گراں قدر آراء پر بھی غور کیا جاتا ہے۔

اس سال، FCCL بورڈ نے کاروبار کے سماجی اور انتظامی پہلوؤں کے ساتھ ساتھ ماحولیاتی تحفظ اور اس کی برقراری کی بڑھتی ہوئی ضرورت اور کردار کو تسلیم کرتے ہوئے بورڈ کی ESG کمیٹی تشکیل دی تھی۔

NOTES

Say No to Corruption

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