ANNUAL REPORT 2020

FAUJI CEMENT



LET'S BUILD YOUR DREAMS

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VISION

To be a role model cement manufacturing Company, benefiting all stake holders 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



OUR **PRODUCTS**

FCCL accords top priority to its product quality and it has always remained our trademark. We produce top of the line Ordinary Portland Cement (OPC), Low Alkali Cement (LAC), Sulphate Resistant Cement (SRC), Low Heat of Hydration Cement (LHC), Mohafiz Cement and Pamir Cement (Green Cement). Our Laboratory is fully equipped with the latest and state of the art equipment which is in accordance with National and International Standards. As a policy, we focus on the customers' satisfaction and transparency in the business. Brief details of the different cement brands produced by the Company are as under



ORDINARY PORTLAND CEMENT (OPC)

This is the most popular brand in the domestic as well as international market and is known for its high quality and durability. It conforms to the following standards:-

- Pakistan Standard, PS 232-2015 ® CEM I,42.5 N/R
- American Standard, ASTM C-150 Type I & II.
- European Standard, EN 197-1 / 2011 CEM I, 42.5 N/R



LOW ALKALI CEMENT (LAC)

FCCL produces LAC of a superior quality. Greater strength, correct cement contents, low expansion and low alkali contents are the distinction of this product. It is best suited for construction of Dams, Tunnels and Hydro Power Projects. It conforms to the following standards:-

- Pakistan Standard, PS 612-2014 ® CEM 42.5 N/R LA
- American Standard, ASTM C-150 Type I & II
- European Standard, EN 197-1 / 2011 CEM I, 42.5 N/R



SULPHATE RESISTANT CEMENT (SRC)

It is an innovative product which conforms to the national and international testing standards with exceptionally high compressive strength (more than 9200 psi in 28 days). Best suited for Dams, Seawalls, Reservoirs, Sewerage Lines, Water Treatment Plants, Wharfs, Harbors, Basements, etc. It conforms to the following standards:-

- Pakistan Standard, PS 612-2014 ® CEM 42.5 N/R
- American Standard, ASTM C-150 Type V
- European Standard, EN 197-1 / 2011 CEM I,42.5 N/R-SR 3/



LOW HEAT OF HYDRATION CEMENT (LHC)

It is a specially designed cement for the mass concrete structures in which the increase of temperature needs to be controlled to reduce the risk of thermal cracking. High quality, coupled with this unique feature, has made Fauji LHC as one of the preferred product of construction companies as well as Consultants of mega projects like dams. It conforms to the following standards:-

- British Standard, BS-1370
- American Standard, ASTM C-150 Type IV
- European Standard, EN 197-1 / 2011 CEM I, 42.5 N-LH



MOHAFIZ CEMENT

"Mohafiz" is a special product of FCCL, suitable for the domestic and commercial consumers. It is especially designed for water logged and saline areas. Apart from this special feature, this Cement has high strength, therefore, it can be used in all types of construction ranging from basement to roof, water tanks, etc. It conforms to the following standards:-

- Pakistan Standard, PS 612-2014 ® CEM 42.5 N/R
- American Standard, ASTM C-150 Type I, II, IV, V
- European Standard, EN 197-1 / 2011 CEM I, 42.5 N/R- SR 3/5



PAMIR CEMENT

GREEN CEMENT

Pamir is a hybrid class of Portland cement which contains certain percentage of mineral additives. These minerals are added to the Cement to enhance its properties like durability and workability besides making it cost effective. The purpose of manufacturing Pamir Cement is to develop a special product which minimizes the emission of CO_2 while retaining its strength within the specified cement standards. It is a general use product, mainly suitable for Masonry works, Pavements, Reinforced Concrete works, Precast works and Grouts. It complies with following standards:-

- PS 5313-2014, CEM II, 42.5/ B-M
- ASTM, C1157GU
- EN 197-1:2011, CEM II, 42.5/ B-M

CODE OF **CONDUCT**

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 is 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.

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 following broad corporate values that shape our business practices.

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.

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 in contact. Our employees, holding the trust of the Company, are expected to uphold the highest professional standards.

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.

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.







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.

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 purposes.

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.

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.

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.

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.

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 are prudent and effective in use of the resources entrusted to us.



CITIZENSHIP

We support the communities where we do business, hold ourselves to the highest standards of ethical conduct and environment responsibility and communicate openly with people and the resources entrusted to us.



ACCOUNTABILITY

We expect superior performance and results. Our leaders set clear goals and expectations, are supportive and provide and seek frequent feedback.



PEOPLE

Our success depends upon high performing people working together in a safe and healthy work place where diversity, development and team work are valued and recognized.



CUSTOMERS

We listen to our customers and improve our product to meet their present and future needs.

COMPANY **PROFILE**

FCCL Plant located at Jhang Bahtar, District Attock, is one of the leading producer of cement in Pakistan and a major concern of Fauji Foundation. Incorporated as a Public Limited Company, it started its operations in 1997 with the commissioning of 3,150 TPD of cement, F.L. Smidth Plant of Denmark. Subsequently in 2005, the Plant capacity was enhanced to 3,885 TPD.

In order to cope with increasing demand of Cement in the country, Fauji Cement installed a new line of 7,560 TPD of cement, which started its first production on 30th May 2011. The plant is equipped with latest / state of art equipment and is also the first complete German origin Plant of Pakistan Cement Industry. The Portland Cement produced at this plant is the finest in the Country. Major equipment suppliers were:-

a. TKIS (Thyssen Krupp Industrial Solutions) Germany.

b. LOESCHE GmBH Germany (Vertical Cement Mills).

c. Havor&Boecker Germany (Packing Plant).

d. ABB Switzerland (Electrical Equipment and PLC).

The plant capacity was enhanced to 7980 TPD in 2017 with modifications in major equipment.

In pursuance of its commitment to ENVIRONMENT, the Company installed in 2009 first ever Refuse Derived Fuel (RDF) Processing Plant at a cost of Rs.320 Million. It has not only provided economical fuel but demonstrated a better way of disposing Municipal Waste. In addition, this milestone achievement has shown the entire industrial sector the future path to follow.

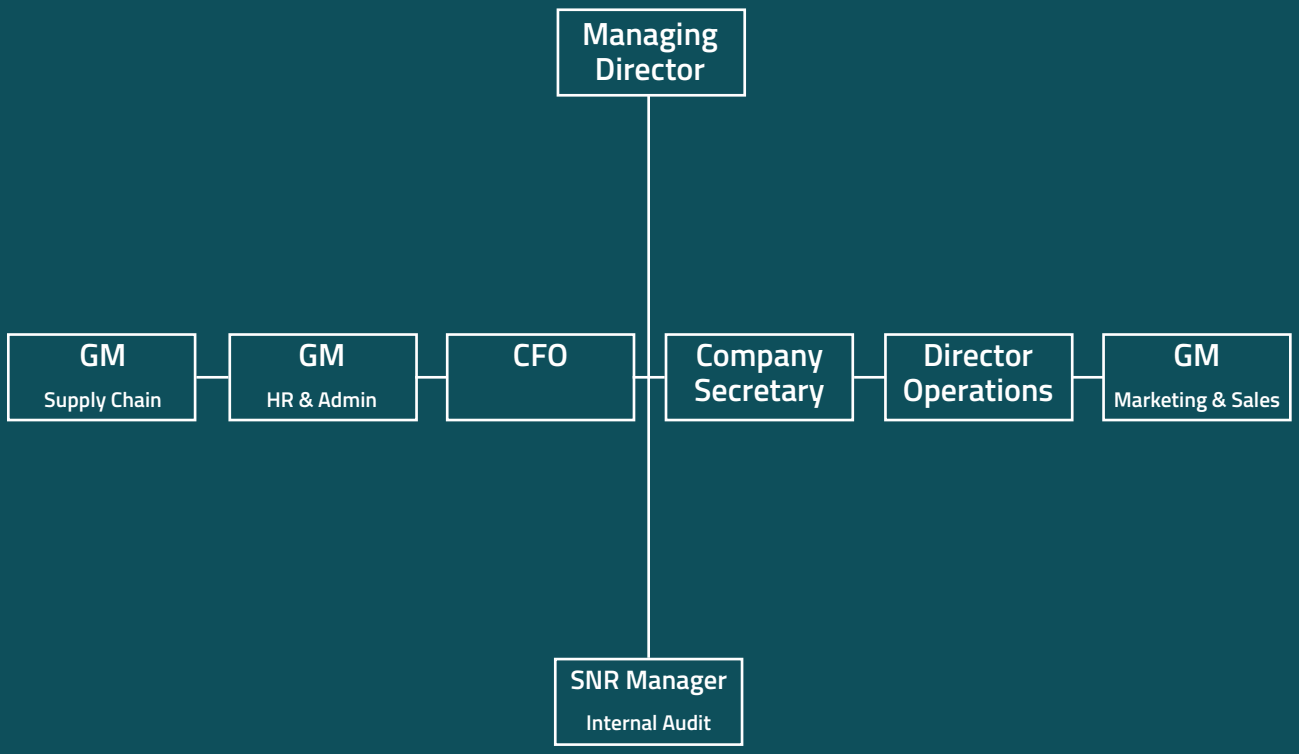
FCCL Management has installed two Waste Heat Recovery Power Plants (WHRPP) of 12 MW and 9 MW respectively, with a concept to convert Waste Heat into energy to promote sustainable environment and reduce load on National Grid. The contract for Engineering and Equipment was awarded to M/s SINOMA Engineering (Energy Conservation Company from China) for both plants. First WHRPP installed on Kiln 2 was formally inaugurated on 14th May 2015 and 2nd WHRPP for Kiln 1 was inaugurated on 28th February 2018.

In line with the Government Policy of reducing power shortage in the country, FCCL is making all out efforts to undertake projects for cheap power generation and has commissioned a 12.5 MW Captive Solar Power Plant in May 2019 and an additional 2.5 MW plant was commissioned in January 2020.

FCCL is an ISO 9001:2015 and ISO 14001:2015 Certified Company with a total capacity of 11,865 TPD of cement. Moreover, FCCL has also been certified for OHSAS 18001: 2007 in 2018.



ORGANIZATIONAL **STRUCTURE**



CFO	Chief Financial Officer
GM	General Manager
SNR	Senior
HR & Admin	Human Resource & Adminstration

HIGHLIGHTS **2020**



Cement Production

3,066,737
(TONS)



Cement Sales

3,082,462
(TONS)



Investment in Solar Power Generation

221
(RS IN MILLION)



Cement Sales Revenue

17,232
(RS IN MILLION)



Investment in Clinker Cooler Upgradation

331
(RS IN MILLION)



Contribution to National Exchequer

10,148
(RS IN MILLION)



Capacity Utilization

87%



Generation of own Electricity

63%
OF TOTAL REQUIREMENT

YEAR AT **A GLANCE**

2019

August

01

133th BODs Meeting

Approval of Final Accounts for FY 2018-19 and Final Dividend 2019 proposed @ Rs 0.75/- per share

02

27th AGM

Shareholders Meeting

September

October

03

134th BODs Meeting

Approval of 1st Quarterly Accounts

04

135 Special BODs Meeting

Shared Services arrangement between FCCL and ACL.

Equity Investment of upto of Rs 200 Million by FCCL in Foundation Solar Energy (Private) Limited (FSEL).

December

2020

January

February

05

Commissioning of Solar Power Plant

Fauji Cement has also installed 2.5 MW Solar Plant by using the internal manpower and expertise.

11th EOGM

Approval of Resource Sharing arrangement with ACL and equity investment in FSEL.

06

136th BODs Meeting

Approval of Half Yearly Accounts

April

07

137th BODs Meeting

Approval of 3rd Quarterly Accounts

June

COMPANY **INFORMATION**

Board of Directors

Mr Waqar Ahmed Malik, Chairman

Mr Qamar Haris Manzoor, CEO/MD

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

Maj Gen Abid Rafique, HI(M), (Retd)

Mr Rehan Laiq

Dr Nadeem Inayat

Mr Sarfaraz Ahmed Rehman

Mr Jawaid Iqbal

Mr Zafar Iqbal Sobani

Ms Jahanara Sajjad Ahmad

Company Secretary

Brig Riaz Ahmed Gondal, SI(M), (Retd)

Tel No. +92-51-9280075

Email: secretary@fccl.com.pk

Chief Financial Officer

Mr Omer Ashraf

Tel No. +92-51-5500157

Email: omer@fccl.com.pk

GM Human Resource & Administration

Brig Abdul Jabar, SI(M), (Retd)

Tel No. +92-51-9280084

Fax No. +92-51-9280416

Email: abdul.jabbar@fccl.com.pk

GM Marketing & Sales

Brig Muhammad Iqbal Tahir, 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

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

Auditors

M/s KPMG Taseer Hadi & Co,

Chartered Accountants

6th Floor, State Life Building No. 5

Jinnah Avenue, Blue Area,

P.O. Box 1323,

Islamabad Pakistan

Tel No. +92-51-282-3558

Fax No. +92-51-2822671

Email for E-Filling & E-Services

Email: secretaryoffice@fccl.com.pk

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

- Years represent financial year



2020

Commissioning of 2.5 MW Solar Power Plant

Shared services agreement with Askari Cement Limited

2019

Commissioning of 12.5 MW Solar Power Plant (Largest Captive Solar Plant in Industry)

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

Highest ever cement production

Highest ever cement sales

Launching of new brand by the name of Muhafiz Cement

2016

Highest ever Profit and Dividend payment in Company's History

2015

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

2012

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

2010

Commissioning of 16.3 MW dual fuel Wartsilla power plant

2009

Commissioning of First ever (in Pakistan) Refuse Defused Fuel (RDF) Plant to run on Municipal Solid Waste

2008

Commissioning of 5.4 MW dual fuel captive power plant

BUSINESS **MODEL**



Optimal Capacity Utilization, Cost Optimization



Primarily, FCCL growth is driven by sales revenue. Presence of FCCL as premium high quality brand in the market powered by effective distribution network in the North zone is the key to sales growth.

Cost optimization through efficient production process and optimal use of resources is our key objective. We continuously seek opportunities to improve efficiency of our business processes to optimize costs.

People, Premium Brand, Efficient Production



Human capital is by far the most valuable asset for FCCL.

Among our valuable assets is our brand name Fauji.

We are continuously investing in our production facilities to enhance operational efficiency through BMR and new projects to reduce energy and fuel cost.

Consumer Satisfaction, Execution Excellence, Future Growth

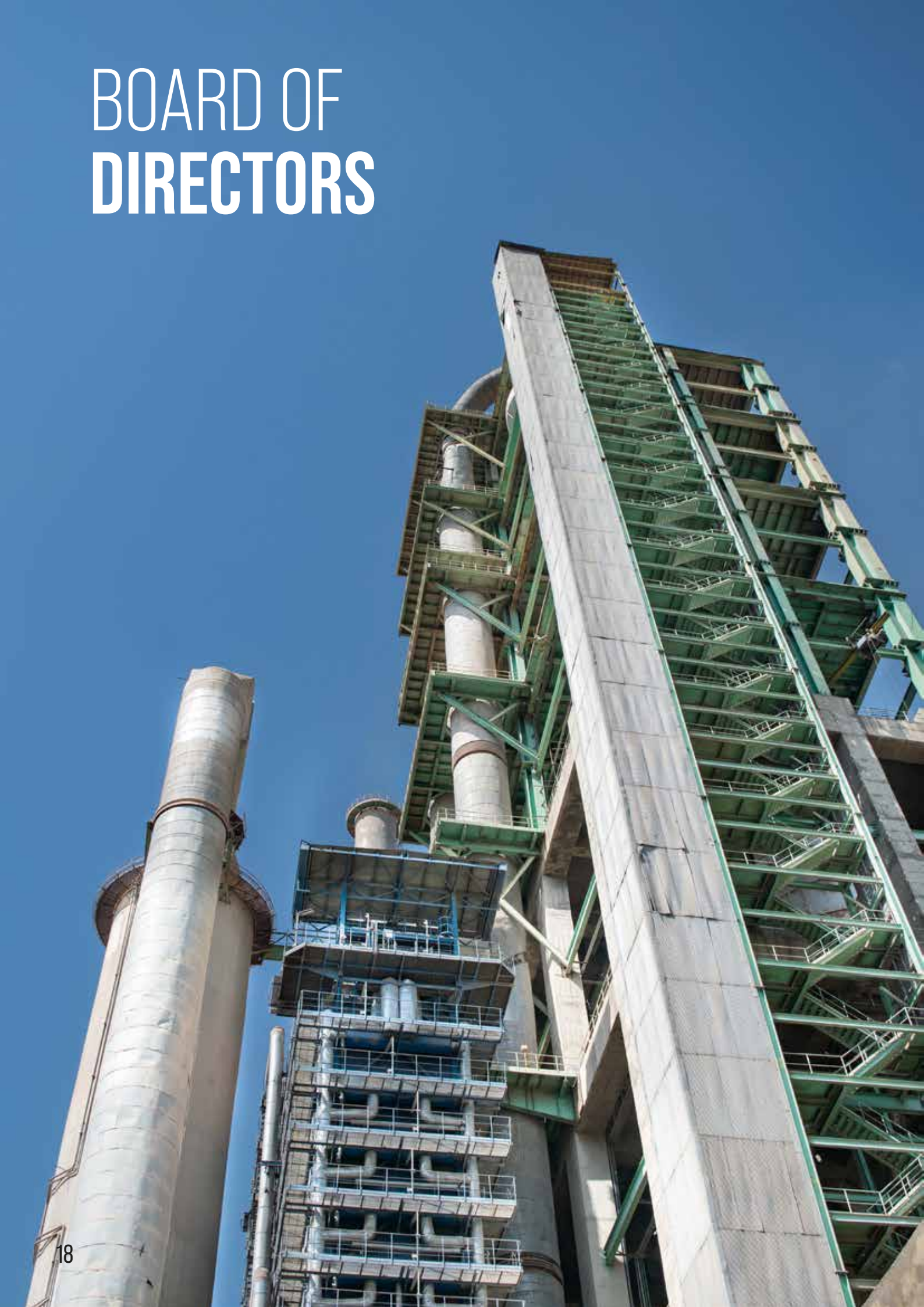


Our assets in turn are leveraged by management excellence. Our strategies are focused around consumer satisfaction and quality protection. The year 2020 witnessed new value added products in FCCL product family.

The pursuit of excellence in every sphere of operation is our aim which ensures continuous success.

Our foresighted management strategies are focused on development of our key assets which form the foundation of our future growth.

BOARD OF **DIRECTORS**



BOARD OF **DIRECTORS**



Mr Waqar Ahmed Malik
Chairman



Mr Qamar Haris Manzoor
CEO, MD



Dr Nadeem Inayat
Non-Executive Director



Maj Gen Abid Rafique, HI(M), (Retd)
Non-Executive Director



Maj Gen Naseer Ali Khan, HI(M), (Retd)
Non-Executive Director



Mr Rehan Laiq
Non-Executive Director



Ms Jahanara Sajjad Ahmad
Independent Director



Mr Jawaid Iqbal
Independent Director



Mr Zafar Iqbal Sobani
Independent Director



Mr Sarfaraz Ahmed Rehman
Non-Executive Director



Brig Riaz Ahmed Gondal, SI(M), (Retd)
Company Secretary



Mr Omer Ashraf
Chief Financial Officer

PROFILE OF **DIRECTORS**



Mr Waqar Ahmed Malik, Chairman

Mr. Waqar Ahmed Malik's corporate & business experience spans over 30 years across three continents. A specialist in Strategy, Corporate / Business leadership and Board Governance, his professional experience includes managing and leading businesses in the petrochemicals, consumer and the life sciences industry. He had a career spanning over 27 years with Fortune 500 companies. His career with the ICI Plc group based in the UK and then Akzo Nobel in the Netherlands provided him opportunity to work in Europe and the Americas. In Pakistan, he was the Country Head of ICI Plc's operations, the largest foreign investment in the chemical sector at the time. For over 10 years, he served as the Chief Executive Officer of ICI Pakistan Limited and also the CEO and Chairman of Lotte Pakistan limited (formerly Pakistan PTA Limited). He moved on from ICI Pakistan Limited in December 2012 post divestment of majority shareholding of the foreign sponsor in ICI Pakistan Limited to a local group. He has vast experience in managing functional teams as well as leading large and complex manufacturing-based operations as well as M & A activities.

Outside his career, his engagements were /are: member of the Board of Central Bank of Pakistan, Chairman Sui Southern Gas Company Limited, Member Board of OGDCL, Karachi Port Trust, Director IGI Insurance Limited, Director ENGRO Corp, Engro Polymer Chemicals Limited, TPL Direct Insurance and Chairman Noesis (Private) Limited.

He remained President of Overseas Investors Chamber of Commerce & Industry, Management Association of Pakistan, Director Pakistan Business Council, Trustee of Lahore University of Management Sciences, Duke of Edinburgh Trust & The Indus Valley School of Art. He is a trustee of I-care Pakistan; was awarded The Prince of Wales medal for his contribution as a Trustee of The Prince of Wales Pakistan Recovery Fund for 2010 flood victims (British Asian Trust).

Currently, he has taken over as MD Fauji Foundation and Chairman FCCL Board on 9th April 2020 and Directors of following Companies:-

- Fauji Cement Company Limited
- Mari Petroleum Company Limited
- Fauji Fertilizer Company Limited
- FFC Energy Limited
- Fauji Fresh n Freeze Limited
- Askari Cement Limited
- Askari Bank Limited
- Fauji Akbar Portia Marine Terminals Limited
- Fauji Trans Terminal Limited
- Fauji Oil Terminal and Distribution Company Limited
- Fauji Infraavest Foods Limited
- Foundation Wind Energy-I Limited
- Foundation Wind Energy-II Limited
- Foundation Power Company Daharki Limited
- Fauji Kabirwala Power Company Limited
- Fauji Fertilizer Bin Qasim Limited
- FFBL Power Company Limited
- Foundation Solar Energy (Private) Limited
- Daharki Power Holdings Limited



Mr Qamar Haris Manzoor, CEO, MD

Mr Qamar Haris Manzoor has done his Masters in Chemical Engineer from US and holds over 33 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. 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 also held senior positions in Operation at Exxon Chemical Pakistan Ltd at their Fertilizer 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 Gross and Net Dependable capacity of 129 MW. The plant is in operation since 1999. 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 FC 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. The project was completed in a record time of 20 months and has been fully commissioned. He also led the 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. The project is now under construction with target completion in November 2021. He took over as MD and CEO of Fauji Cement and Askari Cement on 10th June 2020 as well as MD of Foundation Solar Energy Limited.



