

# FAUJI CEMENT

## INDUSTRY INTRODUCTION:-

Cement is an essential raw material for construction and also has a direct correlation to a country's economic growth. It is one of the most widely used ingredients after water. The cement industry alone in the US is worth about \$9.8 billion. Pakistan's Cement industry has seen a positive growth in the recent years as domestic demand for cement increased due to the government having a keen interest in development expenditures and infrastructure.

## COMPANY NAME AND ESTABLISHMENT:-

Fauji cement was established in 1998 with the main purpose to manufacture, produce, prepare, treat, process, refine and sell (import and export) building and construction materials most importantly international quality cement for construction of highways, bridges, industrial and residential complexes and houses.

## NUMBER OF LISTED COMPANIES IN THE INDUSTRY ON PSX:-

There are about twenty two cement companies listed in the Pakistan stock exchange market.

## TOP THREE INDUSTRY LEADERS:-

The top three leaders of cement in industry in Pakistan at the moment are :- Askari cement limited, Maple leaf cement and Attock cement limited. The top three leaders worldwide are LafargeHolcim, a cement company based in Switzerland, Anhui Conch cement, a Chinese based company and CNBM, also a Chinese based company.

## MAIN AND SECONDARY PRODUCTS OF FAUJI CEMENT:-

The main product of Fauji cement as the name indicates is cement and as their mission states that to "maintain a leading position in quality cement". Although they do not have any secondary products yet however they do specialize in various kinds of cement such as :- Ordinary portland cement, sulphate resistant cement, low Alkali cement, low heat of hydration cement, Mohafiz cement and Pamir cement.

## PARENT COMPANY AND GROUPS :-

Fauji cement was founded by the Pakistan armed forces and has two other subsidiaries which are the Fauji Foods, Askari Bank and Fauji Fertilizers.

### **TOP THREE MANUFACTURING AND EXPORTING COUNTRIES:-**

The top three cement manufacturing companies in the world are China, India and the US. The top three exporting countries include Switzerland (cement company Holcim), China (cement company CNBN) and Germany (cement company Heidelberg).

### **RAW MATERIALS AND MANUFACTURING PROCESS :-**

Cement is manufactured into a powder-like substance with the process of calcining raw materials with the two major ones being clay and limestone. The raw materials are locally procured although they do have imported South African coal.

The manufacturing process consists of first the raw materials being extracted, crushed finely and then being corrected for the following mixing which is called "Raw Mix". The raw mix is then grinded in the Raw mill and burnt in a rotary kiln at around 1450°C. During this process the raw mix undergoes a process of chemical reactions and the finished process comes out as a clinker. Lastly the clinker and gypsum is grinded into a fine powder in the cement mill thus producing the end product :- cement.

### **MACHINERY REQUIRED TO MAKE CEMENT:-**

Firstly in order to produce cement a whole factory/ cement plant is required, but the main ones you would need are extraction machinery (to extract raw materials), plant for calcined lime Dry mixing, rotary kilns, clinker grinding units, cement kiln, cement roller plates and much more.

### **COUNTRIES TO WHICH FAUJI CEMENT EXPORT TO :-**

Their current exporting regions and destinations include Central Asia, Afghanistan, Torkham, Ghulam, Chaman Border and India. They also export by sea to Africa and the Far East.

### **SWOT ANALYSIS:-**

**Strength :-**

Fauji cement is one of the Industry's least expensive suppliers with good quality cement which is used by a lot of government projects. In addition to that they also create their own greener fuel and use European sustainable energy. They also have highly trained and highly qualified and skilled workers.

### Weakness:-

There seems to be an opportunity cost for Lucky Cement as there are connectivity and sales issues over South plants due to full capacity in one area i.e. Pakistan. As well as that they have not fully benefited from sea exports and fully utilized their plants in the South. Lastly, Fauji Cement has to incur high material and fuel costs due to its location.

### Opportunities:-

Fauji Cement has a wide range of prospects for development as urbanisation is increasing in many parts of Pakistan. It can be an opportunity for Fauji Cement to increase employees, works, production and sales for e.g. increased construction of buildings, highways, dams and various housing complexes.