Dr Nadeem Inayat

He is Board member of different public sector universities and has conducted various academic courses on Economics, International Trade and Finance at reputable institutions of higher education in Pakistan. He is also a member of Pakistan Institute of Development Economics (PIDE).

He holds a Doctorate in Economics and has over 28 years of diversified domestic as well as international experience in the financial sector. He has vast experience in corporate governance, policy formulation and deployment, project appraisal, implementation, monitoring & evaluation, restructuring, and collaboration with donor agencies.

He is Chairman of Project Diversification Committee and member of the Audit, Human Resource & Remuneration and System & Technology Committees of FFC.

Besides being Director Investment Fauji Foundation he is on the Board of following entities:-

- Foundation University
- Fauji Fertilizer Bin Qasim Limited
- Fauji Cement Company Limited
- Fauji Akbar Portia Marine Terminals (Pvt.) Limited
- Fauji Oil Terminal & Distribution Company Limited
- Mari Petroleum Company Limited
- Askari Cement Limited
- Daharki Power Holdings Limited
- Pakistan Maroc Phosphor S.A.
- Foundation Wind Energy I Limited
- Foundation Wind Energy II (Pvt.) Limited
- Fauji Fresh n Freeze Limited
- Fauji Foods Limited
- Fauji Meat Limited
- Foundation University
- FFBL Power Company Limited
- Askari Bank Limited
- Fauji Infraavest Foods Limited
- Noon Pakistan Limited



Maj Gen Abid Rafique, HI(M), (Retd)

Commissioned in September 1984 and joined Artillery. Later, transferred to Special Services Group (SSG) in April 1987 and 19 Punjab Regiment in 1993. Has vast experience of Command, Staff and Instructional appointments. A graduate of Command & Staff College, Armed Forces War College and U.S Marines War College – MCU, Quantico, Virginia, USA. Holds Masters' Degrees in Strategic Studies and War Studies. Has experience of operating under United Nations as a Military Observer as well as contingent in United Nations Mission in Sierra Leone (UNMSIL). Has been General Officer Commanding Headquarters Special Services Group and also raised and operationalized a Special Security Division for China Pakistan Economic Corridor (CPEC) i.e. 34 Infantry Division.

Has been on the faculty of Premier institutions like Pakistan Military Academy, Kakul and National Defense University, Islamabad. Major General Abid Rafique, retired as Director General Infantry, General Headquarters in May 2019 and took over as Director Services in Fauji Foundation Head Office.

Presently, the General Officer is serving as member of Central Board of Directors at Fauji Foundation Head Office and on the Board of Directors of some associated companies i.e.

- Fauji Fertilizer Bin Qasim Limited
- Fauji Cement Company Limited
- Askari Cement Limited
- Fauji Kabirwala Power Company Limited
- FFBL Power Company Limited
- Fauji Meat Limited
- Fauji Food Limited (FFBL Food)

PROFILE OF **DIRECTORS**



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

Joined the Board on August 01, 2019. Major General Naseer Ali Khan, HI(M), (Retd) was commissioned in The First (SP) Medium Regiment Artillery 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 to his credit.

During his military career, he held prestigious Command, Staff and Instructional assignment to include GSO-III and BM of Infantry Brigades, Command of SP Medium Artillery Regiment and DS at Command & Staff College Quetta and National Defence University Islamabad. He also served in Military Operations Directorate, GHQ on a key appointment. He commanded a Division Artillery and an Infantry Brigade in Operation Al-Mizan in South Waziristan and later, on promotion to the rank of Major General, served in HQ Southern Command as Chief of Staff. He commanded 8th Infantry Division and served in Strategic Plans Division as Director General Ops & Plans and Advisor (Ops Planning). Was awarded Hilal-e-Imtiaz (Military) by Government of Pakistan in 2015.

He is also member of Board of Directors of:-

- Fauji Cement Company Limited (FCCL)
- Askari Cement Limited (ACL)
- Foundation Power Company Dharki Limited (FPCDL)
- Dharki Power Holding Limited (DPHL)
- Fauji Fertilizer Company Limited (FFCL)



Mr Rehan Laiq

Mr Rehan Laiq joined Fauji Foundation in October 2018 as Additional Director Finance. He is a qualified Chartered Accountant (FCA) with over 22 years of proven track record in developing business strategies, delivering results, developing organizational capability of infrastructure and acquisitions.

Mr. Rehan Laiq started his career with Price Waterhouse Coopers in 1989, and held senior management positions in the fields of Finance Management with M/S Mobilink, M/S Schlumberger and OGDCL as Executive Director (Finance). He carries vast international experience of Financial Management at a senior level in his career with Schlumberger in multiple countries of Middle East, Asia, Russia and North America.

He brings with him diverse experience of policy Compliance, Management Reporting, External and Internal transformation (e.g optimum utilization resources for the business) and Analytical Business support to ensure profit maximization.



Ms Jahanara Sajjad Ahmad, FCA

Ms Jahanara Sajjad Ahmad, FCA is a fellow member of the Institute of Chartered Accountants of Pakistan. She has over 16 years of post-qualification experience in finance, audit, capital markets, Islamic finance and corporate governance.

Currently, Jahanara is the Executive Director Corporate Governance and Group Financial Advisor to the Bibojee Group of Companies. Previously she has worked in the UAE in the field of Corporate Governance with Dubai Parks and Resorts PJSC and Hawkamah, the Institute of Corporate Governance, based in Dubai International Financial Centre. At Dubai Parks, Jahanara lead the process of the Company's participation in the 2016 Ethical board room Corporate Governance Awards, which Dubai Parks won and helped position the Company as the market leader in terms of governance frameworks and practices.

At Hawkamah, Jahanara provided consultancy to various GCC Companies, including State Owned Companies and Islamic Banks, and assisted them in setting up their Corporate Governance frameworks and practices in accordance with international best practice. She developed the Middle East's first Code of Corporate Governance for the Dubai Real Estate Developers. Jahanara was driving Hawkamah's Task Forces on Corporate Governance of State Owned Enterprises, Islamic Banks and Insolvency and Debtor Creditor Rights systems and implementation of the policy recommendations culminating out of the work of the Task Forces throughout the MENA region.

Prior to joining Hawkamah, she was Director Securities Market Division at the Securities and Exchange Commission of Pakistan where she was responsible for regulating the primary capital market of Pakistan, ensuring adequate disclosures in the prospectuses of companies proposing to be listed on the Pakistan and the International Stock Exchanges, licensing of Special Purpose Vehicles, monitoring the implementation of the Takeovers and Acquisition Law. Jahanara was the Chairperson of the working group established for the Development of Debt Capital Market of Pakistan and has represented the SECP at Board Meetings of the Privatization Commission.

Jahanara has also worked with Morison Stoneham Chartered Accountants in London (now known as the Tenon Group Plc). Jahanara is an IFC certified trainer on Corporate Governance and has been invited to speak on Corporate Governance both regionally and internationally. She is the Co-Author of the Chapter on "The Arab Spring emphasizes better corporate governance of state-owned enterprises", published by the OECD.

Jahanara has also served on the Board of Linde Pakistan Ltd as a Non-Executive Director (NIT Nominee Director) from January 2017 till the change of control of the Company in January 2018.



Mr Jawaid Iqbal

Young, educated, confident, dynamic, enthusiastic and self motivated person to take entrepreneurial challenges easily. Key Areas of Effectiveness are Senior Level Management Operations, Financial Planning (Budgetary & Analysis), Strategic Financial Operations, Marketing Techniques, Product Pricing, Trading, HR Management, International Economic Structures, Procurement, Leadership Roles, Communication, Implementation of Information Technology, Implementation of ISO 9002, Yarn Sales, Setting of New Spinning Unit, Selection of Machinery for Spinning and weaving etc. etc.

PROFILE OF **DIRECTORS**



Mr Zafar Iqbal Sobani

Zafar Iqbal Sobani brings with him over 40 years experience of working in the manufacturing, power sector and audit profession in Pakistan and in the Middle East. Currently he is engaged in the finance, business and power sector consultancy and he is also a business entrepreneur. He is serving as a Board Member of Privatization Commission since January 2014 and has actively contributed in the Privatization transactions carried during this period which included spade work on PSE and Energy sector. In addition, he is on the Board of TRG (Pakistan) Limited, Primus Leasing Limited – subsidiary of Brunei Investment Company Limited, IT Minds – a subsidiary of Central Depository Company AGP Pakistan Limited and Hardon Solar – Developer of Solar solutions. He is also Chairman of ICAP Audit Committee.

During his career, he worked for two years with House of Habib between 2013 and 2015 in the areas of New Project Development and Real Estate Management. He has rich exposure to the power sector industry in the country along with strong relationship with all the major stake holders. His experience includes leading the power sector of the Country as CEO of Hubco Pakistan with three IPP based power project between 2011 and 2013 and CEO of Liberty Power Tech 200 MW IPP based power project between 2008 and 2011.

Majority of his career was spent with Century Paper & Board, a part of Lakson Group, between 1990 and 2008 in the areas of finance, arranging project funding for large size projects treasury, costing and supply chain. In addition was responsible for overall coordination of the Finance Department of the group. He also worked with Pakistan Oxygen Limited between 1985 and 1990 in the core finance functions.

He has been the President of Institute of Chartered Accountants of Pakistan (ICAP) and served actively in council and regional committee in various capacities. He also remained Chairman of Quality Control Board for nine years and was entrusted with the objective of overseeing the quality of audit assurance work in Pakistan. He also remained Member of the managing committees of Overseas Investors Chamber of Commerce and Industry. He was the Sponsor Director of Pakistan Institute of Corporate Governance in year 2004 and 2005 and has Certification as a trainer of Corporate Governance by IFC.

He obtained qualification of Chartered Accountancy and Cost & Management Accountancy in the early eighties from Pakistan. He worked with A.F. Ferguson (PWC) in Pakistan and Ernst and Young, Saudi Arabia.

He is Independent Director of Board Fauji Cement Company and Chairman of Human Resource and Remuneration Committee.



Mr Sarfaraz Ahmed Rehman

Mr Sarfaraz Ahmed Rehman, a chartered accountant by qualification, has contributed management expertise to several multinational companies such as Unilever, SB (GSK), Jardine Matheson / Olayan JV and PepsiCo during his varied career.

In 2005, Sarfaraz established Engro Foods as its CEO. The company grew from a green-field to become the leading liquid dairy company in Pakistan. Engro Foods became the only Pakistani company to receive the 'G20 Top 15 Company' award. In 2012, he took a sabbatical from Engro Foods to establish the Karachi School for Business and Leadership. Sarfaraz rejoined Engro Foods as CEO in 2013, where he remained till 2015. Engro Foods sold 50% of its shares to Royal Friesland Campina for half a billion dollars in 2015. At the time this was the biggest private foreign investment in Pakistan's history.

Since Oct 2015, he has been involved in consultancy projects, among others with ICI, IBL, JSPE, Shan Foods, Al-Shaheer (Meat One), Soya Supreme, Burque Corp, CCL and ITL.

Sarfaraz was contracted to Grant Thornton for 2016-17 as an executive coach during a culture change project at UBL. He conducts a well-established coaching / mentoring role, with business executives and university graduates. Sarfaraz has coached for Careem, Gatron-Novatex, Engro, ICI, Descon, PPL, UBL and City School.

Sarfaraz was Chairman of the Broadcasters / Advertisers Council 2015-18 (joint body controlling advertising in Pakistan). Further, he was the Chairman of the 1st Effie Awards in Pakistan, in 2019. He is also the Board of MAP and Patient Aid Foundation.

Additionally, Sarfaraz speaks at various forums. He has given motivational talks at Lay'ss, Mondelez, Nutrico, RB, Engro, Octara, ICI, Shell and MAP. At universities, colleges, schools and on media occasions he holds climate change talks / sessions to create awareness.

Sarfaraz is deeply interested in playing his part in giving back to society and has worked on an online interactive education model for mass education, to resolve the issue of literacy in Pakistan over the next decade. In the past he was associated with Shaukat Khanum Hospital as a Board of Governor and with WWF as a Director. He is also associated with Hisaar Foundation and its work on water / environmental issues in Pakistan.

Mr Sarfaraz Ahmed Rehman has taken charge as Chief Executive & Managing Director of FFBL, FPCL, FFL, FML and FFBL-Foods w.e.f 10 June 2020.



Brig Riaz Ahmed Gondal, SI(M), (Retd)

Brig Riaz Ahmed Gondal, SI(M), (Retd) is serving as Company Secretary of Fauji Cement Company Limited since 27th June 2018.

He was commissioned as an Army officer in 1985 in Frontier Force Regiment. He attended Company Commander Course from Germany in 1992/93. He is a graduate of Command & Staff College Quetta and National Defence University Islamabad.

During his 32 years of military career, he remained employed on various command, staff and instructional assignments. He served as United Nations Military Observer in Sierra Leone for one year. He remained as a faculty member of School of Infantry & Tactics Quetta, Command & Staff College Quetta and Joint Command & Staff College Sudan. He commanded a Brigade in the South Waziristan Agency for 2 years. As a Brigadier, he remained employed as Chief Instructor in School of Infantry and Tactics Quetta besides serving as Director General National University of Modern Languages, Islamabad. He holds a diploma in German language from National University of Modern Languages Islamabad.



Mr Omer Ashraf

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 23 years of rich professional experience in managing finances, budget, tax planning, investor relations, project development, project financing and mergers and acquisitions. He was extensively involved in the Expansion of FCCL from a capacity of 3700 TPD to 11,500 TPD. During this period he also led the clean energy initiatives by the company including Waste Heat Recovery and Solar power plant.

SENIOR **MANAGEMENT**



Mr Muhammad Tariq
Director Operations



Brig Iqbal Tahir, SI(M), (Retd)
GM (Marketing & Sales)



Brig Abdul Jabbar, SI(M), (Retd)
GM (HR & Admin)



Syed Kamran Hassan
GM (Supply Chain Management)

BOARD'S **REVIEWS**



CHAIRMAN'S **REVIEW**



Dear Shareholders,

It is a privilege for me to present my first Review Report as Chairman of FCCL Board of Directors.

In April 2020, I assumed the appointment of Chairman FCCL Board which has highly skilled, diverse and competent Directors who are well geared towards achieving the Company's vision, mission, and core values with the ultimate goal of serving the interests of all stakeholders of Company. My and the Board's focus has mainly been towards developing long and short term strategic plans for the company in the different areas of its operations so that the company is geared to meet the future challenges and opportunities. However, for handling the routine affairs, the Company management exercised full liberty of action.

We firmly believe in gradual improvement in the governance framework of Company. In the same context, a formal and effective mechanism for evaluation of Board, committees and Directors is in place. The evaluation results for the year 2019-20 revealed that the Board Members were satisfied with the overall structure and performance of the Board, its Committees and their own contributions. However, as a result of this evaluation process, some valuable suggestions emerged; like, continuous learning/ development of Directors, having less frequent changes in the composition of Board, holistic review of functioning and audit techniques of Internal Audit Department, development of Investment Policies, self-evaluation of Directors and sharing of evaluation results of Directors with the Chairman only. The Management has been advised to devise appropriate strategies for early implementation of these suggestions.

On June 3, 2020, we welcomed Mr. Qamar Haris Manzoor as the new Managing Director & CEO of the Company. Haris has done his Masters in Chemical Engineering from US and holds over 35 years of experience in plant operations and project management. He started his career from ICI and served in number of industrial units in senior positions. He has a hands on experience in commissioning, operations management, process engineering, growth strategies, project engineering, HSE, business development and cost optimization. His passion to serve his Country in general & Fauji Foundation in particular and his experience in handling large industrial units played a key part in his selection for this role.

The Board has set several targets for the new MD which include development of strategies for all core areas including marketing/sales, supply chain/ procurement, HR and Plant operations which will form the basis of Company's strategic business plan. The MD has also been advised to work on succession planning for different positions, development of KPIs & objectives and implementation of sound appraisal system for overall organizational performance as well as that of individual employees.

I would also like to take this opportunity to congratulate FCCL on commissioning of 2.5 MW Captive Solar Power Project (in addition to already commissioned 12.5 MW solar project) in January 2020 and becoming the pioneer in the industry by installing the largest off grid Solar Power Plant. This renewable energy project will not only reduce our dependence on the National Grid but will also enhance the captive power generation capability of the Company, thereby lowering the cost of production, besides having positive impact on the environment. In order to expand this captive energy generation, the Company has started work on increasing the capacity of this project to 17.5 MW, by adding another 2.5 MW.

Taking this opportunity, I would like to thank Lt Gen Muhammad Ahsan Mahmood, HI(M), (Retd), the former MD, for his valuable contributions during his tenure, which resulted in good financial performance and a multitude of achievements for the Company.

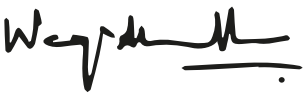
I would like to welcome all the new Directors who joined the Board during this year. I hope that the Board will greatly benefit from their rich and diversified experience, thereby leading to outstanding

performance of the Company. I am grateful to all the outgoing directors for their efforts and contributions to the Board's activities during their respective tenures and wish them well on their future endeavors.

I am pleased to share with you that performance of the Board and Committees remained par excellence throughout the year. The intimate personal involvement, guidance and timely decisions of the Board contributed immensely in steering the Company in the right direction. Audit and HR&R Committees are chaired by the independent directors which is in line with the Listed Companies (Code of Corporate Governance) Regulations 2019 and is a clear indication of our commitment to the highest levels of governance and transparency.

FCCL is prepared to take all possible steps for retention of its market share while paying special attention to achieve reasonable margins. The Company is also trying to be more innovative by launching value added products, working on new types of cements and modernization of Plant related equipment.

In the end, I want to thank you all for your continued support and placing your confidence in the Board to lead the Company to greater heights of corporate performance in the coming years.



Waqar Ahmed Malik
Chairman FCCL Board of Directors
Rawalpindi
7th September 2020

چیئرمین کا جائزہ

معزز حصص داران

میرے لیے باعث اعزاز ہے کہ میں فوجی سیمنٹ کمپنی لمیٹڈ، بورڈ آف ڈائریکٹرز کے چیئرمین کی حیثیت سے اپنی پہلی جائزہ رپورٹ پیش کر رہا ہوں۔

اپریل 2020ء میں، میں نے فوجی سیمنٹ کمپنی لمیٹڈ کے بورڈ کے چیئرمین کے طور پر اپنی ذمہ داریاں سنبھالیں۔ اس بورڈ میں اعلیٰ مہارت یافتہ، متنوع اور قابل ڈائریکٹرز شامل ہیں جو کمپنی کے نقطہ نظر، اہداف اور بنیادی اقدار کے حصول کے لیے مؤثر طور پر کوشاں ہیں اور جن کا نصب العین کمپنی کے تمام متعلقین کے مفادات کا تحفظ ہے۔ میری اور بورڈ کی توجہ بنیادی طور پر اس امر پر مبذول رہی کہ کمپنی کے مختلف شعبوں کے لیے طویل مدتی اور مختصر مدتی لائحہ عمل تیار کیا جائے تاکہ کمپنی کو مستقبل کے چیلنجز سے نمٹنے اور مواقع سے فائدہ اٹھانے کے لیے آگے بڑھایا جاسکے۔ تاہم معمول کے معاملات چلانے کے لیے کمپنی انتظامیہ نے پوری عملی آزادی کے ساتھ اقدامات کیے۔

ہم کمپنی کے انتظامی ڈھانچے میں بتدریج بہتری پر کامل یقین رکھتے ہیں۔ اسی تناظر میں بورڈ، کمیٹیوں اور ڈائریکٹرز کی جانچ کا ایک باقاعدہ اور مؤثر طریقہ کار کام کر رہا ہے۔ سال 20-2019ء کی جانچ کے نتائج سے ظاہر ہوتا ہے کہ بورڈ کے ممبران بورڈ اور اس کی کمیٹیوں کی مجموعی ساخت اور ان کی کارکردگی اور اس میں خود اپنی خدمات سے مطمئن ہیں۔ تاہم جانچ کے اس عمل کے نتیجے میں چند قابلِ قدر تجاویز سامنے آئی ہیں جیسا کہ ڈائریکٹرز کی مسلسل آموزش/بہتری کے اقدامات، بورڈ کی تشکیل میں تبدیلیوں کی شرح میں کمی، داخلی آڈٹ ڈیپارٹمنٹ (Internal Audit Department) کے معاملات اور ان کے طریقہ کار کا مکمل جائزہ، سرمایہ کاری کی پالیسیوں کی تیاری، ڈائریکٹرز کی اپنی کارکردگی کو جانچنے کا طریقہ کار اور اس کے نتائج صرف چیئرمین کے سامنے پیش کرنا۔ کمپنی انتظامیہ کو ہدایت کر دی گئی ہے کہ ان تجاویز کے جلد نفاذ کے لیے موزوں لائحہ عمل تجویز کیا جائے۔