### Threats

Rising input costs due to inflation, less construction or sale due to COVID-19 and competitors offering much better packages.

BALANCE SHEET FAUJI CEMENT					
	2016	2017	2018	2019	2020
<b>SHARE CAPITAL AND RESERVES</b>					
Share capital	13798150	12433765	12433765	12433765	12433765
Reserves	4629705	7247360	8055175	8464795	7370551
<b>STOCK HOLDERS EQUITY</b>	<b>18427855</b>	<b>19681125</b>	<b>20488940</b>	<b>20898560</b>	<b>19804321</b>
<b>NON CURRENT LIABILITIES</b>					
long term financing	1,486,178	1,063,045	636,868	317,835	447,321
deferred taxation	0	4,281,496	3,600,638	3,925,740	3,812,831
deferred liabilities	4,482,438	0	0	0	57,651
provision for compensated absences	0	58,014	64,178	71,216	72,541
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>5,968,616</b>	<b>5,402,555</b>	<b>4,301,684</b>	<b>4,314,791</b>	<b>4,390,361</b>
<b>CURRENT LIABILITIES</b>					
trade and other payables	1,968,031	595,672	1,024,758	948,864	1,244,931
Markup accrued	76,265	43,991	35,980	39,021	0

short term borrowings	78,037		1,638,886	990,112	1,869,160
current portion of long term financing	252,595	426,177	426,177	319,034	303,910
provision for taxation-net	312,893	327,672	0	0	0
accrued liabilities	0	539,085	573,347	834,816	1,064,260
security deposits	0	137,904	176,339	219,704	253,940
provision for compensated absences	0	15,244	17,107	20,399	24,700
advances from customers	0	234,644	245,133	324,300	367,950
payable employees fund trust	0	8,625	9,534	11,832	13,520
unclaimed dividend	0	27,084	111,561	43,747	40,050
<b>TOTAL CURRENT LIABILITIES</b>	<b>4,961,181</b>	<b>2,356,098</b>	<b>4,258,822</b>	<b>3,751,829</b>	<b>5,182,450</b>
<b>TOTAL LIABILITIES</b>	<b>10,929,797</b>	<b>7,758,653</b>	<b>8,560,506</b>	<b>8,066,620</b>	<b>9,572,820</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>29,357,652</b>	<b>27,439,778</b>	<b>29,049,446</b>	<b>28,965,180</b>	<b>29,377,140</b>
<b>NON CURRENT ASSETS</b>					
property, plant and equipment	21,701,250	22,003,943	22,624,413	23,202,930	22,125,490
long term advance	0	0	0	0	12,500
long term deposits and pre payments	156,733	86,601	86,601	86,601	86,600
<b>TOTAL NON CURRENT ASSETS</b>	<b>21,857,983</b>	<b>22,090,544</b>	<b>22,711,014</b>	<b>23,289,531</b>	<b>22,224,590</b>
<b>CURRENT ASSETS</b>					
stores,spares,and loose tools	2,177,367	2,194,451	3,067,684	3,055,041	3,505,800
stock in trade	540,588	1,071,970	1,244,805	944,022	1,187,750
trade debts	569,101	1,148,618	1,168,343	947,046	1,050,640
advances	218,947	83,001	37,927	36,176	73,690
trade,deposit,short term pre payment	16,593	53,374	66,669	20,463	19,840
interest accrued	4,447	2,663	1,031	398	
other receivables	982,562	589,761	7,660	104,664	22,160
short term investments	1,324,485	0	0	0	
advance tax - net	0	0	115,550	261,998	731,460
cash and bank balances	1,665,579	517,837	531,759	402,847	561,170
<b>TOTAL CURRENT ASSETS</b>	<b>7,499,669</b>	<b>5,661,675</b>	<b>6,241,428</b>	<b>5,772,655</b>	<b>7,152,550</b>
<b>TOTAL ASSETS</b>	<b>29,357,652</b>	<b>27,752,219</b>	<b>28,952,442</b>	<b>29,062,186</b>	<b>29,377,140</b>
total debt	4,090,170	1,489,222	2,701,931	1,626,981	2,620,400
average assets	29,942,971	28,554,936	28,352,331	29,007,314	29,210,000
average equity	17,923,420	19,054,490	20,085,033	20,693,751	20,351,440
total inventory	2,717,955	3,266,421	4,312,489	3,999,063	4,693,560
average inventory	2,785,951	2,992,188	3,789,455	4,155,776	4,346,310
average receivables	567,621	858,860	1,158,481	1,057,695	998,840
working capital	2,538,488	3,305,577	1,982,606	2,020,826	1,970,090