3 جون 2020ء کو ہم نے جناب قمر حارث منظور کا کمپنی کے نئے مینجنگ ڈائریکٹر اور چیف ایگزیکٹو آفیسر کی حیثیت سے خیر مقدم کیا۔ حارث صاحب نے امریکہ سے کیمیکل انجینئرنگ میں ماسٹر ڈگری حاصل کی ہے اور پلانٹ کے افعال اور پراجیکٹس کے انتظامی امور کا 35 سال سے زائد کا تجربہ رکھتے ہیں۔ انھوں نے ICI سے اپنی پیشہ ورانہ ملازمت کا آغاز کیا اور متعدد صنعتی یونٹس میں اعلیٰ عہدوں پر فائز رہے۔ وہ پراجیکٹ کے آغاز، اس کے افعال کے انتظامی امور، اس کے پراسس کے لائحہ عمل، اس میں ترقی کی حکمت عملی، پراجیکٹ کے لائحہ عمل، HSE، کاروباری ترقی اور اخراجات کی موزونیت کا وسیع تجربہ رکھتے ہیں۔ ان کا جذبۂ خدمت جو بالعموم اپنے ملک کے لیے اور بالخصوص فوجی فاؤنڈیشن کے لیے ہے اور بڑے صنعتی یونٹس کو چلانے کا ان کا تجربہ اس عہدے کے لیے ان کے انتخاب کی کلیدی وجہ ہے۔

بورڈ نے نئے مینجنگ ڈائریکٹر کے لیے متعدد اہداف مقرر کیے ہیں جن میں ہر مرکزی شعبے بشمول مارکیٹنگ/سیلز، سپلائی کا سلسلہ/ افرادی وسائل اور پلانٹ کے افعال کے لیے حکمت عملی کی تیاری شامل ہے جس سے کمپنی کی کاروباری منصوبہ بندی کا بنیادی ڈھانچا تشکیل پائے گا۔ مینجنگ ڈائریکٹر کو یہ مشورہ بھی دیا گیا ہے کہ مختلف عہدوں پر آئندہ کی منصوبہ بندی، KPI اور اہداف کی تیاری اور ان کی نگرانی کا مؤثر نظام بھی تشکیل دیا جائے جو کمپنی کی مجموعی تنظیمی کارکردگی کے لیے بھی ہو اور انفرادی طور پر ملازمین کے لیے بھی۔

میں اس موقع پر فوجی سیمنٹ کمپنی لمیٹڈ کو جنوری 2020ء میں 2.5 میگاواٹ کے اپنے شمسی توانائی کے پراجیکٹ (جو پہلے سے کام کر رہے 12.5 میگاواٹ کے شمسی توانائی کے پراجیکٹ کے علاوہ ہے) کے آغاز پر اور سیمنٹ کی صنعت میں شمسی توانائی کا سب سے بڑا پراجیکٹ لگانے میں اوّلیت حاصل کرنے پر مبارک باد پیش کرتا ہوں۔ قابلِ تجدید (Renewable Energy) توانائی کے استعمال سے یہ پراجیکٹ نہ صرف نیشنل گرِڈ پر ہمارا انحصار کم کرے گا بلکہ کمپنی کی اپنی بجلی پیدا کرنے کی صلاحیت میں بھی اضافے کا باعث ہوگا جس سے پیداواری اخراجات میں کمی ہوگی اور ساتھ ہی ساتھ ماحول پر بھی مثبت اثرات مرتب ہوں گے۔ اپنی بجلی پیدا کرنے کے اس منصوبے کی مزید توسیع کے لیے کمپنی نے 2.5 میگاواٹ کے ایک اور یونٹ کے ذریعے مجموعی پیداوار کو 17.5 میگاواٹ تک بڑھانے کے منصوبے پر کام کا آغاز کر دیا ہے۔

اس موقع سے فائدہ اٹھاتے ہوئے میں لیفٹیننٹ جنرل محمد احسن محمود، ہلال امتیاز (ملٹری)، (ریٹائرڈ) سابق مینجنگ ڈائریکٹر کا بھی شکریہ ادا کرنا چاہتا ہوں کہ انھوں نے اپنے منصبی دور میں قابل قدر خدمات سرانجام دیں جس کے نتائج عمدہ مالی کارکردگی اور کمپنی کی کامیابیوں کی کثرت کی صورت میں سامنے آئے۔

میں تمام نئے ڈائریکٹرز کا بھی خیر مقدم کرنا چاہوں گا جو اس سال بورڈ میں شامل ہوئے۔ مجھے امید ہے کہ بورڈ ان کے ثروت مند اور متنوع تجربے سے فائدہ اٹھاتے ہوئے کمپنی کی اعلیٰ ترین درجے کی کارکردگی کی طرف رہنمائی کرے گا۔ میں سبکدوش ہونے والے تمام ڈائریکٹرز کا بھی شکر گزار ہوں کہ انھوں نے اپنے اپنے دورِ وابستگی میں بورڈ کی سرگرمیوں میں کاوش کے ساتھ حصہ ڈالا اور مستقبل میں ان کی مساعی کے لیے نیک تمناؤں کا اظہار کرتا ہوں۔

میں آپ کو یہ بتاتے ہوئے مسرت محسوس کرتا ہوں کہ بورڈ اور اس کی کمیٹیوں کی کارکردگی پورے سال میں بہت عمدہ رہی۔ گہری ذاتی دلچسپی، رہنمائی اور بروقت فیصلہ سازی کی وجہ سے بورڈ نے کمپنی کو صحیح رخ پر رواں رکھنے میں اہم ترین کردار ادا کیا۔ آڈٹ اور افرادی وسائل کی کمیٹیوں کی سربراہی آزاد (Independent) ڈائریکٹرز کے پاس ہے جو لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشن، 2019 کے مطابق ہے اور جو اس امر کا واضح اشارہ ہے کہ ہم انتظامی امور اور شفافیت کے اعلیٰ ترین مدارج پر پہنچنے کا عزم رکھتے ہیں۔

ایف سی سی ایل ہر ممکنہ اقدام کے لیے تیار ہے جس کے ذریعے مارکیٹ میں اس کی حصہ داری قائم رہے اور اس کے ساتھ ساتھ معقول منافع کے حصول پر توجہ رہے۔ کمپنی یہ بھی کوشش کر رہی ہے کہ نئی اضافی قدر کی مصنوعات کی تیاری سے، سیمنٹ کی نئی اقسام متعارف کرانے سے اور پلانٹ سے متعلق آلات کو جدید تر کرنے میں وہ زیادہ جدت پسند ہو۔

آخر میں، میں آپ سب کا شکر گزار ہوں کہ بورڈ کو مسلسل آپ کی تائید اور اعتماد حاصل ہے جس سے آئندہ برسوں میں یہ کاروباری کارکردگی کی مزید اعلیٰ بلندیوں کی طرف کمپنی کی رہنمائی کرتا رہے گا۔

وقار احمد ملک
چیئرمین بورڈ آف ڈائریکٹرز
فوجی سیمنٹ کمپنی لمیٹڈ

راولپنڈی
7 ستمبر 2020ء

CHIEF EXECUTIVE / MANAGING DIRECTOR'S **REVIEW**



Dear Shareholders,

I am pleased to present my first report as the Managing Director and CEO of your Company. Having taken over the role recently, I will be focusing, in this review, on the performance of Company under my able predecessor during the recently concluded financial year and would like to extend my gratitude and acknowledge the valuable contributions rendered by Lt Gen Muhammad Ahsan Mahmood, HI(M), Retd, during his tenure as MD and CEO Fauji Cement Company Limited.

During the FY 2019/20, Cement Industry faced a number of challenges resulting from an over-supply situation on the back of massive expansions resulting in significant drop in prices and reduction of gross margins. The expected increase in demand could not materialize due to less PSDP allocation by the Government, halting of investment due to ban on high rise buildings and restrictions on non-filers to purchase the property. The CPEC related projects also did not get initiated as anticipated. The situation was further aggravated by spread of COVID – 19 thereby halting the economic activities towards the end of the FY 2020.

Overall dispatches of cement industry, however, ended at 47.81 million tons in FY 2020 as compared to 46.89 million of last year mainly on the back of sea exports. Export sales volumes therefore registered an increase of 20% to reach 7.85 million tons as compared to 6.54 million tons last year while the local sales volume registered a slight decline of 0.9% to 39.97 million tons during the fiscal year ended June 30, 2020 in comparison to 40.34 million tons last year.

During the FY 2019/20, the Company suffered a loss of Rs. 59 Million as compared to profit of Rs. 2,824 Million last year. The key factor for this significant decline in revenues was reduction in retention price with the decrease in Net Sales Revenue by 17% (Rs. 20,798 Million to Rs. 17,232 Million) inspite of modest increase in capacity utilization for this year at 87% as compared to 85% during last year. The Cost of Production saw an increase of Rs. 181 per ton, i.e. from Rs. 5,084 per ton to Rs. 5,265 per ton, mainly due to increase in fuel and power cost and royalty on lime stone and clay. The Gross Profit Margin decreased from 26% to just 4% on year to year basis mainly attributed to decrease in retention prices. Therefore the company reported a Loss per share of Rs. 0.04 compared to profit of Rs. 2.05 last year.

In order to optimize the costs, Resource Sharing Arrangement between FCCL and Askari Cement Limited (ACL) was approved by the Board of Directors on 13th December 2019 and by the shareholders during 11th Extra Ordinary General Meeting held on 10th January 2020. Accordingly, both Companies signed the Shared Services Agreement on 6th May 2020 after obtaining the required regulatory approval from Competition Commission of Pakistan. The C – Suite has been appointed while the synergization of rest of the organization is in progress to achieve the targeted savings.

In view of the government's emphasis towards renewable energy, Fauji Foundation established Foundation Solar Energy Limited (FSEL) . FSEL offers EPC and BOOT models for execution of the solar projects thereby providing high quality equipment at cost effective prices. Equity investment in FSEL (an Associated Company), of upto Rs 200 Million by FCCL, was approved by the FCCL Board of Directors on 13th December 2019 and by the shareholders during 11th Extra Ordinary General Meeting (EOGM).

Despite number of issues faced by your Company, some of the achievements are as under:-

- Uninterrupted business operations during the COVID 19 period resulting from strict compliance of SOPs relating to Covid 19.

- Successful launch and marketing of PAMIR (Green) cement helping in low prices scenario resulting in savings of Rs. 70 Mln.

- Savings on water charges to the tune of Rs. 16 Mln by utilizing rain water accumulated in the recently made rain water ponds at Plant Site.

- 2.5 MW Solar - 2 project was completed one month earlier than the target date which resulted in additional saving of Rs. 3.7 Mln. The Plant has started generation with effect from 1st January 2020.

- Continued focus on local development of spares and sourcing from China instead of European suppliers resulted in savings of Rs. 33 Mln.

With regard to Corporate Social Responsibility, FCCL continued to provide the required support in the fields of education, health and adult literacy. Your Company runs a Technical Education Center for skill development of youth residing in the surrounding areas, a Vocational Training Institute to impart basic skills to women, Fauji Model Secondary School for education of local children up to secondary school, Medical Dispensary to provide medical facility to the employees and locals through a well-equipped dispensary and an Adult Literacy Program for the illiterate locals.

Your Company is also playing a major role in the national 'Go Green' Campaign for preservation of environment which include two main initiatives, like, water preservation and tree plantation. With regards to former, the water used during the Plant operations is being recycled and the rain water is being harvested. Extensive tree plantation campaign was also launched in the Plant premises besides provision of plants/saplings to the Local Government, District Administration of Attock and schools of the surrounding villages.

Projecting ahead your Company will continue to face the challenges relating to over-supply of cement although some progress is seen in terms of initiation of the construction and infrastructure related activities. The Management is fully geared up to mitigate the challenges through a well-orchestrated strategy spanning across all the business functions to ensure a turn-around in the Company's performance.

On behalf of the Company Management and Employees, I take this opportunity to express my sincere thanks and gratitude to all the shareholders for their valued input, support and encouragement. I would also like to thank the honorable Chairman and Board Members for their timely guidance, personal involvement and professional commitment in helping us steer the Company in the right direction. I would also like to appreciate and acknowledge the hard work, dedication and commitment of senior management of Company and Employees without which it would not have been possible to run the Company affairs effectively.



Qamar Haris Manzoor

Chief Executive Officer / Managing Director FCCL

Rawalpindi

7th September 2020

چیف ایگزیکٹو آفیسر/ مینجنگ ڈائریکٹر کا جائزہ

معزز حصص داران!

میرے لیے مُسرت کا مقام ہے کہ میں آپ کی کمپنی کے مینجنگ ڈائریکٹر اور چیف ایگزیکٹو آفیسر کی حیثیت سے اپنی پہلی رپورٹ پیش کر رہا ہوں۔ چونکہ میں نے اپنی ذمہ داریاں حال ہی میں سنبھالی ہیں، اس لیے اس جائزے میں میری توجہ کمپنی کی اس کارکردگی پر ہوگی جو میرے لائق پیش رَو کی سربراہی میں ابھی مکمل ہونے والے مالی سال کے دوران کمپنی نے دکھائی ہے۔ میں لیفٹیننٹ جنرل محمد احسن محمود، ہلال امتیاز (ملٹری)، (ریٹائرڈ) کی ان قابل قدر خدمات کا اعتراف کرتا ہوں اور اس پر ان کو خراج تحسین پیش کرتا ہوں جو انھوں نے فوجی سیمنٹ کمپنی لمیٹڈ کے مینجنگ ڈائریکٹر اور چیف ایگزیکٹو آفیسر کی حیثیت سے سرانجام دی ہیں۔

مالی سال 2019/20ء میں سیمنٹ کی صنعت کو بہت سے مسائل درپیش رہے جن کا سبب تعداد میں زیادہ پیداوار اور ضرورت سے زائد ترسیل تھی جس کے نتیجے میں قیمتیں گر گئیں اور مجموعی منافع میں قابل لحاظ حد تک کمی واقع ہوئی۔ سیمنٹ کی طلب میں اضافے کی توقع پوری نہ ہوسکی۔ جس کی وجوہات میں حکومت کی جانب سے PSDP کے مختص فنڈ میں کمی، بلند عمارتوں کی تعمیر پر پابندی کے نتیجے میں سرمایہ کاری کا معطل ہونا، اور نان فائلر (Non Filer) کے جائیداد خریدنے پر پابندی شامل ہیں۔ سی پیک (CPEC) سے متعلق پراجیکٹس بھی شروع نہ ہوسکے جیسا کہ امکان ظاہر کیا گیا تھا۔ کورونا وائرس کی وبا کی وجہ سے صورتِ حال مزید ابتر ہوگئی جس سے مالی سال 2020ء کے مکمل ہونے تک اقتصادی سرگرمیاں معطل ہو کر رہ گئیں۔

مالی سال 2020ء میں مجموعی ترسیلات گزشتہ برس کے 46.89 ملین ٹن کے مقابلے میں 47.81 ملین ٹن پر ختم ہوئیں جن کا سبب سمندر کے راستے بَرآمدات تھیں۔ اس بنا پر برآمداتی فروخت کا حجم گزشتہ برس کے 6.54 ملین ٹن کے مقابلے میں 20 فیصد اضافے کے ساتھ 7.85 ملین ٹن تک پہنچ گیا۔ تاہم مقامی فروخت کے حجم میں معمولی کمی دیکھنے میں آئی جو گزشتہ برس کے 40.34 ملین ٹن کے مقابلے میں 30 جون 2020ء کو ختم ہونے والے مالی سال کے دوران 0.9 فیصد کی کمی کے ساتھ 39.97 ملین ٹن رہی۔

مالی سال 20-2019 کے دوران کمپنی کو گزشتہ برس کے 2,824 ملین روپے کے منافع کے مقابلے میں 59 ملین روپے کے خسارے کا سامنا رہا۔ آمدنی میں اس قابل لحاظ کمی کی بنیادی وجہ قیمتِ فروخت میں بچت کی شرح میں کمی ہے جو فروخت سے حاصل ہونے والی کل آمدنی میں ہونے والی 17 فیصد کی کمی سے مطابقت رکھتی ہے (یعنی 20,798 ملین روپے سے کم ہو کر 17,232 ملین روپے)۔ پیداواری صلاحیت کے استعمال کی شرح اس سال 87 فیصد رہی جو گزشتہ برس 85 فیصد تھی۔ مصنوعات کی تیاری کے اخراجات میں 181 روپے فی ٹن کا اضافہ دیکھنے میں آیا یعنی 5,084 روپے فی ٹن سے بڑھ کر 5,265 روپے فی ٹن، جس کی بنیادی وجہ آئیکو کی طرف سے بجلی کے نرخوں، کوئلے کی قیمتوں اور چونے (Limestone) اور گاچی (Clay) کی رائلٹی میں اضافہ ہے۔ مجموعی منافع کی شرح رواں سال میں 26 فیصد سے کم ہو کر محض 4 فیصد رہ گئی جس کے نتیجے میں فروخت میں بچت کی شرح بھی کم ہوگئی۔ اس لیے کمپنی نے گزشتہ برس کے 2.05 روپے فی حصہ (Share) اضافہ کے مقابلے میں 0.04 روپے فی حصہ (Share) کی کمی کا اعلان کیا ہے۔

اخراجات کی صورت حال میں بہتری لانے کے لیے ایف سی سی ایل (FCCL) اور عسکری سیمنٹ لمیٹڈ (ACL) کے مابین وسائل کی شراکت داری (Resource Sharing Arrangement) کو بورڈ آف ڈائریکٹرز نے 13 دسمبر 2019ء کو منظور کیا اور دیگر حصص داران (Shareholders) نے 10 جنوری 2020ء کو منعقد ہونے والے 11 رواں غیر معمولی اجلاس عام میں اس کی منظوری دی۔ اس کے مطابق دونوں کمپنیوں نے کمپیٹیشن کمیشن آف پاکستان (Competation Commission of Pakistan) کی باقاعدہ مطلوبہ منظوری کے بعد 6 مئی 2020ء کو خدمات کی شراکت کے معاہدے پر دستخط کیے۔ ہدف کے مطابق بچت کے حصول کے لیے C-Suite کی تعیناتی کر دی گئی ہے جبکہ دونوں اداروں کے وسائل کے اشتراک (Resource Sharing Arrangements) کے دیگر معاملات پر پیش رفت ہو رہی ہے۔

حکومت کی طرف سے دوبارہ قابل تجدید توانائی (Renewal Energy) کے استعمال پر زور دینے کے پیش نظر، فوجی فاؤنڈیشن کی طرف سے فاؤنڈیشن سولر انرجی لمیٹڈ (FSEL) کا قیام عمل میں لایا گیا۔ یہ کمپنی انجینئرنگ پروکیورمنٹ اینڈ کنسٹرکشن (EPC) اور بلڈ، اون، آپریٹ اینڈ ٹرانسفر (Build Own Operate and Transfer) کے ماڈل پر شمسی توانائی (Solar Energy) کے پراجیکٹس کے لیے اعلیٰ معیار کے آلات کی موزوں نرخوں پر فراہم کرتی ہے۔ FSEL (جو ایک ایسوسی ایٹڈ کمپنی ہے) میں، FCCL کی طرف سے 200 ملین روپے تک کی اثاثہ جاتی سرمایہ کاری کی منظوری بورڈ آف ڈائریکٹرز نے 13 دسمبر 2019ء کو اور حصص داران (Shareholders) نے 10 جنوری 2020ء کو منعقد ہونے والے غیر معمولی اجلاس عام میں دی تھی۔

اگرچہ آپ کی کمپنی کو متعدد مسائل کا سامنا رہا، اس کے باوجود اس کی چند ایک کامیابیاں درج ذیل ہیں:۔

- کورونا وائرس کی وبا کے دوران تمام ایس او پیز (SOPs) کی سختی سے پابندی کے نتیجے میں کمپنی کے کاروباری معاملات بلاتعطل جاری رہے۔
- قیمتوں میں کمی کے منظرنامے میں پامیر (Pamir) گرین سیمنٹ کو کامیابی کے ساتھ متعارف کرایا گیا جس سے 70 ملین روپے کی بچت ہوئی۔
- حال ہی میں تیار کیے گئے پانی کے تالابوں میں بارش کا پانی ذخیرہ کر کے اُسے استعمال میں لایا گیا جس سے زیرِزمین پانی کے استعمال کے اخراجات کی مد میں 16 ملین روپے تک کی بچت کی گئی۔
- 2.5 میگاواٹ کا سولر ۲ (Solar-2) پراجیکٹ مقررہ مُدت سے ایک ماہ قبل مکمل کرلیا گیا جس سے 3.7 ملین روپے کی اضافی بچت ہوئی۔ اس پلانٹ نے یکم جنوری 2020ء سے بجلی کی پیداوار شروع کر دی ہے۔
- سپیئرز پارٹس کو مقامی سطح پر بنانے اور یورپی ممالک کی بجائے چین سے ان کے حصول کی طرف توجہ کرنے سے 33 ملین روپے کی بچت حاصل کی گئی۔

تجارتی سماجی ذمہ داری (Corporate Social Responsibility) کے ضمن میں، ایف سی سی ایل تعلیم، صحت اور تعلیم بالغاں کے شعبوں میں مطوبہ مُعاونت کی فراہمی جاری رکھے ہوئے ہے۔ آپ کی کمپنی گردونواح کے رہائشی نوجوانوں کی مہارتوں میں اضافے کے لیے ایک ٹیکنیکل ایجوکیشن سنٹر، عورتوں میں بنیادی مہارتوں کی تعلیم کے لیے ایک ووکیشنل ٹریننگ انسٹیٹیوٹ، مقامی طالب علموں کی سیکنڈری سطح تک کی تعلیم کے لیے ایک فوجی ماڈل سیکنڈری سکول، اپنے ملازمین اور مقامی آبادی کو صحت کی سہولیات کی فراہمی کے لیے جدید طبی آلات سے آراستہ ایک میڈیکل ڈسپنسری (جس میں ایک سال کے دوران مُلازمین، اور گردونواح کے افراد کو صحت کی سہولتیں مفت فراہم کی گئیں) اور اَن پڑھ مقامی افراد کی تعلیم کے لیے تعلیم بالغاں کا ایک پروگرام چلا رہی ہے۔

آپ کی کمپنی ماحولیات کے تحفظ کے لیے قومی محاذ پر جاری 'Go Green' کی مہم میں بھی ایک اہم کردار ادا کر رہی ہے جس میں پانی کی بچت اور شجرکاری جیسے دو بنیادی اقدامات شامل ہیں۔ اول الذکر کے ضمن میں، پلانٹ کے کام کے دوران استعمال ہونے والی پانی کو دوبارہ قابل استعمال بنایا جاتا ہے اور بارش کے پانی کو ذخیرہ کیا جاتا ہے۔ پلانٹ کے گردونواح میں شجرکاری کی ایک توسیعی مہم بھی شروع کی گئی تھی اور اس کے ساتھ ساتھ اٹک کی مقامی حکومت، ضلعی انتظامیہ اور گردونواح کے دیہات کے سکولوں کو پودے اور پنیریاں بھی فراہم کی گئیں۔

مستقبل کا اندازہ لگاتے ہوئے دیکھا جائے تو آپ کی کمپنی کو مارکیٹ میں سیمنٹ کی زائد از ضرورت ترسیل کے باعث مشکلات کا سامنا ہوگا، اگرچہ تعمیراتی اور انفراسٹرکچر کے منصوبوں کی سرگرمیوں کے آغاز سے اس میں بہتری کی کچھ صورت نظر آرہی ہے۔ کمپنی کی انتظامیہ ایک ایسے ہمہ گیر لائحہ عمل کے ذریعے جو کاروبار کے تمام پہلوؤں پر محیط ہو، ان چیلنجز سے نمٹنے کے لیے پورے طور پر کوشاں ہے تاکہ کمپنی کی کارکردگی کا رخ مزید بہتری کی طرف موڑا یقینی بنایا جاسکے۔

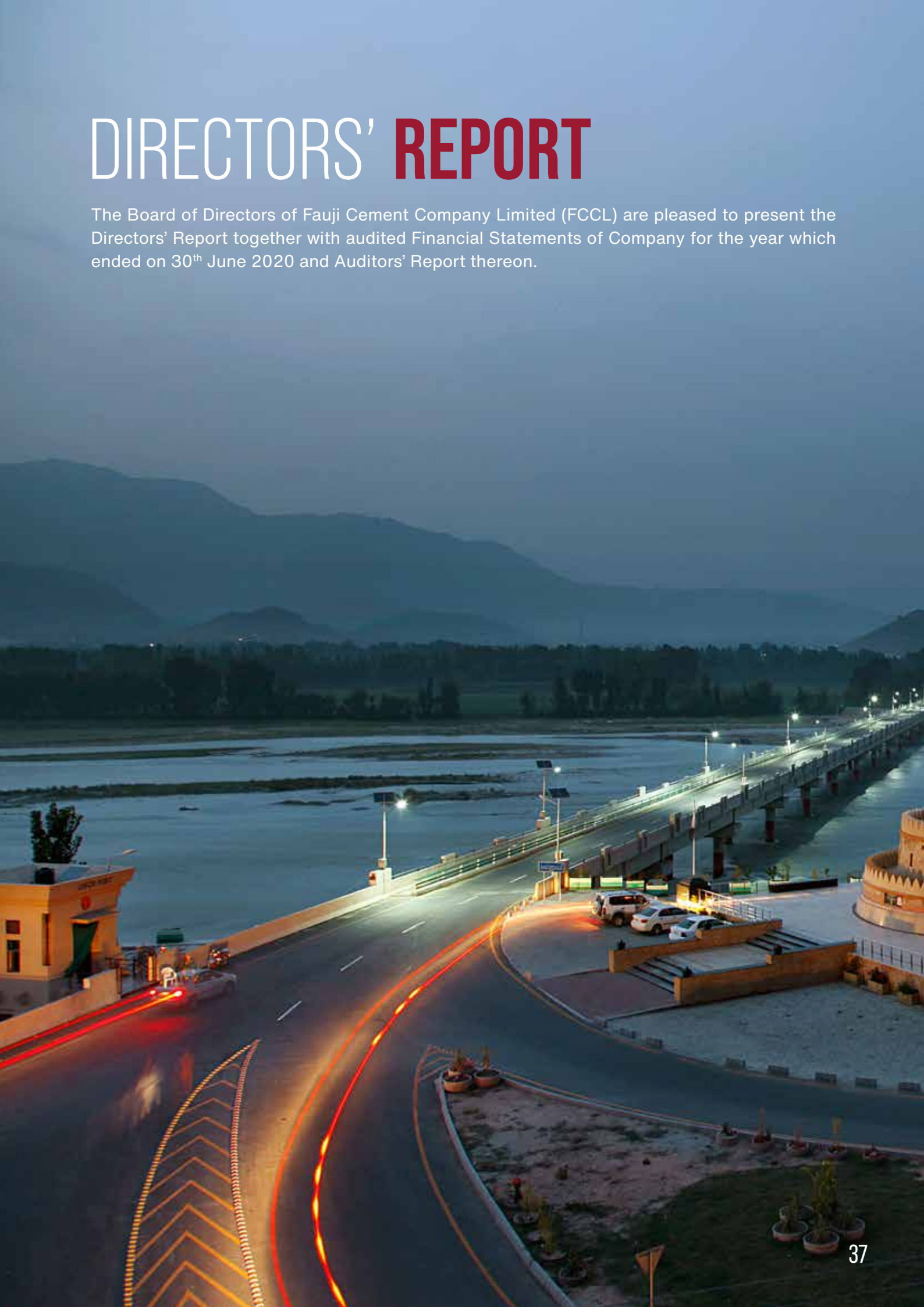
کمپنی کی انتظامیہ اور ملازمین کی طرف سے، میں تمام حصص داران (Shareholders) کے لیے ان کی قابل قدر معاونت، تائید اور حوصلہ افزائی پر اپنی مخلصانہ شکرگزاری اور تحسین کے جذبات پیش کرتا ہوں۔ میں محترم المقام چیئرمین اور بورڈ کے ممبران کی طرف سے ان کی بروقت رہنمائی، ذاتی دلچسپی اور پیشہ ورانہ عزم پر ان کا شکریہ ادا کرتا ہوں جس سے کمپنی کی معاملات صحیح رخ پر رواں دواں رکھنے میں مدد ملی۔ میں کمپنی کی سینئر انتظامیہ اور ملازمین کی محنت، لگن اور پیشہ ورانہ عزم کا اعتراف اور تحسین کرنا چاہتا ہوں جس کے بغیر کمپنی کے معاملات کو مؤثر طریقے سے چلانا ممکن نہیں ہوسکتا۔

قمر حارث منظور
چیف ایگزیکٹو آفیسر/منیجنگ ڈائریکٹر
فوجی سیمنٹ کمپنی لمیٹڈ

راولپنڈی
7 ستمبر 2020

DIRECTORS' **REPORT**

The Board of Directors of Fauji Cement Company Limited (FCCL) are pleased to present the Directors' Report together with audited Financial Statements of Company for the year which ended on 30th June 2020 and Auditors' Report thereon.



FINANCIAL **CAPITAL**

Performance Overview

During the financial year 2019-20 under review, your Company suffered loss of Rs 59 Million, compared to last year's Profit of Rs 2,824 Million. This loss is attributable to decrease in local and export sales prices resulting in lower retentions compared to previous financial year. The cost of input also saw an increase primarily due to increase in power Tariff, higher coal and raw material prices. Some of the cost was mitigated by own power generation which touched its highest in the Company history, contributing 63% of the total required power. There was an increase in distribution cost and administrative expenses due to committed CSR activities.

The above factors resulted in drastic decrease in retention prices with the GP ratio dropping to 4% compared to 26% in previous year. Lower cash flow generation required more financing facilities during the period of high interest regime which resulted in increase in interest on short term running finances. The other income saw an increase due to higher scrap sales.

Financial Position Analysis

Net Worth
Net worth of the Company decreased by Rs 1,094 million and resultantly stood at Rs 19,804 Million translating into a breakup value of Rs 14.35 per share. The net worth registered a decline of 5% over last year.

Long Term Loans
Long term loans (including current portion) stood at Rs 751 Million which increased by Rs 83 Million as compared to last year.

Trade and Other Payables
Recorded at Rs 1,245 Million at year end and increased by Rs 296 Million compared to previous financial year, mainly due to higher amount of sales tax and excise duty payable.

Accrued Liabilities
Stood at Rs 1,040 Million and increased by Rs 205 Million compared to previous financial year due to higher amount of outstanding balance of water conservancy charges.



Short Term Borrowings
Balance increased from Rs 998 Million in previous year to Rs 1,869 Million due to reduction in cement prices.

Property, Plant & Equipment
Stood at Rs 22,065 Million with decrease of 5 % compared to previous financial year mainly due to net impact of capitalizations and depreciation charged during current financial year.

Stock in Trade
Stood at Rs 1,188 Million with increase of Rs 244 Million compared to previous financial year due to increase in clinker and paper bags stocks.

Cash and Bank Balances
Stood at Rs 561 Million compared to Rs 403 Million compared to previous financial year.

مجموعی کارکردگی کا جائزہ

زیرِ جائزہ مالی سال 20-2019 کے دوران، آپ کی کمپنی کو گزشتہ برس کے 2,824 ملین روپے کے منافع کے مقابلے میں 59 ملین روپے کے خسارے کا سامنا رہا۔ اس خسارے کی وجہ مقامی اور بین الاقوامی سطح پر قیمتِ فروخت میں کمی ہے جس کے باعث گزشتہ برس کی نسبت اس برس بچت کی شرح کم رہی۔ بجلی کے نرخوں اور کوئلے اور خام مال کی قیمتوں میں اضافے کے باعث مصنوعات کی تیاری کے اخراجات میں بھی اضافہ دیکھنے میں آیا۔ بڑھتے ہوئے اخراجات میں کچھ تخفیف اپنی بجلی پیدا کرنے کے سبب ہوئی جو اس برس کمپنی کی تاریخ کی بلند ترین سطح یعنی کل درکار بجلی کے 63 فیصد تک پہنچ گئی۔ سی ایس آر (CSR) کے اخراجات میں اضافہ کی وجہ سے تقسیم (Distribution) اور انتظامی (Administrative) اخراجات میں اضافہ ہوا۔

مندرجہ بالا عوامل کی وجہ سے برقرار رکھنے کی قیمت (Retention Price) میں بچت کی شرح شدید حد تک کم ہو گئی اور مجموعی منافع کی شرح محض 4 فیصد رہ گئی جو گزشتہ برس 26 فیصد تھی۔ زر کے بہاؤ میں کمی کے باعث مالیاتی قرضوں کی سہولت کی ضرورت پڑی جس سے مختصر مدت کے قرضوں پر سُود کی ادائیگی میں اضافہ ہوا۔ کمپنی کی دیگر آمدنی کی مد میں کچھ اضافہ دیکھنے میں آیا جس کی وجہ ناکارہ کباڑ (Scrape) کی فروخت تھی۔

مالی حالت کا تجزیہ

۱۔ **نئی قدر و قیمت**

کمپنی کی مجموعی مالی قدر 1,094 ملین روپے کم ہوئی اور نتیجتاً 19,804 ملین روپے رہ گئی جس کا مطلب یہ ہے کہ اس کے ہر فی حصہ (Share) کی قیمت 14.35 روپے ہے۔ کمپنی کی نئی قدر و قیمت میں گزشتہ برس کے مقابلے میں 5 فیصد کمی ریکارڈ کی گئی ہے۔

۲۔ **طویل مدتی قرضہ جات**

طویل مدتی قرضے (بشمول موجودہ حصے کے) 751 ملین روپے پر کھڑے ہیں جو گزشتہ برس کے مقابلے میں 83 ملین روپے کا اضافہ ظاہر کرتے ہیں۔

۳۔ **تجارتی اور دیگر واجب الادا رقوم**

مالی سال کے اختتام تک واجبات 1,245 ملین روپے ریکارڈ کیے گئے ہیں جو گزشتہ برس کے مقابلے میں 296 ملین روپے زیادہ ہیں جس کی بنیادی وجہ سیلز ٹیکس اور ایکسائز ڈیوٹی کی مد میں اضافہ ہے۔

۴۔ **جمع شدہ واجبات**

مالی سال کے اختتام تک جمع شدہ واجبات 1,040 ملین روپے ریکارڈ کیے گئے ہیں جو گزشتہ برس کے مقابلے میں 205 ملین روپے زیادہ ہیں جس کی بنیادی وجہ آبی تحفظ (Water Conservancy) کے اخراجات کے بقایاجات کی مد میں اضافہ ہے۔

۵۔ **مختصر مدتی گروشی قرضہ**

گزشتہ برس کے ان قرضہ جات کی کل رقم 998 ملین روپے سے بڑھ کر 1,869 ملین روپے ہو گئی ہے جس کی وجہ سیمنٹ کی قیمتوں میں کمی ہے۔

۶۔ **جائیداد، پلانٹ اور دیگر آلات**

مالی سال کے اختتام تک یہ رقم 22,065 ملین روپے تھی جو گزشتہ برس کے مقابلے میں 5 فیصد کم ہے جس کی بڑی وجہ رواں مالی سال کے دوران سرمایہ بندی (Capitalizations) اور وقت کے ساتھ فرسودہ (Depreciation) ہونے کے باعث مشینری اور آلات کی قیمتوں میں کمی ہے۔

۷۔ **تجارت میں سٹاک**

تجارتی سٹاک 1,188 ملین روپے ہے جو گزشتہ مالی سال کے مقابلے میں 244 ملین روپے زیادہ ہے جس کی وجہ کلنکر (Clinker) اور پیکنگ بیگ (Packing Bags) کے ذخیرے میں اضافہ ہے۔

۸۔ **نقد رقم اور بینک بیلنس**

گزشتہ مالی سال کے 403 ملین روپے کے مقابلے میں اس سال یہ رقم 561 ملین روپے ہے۔

CORPORATE **GOVERNANCE**



Role of Chairman FCCL Board

The Chairman leads the Board of Directors, represents the Fauji Foundation (FF) Group and acts as an overall custodian of FF Group. He is responsible to ensure the effectiveness of Board of Directors and empowers the Board to play a constructive role in the development and determination of Company's strategy and overall objectives.

Role of Chief Executive Officer (CEO) / Managing Director (MD)

CEO/MD is responsible to lead and manage the Company in order to achieve the Company's mission/vision and annual objectives aimed at growth of the Company. He annually reviews, develops and oversees the implementation of strategies for Company's investment portfolio, so as to add sustainable value on a consistent basis, and to fulfill the aims and objectives of the Company. He takes all the decisions for the routine functioning and acts as a direct link between the Board and Company management. He develops and maintains effective strategic relationships with key stakeholders, including shareholders, investors, creditors, customers, business partners and counterparties of the Company. He provides leadership, direction, and coordinates all activities of the Company, in accordance with goals and objectives as defined by the Board of Directors, to safeguard and enhance the assets and business of the Company so that day to day affairs of the Company are effectively and efficiently coordinated, implemented and conducted within the framework, parameters and limits as prescribed by the Board of Directors.

Composition of the Board

Company's Board consists of 10 Directors, which includes three independent Directors (including one female Director), six Non-Executive (including Chairman) and one Executive Director (CEO/MD). The diverse knowledge, expertise and skills of Directors enhance the effectiveness of Board. The Board composition represents the interests of all categories of shareholders.

Meetings of Board of Directors

The Board meetings are held in every quarter for approval of Company's Financial Statements besides a meeting for approval of Business / Strategic Plan & Annual Budget. In addition, the Board can convene a special meeting to discuss any special agenda. The details related to Board meetings and its attendance are indicated on pages from 70 to 75.

CORPORATE **GOVERNANCE**

Composition of Board Committees

Composition of Board Committees and other relevant details (attendance and Terms of Reference) are given on pages from 70 to 75.

Change of CEO/MD FCCL.

On retirement of Lt Gen Muhammad Ahsan Mahmood, HI(M), (Retd), Mr Qamar Haris Manzoor was appointed as CEO/MD of FCCL with effect from 10th June 2020. The Board of Directors while welcoming the new CEO/MD, also placed on record its appreciation for the commendable services rendered by Lt Gen Muhammad Ahsan Mahmood, HI(M), (Retd), the outgoing MD.

Change of Chairman FCCL Board

Due to retirement of Lt Gen Syed Tariq Nadeem Gilani, HI(M), (Retd), Mr Waqar Ahmed Malik was appointed as Chairman FCCL Board of Directors with effect from 9th April 2020. The Board welcomed the new Chairman and placed on record its appreciation for the commendable services rendered by Lt Gen Syed Tariq Nadeem Gilani, HI(M), (Retd), the outgoing Chairman.

Change of Directors

a. Following Directors rendered their resignation from their positions during this year:-

1	Lt Gen Syed Tariq Nadeem Gilani, HI(M), (Retd)	27th March 2020
2	Lt Gen Muhammad Ahsan Mahmood, HI(M), (Retd)	9th June 2020
3	Maj Gen Kalem Saber Taseer, HI(M), (Retd)	31st July 2019
4	Mr Muhammad Amir Khan	30th September 2019
5	Maj Gen Tahir Ashraf Khan, HI(M), (Retd)	1st January 2020
6	Mr Syed Iqtidar Saeed	26th April 2020
7	Maj Gen Wasim Sadiq, HI(M), (Retd)	9th June 2020

b. Following Directors joined the FCCL Board on the dates indicated against each:-

1	Mr Waqar Ahmed Malik	9th April 2020
2	Mr Qamar Haris Manzoor	10th June 2020
3	Maj Gen Naseer Ali Khan, HI(M), (Retd)	9th August 2019
4	Maj Gen Wasim Sadiq, HI(M), (Retd)	1st October 2019
5	Maj Gen Abid Rafique, HI(M), (Retd)	1st January 2020
6	Mr Sarfaraz Ahmed Rehman	10th June 2020
7	Dr Nadeem Inayat	10th June 2020

c. The Board of Directors placed on record its appreciation for the valuable contributions of retiring Directors and welcomed the new Directors

List of Companies in which MD/CEO FCCL is Serving as CEO/Director

In addition to being the CEO/MD of Fauji Cement Company Limited, Mr Qamar Haris Manzoor is also performing the duties of CEO/Executive Director of following companies:-

a. Askari Cement Limited

b. Foundation Solar Energy (Pvt) Limited

List of Companies in which MD/CEO FCCL is Serving as Director

1	Fauji Fertilizer Company Limited	Non-Executive Director
2	Fauji Fertilizer Bin Qasim Limited	Non-Executive Director
3	Fauji Fertilizer Company Energy Limited	Non-Executive Director
4	Fauji Kabirwala Power Company Limited	Non-Executive Director
5	Fauji Infraavest Foods Limited	Non-Executive Director
6	Foundation Power Company Dahraki Limited	Non-Executive Director
7	Foundation Wind Energy (Pvt) Limited – I	Non-Executive Director
8	Foundation Wind Energy (Pvt) Limited – II	Non-Executive Director
9	Mari Petroleum Company Limited	Non-Executive Director

Salient Aspects of Company's Control and Reporting Systems

The Company complies with all the requirements of Companies Act 2017 and Listed Companies (Code of Corporate Governance) Regulations 2019. In this regard, the Board is responsible for ensuring implementation of corporate governance guidelines in the Company which includes approval of strategic direction as recommended by the company management, approval & monitoring of capital expenditures, ensuring compliance with succession policies for senior management, establishing & monitoring the achievement of management's goals, integrity of internal controls and approving/monitoring the financial & other reporting systems.

Relations with Company Personnel

Relations between the company management and employees continued to remain cordial, based on mutual respect and trust. FCCL Employees Provident Fund and FCCL Workers Profit Participation Fund are being maintained for the employees/workers. Considerable investment has also been made for the welfare of employees besides ensuring availability of safe & conducive working environment to the employees.

Directors' Remuneration for Board and Committee Meetings

The fee is paid to Directors (independent and non-executive) for attending the Board and Committee meetings and the same has been approved by the Board. They are also entitled to obtain reimbursement of expenses incurred on account of boarding, lodging and travelling to attend such meetings. The total amount of money paid to the Directors during the year is indicated in Note 36.2 of the attached financial statements.

Annual Evaluation of Board, Committees and Directors

In line with the requirements of Listed Companies (Code of Corporate Governance) Regulations 2019, revised procedure for evaluation of Board, Committee and Directors of FCCL was approved by the Board in February 2020. Accordingly, the evaluation process for Financial Year 2019/20 has been completed.

CORPORATE **GOVERNANCE**



Trading of Shares by the Directors and Executives

Directors of the Company traded in 9006 shares of FCCL during the year, however, no trading was conducted by the executives and their spouses and minor children. Board of Directors as well as Pakistan Stock Exchange are being regularly updated on the trading of shares by the Directors and Executives is indicated in this Report at page 164.

Shareholding Pattern

Statements showing the pattern of shareholding as on 30th June 2020, required vide Section 227 (2) (f) of the Companies Act, 2017 is indicated in this Report at pages 156 to 161.

Approval of Vision, Mission and Corporate Strategy by the Board

The Board of Directors has approved the Vision, Mission and Corporate Strategy of the Company. It comprehensively states the ideology with which the FCCL was incorporated. We ensure that our Vision and Mission set the direction for our overall corporate strategy. The entire outfit is highly motivated, mutually well connected and possesses the required drive to achieve the desired end state, as enunciated by the overall strategy and budgeted goals.

Shareholders' Information

In order to update the shareholders about the operations, growth and state of affairs of the Company, the management promptly disseminates all material information including, but not limited to, announcement of interim and final results to Pakistan Stock Exchange. Quarterly, Half Yearly and Annual Financial Statements are circulated to all concerned within the stipulated timeframe. Likewise, notices and announcements of dividend 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). In the same context, FCCL conducted analysts briefing during the year to apprise the stakeholders regarding financial and operational performance. Besides analysts and shareholders, the PSX representatives were apprised about business environment, progress on ongoing projects and review of Company's performance. A detailed question and answer session was conducted after the presentation.

Qualifications of CFO and Head of Internal Audit

CFO and Head of Internal Audit possess the requisite qualification and experience, as prescribed in the Listed Companies (Code of Corporate Governance) Regulations 2019.