average working capital	2,110,854	2,922,033	2,644,092	2,001,716	1,995,451
average fixed assets	22,986,339	21,974,264	22,400,779	23,000,273	22,575,061
equity	18,427,855	19,993,566	20,391,936	20,995,566	19,804,321
average total equity	17,923,420	19,210,711	20,192,751	20,693,751	20,399,941

## INCOME STATEMENT FAUJ CEMENT

	2016	2017	2018	2019	2020
Net sales	20044438	20423356	21161087	20798082	17,231,100
cost of goods sold	10879156	15985679	16124517	1547477	16,582,605
Gross Profit	9165282	4437677	5036361	5323311	649,495
Admin and genreal expenses	312108	339766	385602	415979	468,000
Distribution cost	208777	166361	197707	210335	204,000
Operating Profit	8644397	3931550	4453052	4463255	11,000,000
Other Income	268798	442726	104094	92947	36,000
Other expense	578543	291095	311184	326689	0
Earning before Interest Tax	7831306	4083181	4245962	4411908	-173,000
Finance Cost	503346	152960	147813	106758	233,000
Earning before Tax	7831306	3930221	4098149	1587610	-173,000
Earning after Tax	5367200	2613211	3429464	2824298	-59,000

## INCOME STATEMENT COMMON SIZING

	2016	2017	2018	2019	2020
Net sales	100%	100%	100%	100%	100%
cost of goods sold	54%	78%	76%	7%	96%
Gross Profit	46%	22%	24%	26%	4%
Admin and general expenses	2%	2%	2%	2%	3%
Distribution cost	1%	1%	1%	1%	1%
Operating Profit	43%	19%	21%	21%	0%
Other Income	1%	2%	0%	0%	0%
Other expense	3%	1%	1%	2%	0%
Earning before Interest Tax	39%	20%	20%	21%	0%
Finance Cost	3%	1%	1%	1%	1%
Earning before Tax	39%	19%	19%	8%	-1%
Earning after Tax	27%	13%	16%	14%	0%

## BALANCE SHEET COMMON SIZING

	2016	2017	2018	2019	2020
SHARE CAPITAL AND RESERVES					
share capital	47%	45%	43%	43%	42%

reserves	16%	26%	28%	29%	25%
<b>STOCK HOLDERS EQUITY</b>	<b>63%</b>	<b>71%</b>	<b>71%</b>	<b>72%</b>	<b>67%</b>
<b>NON CURRENT LIABILITIES</b>					
long term financing	5%	4%	2%	1.1%	2%
deferred taxation	0%	15%	12%	13.5%	13%
deferred liabilities	15%	0%	0%	0.0%	0%
provision for compensated absences	0%	0%	0%	0.2%	0%
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>20%</b>	<b>19%</b>	<b>15%</b>	<b>14.8%</b>	<b>15%</b>
<b>CURRENT LIABILITIES</b>					
trade and other payables	7%	2%	4%	3%	4%
Markup accrued	0%	0%	0%	0%	0%
short term borrowings	0%	0%	6%	3%	6%
current portion of long term financing	9%	2%	1%	1%	1%
provision for taxation-net	1%	1%	0%	0%	0%
accured liabilities	0%	2%	2%	3%	4%
security deposits	0%	0%	1%	1%	1%
provision for compensated absences	0%	0%	0%	0%	0%
advances from customers	0%	1%	1%	1%	1%
payable employees fund trust	0%	0%	0%	0%	0%
unclaimed dividend	0%	0%	0%	0%	0%
<b>TOTAL CURRENT LIABILITIES</b>	<b>17%</b>	<b>8%</b>	<b>15%</b>	<b>13%</b>	<b>18%</b>

## INCOME STATEMENT INDEX SIZING

	2018	2019	2020
Sales	1	0.98284564	0.81431115
Cost of goods sold	1	0.09597044	0.78363673
<b>Gross profit</b>		0	0
Administrative and general expenses	1	1.05697566	0
Distribution cost	1	1.07877812	0.0930535
<b>Operating profit</b>	1	1.0638723	0.52993501
Other income	1	1.00229124	0.05905709
Other expense	1	0.8929141	0.00811443
<b>EBIT</b>	1	1.04982583	0.005447
Finance cost	1	1.03908325	-0.55679919
<b>EBT</b>	1	0.72225041	0.05506408
Tax	1	0.38739685	-1.1720407
<b>EAT</b>	1	0.82353919	-0.01448971

## BALANCE SHEET INDEX SIZING

### SHARE CAPITAL AND RESERVES

Share capital	1	1	1
Reserves	1	1.05085178	0.91500867
<b>SHE</b>	1	1.01999225	0.96658588

### NON-CURRENT LIABILITIES

Long term financing	1	0.49905946	0.70238574
Deferred taxation	1	1.09029011	1.05893372
Deferred liabilities			
Provision for compensated absences	1	1.10966375	1.13040294
<b>TOTAL NON-CURRENT LIABILITIES</b>	1	1.00304695	1.02061588

### CURRENT LIABILITIES

Trade and other payables	1	0.92593959	1.2148556
Markup accrued	1	1.08451918	0
Short term borrowings	1	0.6041372	1.14051069
Current portion of long term financing	1	0.74859507	0.71311216
Provision for taxation- net		#DIV/0!	#DIV/0!
Accrued liabilities	1	1.45603971	1.8562354
Security deposits	1	1.24591837	1.44006714
Provision for compensated absences current portion	1	1.19243584	1.44432104
Advances from customers	1	1.32295529	1.50103005
Payable to employees provident fund trust	1	1.2410321	1.41892175
Unclaimed dividend	1	0.39213524	0.35900539
<b>TOTAL CURRENT LIABILITIES</b>	1	0.88095464	1.21687593

### TOTAL LIABILITIES

<b>TOTAL LIABILITIES AND EQUITY</b>	1	0.94230645	1.11825458
	1	0.99709922	1.01128073

### NON-CURRENT ASSETS

Property, plant and equipment	1	1.02	0.97794776
Long term advance			
Long term deposits and prepayments	1	1	1
<b>TOTAL NON-CURRENT ASSETS</b>	1	1.02547297	0.97858224

### CURRENT ASSETS

Stores, spares and loose tools	1	0.99587865	1.14281947
Stock in trade	1	0.75836938	0.95416712

Trade debts	1	0.81058901	0.89925647
Advances	1	0.95383236	1.94307485
Trade deposits, short term prepayments and balances with statutory authority	1	0.30693426	0.29763458
Interest accrued	1	0.38603298	0
Other receivables	1	13.6637076	2.89412533
Short term investments			
Advance tax – net	1	2.26739939	6.33031588
Cash and bank balances	1	0.75757439	1.05531641
<b>TOTAL CURRENT ASSETS</b>	1	0.92489331	1.14597973
<b>TOTAL ASSETS</b>	1	1.00379049	1.01466899
total debt	1	0.6021549	0.96982713
average assets	1	1.02310156	0.00103057
average equity	1	1.03030705	1.01326401
total inventory	1	0.92732132	1.08836475
average inventory	1	1.09666852	1.1469491
average receivables	1	0.91300159	0.86220059
working capital	1	1.01927766	0.99368811
average working capital	1	0.75705233	0.75468592
average fixed assets	1	1.02676219	1.00778027
Equity	1	1.02960141	0.9711839
average total equity	1	1.02481088	1.01026071