Training of Board Members and Senior Management

In line with the requirements indicated in Regulation 19 of Listed Companies (Code of Corporate Governance) Regulations 2019, the Directors have been appropriately certified under the Directors' Training Program from SECP approved institutions and the Company is complying with the requirement given in the Code of Corporate Governance. Names of directors who have obtained certification from SECP approved institutions is as under:-

a. Mr Waqar Ahmed Malik
b. Maj Gen Naseer Ali Khan, HI(M), (Retd)
c. Maj Gen Abid Rafique, HI(M), (Retd)
d. Dr Nadeem Inayat
e. Mr Rehan Laiq
f. Mr Sarfaraz Ahmed Rehman
g. Mr Jawaid Iqbal
h. Mr Zafar Iqbal Sobani
i. Ms Jahanara Sajjad Ahmad

Code of Conduct for Employees

Pursuant to Listed Companies (Code of Corporate Governance) Regulations 2019, FCCL adheres to the best ethical standards in the conduct of business. Accordingly, the Code of Conduct of Company has been approved by the Board of Directors and is placed on the Company's website.

Conflict of Interest of Board Members

In order to avoid any known or perceived conflict of interest, formal disclosure of vested interests is encouraged, as highlighted in the Listed Companies (Code of Corporate Governance) Regulations 2019. The Board of Directors has approved the "Code of Conduct for Directors" and the same is being followed in true letter and spirit. The Code of Conduct for Directors not only comprises of principles provided under the regulatory requirements but it also encompasses the global best practices. The Board members are responsible for appropriate self-disclosure of their interest in a transparent manner and in case of any doubt, they are advised to discuss the matter with the chairman of the meeting for any guidance. The suggestions and comments of Board members, during these meetings/proceedings are accordingly recorded for evaluation and resolution of any issue related to conflict of interest.

External Auditors

M/s KPMG Taseer Hadi & Co, chartered accountants, have completed the annual audit of Company for the year ended 30thJune 2020 and will retire on 14th October 2020 after conclusion of 28th Annual General Meeting (AGM). In view of recommendation of Audit Committee, the Board has recommended M/s KPMG Taseer Hadi & Co, Chartered Accountants, as External Auditors of Company for the year ending 30th June 2021, for approval by the shareholders during 28th AGM, scheduled on 14th October 2020.

Whistle Blowing Policy

Pursuant to Listed Companies (Code of Corporate Governance) Regulations 2019, FCCL is committed to achieve high standards of integrity, transparency, ethical values and accountability. Accordingly, Whistle Blowing Policy of Company, duly approved by the Board of Directors, has been placed on the Company's website. The Policy allows all employees and others concerned to share their grievance, if any, with the senior management and these concerns are addressed promptly. Additionally, an update of the same is also shared with the Audit Committee and Board during quarterly meetings.

Related Party Transactions

All transactions with the related parties, during the year, were carried out on arm's length basis. The same were duly approved by the Audit Committee as well as Board, as required by the Companies Act 2017 and other relevant regulations. Any transaction with the related parties, where majority of Directors of FCCL are interested, is referred to the shareholders in a general meeting for ratification/approval. Details of all transactions, entered into with related parties,

CORPORATE **GOVERNANCE**



is given in Note 38 to the financial statements. Names of all related parties along with nature of their relationship and percentage holdings have been appropriately disclosed in Note 38 of the Financial Statements. In compliance with the requirements of Fourth schedule of Companies Act 2017, detailed disclosure regarding related party transactions has been made in Note 38 of the Financial Statement.

Disclosures

To the best of our knowledge, Directors (except as shown on page 164 of the Report on Pattern of Shareholding), CEO/MD, CFO, Company Secretary, Company Auditors, their spouses and minor children have not undertaken any trading in the shares of Company during the FY 2019-20.

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.

Shared Services between FCCL and Askari Cement Limited (ACL)

In order to optimize the costs through pooling of resources and provision of services through the employees of FCCL and ACL, Resource Sharing Arrangement was approved by the Board of Directors in December 2019 and by the shareholders during 11th Extra Ordinary General Meeting (EOGM) held in January 2020. Accordingly, both Companies signed the Shared Services Agreement in May 2020 after obtaining the required regulatory approval from Competition Commission of Pakistan. The C – Suite has been appointed while the synergization of the rest of the organization is in progress to achieve the targeted savings.

Investment in FSEL

In view of the government's emphasis towards renewable energy, Fauji Foundation (FF) established and registered Foundation Solar Energy (Pvt) Ltd (FSEL). The objective was to have an in-house Company to execute the solar projects within the group companies as well as to

target Industrial, Commercial, Housing and Public Sector. The Company offers EPC and BOOT models for execution of the projects providing high quality equipment at cost effective prices. Equity investment in FSEL (an Associated Company) of upto Rs 200 Million by FCCL was approved by the Board of Directors in December 2019 and by the shareholders during 11th Extra Ordinary General Meeting (EOGM) held in January 2020.

Compliance to Listed Companies (Code of Corporate Governance) Regulations 2019

The Board is fully aware of its obligations towards compliance with the guidelines and requirements given in the Listed Companies (Code of Corporate Governance) Regulations 2019 and ensures compliance of the same. As part of the same compliance, we confirm the following:-

a. The Financial Statements have been prepared by the Company in a true and fair manner, reflecting its operations, cash flows and changes in equity.

b. Appropriate accounting policies have been applied consistently in the preparation of Financial Statements and the Accounting Estimates are based on reasonable and prudent judgments.

c. International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of Financial Statements and any departures therefrom, have been disclosed and adequately explained.

d. The system of internal control is sound in design and is being effectively implemented and monitored.

e. There are no significant doubts about the Company's ability to continue as a going concern.

f. There has been no material departure from the best practices of corporate governance, as given in the Listed Companies (Code of Corporate Governance) Regulations 2019.

g. As required by the Listed Companies (Code of Corporate Governance) Regulations 2019, we have included following information in this Report:-

(1) Chairman's Review is given on pages from 33 to 36.

(2) Statement on Pattern of Shareholding is given on pages from 156 to 161.

(3) Statement of Shares, held by Associated Companies, Undertakings and Related Parties is given on page 63.

(4) Statement related to Board meetings held during the year and attendance by each Director is given on page 70 to 75.

(5) Key Operating and Financial Statistics for the last six years are given on page 77.

Contribution to National Exchequer

FCCL contributed PKR 10.148 Billion (in 2019 it was PKR 10.783 Billion) to the National Exchequer on account of income tax, excise duty, sales tax and other government levies. Moreover, valuable foreign exchange to the tune of US $ 10.2 Million was generated by FCCL from export of Cement during the year.

Outstanding Statutory Dues

The Company does not have any outstanding statutory dues except as shown in Note 9 to the Financial Statements.

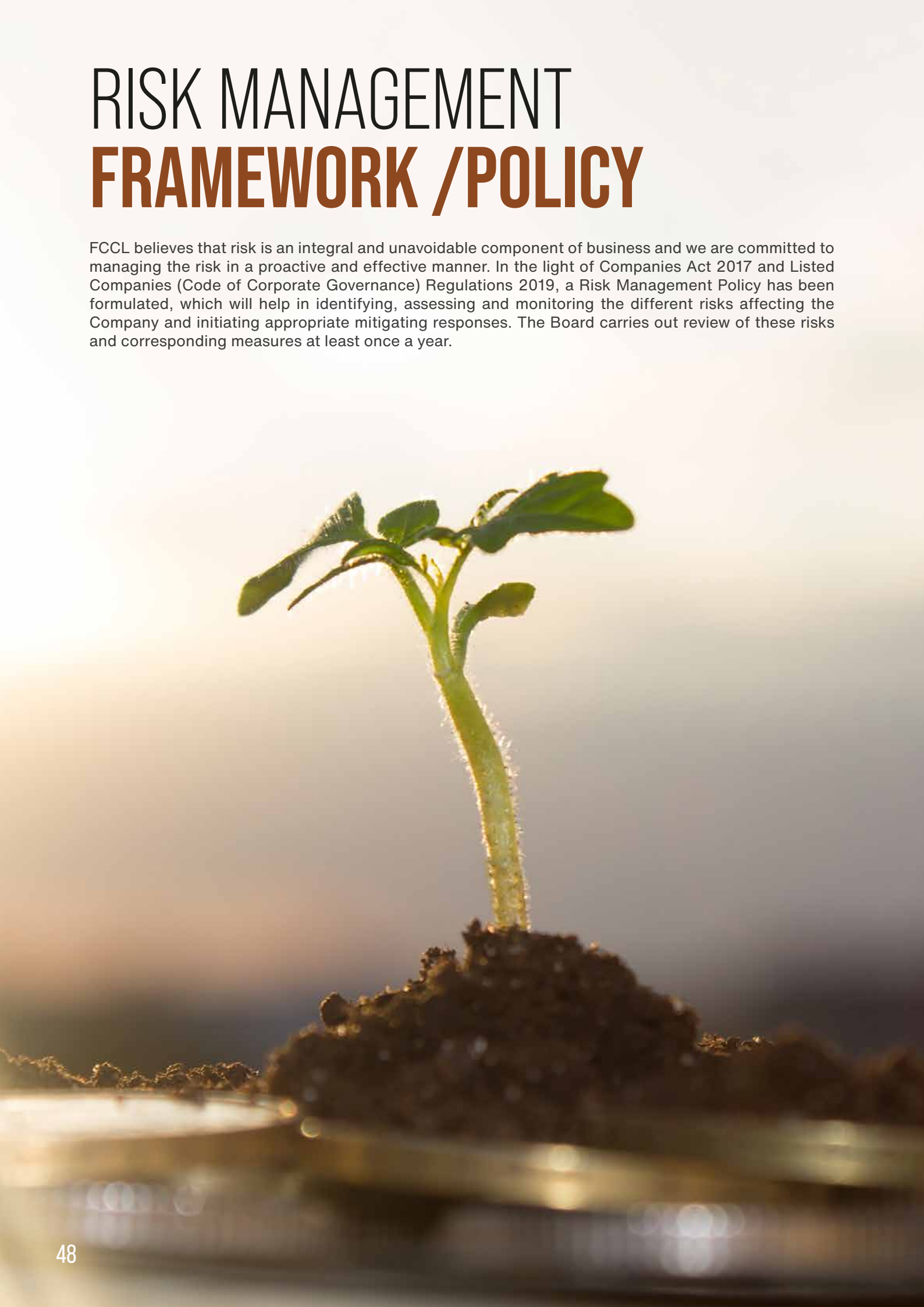
Provident Fund

The total value of this Fund, as on 30th June 2020, is given below:-

S/No	Category of Staff	Rs in Million
a.	Management Staff	**557**
b.	Non-Management Staff	**388**
	Total	**945**

RISK MANAGEMENT
FRAMEWORK /POLICY

FCCL believes that risk is an integral and unavoidable component of business and we are committed to managing the risk in a proactive and effective manner. In the light of Companies Act 2017 and Listed Companies (Code of Corporate Governance) Regulations 2019, a Risk Management Policy has been formulated, which will help in identifying, assessing and monitoring the different risks affecting the Company and initiating appropriate mitigating responses. The Board carries out review of these risks and corresponding measures at least once a year.



RISK **MANAGEMENT FRAMEWORKS / POLICY**

Principal Risks/Uncertainities

	Description of Risk	Impact on Company	Risk Response, Treatment and Controls
Covid-19 Outbreak	**Employees Health and Safety** Source of Risk: External/Internal Likelihood of Occurrence: High Risk Priority: High	Hindrance in operations of the Company	All SOPs for health and safety of employees are being followed. Work from home initiatives are taken to bear minimum presence in offices.
	Slow Down of Dispatches Source of Risk: External Likelihood of Occurrence: Medium Risk Priority: High	Financial loss due to less dispatches	Government's initiative to keep construction sector open has helped overcome domestic dispatches and effect has not been very pronounced. Exports to Afghanistan remained close for over 3 months but have resumed slowly in June 2020. Efforts to make maximum dispatches to peripheral areas where there was less lock down.
	Shortage of Liquidity **Source of Risk:** External **Likelihood of Occurrence:** Remote **Risk Priority:** High	Hindrance in business operations due to non-availability of finances	Maximum possible availability of short term Lines done to ensure that there is no shortage of liquidity. Rationalization of payments to suppliers and Government taxes is done to gain time wherever possible.
	Supply Chain (Raw Materials, Spares and Fuels) Hindrances **Source of Risk:** External **Likelihood of Occurrence:** Remote **Risk Priority:** High	Hindrance in business operations	▪ Close monitoring of existing stocks ▪ Close interaction with suppliers ▪ Close monitoring of market conditions and availability of materials in market ▪ Analysis of critical spares availability
Strategic	**Excess Supply in the Market as a result of recent expansions** **Source of Risk:** External **Likelihood of Occurrence:** Very Likely **Risk Priority:** High	Drop in market share and pressure on prices	Fauji Cement is considered as one of the top brand in the market because of its Quality so that helps in retaining market share. Secondly, having diversified products is also a key advantage.
Financial	**Credit Risk** **Source of Risk:** External **Likelihood of Occurrence:** Likely **Risk Priority:** Medium	Financial Loss	We have established credit policy with assigned limits. Analysis of credit worthiness of each customer individually by the management before extending any major credit is done. Close monitoring of credit limits and regular recovery procedures are in place. Bank Guarantees for risky projects are taken wherever possible.
	Exchange Rate Risk **Source of Risk:** External **Likelihood of Occurrence:** Very Likely **Risk Priority:** Medium	Certain operating and capital expenditure incurred by the Company in foreign currencies. An adverse exchange rate movement can cause increased input costs	Economic indicators are closely monitored along with currency fluctuations and wherever hedging arrangements needed i.e. mainly forward cover where available are made. In case of USD, Company also has natural hedge as it imports and exports in the same currency which partially offsets the risk. Although COVID – 19 breakout impacted our exports due to border closure but by the year June 2020 they started resuming.
	Interest Rate Risk **Source of Risk:** External **Likelihood of Occurrence:** Very Likely **Risk Priority:** Low	High Financial Cost in case of increased interest rates	The Company regularly monitors the Interest rate movements and chooses between the various options for financing. Due to good credit worthiness of the Company best possible rates are obtained. Currently due to low leverage Company's exposure to interest rate risk is limited.

RISK **MANAGEMENT FRAMEWORKS / POLICY**

	Description of Risk	Impact on Company	Risk Response, Treatment and Controls
Operational	**Stagnant or Decreasing Sale Prices** **Source of Risk:** External **Likelihood of Occurrence:** Very Likely **Risk Priority:** High	Squeezed margins as a result of stagnant and decreasing sales prices while cost rises	Fauji cement is perceived as a premium brand in the market. Company is manufacturing low cost `PAMIR Cement with better margins. Modernization of plant and efficiency on processes is also done through:- ▪ Technology upgradation ▪ Debottlenecking ▪ Energy efficient equipment
	Increasing Input Costs **Source of Risk:** External **Likelihood of Occurrence:** Very Likely **Risk Priority:** High	High Cost of production with a risk that it may not be passed on	Own 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. Use of alternative fuels and optimum coal mix. Increased system efficiencies of equipment. Business synergies through shared services arrangement with Askari Cement Limited.
	Disaster Management **Source of Risk:** External/ Internal **Likelihood of Occurrence:** Very Likely **Risk Priority:** High	Information loss can have very serious impact on company's operation and severe financial and reputational loss could occur	Company has the Hypervisor virtual environment at all offices. A dedicated HP server is deployed for live replication of business critical virtual machines (VMs) at each location. These VMs are also being backup on daily basis to a separate storage device placed in respective location. Business critical applications data is being replicated after every few minutes across the 3 locations of the company. Also, users at any location have the capability to connect to any other remote location through VPN.

Environmental	**Non-compliance of Environmental Laws**
	Source of Risk: External/Internal
	Likelihood of Occurrence: Remote
	Risk Priority: High
		▪ The Company prioritizes the environmental sustainability in all its operations and activities. However, certain threats do prevail
		▪ Legal Exposure
		  ▪ Non-compliance of EQS/PEQS
		  ▪ New regulations e.g. water, CO_2
			We are complying with all PEQS/NEQS. 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). Extensive plantation of trees around manufacturing plants is undertaken for green belt development. Use of (cementitious) material in new products to reduce carbon foot print also contributing to environment.

	Water Scarcity **Source of Risk:** External/Govt. Authorities **Likelihood of Occurrence:** High **Risk Priority:** High	High Cost of water and production Loss	Fauji cement has constructed three water storage ponds collecting mainly rain water and plant waste water to be used for plant water consumption. Our plant is located in positive area where water table is high and is expected that ground water supply will not be disconnected by authorities.

ممکنہ کاروباری خطرات سے نمٹنے کا طریق کار/ پالیسی

(Risk Management Framwork Policy)

فوجی سیمنٹ کمپنی لمیٹڈ سمجھتی ہے کہ غیر متوقع خطرات کاروبار کا لازمی اور ناگزیر حصہ ہوتے ہیں اور ایسے خطرات سے مؤثر اور فعال انداز میں نمٹنے پر کمربستہ ہے۔ کمپنیز ایکٹ 2017ء اور لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019ء کی روشنی میں ممکنہ خطرات سے نمٹنے کی پالیسی بنائی گئی ہے جو کمپنی کو درپیش مختلف قسم کے کاروباری خطرات کے تعین، جائزے اور نگرانی میں مدد کرے گی اور ان سے نمٹنے کے لیے موزوں اقدامات بھی کرے گی۔ کمپنی کا بورڈ ان خطرات اور ان سے نمٹنے کے اقدامات کا سال میں کم از کم ایک بار جائزہ لے گا۔

بنیادی کاروباری خطرات/غیر یقینی صورت حال

	ممکنہ خطرے کی تفصیل	کمپنی پر ممکنہ خطرے کے اثرات	ممکنہ خطرے پر ردعمل اور اس کا حل
کورونا وائرس کی وبا سے متعلق	ملازمین کی صحت اور تحفظ خطرے کا ماخذ بیرونی/داخلی خطرے کے وقوع کا امکان زیادہ خطرے کی ترجیح زیادہ	کمپنی کے افعال کی انجام دہی میں رکاوٹ	تمام ملازمین کی صحت اور حفاظت کے ایس او پیز (SOPs) کی پیروی کی گئی ہے۔ گھر سے کام کرنے کا طریق کار اپنایا گیا تاکہ دفتروں میں حاضری ممکن حد تک کم سے کم رہے۔
	ترسیلات میں کمی خطرے کا ماخذ بیرونی خطرے کے وقوع کا امکان اوسط خطرے کی ترجیح زیادہ	کم ترسیلات کے باعث مالی نقصان	تعمیراتی شعبے کو کھلا رکھنے کے حکومتی اقدام نے مقامی سطح پر ترسیلات کی ممکنہ کمی پر قابو پانے میں معاونت کی اور اس کے اثرات زیادہ نہیں ہوئے۔ افغانستان کی طرف برآمدات تین مہینے کے لیے بند رہیں لیکن جون 2020ء میں آہستہ روی کے ساتھ دوبارہ شروع ہوگئیں۔ کوشش کی گئی کہ زیادہ تر ترسیلات مضافات کے علاقوں میں جہاں لاک ڈاؤن نسبتاً کم رہا۔
	سرمائے کا فقدان خطرے کا ماخذ: بیرونی خطرے کے وقوع کا امکان کم خطرے کی ترجیح بہت زیادہ	سرمائے کی عدم دستیابی کی وجہ سے کاروباری افعال میں رکاوٹ	ممکن حد تک زیادہ سے زیادہ قرضہ جات حاصل کیے گئے تاکہ سرمائے کا فقدان پیدا نہ ہو۔ سپلائرز کو ادائیگیوں میں اور حکومتی ٹیکسوں میں قواعد کے مطابق تصحیح کروائی گئی تاکہ جہاں ممکن ہو وقت حاصل کیا جاسکے۔
	سپلائی کے سلسلے (خام مال، سپیئر پارٹس اور ایندھن) میں رکاوٹ خطرے کا ماخذ بیرونی خطرے کے وقوع کا امکان کم خطرے کی ترجیح: زیادہ		موجود سٹاک کی کڑی نگرانی۔ سپلائرز کے ساتھ قریبی رابطہ۔ مارکیٹ کی صورت حال اور خام مال کی دستیابی پر کڑی نگاہ رکھنا۔ ناگزیر سپیئر پارٹس کی دستیابی کا تجزیہ کرنا۔

ممکنہ کاروباری خطرات سے نمٹنے کا طریق کار/ پالیسی

(Risk Management Framwork Policy)

حکمتِ عملی سے متعلق	نئے پیداواری یونٹوں کے باعث مارکیٹ میں سپلائی کی زیادتی خطرے کا ماخذ بیرونی خطرے کے وقوع کا امکان بہت زیادہ خطرے کی ترجیح زیادہ	مارکیٹ میں کمپنی کے کاروباری حصے میں کمی اور قیمتوں پر دباؤ	فوجی سیمنٹ اپنی کوالٹی کی وجہ سے مارکیٹ کے اعلیٰ ترین برانڈز میں سے سمجھا جاتا ہے جس سے اس کی مارکیٹ کو برقرار رکھنے میں مدد ملتی ہے۔ اس کے علاوہ مصنوعات کا تنوع بھی ایک کلیدی خوبی ہے۔
مالیات سے متعلق	ادھار کا خطرہ خطرے کا ماخذ بیرونی خطرے کے وقوع کا امکان موجود خطرے کی ترجیح اوسط	مالی نقصان	ہم نے اپنی مصنوعات ادھار پر دینے کی پالیسی میں بہت سی حدود و قیود شامل کی ہیں۔ بڑے پیمانے پر کوئی مصنوعات ادھار دینے سے پہلے انتظامیہ ہر گاہک کے اعتبار اور ساکھ کا تجزیہ کرتی ہے۔ ادھار کی حدود کی نگرانی کی جاتی ہے اور ادھار کی واپسی کا ایک باقاعدہ طریق کار لاگو ہے۔ جہاں ممکن ہو خدشے والے منصوبوں کے لیے بینک گارنٹی لی جاتی ہے۔
	زرمبادلہ کی شرح کا خطرہ خطرے کا ماخذ بیرونی خطرے کے وقوع کا امکان بہت زیادہ خطرے کی ترجیح اوسط	کمپنی کے بہت سے انتظامی اور مالی اخراجات غیر ملکی کرنسی میں کیے جاتے ہیں۔ زرِمبادلہ کی شرح میں کسی ناموافق تبدیلی سے اخراجات میں اضافہ ہوسکتا ہے۔	کرنسی کی شرح تبادلہ میں اونچ نیچ کا پیشگی اندازہ کرنے کے لیے معاشی نشانات کی مسلسل نگرانی کی جاتی ہے اور ضرورت کے مطابق انسدادی اقدامات کیے جاتے ہیں یعنی جہاں دستیاب ہوں پیشگی معاملات طے کر لیے جاتے ہیں۔ جہاں تک امریکی ڈالر کی بات ہے، کمپنی کے پاس اس کا ایک فطری حل موجود ہے کہ اس کی درآمدات اور برآمدات دونوں ایک ہی کرنسی میں ہوتی ہیں جو جزوی طور پر ممکنہ خطرے کو ختم کر دیتا ہے۔ اگرچہ کورونا کی وبا کی وجہ سے ہماری برآمدات سرحدی بندش کے باعث متاثر ہوئیں لیکن جون 2020ء سے یہ پھر سے شروع ہوگئی ہیں۔
	کاروباری سُود کی شرح کا خطرہ خطرے کا ماخذ بیرونی خطرے کے وقوع کا امکان بہت زیادہ خطرے کی ترجیح کم	شرح سود میں اضافے سے مالی اخراجات میں بہت اضافہ	کمپنی شرح سود میں اتار چڑھاؤ کی باقاعدگی سے نگرانی کرتی ہے اور مقامی اور غیر ملکی کرنسی کے استعمال میں متعدد امکانات زیر غور لانے کے بعد انتخاب کرتی ہے۔ کمپنی کی ساکھ اچھی ہونے کی وجہ سے سب سے بہتر ممکن شرح حاصل کی جاتی ہے۔ فی الحال بیعانے کم ہونے کی وجہ سے کمپنی کو شرح سود سے متعلق خطرات محدود ہیں۔
آپریشن سے متعلق	جامد یا کم ہوتی قیمتِ فروخت خطرے کا ماخذ بیرونی خطرے کے وقوع کا امکان بہت زیادہ خطرے کی ترجیح بہت زیادہ	جب لاگت کے اخراجات زیادہ ہو رہے ہوں قیمتوں کا جامد ہونا منافع کی شرح کم کرنے کا باعث ہوگا۔	فوجی سیمنٹ مارکیٹ میں ایک اعلیٰ برانڈ کے طور پر جانا جاتا ہے۔ کمپنی پامیر سیمنٹ بنا رہی ہے جس کی قیمت کم ہے اور اس میں شرح منافع زیادہ ہے۔ درج ذیل اقدامات سے پلانٹ کو جدید اور پیداواری افعال کی کارکردگی کو بہتر بنایا گیا ہے۔ ٹیکنالوجی کو اَپ گریڈ کرنا۔ رکاوٹوں کو دور کرنا۔ توانائی کے استعمال میں بچت والے آلات کا استعمال۔
	پیداواری اخراجات میں اضافہ خطرے کا ماخذ بیرونی خطرے کے وقوع کا امکان بہت زیادہ خطرے کی ترجیح زیادہ	پیداواری اخراجات میں اضافہ اس امکان کے ساتھ کہ یہ بعد میں کم نہیں ہوگا	مختلف ذرائع سے اپنی ذاتی بجلی کی پیداوار جس میں پلانٹ کی فاضل حدت کے استعمال، شمسی توانائی اور گیس کے جنریٹر شامل ہیں۔ قیمتوں کی کڑی نگرانی اور کوئلے کا ممکن حد تک باقاعدگی سے ذخیرہ کرنا۔ متبادل ایندھن اور کوئلے کی صحیح شرح کا استعمال آلات کی کارکردگی میں اضافہ۔ عسکری سیمنٹ لمیٹڈ کے ساتھ کاروباری خدمات کی شراکت داری۔

	حادثات سے نمٹنا **خطرے کا ماخذ** بیرونی/داخلی **خطرے کے وقوع کا امکان** بہت زیادہ **خطرے کی ترجیح** زیادہ	اطلاعات کا فقدان کمپنی کے افعال پر بہت گہرے اثرات مرتب کر سکتا ہے اور مالیات اور کمپنی کی ساکھ کے ضمن میں شدید نقصان ہو سکتا ہے۔	کمپنی اپنے تمام دفاتر میں ماحولیات کے حوالے سے کمپیوٹرائز ڈ نظام (Hypervisor) رکھتی ہے۔ ایک HP Server صرف اسی مقصد کے لیے مختص کیا گیا ہے کہ مشینوں کی براہ راست نگرانی میں معاون ہو۔ روازنہ کی بنیاد پر ان مشینوں کا بیک اپ لیا جاتا ہے۔ کمپنی میں تین مختلف مقامات پر ہر چند منٹ کے بعد تجارتی ڈیٹا محفوظ کیا جاتا ہے۔ مزید برآں کسی بھی مقام پر موجود استعمال کنندگان کسی وی پی این کے ذریعے دوسرے مقام سے رابطہ کرنے کی سہولت رکھتے ہیں۔
ماحولیات سے متعلق	**ماحولیاتی قوانین سے انحراف** خطرے کا ماخذ: بیرونی/داخلی **خطرے کے وقوع کا امکان** شاذونادر **خطرے کی ترجیح** زیادہ	کمپنی اپنے تمام آپریشنز اور سرگرمیوں میں ماحولیاتی استحکام کو ترجیح پر رکھتی ہے۔ اس کے باوجود بعض امکانات پھر بھی موجود ہیں۔ **ممکنہ قانونی مسائل** (الف) NEQS/PEQS کی خلاف ورزی (ب) نئے قوانین مثلاً پانی اور کاربن ڈائی آکسائیڈ سے متعلق	ہم P E Q S / N E Q S کی مکمل پیروی کر رہے ہیں متعدد ایسے آلات جن میں گرد جمع ہوتی ہے (الیکٹروسٹیٹک پریسی پیٹیٹرز، بیگ فلٹرز) پلانٹ پر گرد پیدا کرنے والے بنیادی مقامات (بھٹی، خام مال کی مل، کوئلے کی مل، سیمنٹ کی مل اور ترسیل والی بیلٹ) پر نصب کیے گئے ہیں۔ پیداواری پلانٹ کے اردگرد وسیع شجرکاری کی گئی ہے تاکہ سرسبز قطعہ زمین تیار ہو۔ کاربن کے اخراج کو کم کرنے والے میٹریل کا استعمال ماحولیات کے حوالے سے بہتری کا باعث ہے۔
	پانی کی صفائی **خطرے کا ماخذ** بیرونی/حکومتی مجاز ادارے **خطرے کے وقوع کا امکان** زیادہ **خطرے کی ترجیح** زیادہ	پانی کے اخراجات میں اضافہ اور پیداواری نقصان	فوجی سیمنٹ نے پانی ذخیرہ کرنے کے تین تالاب بنائے ہیں جن میں زیادہ تر بارش کا پانی جمع ہوتا ہے اور پلانٹ کا استعمال شدہ پانی بھی دوبارہ استعمال کے لیے جمع کیا جاتا ہے۔ ہمارا پلانٹ مثبت علاقے میں واقع ہے جہاں زمینی پانی کی سطح بلند ہے اور امید ہے کہ مجاز اداروں کی طرف سے پانی کی سپلائی منقطع نہیں کی جائے گی۔

OPERATIONS

The plant continued to operate satisfactorily during the year. Total clinker production for the year was 2,787,462 MT as compared to 2,750,077 MT of last year. Cement Production stood at 3,066,737 MT as compared to 3,041,178 MT of last year. The improved production resulted from higher plant availability with focused plant operation and maintenance. As part of continued thrust on energy reduction projects, the Company has successfully commissioned the solar- 2 Project of 2.5 MWp capacity in addition to the existing solar – 1 plant of 12.5 MWp, thereby making it the largest industrial solar power plant of Pakistan. In addition, ground leveling job is nearing completion for 2.5 MWp solar - 3 project.

Health, Safety and Environment

Fauji Cement Company upholds highest health and safety standards as a core value. To enhance efficiency and improve the awareness of Plant employees, extensive training programs were conducted along with carrying out number of audits to verify compliance with procedures and standards. Strict measures and SOPs were put in place to prevent the spread of Covid 19, which proved very effective in controlling the pandemic and resultantly, the plant operations remained uninterrupted.

FCCL believes in preserving the environment in which we operate by continuously minimizing our carbon footprint through reduced energy consumption and conservation of water by adopting novel reuse methods. Some of the initiatives taken during the year were:

Water Conservation

FCCL Plant is located in a green zone with relatively high water table and receives heavy annual rainfall (approximately 830 mm on the average). Moreover, Haro River, Shahpur Dam and rain-fed reservoirs continually replenish the underground aquifer to a level that facilitates availability of water at a low depth. Therefore, no water scarcity has been noticed in the region so far. In order to meet its social obligation and as a long term environmental contribution, FCCL has undertaken major water conservation and recycling initiatives. This has been done to contribute towards water preservation and charging of the ground water, while complimenting the Flora & Fauna of the area. Brief details are as under:-

Water Storage and Recycling (Pond 1)

This Pond has been constructed over an area of approximately 105,914 square feet with depth ranging from 10 to 13 feet. It provides a storage capacity of 915,063 cubic feet of water and



stores drainage and waste water from Waste Heat Recovery (WHR) cooling tower or blow down of WHR. It also stores the domestic waste water and captures the rain water. It is already serving as a continuing source to reuse treated water for cooling purposes in Plant operations. The project has been completed and the pond is full of water, reducing pumping from ground correspondingly. The quality of water meets the required standards, therefore, fish were added to the Pond for development of Aqua culture, which helps in controlling the mosquito's growth and monitoring of water quality. Any overflow will be fed back to sub-soil through especially dug bores to recharge the sub-soil water.

Rain Harvesting (Pond 2)

A set of six ponds and a sand filter has been developed with storage capacity of 955,836 cubic feet. The project is aimed at capturing the rain water at Plant and adjoining areas and harvesting it for re-usage and charging the sub-soil water. This is an innovative environmental project, which will contribute a lot to the environment in times to come.

Water Storage Pond 3

This pond has a storage capacity of about 1.2 million cubic feet. It is designed to store rain water from Quarry area and recharge the sub-soil water. This project is complete and has stored water from recent rains.

Mini Earth Dam (Clay Quarry Area)

The clay quarry area is naturally surrounded by two seasonal waterways. Based on its location, the FCCL constructed two water reservoirs and stored upto 30000 cum rain water since January 2020. FCCL has transferred 28000 cum rain water from these reservoirs to plant since March 2020. Now, the Company has planned to raise their capacities upto 50000 cum before upcoming rainy seasons. This initiative will certainly decrease the consumption of sub soil water and better use of rain water.

Tree Plantation and CO_2 Sequestration

Tree plantation has always been a top priority for FCCL since its inception. Emissions from Cement Kilns could be sequestered and stored by trees & plants. As plants are considered as lungs of the Environment, a tree plant absorbs CO_2 from its surrounding atmosphere and purifies the air. FCCL has planted, distributed and donated approximately **157,844** tree plants from spring 2009 to spring 2020. FCCL has celebrated the **Year 2019/20 as 'Stronger Greener Pakistan'** through continuous and vigorous plantation campaign. It has developed 05 orchards in its surroundings by planting 3,000 fruit tree plants thereby making a total of 11 orchards in its premises. FCCL has also distributed approximately 30,000 trees among its employees and various departments of District Attock.





OPERATIONS

Cementitious Material

Clinker manufacturing process is a source of CO^2 emissions, the lesser we produce clinker, the lesser will be the emissions of CO^2.

Use of cementitious material as a replacement of clinker is in vogue in all the developed countries for quite some time, yet it is still in embryonic stages in the developing countries for different reasons. As awareness about environment sustainability is increasing, companies in developing countries are also adopting different measures in order to reduce the carbon footprint. Fauji Cement introduced the use of cementitious material in finished product in order to reduce carbon foot print and launched a new product in the market with the name of "Pamir Cement", which will reduce the emissions of greenhouse gases by 20% as compared to Ordinary Portland Cement.

In addition, FCCL is working on the development of new products with in-house R&D and two more products are in the final stages of development, which will be launched commercially in near future that will further help in the reduction of carbon footprint.



ISO Certifications

The Company continues to maintain the ISO certifications on the latest standards. The integrated management system is certified with: -

a. ISO 9001 – 2015: Quality Management System.

b. ISO 14001 – 2015: Environment Management System.

c. OHSAS 18001 – 2007: Occupational Health & Safety Assessment Series

Environment degradation is a global phenomenon and it's the responsibility of individuals & organizations to curtail this degradation as much as possible. Fauji Cement Company realizes its responsibility towards the society in particular and the Mother Nature in general, and is proud to pursue these initiatives with enhanced vigor in the future as well.

When it comes to Health, Safety and Environment, FCCL will leave no stone unturned and will adopt all necessary measures to achieve its goals of environment sustainability. With initiatives already undertaken and described above, FCCL has become the torch bearer and an example for others to follow.

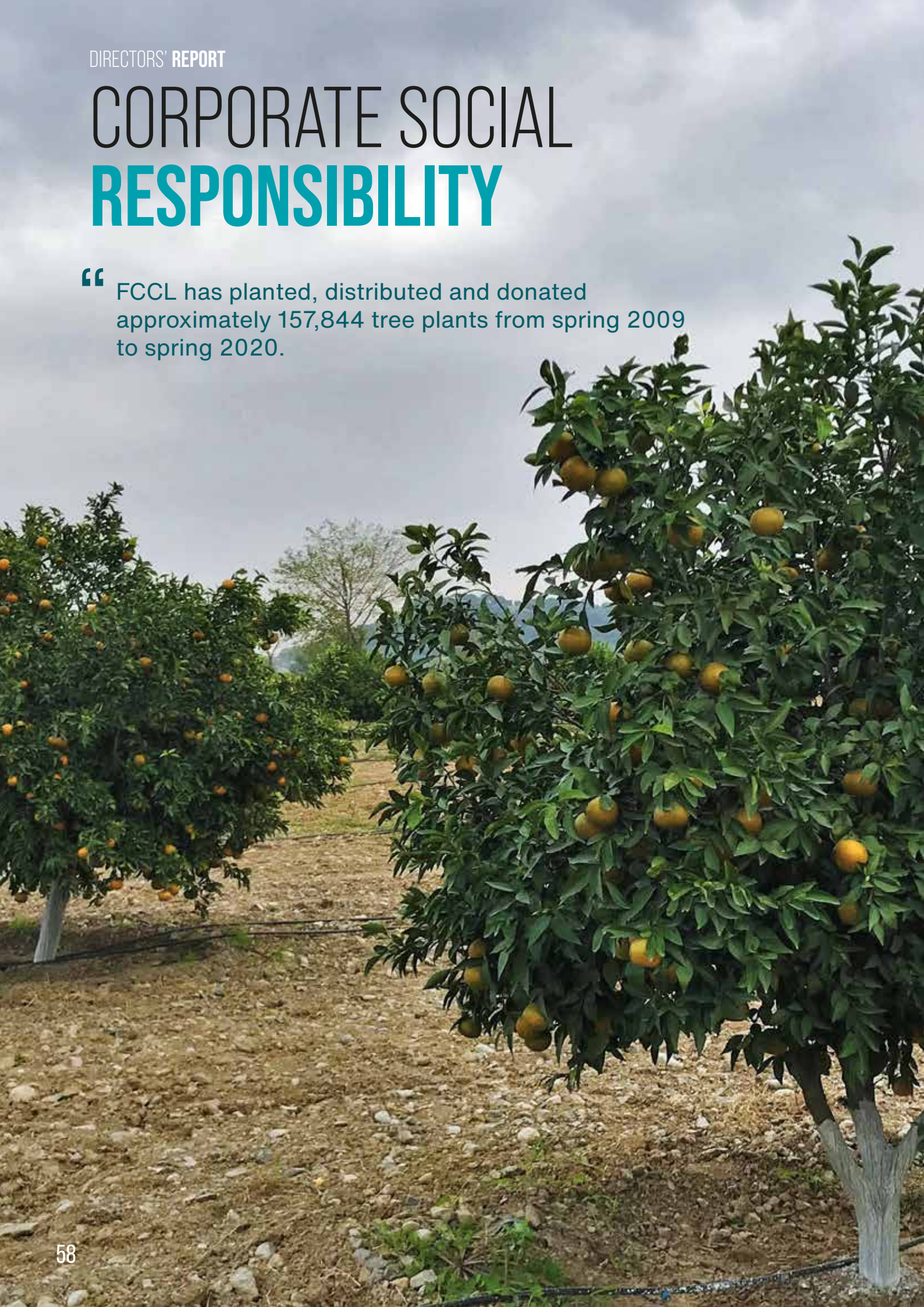






CORPORATE SOCIAL **RESPONSIBILITY**

> FCCL has planted, distributed and donated approximately 157,844 tree plants from spring 2009 to spring 2020.



Fauji Cement continues to work for the betterment and uplift of the surrounding communities in the below areas:

- Education.
- Health Care.
- Sports and recreational activities.

Education

Technical Training under Fauji Technical Training Institute (FTTI) continued during 2020. The program included a three (3) years Apprenticeship course for 70 students.

Following short courses of six months duration (affiliated with Fauji Foundation Vocational & Technical Training Department) were conducted for 60 students:-

- Domestic Electrician Course.
- Motor Winding Course.
- Welding Course.
- Instrument & Control Course.
- Vocational Training of Women.



In Vocational Training Institute for Women (FWVTI), established in the vicinity of FCCL Plant, 50 to 60 girls from local community are trained every year free of cost. The main focus of the course is to make the women of the community skilled in following areas:-

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

Fauji Cement Company continues to run a model school at the Plant which provides quality education to the wards of employees and children of the adjoining areas. The School houses state of the art Computer Centre, well stocked library and laboratories.



The Company has also joined hands with a NGO named "**System Foundation**" for achieving the vision of educating completely illiterate young women belonging to local community (between the ages of 18 to 35 years). The program equips illiterate people to obtain the Matric level degree in just Two Years. The classes for First Batch of 28 students have started since 1st April 2019.

Health Care

A new Medical Dispensary, with better infrastructure and improved facilities, has started functioning since March 2019 at the Plant premises. During the year, a total of **23,873**



CORPORATE SOCIAL **RESPONSIBILITY**



patients (including FCCL employees, contractor's labor and surrounding village patients) were extended free medical treatment (including medicines). An ambulance service for evacuation of critical patients to the main hospitals is also available for the community.

Sports and Recreational Facilities

The Company maintains a Park for the children of local community. Families & children from the surrounding villages use this facility quite frequently.

Annual Sports Gala was held to create goodwill amongst local populace and to inculcate a culture of healthy sports among the employees and people living in close vicinity. It was well attended and covered a range of sports. The hallmark of the sports activities was the Flood Light Cricket Tournament organized during Ramadan 2019.





INTELLECTUAL **CAPITAL**

As technology and process improvements become more of a differentiating factor within the modern companies, intellectual assets assume an added importance in achieving success in a competitive marketplace. FCCL has invested in the information technology (IT) resources for ensuring effective performance and achieving efficiency in the decision-making process. A comprehensive IT policy is in place to ensure use of advanced technologies for meeting the strategic and operational goals.

Security Policy to Safeguard the IT Resources

Regardless of size, it is important for every organization to have documented IT Security policies, so as to help protect the organization's data and other valuable assets. Following are three core objectives of IT Security Policies:

- **Confidentiality -** Protection of IT assets and networks from unauthorized access.
- **Integrity -** Ensuring that any modification in IT assets is controlled in a specific and authorized manner.
- **Availability -** Ensuring continuous access to IT assets and networks by authorized users.

Business Continuity

The application of business continuity management remains the priority areas for the Company. Business continuity sets out to enhance the strategic and tactical capability of the organization to plan for and respond to incidents and business disruptions in order to continue business operations at an acceptable pre-defined level.

Business Continuity Management Strategy and Policy is in place. This will also provide the opportunity to further align risk and business continuity principles with emergency planning besides ensuring that the Company can achieve a robust and joined-up approach in addressing these issues in future.

Disaster Recovery Planning (DRP)

A comprehensive Disaster Recovery Plan is in place and has also been 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.

Data Security and Backup Plan

For ensuring provision of additional layer of data security, the Company has prepared very effective data backup plans for its powerful QNAP - NAS storage devices, which are implemented on daily, fortnightly, monthly and yearly basis. This is in addition to the above mentioned DRP plan.

FCCL has three well established data centers, located at Head Office, Marketing Office and Plant Site. These data centers are well equipped with the HP G 9 and G 10 servers, having well configured virtual environment with live and real-time replications in place. A well-known brand of hardware firewalls 'SOPHOS' with cloud sandboxing features are also installed in all data centers of the Company. These Firewalls offer the best possible protection against all sorts of security threats like ransomware, crypto-mining, bots, worms, hacks, breaches and APTs. Details are as under:-

- Powerful Sandstorm sandboxing
- Deep learning with artificial intelligence
- Top performing IPS
- Advanced threat and botnet protection
- Web protection with dual AV, JavaScript emulation and SSL inspection
- E-mail scanning with SMTP, POP3, and IMAP support
- Spam protection etc.