<b>RATIO ANALYSIS</b>	2016	2017	2018	2019
<b>LIQUIDITY</b>				
current ratio	1.51	2.40	1.47	1.54
quick ratio	0.92	0.98	0.46	0.44
cash ratio	0.6	0.22	0.12	0.11
cash conversion cycle	103.1	82.8	104.9	115.8
<b>SOLVENCY RATIO</b>				
Debt				
debt to asset ratio	37.2%	28.0%	29.6%	27.8%
debt to capital ratio	37.2%	28.3%	29.5%	27.8%
debt to equity	59.3%	39.4%	41.8%	38.6%
financial leverage	1.67	1.49	1.40	1.402
<b>COVERAGE</b>				
interest coverage	16.558	26.694	28.725	42.326
<b>ACTIVITY</b>				
inventory turn over	3.90	5.34	4.25	3.72



days of inventory on hand	93.6	68.4	85.9	98.1
receivable turnover	35.313	23.78	18.266	19.664
days of sales outstanding	10.336	15.349	19.982	18.562
working capital turnover	9.496	6.989	8.003	10.39
number of days payable	0.872	0.929	0.945	0.904
asset turnover	0.669	0.715	0.746	0.717

#### PROFITABILITY RATIOS

Gross Profit margin	45.72%	21.73%	23.80%	26.00%
Operating profit margin	43.13%	19.25%	21.04%	21.46%
net profit margin	27.00%	13.00%	16.00%	14.00%

#### RETURN ON INVESTMENT

operating roa	0.28	0.14	0.15	0.16
return on assets	0.18	0.09	0.12	0.1
return on equity	29.9	13.6	0.17	13.6

#### EQUITY RATIOS

Basic earning per share	3.89	1.894	2.485	2.047
dividends per share	2.75	0.9	2	1.5
price to earning ratio	1.542	5.808	6.437	10.015
earnings per share	0.413	0.743	1.043	1.36

### INDUSTRY AVERAGES:

#### Industry Averages for Activity Ratios:

	2016	2017	2018	2019	2020
Inventory Turnover	5.252	4.5	4.042	3.704	3.248
No. of days in inventory	96.784	97.01	104.076	107.666	115.152
Receivables Turnover	21.546	18.236	13.288	13.858	18.282
No. of days in receivables	12.52	15.43	23.696	27.066	22.702
Payables Turnover	4.604	4.25	3.236	2.644	1.922
No. of days in Payables	84.782	96.742	107.93	130.144	173.36
Working Capital Turnover	0.948	-1.518	2.008	-14.696	-18.138
Fixed Asset Turnover	1.156	0.94	0.74	0.656	0.592
Total Asset Turnover	0.648	0.568	0.476	0.448	0.4

#### Industry Averages for Solvency Ratios:

	2016	2017	2018	2019	2020
Debt to asset ratio	0.394	0.374	0.518	0.448	0.518
Debt to capital ratio	0.528	0.718	0.812	0.616	0.65
Debt to equity ratio	2.03	3.932	5.9	5.502	5.586
Financial leverage ratio	1.068	0.822	0.93	1.178	1.368

#### Industry Averages for Liquidity Ratios:

2016	2017	2018	2019	2020
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Current ratio	2.458433	2.482074	1.882599	1.0975	0.90506
Quick ratio	2.085505	2.186716	1.575343	0.83041	0.648938
Cash ratio	5.367995	1.362424	0.694464	0.423358	0.271766
Defensive Interval ratio	27.18301	13.80624	8.796795	6.425731	3.537264

#### **Industry Averages for Profitability Ratios:**

	2016	2017	2018	2019	2020
Gross Profit Margin	0.399284	0.339027	0.265174	0.190277	0.086132
Operating Profit margin	0.271961	0.249427	0.184217	0.13261	0.009463
Pretax Margin	0.345645	0.273503	0.179796	0.096524	-0.14953
Net Profit Margin	0.236439	0.190764	0.218975	0.127068	-0.19935
Operating ROA	0.561064	0.472196	0.306483	0.21967	0.030322
ROA	0.423009	0.358732	0.308731	0.206531	0.046175
Return on total capital	0.222465	0.565157	0.438808	0.078549	-0.00109
ROE	0.230878	0.154029	0.151035	0.087428	1.290639
Return on Common equity	0.8459	0.581628	0.831524	0.271365	-0.24899