Enterprise Resource Planning (ERP)

In order to adapt to the paperless environment effectively and to cope with the multiple functions within a business unit, FCCL has put in place a very effective ERP software at all offices of Company. It has been developed indigenously and caters to specific needs of the departments. This software integrates the business operations of all departments in an efficient manner besides helping in increasing the productivity, decreasing errors, implementing control, providing transparency and

INTELLECTUAL **CAPITAL**



providing instant access to data thus meeting the real time reporting needs of the company management.

Under the vision and special guidance of the FCCL higher management and with dedicated efforts & team work of relevant technical departments, Fauji Cement has automated its plant control operations in which the real time data is picked up from plant equipment. FCCL team has developed the software by utilizing in-house resources. The kind of automation is the first ever attainment in Cement sector in Pakistan.

Business Work Strategy - COVID-19

With all non-essential services shut, Companies are now officially on work-from-home mode. While remote working is a well-established aspect of corporate work policies, it has never been attempted at such an unprecedented scale until now. Perhaps the silver lining in all this is that we live in a highly connected digital world, with plenty of apps, tools, and platforms to help us invariably navigate such challenges.

The technology we have today gives us an edge that entrepreneurs and businesses did not have in the past. We can get work done, innovate, and make progress with just our digital or virtual presence.

This pandemic has already altered the landscape of the global workspace beyond recognition. However, we believe that this change gives us a unique opportunity to discover new ways of working and utilizing technology, which could have a positive impact long after we overcome the current crisis.

We develop, implement and communicate a Work from Home Policy:-

- Define what is meant by "remote work";
- Confirm that the employer's organizational polices, rules and practices apply to remote work employees;
- Eligibility, approval and duration of a remote work arrangement;
- Highlight any remote work training that is either recommended or required before a remote work arrangement can begin and/or continue;
- Performance reviews and evaluations
- Work hours and schedule;
- Emergency operations
- Performance, work quality and professional standards

Remote Workplace and Equipment

Modern technology makes remote work easier than ever before, and we use a variety of collaborative tools to keep employees in contact with one another.

HUMAN **RESOURCE**



HUMAN RESOURCE

Fauji Cement Company believes in best HR practices and continues to remain committed to the development of its employees.

FCCL remains the 'employer of the choice' in the cement industry, demonstrated by the long associations it enjoys with its employees.



COVID-SOP Awareness



Inhouse Training



Executive Trainings



Inhouse Training

STATEMENT OF **VALUE ADDITION**

STATEMENT OF VALUE ADDITION

	2020		2019	
	PKR in '000	%	PKR in '000	%
Wealth Generated				
Gross Sales/ Revenues	27,083,146	100	29,648,675	100
Wealth Distribution				
To Suppliers and Service Providers				
Bought-in-Material and services	13,058,292	48	12,398,916	42
To Employees				
Salaries, Benefits & other costs	1,931,739	7	2,008,002	7
To Government				
Income Tax, Sales Tax, Excise Duty & Others	10,148,143	37	10,783,000	36
To Society				
Donations	56,776	0.2	7,244	0.02
To Providers of Capital				
Dividend to Shareholders	-	-	2,069,722	7
Markup/ Interest Expenses on borrowed funds	233,800	1	106,758	0.36
To Company				
Depreciation, Amortization & Retained Profit	1,654,356	6	2,275,033	8
	27,083,146	100	29,648,675	100

FORWARD **LOOKING STATEMENT**

The management believes that the next year's outlook is positive with the background of COVID 19 receding and activities getting back to normal. This is also supported by the effect of initiatives announced by the Government for construction sector starting to materialise and the CPEC projects gaining momentum. The construction start on the much awaited Hydropower projects, especially the mega Dams of Dasu and Bhasha will impact the demand of cement significantly. The cement prices which had bottomed out in the last quarter are expected to improve and stabilize going forward. Cement sector continues to be a heavily taxed sector and despite the relief in Federal Excise Duty announced in the budget FY 2021, which was below the expectation of the Industry, the situation remains the same, as more needs to be done by the Government to help in the growth of cement industry. Exports to Afghanistan resumed in June 2020 after a four months border closure due to Covid and are expected to improve in the year ahead. On the cost side, the International Coal prices are starting to increase with increase in demand and Fuel & Utility prices are also likely to see an increase, however the management is fully focussed on improving the operational efficiencies and expect that the overall margins shall be better than FY 2020.

Your Company has initiated work on adding another 2.5 MW to its existing solar capacity which is expected to be completed in FY 2021 enabling to reduce its power cost. Our product, Pamir, introduced this year was a great success and helped us in capturing market share in a competitive environment, and the management plans to consolidating its position and also developing new products and capitalizing on the strength of its brand. Our shared services arrangement with Askari Cement Limited was also put into motion in May 2020 and your Company will be able to derive the benefits of this synergy in across the functions in the coming year.

Acknowledgement

The Directors of your Company express their deep appreciation to the valued shareholders, customers, financial institutions, government departments, dealers, contractors, foreign & local suppliers for their cooperation and Company's employees for their hard work & commitment under challenging environment.

For and on Behalf of FCCL Board

Waqar Ahmed Malik
Chairman Board of Directors FCCL
Rawalpindi
7th September 2020

Qamar Haris Manzoor
CEO/MD FCCL
Rawalpindi
7th September 2020



مستقبل کا جائزہ

(Forward Looking Statement)

انتظامیہ یہ سمجھتی ہے کہ کورونا وائرس کی وبا کی شدت میں کمی آنے اور کاروباری سرگرمیاں معمول کے مطابق بحال ہونے کی وجہ سے آئندہ سال کی صورت حال مثبت رہے گی۔ حکومت کی طرف سے تعمیراتی شعبے کی بہتری کے لیے اعلانات پر عمل درآمد شروع ہونے کے باعث جو اثرات مرتب ہو رہے ہیں اور سی پیک (CEPEC) کے پراجیکٹس جس طرح رفتار پکڑ رہے ہیں ان کو دیکھتے ہوئے اس تاثر کو اور بھی تقویت ملتی ہے۔ پن بجلی کے پراجیکٹ (Hydroproject) جن کے آغاز کا شدت سے انتظار تھا، خاص طور پر داسو (Dasu) اور بھاشا (Bhasha) کے بڑے ڈیموں پر تعمیراتی سرگرمیوں کے آغاز سے سیمنٹ کی طلب میں قابلِ لحاظ اضافہ ہوگا۔ سیمنٹ کی قیمتیں جو گزشتہ سہ ماہی میں بہت گر چکی ہیں ان میں بہتری اور آئندہ کے لیے استحکام آنے کی توقع ہے۔ سیمنٹ سازی کا شعبہ اب بھی بھاری ٹیکسوں کے بوجھ تلے دبا ہوا ہے اور فیڈرل ایکسائز ڈیوٹی میں نرمی (Relief) کا جو اعلان مالی سال 2021ء کے بجٹ میں حکومت کی طرف سے کیا گیا ہے، اور جو اس صنعت کی توقعات سے کم تھا، اس کے باوجود صورت حال جوں کی توں ہے کیونکہ سیمنٹ کی صنعت کی ترقی میں معاونت فراہم کرنے کے لیے حکومت کی جانب سے مزید اقدامات کی ضرورت ہے۔ کورونا وائرس کی وبا کے باعث چار ماہ کی سرحدی بندش کے بعد جون 2020ء میں افغانستان کو برآمدات بحال ہوئیں اور آئندہ برس اس میں بہتری آنے کی توقع ہے۔ اخراجات کی طرف دیکھیں تو بین الاقوامی سطح پر کوئلے کی قیمتوں میں اضافہ ہو رہا ہے جس سے ایندھن اور دیگر ضروریات کے اخراجات میں بھی اضافہ ہونے کا امکان ہے، تاہم انتظامیہ کام کی کارکردگی کو بہتر بنانے پر اپنی توجہ مرکوز کیے ہوئے ہے اور توقع رکھتی ہے کہ مجموعی منافع کی شرح مالی سال 2020ء کے مقابلے میں بہتر رہے گی۔

آپ کی کمپنی نے بجلی کے اخراجات میں کمی کی غرض سے شمسی توانائی کی موجودہ صلاحیت میں 2.5 میگاواٹ اضافے کے لیے کام کا آغاز کیا ہوا ہے جو مالی سال 2021ء میں مکمل ہوگا۔ ہماری پراڈکٹ پامیر (Pamir) جو اس برس متعارف ہوئی بہت کامیاب رہی اور سیمنٹ کی مارکیٹ کے مسابقتی ماحول میں اپنا حصہ محفوظ کرنے میں معاون ثابت ہوئی۔ انتظامیہ اس کے اعتبار کو قائم رکھنے اور مزید مصنوعات کی تیاری اور اپنے برانڈ کی ساکھ کو بحال رکھنے کی منصوبہ بندی کر رہی ہے۔ عسکری سیمنٹ لمیٹڈ کے ساتھ ہمارے تجارتی اشتراک (Shared Services) کے معاملات مئی 2020ء سے آغاز ہو چکا ہے اور آپ کی کمپنی آنے والے مالی سال میں تمام معاملات میں اس ہم کاری کے فوائد حاصل کرنے کے قابل ہو جائے گی۔

اعتراف (Acknowledgement)

آپ کی کمپنی کے ڈائریکٹرز اس صبر آزما ماحول میں اپنے قابل قدر شراکت داروں، خریدار کرم فرماؤں، مالیاتی اداروں، حکومتی محکمہ جات، ڈیلرز، کنٹریکٹرز، مقامی اور بین الاقوامی سپلائرز کو ان کی معاونت پر اور کمپنی کے ملازمین کو ان کی محنت اور لگن پر تہ دل سے خراج تحسین پیش کرتے ہیں۔

بورڈ کے لیے اور ایف سی سی ایل بورڈ کی وساطت سے

وقار احمد ملک
چیئرمین بورڈ آف ڈائریکٹرز، فوجی سیمنٹ کمپنی لمیٹڈ
راولپنڈی
۷ ستمبر 2020ء

قمر حارث منظور
چیف ایگزیکٹو آفیسر/ منیجنگ ڈائریکٹر، فوجی سیمنٹ کمپنی لمیٹڈ
راولپنڈی
۷ ستمبر 2020ء

STATEMENT OF **COMPLIANCE**

WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

Name of Company : Fauji Cement Company Limited

Year ended: 30th June 2020

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

1. The total number of Directors are 10 as per the following:-

a.	Male	9
b.	Female	1

2. The composition of the Board is as follows:-

a.	Independent Directors (Male)	2*
b.	Independent Director (Female)	1*
c.	Non - Executive Directors	6
d.	Executive Director	1

3. The Directors have confirmed that none of them is serving as a Director of more than seven Listed Companies, including the 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 of the Company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Company.

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

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 Act and the Regulations with respect to frequency and recording of minutes of meeting of Board. However, draft minutes of board meetings conducted during the year were circulated to board members after 14 days of the meeting.

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

9. Following Directors of the Board have completed Directors' Training Program:-

    a. Mr Waqar Ahmed Malik
    b. Maj Gen Naseer Ali Khan, HI(M), (Retd)
    c. Maj Gen Abid Rafique, HI(M), (Retd)
    d. Dr Nadeem Inayat
    e. Mr Rehan Laiq
    f. Mr Sarfraz Ahmed Rehman
    g. Mr Jawaid Iqbal
    h. Mr Zafar Iqbal Sobani
    i. Ms Jahanara Sajjad Ahmad

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

STATEMENT OF **COMPLIANCE**

WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

11. Chief Financial Officer and Chief Executive Officer have 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) Mr Zafar Iqbal Sobani , Chairman (Independent Director)
        (2) Dr Nadeem Inayat, Member
        (3) Mr Sarfaraz Ahmed Rehman, Member
        (4) Mr Jawaid Iqbal, Member (Independent Director)

    b. **Human Resource & Remuneration Committee**
        (1) Ms Jahanara Sajjad Ahmad, Chairperson (Independent Director)
        (2) Dr Nadeem Inayat, Member
        (3) Mr Sarfaraz Ahmed Rehman, Member
        (4) Mr Jawaid Iqbal, Member (Independent Director)

    C **Investment Committee**
        (1) Dr Nadeem Inayat, Chairman
        (2) Mr Qamar Haris Manzoor, Member
        (3) Mr Sarfraz Ahmed Rehman, Member

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 effective internal audit functions 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 they are 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 Directors 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.

* Note: Number of Directors are ten and one third is 3.33, and as a general principal 0.33 is not rounded off to one.

Waqar Ahmed Malik
Chairman Board of Directors FCCL
Rawalpindi
7th September 2020

Qamar Haris Manzoor
CEO/MD FCCL
Rawalpindi
7th September 2020

BOARD **COMMITTEES**



BOARD **COMMITTEES**

27TH ANNUAL GENERAL MEETING

27th Annual General Meeting of Fauji Cement Company Limited (FCCL) was held at Topi Rakh Auditorium, Ayub Park, Rawalpindi on 27th September 2019. It was aimed at getting the approval of shareholders for annual accounts for FY 2018/19, Auditors Report, Directors' Report, appointment & remuneration of External Auditors and Dividend. A total of 61 shareholders/proxies, representing 719,212,527 (52.12%) shares, attended the meeting. The minutes of meeting were confirmed by the shareholders during 11th Extra Ordinary General Meeting of Company held on 10th January 2020.

11TH EXTRA ORDINARY GENERAL MEETING

11th Extra Ordinary General Meeting of Fauji Cement Company Limited was held at Blue Lagoon Restaurant, Rawalpindi, on 10th January 2020. A total of 46 shareholders/proxies, representing 713,162,500 (51.68%) shares, attended the meeting. The meeting was aimed at getting the approval of shareholders for shared services arrangement between FCCL & Askari Cement Limited (ACL) and approval of proposal for Equity Investment of upto Rs 200 Million by FCCL in Foundation Solar Energy (Pvt) Limited. The minutes of meeting have been placed on the Company's website and same have also been shared with the shareholders on demand. These minutes will be confirmed by the shareholders during 28th AGM scheduled on 14th October 2020.

MEETINGS OF BOARD OF DIRECTORS

The Board meetings were held in every quarter for approval of Company's financial statements. In addition, a Special Board Meeting was convened in December 2019 for approval of shared services arrangement between FCCL & Askari Cement Limited and equity investment in Foundation Solar Energy (Pvt) Limited. During this year, five Board meetings were held with the attendance as under:-

S.No	Directors	2019			2020		Total Meetings Attended
		27th Aug	21st Oct	13th Dec	21st Feb	20th Apr	
1	**Lt Gen Syed Tariq Nadeem Gilani, HI(M),(Retd),Chairman** Resigned on 27th March 2020.	✔	✔	✔	✔	-	4
2	**Mr Waqar Ahmed Malik** Chairman, appointed on 9th April 2020	-	-	-	-	✔	1
3	**Lt Gen Muhammad Ahsan Mahmood, HI(M), (Retd)** Board Member, resigned on 9th June 2020	✔	✔	✔	✔	✔	5
4	**Mr Qamar Haris Manzoor** Board Member, appointed on 10th June 2020	-	-	-	-	-	0
5	**Maj Gen Tahir Ashraf Khan, HI(M), (Retd)** Board Member, resigned on 1st January 2020	✔	✔	✔	-	-	3
6	**Maj Gen Abid Rafique, HI(M), (Retd)** Board Member, appointed on 1st January 2020	-	-	-	✔	✔	2
7	**Maj Gen Kaleem Saber Taseer, HI(M), (Retd)** Board Member, resigned on 31st July 2019	-	-	-	-	-	-
8	**Maj Gen Naseer Ali Khan, HI(M), (Retd)** Board Member, appointed on 9th August 2019	✔	✔	✔	✔	✔	5
9	**Mr Muhammad Amir Khan** Board Member, resigned on 30th Sep 2019	✔	-	-	-	-	1

S.No	Directors	2019			2020		Total Meetings Attended
		27th Aug	21st Oct	13th Dec	21st Feb	20th Apr	
10	**Maj Gen Wasim Sadiq, HI(M), (Retd)** Board Member, appointed on 1st October 2019 and resigned on 9th June 2020	-	✔	✔	✔	✔	4
11	**Mr Sarfaraz Ahmed Rehman** Board Member, appointed on 10th June 2020.	-	-	-	-	-	0
12	**Mr Syed Iqtidar Saeed** Board Member, appointed on 1st May 2019 And resigned on 26th April 2020	✔	✔	✔	✔	✔	5
13	**Dr Nadeem Inayat** Board Member, appointed on 10th June 2020	-	-	-	-	-	0
14	**Mr Rehan Laiq** Board Member, appointed on 13th Dec 2018	✔	✔	Leave	✔	✔	4
15	**Mr Zafar Iqbal Sobani** Board Member, appointed on 13th Dec 2018	✔	✔	✔	✔	✔	5
16	**Mr Jawaid Iqbal** Board Member, appointed on 13th Dec 2018	Leave	Leave	Leave	Leave	Leave	0
17	**Ms Jahanara Sajjad Ahmad** Board Member, appointed on 13th Dec 2018	Leave	✔	✔	Leave	✔	3
		8	9	8	8	9	

AUDIT COMMITTEE

The Committee comprises of four members including its Chairperson. Two members are non-executive directors, while chairperson alongwith one member of Committee are independent directors. Ms Jahanara Sajjad Ahmad (independent director) served as chairperson of Audit Committee for almost the complete year and she was replaced by Mr Zafar Iqbal Sobani (independent director) on 10th June 2020. During this year, five meetings of Audit Committee were held with the attendance as tabulated below:-

S.No	Directors	2019		2020			Total Meetings Attended
		20th Aug	16th Oct	13th Feb	15th Apr	30th Jun	
1	**Ms Jahanara Sajjad Ahmad** Chairperson, resigned on 10th June 2020.	✔	✔	✔	✔	-	4
2	**Mr Zafar Iqbal Sobani** Chairman, appointed on 10th June 2020.	-	-	-	-	✔	1
3	**Mr Rehan Laiq** Member, resigned on 10th June 2020.	✔	✔	✔	✔	-	4
4	**Dr Nadeem Inayat** Member, appointed on 10th June 2020	-	-	-	-	Leave	-
5	**Mr Muhammad Amir Khan** Member resigned on 30th Sep 2019	✔	-	-	-	-	1
6	**Maj Gen Wasim Sadiq, HI(M), (Retd)** Member, appointed on 1st Oct 2019 Member, resigned on 9th June 2020.	-	✔	Leave	✔	-	2

BOARD **COMMITTEES**

S.No	Directors	2019		2020			Total Meetings Attended
		20th Aug	16th Oct	13th Feb	15th Apr	30th Jun	
7	**Mr Sarfaraz Ahmed Rehman** Member, appointed on 10th June 2020.	-	-	-	-	✔	1
8	**Mr Jawaid Iqbal** Member, appointed on 30th March 2019	Leave	Leave	Leave	Leave	✔	1
		3	3	2	3	3	

Terms of Reference – Audit Committee

1. Determination of appropriate measures to safeguard the Company's assets.

2. Review of annual and interim financial statements of the Company, prior to their approval by the Board of Directors, focusing on:-

   a. Major judgmental areas.

   b. Significant adjustments resulting from the audit.

   c. Going concern assumption.

   d. Any changes in accounting policies and practices.

   e. Compliance with applicable accounting standards.

   f. Compliance with Listed Companies (Code of Corporate Governance) Regulations 2019 and other statutory and regulatory requirements.

   g. All Related Party Transactions.

3. Review of preliminary announcements of results prior to external communication and publication.

4. 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).

5. Review of management letter issued by external auditors and management's response thereto.

6. Ensuring coordination between the internal and external auditors of the Company.

7. 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.

8. Consideration of major findings of internal investigations of activities characterized by fraud, corruption and abuse of power and management's response thereto.

9. 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.

10. Review of the Company's statement on internal control systems prior to endorsement by the Board of Directors and internal audit reports.

11. 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.

12. Determination of compliance with relevant statutory requirements.

13. Monitoring compliance with Listed Companies (Code of Corporate Governance), Regulations 2019 and identification of significant violations thereof.

14. 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.

15. 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. The board of directors shall give due consideration to the recommendations of the audit committee and where it acts otherwise; it shall record the reasons thereof.

16. The Audit Committee shall also review the annual business plan/budget, including cash flow projections, forecasts and strategic plan before recommending it to the Board.

17. 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.

18. 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:-

    a. Monitor and review all material controls (financial, operational and compliance).

    b. Ensure that risk mitigation measures are robust along with integrity of financial information.

    c. Ensure appropriate extent of disclosure of Company's risk framework and internal control system in Directors report.

19. The Committee shall review the effectiveness of Company's Corporate Governance practices before adoption by the Board.

20. Consideration of any other issue or matter as may be assigned by the Board of Directors.

HUMAN RESOURCE AND REMUNERATION (HR&R) COMMITTEE

The Committee has four members including its chairman. There are two non-executive directors while chairman alongwith one director of Committee are independent Directors. Mr Zafar Iqbal Sobani (independent director) served as chairman of this committee for most part of the year and he was replaced by Ms Jahanara Sajjad Ahmad on 10th June 2020. Two meeting of the Committee were held with the attendance as under:-

S.No	Directors	2019	2020	Total Meetings Attended
		21st Aug	13th Feb	
1	**Mr Zafar Iqbal Sobani** Chairman ,resigned on 9th June 2020	✔	✔	2
2	**Ms Jahanara Sajjad Ahmad** Chairperson, appointed on 10th June 2020	-	-	-
3	**Maj Gen Tahir Ashraf Khan, HI(M),(Retd)** Member resigned on 1st January 2020	✔	-	1
4	**Maj Gen Abid Rafique, HI(M),(Retd)** Member, appointed on 1st January 2020 And resigned on 9th June 2020	-	✔	1
5	**Mr Muhammad Amir Khan** Member, resigned on 30th Sep 2019	✔	-	1

BOARD **COMMITTEES**

S.No	Directors	2019	2020	Total Meetings Attended
		21st Aug	13th Feb	
6	**Maj Wasim Sadiq, HI(M),(Retd)** Member, appointed on 1st October 2019 and resigned on 9th June 2020.	-	✔	1
7	**Mr Jawaid Iqbal** Member appointed on 30th September 2019	Leave	Leave	-
8	**Mr Sarfaraz Ahmed Rehman** Member, appointed on 10th June 2020.	-	-	-
9	**Dr Nadeem Inayat** Member, appointed on 10th June 2020.	-	-	-
		3	3	

Terms of Reference - Human Resource and Remuneration (HR&R) Committee

1. Recommend to the Board, for consideration and approval of a policy framework for determining remuneration of directors (both Executive and Non Executive) and members of Senior Management.
2. 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.
3. Recommending Human Resource (HR) Management policies to the Board.
4. Recommending to the Board, selection, evaluation, development, compensation (including retirement benefits) of CFO, Company Secretary and Head of Internal Audit.
5. Consideration and approval, on recommendations of Chief Executive Officer on such matters for key management positions who report directly to Chief Executive Officer.
6. Where HR consultants are appointed, their credentials shall be known by the Committee and a statement shall be made by them as to whether they have any other connection with the Company.