#### **Industry Averages for Valuation ratios:**

Title	2016	2017	2018	2019	2020
P/E	12.44576	20.51832	13.94782	9.01424	243.0975
Basic EPS	110.4458	58.38198	68.39231	55.73314	2.452027
Cash Flow per share	0.758611	0.848681	0.758102	0.884239	1.775586
EBITDA per share	120.7288	64.36427	60.76832	60.47428	-1.24825

#### **General Industry Average (incl. all years)**

##### **Activity Ratios**

Inventory Turnover	4.1492
No. of days in inventory	104.1376
Receivables Turnover	17.042
No. of days in receivables	20.2828
Payables Turnover	3.3312
No. of days in Payables	118.5916
Working Capital Turnover	-6.2792
Fixed Asset Turnover	0.8168
Total Asset Turnover	0.508

#### **General Industry Average (incl. all years)**

##### **Solvency Ratios**

Debt to asset ratio	0.4504
Debt to capital ratio	0.6648
Debt to equity ratio	4.59
Financial leverage ratio	1.0732

**General Industry Average (incl. all years)****Liquidity Ratios**

Current ratio	1.765133
Quick ratio	1.465382
Cash ratio	1.624001
Defensive Interval ratio	11.94981

**General Industry Average (incl. all years):****Liquidity Ratios**

Gross Profit Margin	0.255979
Operating Profit margin	0.169535
Pretax Margin	0.149187
Net Profit Margin	0.114779
Operating ROA	0.317947
ROA	0.268636
Return on total capital	0.260779
ROE	0.382802
Return on Common equity	0.456286

Activity Ratios analysis wrto industry average (FAUJI Cement)			
Title	General Industry Average	5 yrs avg for Fauji Cement	Analysis
Inventory Turnover	4.1492	-15.73371174	Inventory turnover is a measure of how quick the company is in selling the stock and then restocking it, if we compare industry average with fauji cement's average its very low means fauji cement is selling goods at very low pace.

<b>No. of days in inventory</b>	104.1376	-23.57603037	No. days in inventory tells us the number of days it takes for the company to convert its inventory into sales, the lower this ratio would be the better it is for the company, if we comment over the inventory days of fauji cement has very low rate which means its less efficient
<b>Receivables Turnover</b>	17.042	494.3062141	Accounts receivable turnover is described as a ratio of average accounts receivable for a period divided by the net credit sales for that same period. fauji cement has higher avg which shows that it is effecient in collecting its account receivables.
<b>No. of days in receivables</b>	20.2828	5.97548946	Accounts receivable days is a formula that helps you work out how long it takes to clear your accounts receivable. Fauji cement clears its account receivables very quickly.
<b>Payables Turnover</b>	3.3312	-13.44920257	The payables turnover ratio measures the number of times the company pays off all its creditors in one year
<b>No. of days in Payables</b>	118.5916	-39.48570961	No. of days in payables tells us the average number of days it takes the company to pay back its credit suppliers, if we see it with companies perspective so companies prefer to pay later but fauji cement pay backs way more quickly than the industry.

<b>Working Capital Turnover</b>	-6.2792	8.977090316	The working capital turnover ratio measures how well a company is utilizing its working capital to support a given level of sales. fauji Cement has higher working capital which is a positive sign
<b>Fixed Asset Turnover</b>	0.8168	2.074159647	fauji cement has high fixed asset turnover which shows that its earning more from its assets
<b>Total Asset Turnover</b>	0.508	0.816052499	
<b>Solvency Ratios analysis wrto industry average (Fauji Cement)</b>			
<b>Title</b>	<b>General Industry Average</b>	<b>5 yrs avg for FaujiCement</b>	<b>Analysis</b>
<b>Debt to asset ratio</b>	0.4504	0.134510408	Debt asset ratio shows the percentage of your company's assets financed by creditors. fauji Cement has lower ratio which means that less of their assets are funded by debt
<b>Debt to capital ratio</b>	0.6648	0.494986244	The debt to capital ratio is a liquidity ratio that calculates a company's use of financial leverage by comparing its total obligations to total capital. Lower ratio maens lower risk of insolvency
<b>Debt to equity ratio</b>	4.59	0.39715153	The debt to equity ratio shows the percentage of company financing that comes from creditors and investors. fauji cement has lower ratio which shows that the finacning from creditors and invetors are low

<b>Financial leverage ratio</b>	1.0732	1.295313624	the degree of financial leverage (DFL) is a leverage ratio that measures the sensitivity of a company's earnings per share to fluctuations in its operating income, as a result of changes in its capital structure.
<b>Liquidity Ratios analysis wrto industry average (Fauji Cement)</b>			
<b>Title</b>	<b>General Industry Average</b>	<b>5 yrs avg for Fauji Cement</b>	<b>Analysis</b>
<b>Current ratio</b>	1.77	2.091814173	Current Ratio of a company measures a company's ability to pay short-term obligations. Fauji cement's curent ratio is more liquid than the industry which means they have more current assets as compared to the industry.
<b>Quick ratio</b>	1.47	2	
<b>Cash ratio</b>	1.62	0	the cash ratio indicates to creditors, analysts, and investors the percentage of a company's current liabilities that cash. fauji cement has low cash ratio which tells that it is less liquid

<b>Defensive Interval ratio</b>	11.95	-1.923696465	the defensive interval ratio (DIR), also called the defensive interval period (DIP) or basic defense interval (BDI), is a financial metric that indicates the number of days that a company can operate without needing to access noncurrent assets, long-term assets whose full value cannot be obtained within the current. fauji cement has low DFR which shows that it is less liquid
<b>Profitability Ratios analysis wrto industry average (Fauji Cement)</b>			
<b>Title</b>	<b>General Industry Average</b>	<b>5 yrs avg for Fauji Cement</b>	<b>Analysis</b>
<b>Gross Profit Margin</b>	25.60%	24.12%	Gross profit margin is a measure of profitability that shows the percentage of revenue that exceeds the cost of goods sold (COGS). fauji cement has almost same gpm which shows that its efficient.
<b>Operating Profit margin</b>	16.95%	14.57270062	Operating Profit Margin this less than the avg profit which shows that operating profit is lower than other companies and the reasons can be high cost of production, less sales etc
<b>Pretax Margin</b>	14.92%	19.57%	pretax margin is very higher compared to the industry
<b>Net Profit Margin</b>	11.48%	17.33%	net profit margin is also higher as compared to the industry

<b>Operating ROA</b>	9.46%	3.27%	Operating Return on assets is also lower which shows that return on assets in Fauji Cement Limited is lower than other companies
<b>ROA</b>	8.28%	12.22%	The return on assets ratio measures how effectively a company can earn a return on its investment in assets. So Fauji Cement is less effective relative to other companies in earning a return on asset
<b>Return on total capital</b>	26.08%	89.63%	Return on Total Capital (ROTC) is a return on investment ratio that quantifies how much return a company has generated through the use of its capital structure. Fauji Cement is very effective comparatively from other companies in the use of its capital structure
<b>ROE</b>	38.28%	12.76%	The return on equity is a measure of the profitability of a business in relation to the equity. Profitability of equity of Fauji Cement is lower than other companies
<b>Return on Common equity</b>	36.88%		
<b>Valuation Ratios analysis wrto industry average (Fauji Cement)</b>			
<b>Title</b>	<b>General Industry Average</b>	<b>5 yrs avg for Fauji Cement</b>	<b>Analysis</b>
<b>P/E</b>	50.68	-66.94668921	Fauji Cement is better because a high P/E could mean that a stock's price is high relative to earnings and possibly overvalued.



<b>P/CF</b>	13.94	145.9100648	
<b>P/S</b>	1.05	0.218648299	
<b>Basic EPS</b>	43.61	205.4076181	
<b>Cash Flow per share</b>	17.80		
<b>EBITDA per share</b>	50.86		

**CONCLUSION:**