TECHNICAL COMMITTEE

The Committee comprises of three members including its Chairman. All of the members are Non-Executive Directors. During the year, four meetings of the Committee were held with the attendance as under:-

S.No	Name of Directors	2019		2020		Total Meetings Attended
		19th Aug	14th Oct	11th Feb	14th Apr	
1.	**Syed Iqtidar Saeed** Chairman, resigned on 26th April 2020.	✔	✔	✔	✔	4
2.	**Mr Rehan Laiq** Member, resigned on 9th June 2020.	✔	✔	Leave	Leave	2
3.	**Maj Gen Kaleem Saber Taseer ,HI(M), (Retd)** Member, resigned on 31st July 2019.	-	-	-	-	-
4.	**Maj Gen Naseer Ali Khan, HI(M), (Retd)** Member, appointed on 9th August 2019	✔	✔	✔	✔	4
		3	3	2	2	

Terms of Reference – Technical Committee

1. To critically review the technical aspects of feasibility studies submitted for new investments.

2. To evaluate the proposals regarding balancing, modernization and expansion of existing projects.

3. 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.

4. To recommend any matter of significance to the Board of Directors.

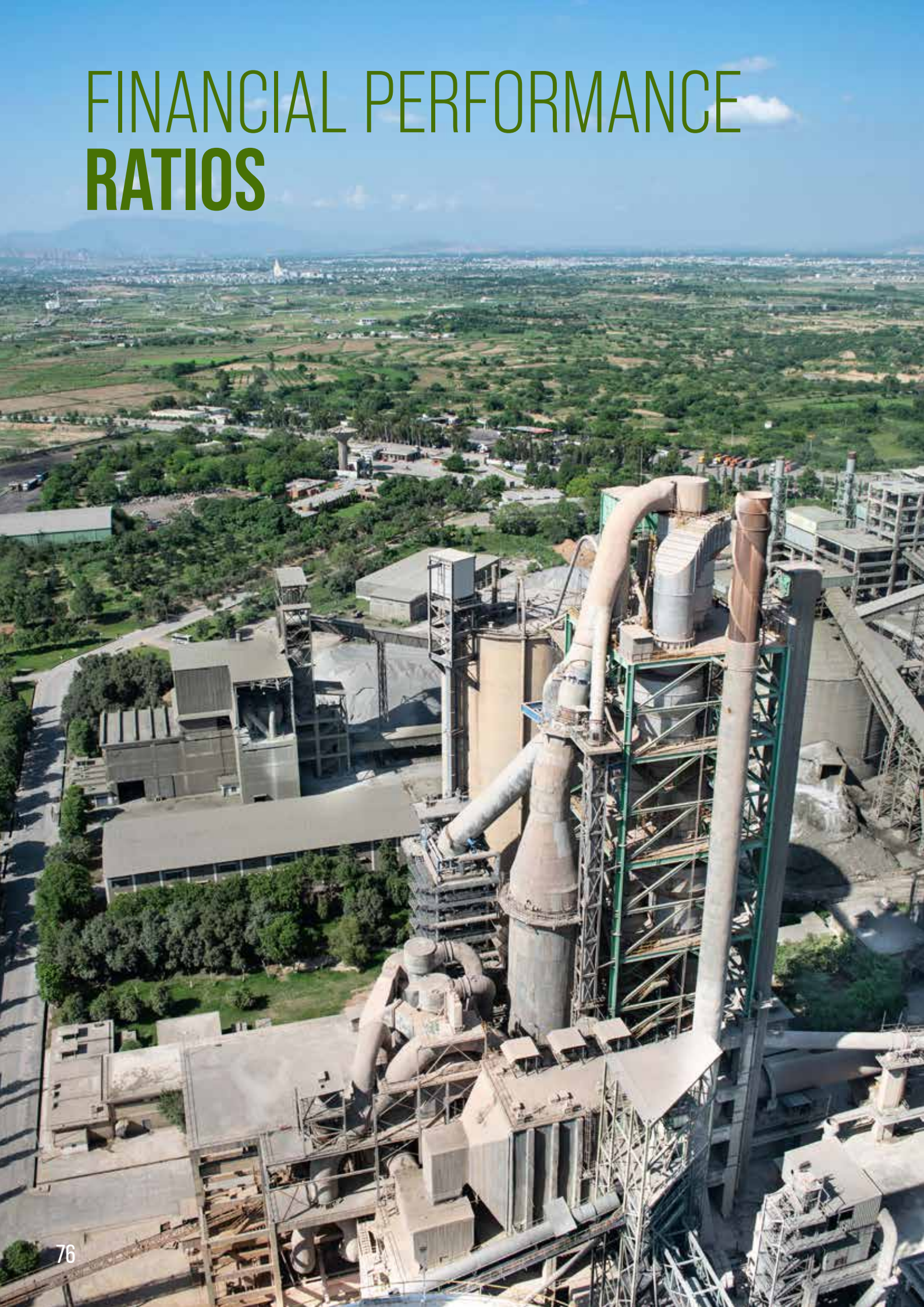
INVESTMENT COMMITTEE

The Committee has three members (non-executive) including its chairman. During the year, one meeting of the Committee was held with the attendance as under:-

S.No	Directors	7th Jan 2020	Total Meetings Attended
1.	**Mr Rehan Laiq** Chairman, resigned on 9th June 2020	✔	1
2.	**Dr Nadeem Inayat** Chairman appointed on 10th June 2020	-	-
3.	**Mr Zafar Iqbal Sobani** Member, resigned on 9th June 2020	✔	1
4.	**Mr Jawaid Iqbal** Member, resigned on 9th June 2020	Leave	-
5.	**Mr Qamar Haris Manzoor** Member, appointed on 10th June 2020	-	-
6.	**Mr Sarfaraz Ahmed Rehman** Member, appointed on 10th June 2020	-	-
7.	**Mr Syed Iqtidar Saeed** Member, resigned on 26th April 2020	Leave	-
		2	



FINANCIAL PERFORMANCE **RATIOS**



KEY OPERATING **RATIOS**

		2020	2019	2018	2017	2016	2015
Performance							
Return on total assets	%	(0.20)	9.75	11.81	9.42	18.28	13.48
Total Assets turnover	Times	0.59	0.72	0.73	0.74	0.68	0.61
Fixed Assets turnover	Times	0.78	0.90	0.94	0.92	0.92	0.78
Return on Paid up Share Capital	%	(0.43)	20.47	24.85	18.94	38.90	29.83
Leverage							
Debt Equity Ratio	Times	0.04	0.03	0.05	0.07	0.18	0.27
Current Ratio	Times	1.38	1.51	1.49	2.12	1.51	1.36
Quick Ratio	Times	1.15	1.26	1.20	1.72	1.40	1.17
Valuation							
(Loss)/ earnings Per Share (basic)	Rs	(0.04)	2.05	2.49	1.89	3.98	2.91
Breakup Value Per Share (basic)	Rs	14.35	15.15	14.85	14.26	13.36	13.09
Breakup Value Per Share (diluted)	Rs	NA	NA	NA	NA	NA	12.62
Dividend Per Share	Rs	Nil	1.50	2.00	0.90	2.75	2.05
Dividend payout Ratio	%	Nil	73	80.32	47.62	69.10	85.91
Market Price Per Share (average)	Rs	15.59	21.28	28.86	41.22	36.76	26.46

Operating Results (Rs in Million)

	2020	2019	2018	2017	2016	2015
Net Sales	17,232	20,798	21,161	20,423	20,044	18,642
Gross Profit	649	5,323	5,036	4,438	9,165	7,027
Operating Profit	11,676	4,463	4,246	3,777	8,335	6,386
EBITDA	1,789	6,039	5,663	5,399	9,692	7,677
Finance Cost	234	107	148	153	503	706
(Loss) / profit After Taxation	(59,381)	2,824	3,429	2,613	5,367	4,116
Balance Sheet						
Shareholders' Equity	19,804	20,899	20,489	19,681	18,428	17,419
Property, plant and equipment	22,065	23,203	22,624	22,004	21,701	23,881
Long Term Loans Including Current Portion	751	668	1,063	1,489	4,012	6,525
(LPS) / EPS (Rs)						
Basic	(0.04)	2.05	2.49	1.89	3.98	2.91
Diluted	(0.04)	2.05	2.49	1.89	3.94	2.91

HORIZONTAL ANALYSIS - **STATEMENT OF PROFIT OR LOSS**

	2020	2020 Vs 2019	2019	2019 Vs 2018
	Rupees'000	Increase/ Decrease	Rupees'000	Increase/ Decrease
Turnover - net	17,231,709	-17%	**20,798,082**	-2%
Cost of sales	(16,582,605)	7%	**(15,474,771)**	-4%
Gross profit	649,104	-88%	**5,323,311**	4%
Other income	36,134	-61%	**92,947**	4%
Selling and distribution expenses	(204,344)	-3%	**(210,335)**	-24%
Administrative expenses	(468,651)	13%	**(415,979)**	8%
Other expenses	(567)	-100%	**(326,689)**	5%
Operating profit	11,676	-100%	**4,463,255**	5%
Finance cost	(233,800)	119%	**(106,758)**	-28%
Finance income	48,857	-12%	**55,411**	282%
Net finance cost	184,943	260%	**51,347**	-61%
Insurance claim	-		-	
(Loss) / profit before taxation	(173,267)	-104%	**4,411,908**	8%
Income tax credit / (expense)	113,886	-107%	**(1,587,610)**	137%
(Loss)/profit for the year	(59,381)	-102%	**2,824,298**	-18%
(Loss)/earnings per share - Basic (Rupees)	(0.04)	-102%	**2.05**	-18%
(Loss)/earnings per share - Diluted (Rupees)	(0.04)	-102%	**2.05**	-18%

2018	2018 Vs 2017	2017	2017 Vs 2016	2016	2016 Vs 2015	2015
Rupees'000	Increase/ Decrease	Rupees'000	Increase/ Decrease	Rupees'000	Increase/ Decrease	Rupees'000
21,160,878	4%	20,423,356	2%	20,044,438	8%	18,642,358
(16,046,291)	0.4%	(15,985,679)	47%	(10,879,156)	-6%	(11,615,261)
5,114,587	15%	4,437,677	-52%	9,165,282	30%	7,027,097
89,582	24%	72,372	26%	57,534	184%	20,280
(275,933)	66%	(166,361)	-20%	(208,777)	48%	(141,018)
(385,602)	13%	(339,766)	9%	(312,108)	15%	(271,629)
(311,184)	7%	(291,095)	-50%	(578,543)	38%	(419,918)
4,231,450	14%	3,712,827	-54%	8,123,388	31%	6,214,812
(147,813)	-3%	(152,960)	-70%	(503,346)	-29%	(706,027)
14,512	-78%	64,512	-69%	211,264	23%	171,106
133,301	51%	88,448	-70%	292,082	-45%	534,921
-	-100%	305,842	100%	-		-
4,098,149	4%	3,930,221	-50%	7,831,306	38%	5,679,891
(668,685)	-49%	(1,317,010)	-47%	(2,464,106)	58%	(1,563,726)
3,429,464	31%	2,613,211	-51%	5,367,200	30%	4,116,165
2.49	31%	1.89	-53%	3.98	37%	2.91
2.49	31%	1.89	-52%	3.94	35%	2.91

HORIZONTAL ANALYSIS - **STATEMENT OF FINANCIAL POSITION**

	2020	2020 Vs 2019	2019	2019 Vs 2018
	Rupees'000	Increase/ Decrease	Rupees'000	Increase/ Decrease
SHARE CAPITAL AND RESERVES				
Share capital	13,798,150	0%	**13,798,150**	0%
Discount on issue of shares	(1,364,385)	0%	**(1,364,385)**	0%
Unappropriated profits	7,370,555	-13%	**8,464,797**	5%
Total equity	19,804,320	-5%	**20,898,562**	2%
NON - CURRENT LIABILITIES				
Long term loans	447,327	41%	**317,835**	-50%
Employee benefits	72,547	2%	**71,216**	11%
Lease Liability	57,656	100%	**-**	
Deferred tax liabilities - net	3,812,837	-3%	**3,925,740**	9%
	4,390,367	2%	**4,314,791**	0.3%
CURRENT LIABILITIES				
Trade and other payables	1,244,933	31%	**948,864**	-7%
Accrued liabilities	1,040,530	25%	**834,816**	46%
Security deposits payable	253,940	16%	**219,704**	25%
Contract liabilities	367,952	13%	**324,300**	32%
Employee benefits - current portion	24,708	21%	**20,399**	19%
Payable to employees' provident fund trust	13,528	14%	**11,832**	24%
Unclaimed dividend	40,051	-8%	**43,747**	-61%
Markup accrued	-		**-**	-100%
Short term borrowings	1,869,167	87%	**997,701**	-39%
Current portion of lease liability	23,737	100%	**-**	
Current portion of long term loans	303,912	-13%	**350,466**	-18%
Provision for taxation - net	-		**-**	
Current liabilities	5,182,458	38%	**3,751,829**	-12%
Total Equity and Liabilities	29,377,145	1%	**28,965,182**	-0.3%
NON - CURRENT ASSETS				
Property, plant and equipment	22,065,172	-5%	**23,202,930**	2.6%
Right of use asset	60,322	100%	**-**	
Long term deposits	86,601	0%	**86,601**	0.0%
Advance against issue of shares	12,500	100%	-	
Long term advance	-		-	
Non-current assets	22,224,595	-5%	**23,289,531**	2.5%
CURRENT ASSETS				
Stores, spares and loose tools	3,505,809	15%	**3,055,041**	-0.4%
Stock in trade	1,187,752	26%	**944,022**	-24.2%
Trade debts	1,050,640	11%	**947,046**	-18.9%
Advances	73,695	104%	**36,176**	-4.6%
Trade deposits, short term prepayments and balances with statutory authority	19,843	-3%	**20,463**	-69.3%
Interest accrued	-		**-**	-100.0%
Advance tax - net	731,468	179%	**261,998**	126.7%
Other receivables	22,169	189%	**7,660**	-92.7%
Cash and bank balances	561,174	39%	**403,245**	-24.2%
Short term Investments	-		**-**	-
Current Assets	7,152,550	26%	**5,675,651**	-10.5%
Total Assets	29,377,145	1%	**28,965,182**	-0.3%

2018	2018 Vs 2017	2017	2017 Vs 2016	2016	2016 Vs 2015	2015
Rupees'000	Increase/ Decrease	Rupees'000	Increase/ Decrease	Rupees'000	Increase/ Decrease	Rupees'000
13,798,150	0%	13,798,150	0%	13,798,150	0%	13,798,150
(1,364,385)	0%	(1,364,385)	0%	(1,364,385)	0%	(1,364,385)
8,055,175	11%	7,247,360	57%	4,629,705	28%	3,620,834
20,488,940	4%	19,681,125	7%	18,427,855	6%	17,418,984
636,868	-40%	1,063,045	-28%	1,486,178	-63%	4,000,119
64,178	11%	58,014	5%	55,214	26%	43,743
-		-		-		-
3,600,638	-16%	4,281,496	-3%	4,427,224	2%	4,335,067
4,301,684	-20%	5,402,555	-9%	5,968,616	-29%	8,378,929
1,024,758	72%	595,672	-40%	997,898	14%	874,130
573,347	6%	539,085	-16%	645,138	-26%	875,441
176,339	28%	137,904	32%	104,409	15%	90,940
245,133	4%	234,644	34%	175,379	-6%	186,735
17,107	12%	15,244	16%	13,097	49%	8,807
9,534	11%	8,625	5%	8,229	100%	-
111,561	312%	27,084	13%	23,881	22%	19,575
35,980	-18%	43,991	-42%	76,265	-47%	144,013
1,638,886	425%	312,441	300%	78,037	1255%	5,758
-		-		-		-
426,177	0%	426,177	-83%	2,525,955	0%	2,524,978
-	-100%	327,672	5%	312,893		-
4,258,822	60%	2,668,539	-46%	4,961,181	5%	4,730,377
29,049,446	5%	27,752,219	-5%	29,357,652	-4%	30,528,290
22,624,413	3%	22,003,943	1%	21,701,250	-9%	23,880,553
86,601	0%	86,601	-45%	156,733	-33%	233,241
-		-		-		-
-		-		-	-100%	900
22,711,014	3%	22,090,544	1%	21,857,983	-9%	24,114,694
3,067,684	40%	2,194,451	1%	2,177,367	11%	1,965,411
1,244,805	16%	1,071,970	98%	540,588	-39%	888,536
1,168,343	2%	1,148,618	102%	569,101	1%	566,141
37,927	-54%	83,001	-62%	218,947	1857%	11,190
66,669	25%	53,374	222%	16,593	-96%	375,563
1,031	-61%	2,663	-40%	4,447	14%	3,902
115,550	100%	-		-		-
104,664	-82%	589,761	-40%	982,562	16170%	6,039
531,759	3%	517,837	-69%	1,665,579	-27%	2,296,603
-		-		1,324,485	341%	300,211
6,338,432	12%	5,661,675	-25%	7,499,669	17%	6,413,596
29,049,446	5%	27,752,219	-5%	29,357,652	-4%	30,528,290

VERTICAL ANALYSIS - **STATEMENT OF PROFIT OR LOSS**

	2020		2019	
	Rupees'000	%	Rupees'000	%
Turnover - net	17,231,709	100%	**20,798,082**	100%
Cost of sales	(16,582,605)	-96%	**(15,474,771)**	-74%
Gross profit	649,104	4%	**5,323,311**	26%
Other income	36,134	0%	**92,947**	0%
Selling and distribution expenses	(204,344)	-1%	**(210,335)**	-1%
Administrative expenses	(468,651)	-3%	**(415,979)**	-2%
Other expenses	(567)	0%	**(326,689)**	-2%
Operating profit	11,676	0%	**4,463,255**	21%
Finance cost	(233,800)	-1%	**(106,758)**	-1%
Finance income	48,857	0%	**55,411**	0%
Net finance cost	184,943	1%	**51,347**	0%
Insurance claim	-		-	
(Loss) / profit before taxation	(173,267)	-1%	**4,411,908**	21%
Income tax credit / (expense)	113,886	1%	**(1,587,610)**	-8%
(Loss) / profit for the year	(59,381)	0%	**2,824,298**	14%
(Loss) / earnings per share - Basic (Rupees)	(0.04)		**2.05**	
(Loss) / earnings per share - Diluted (Rupees)	(0.04)		**2.05**	

2018		2017		2016		2015
Rupees'000	%	Rupees'000	%	Rupees'000	%	Rupees'000
21,160,878	100%	**20,423,356**	100%	**20,044,438**	100%	**18,642,358**
(16,046,291)	-76%	**(15,985,679)**	-78%	**(10,879,156)**	-54%	**(11,615,261)**
5,114,587	24%	**4,437,677**	22%	**9,165,282**	46%	**7,027,097**
89,852	0%	**72,372**	0%	**57,534**	0%	**20,280**
(275,933)	-1%	**(166,361)**	-1%	**(208,777)**	-1%	**(141,018)**
(385,602)	-2%	**(339,766)**	-2%	**(312,108)**	-2%	**(271,629)**
(311,184)	-1%	**(291,095)**	-1%	**(578,543)**	-3%	**(419,918)**
4,231,720	20%	**3,712,827**	18%	**8,123,388**	41%	**6,214,812**
(147,813)	-1%	**(152,960)**	-1%	**(503,346)**	-3%	**(706,027)**
14,512	0%	**64,512**	0%	**211,264**	1%	**171,106**
133,301	1%	**88,448**	0%	**292,082**	1%	**534,921**
-	0%	**305,842**	1%			
4,098,149	19%	**3,930,221**	19%	**7,831,306**	39%	**5,679,891**
(668,685)	-3%	**(1,317,010)**	-6%	**(2,464,106)**	-12%	**(1,563,726)**
3,429,464	16%	**2,613,211**	13%	**5,367,200**	27%	**4,116,165**
2.49		**1.89**		**3.98**		**2.91**
2.49		**1.89**		**3.94**		**2.91**

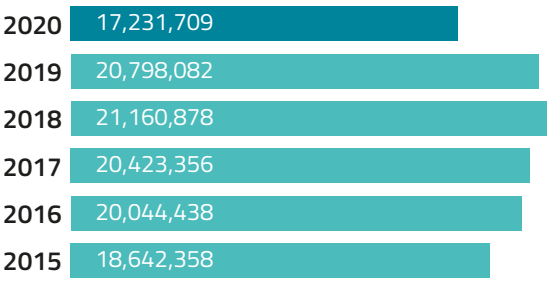
VERTICAL ANALYSIS - **STATEMENT OF FINANCIAL POSITION**

	2020 Rupees'000	%	2019 Rupees'000	%
SHARE CAPITAL AND RESERVES				
Share capital	13,798,150	47%	**13,798,150**	48%
Discount on issue of shares	(1,364,385)	-5%	**(1,364,385)**	-5%
Unappropriated profits	7,370,555	25%	**8,464,797**	29%
Total equity	19,804,320	67%	**20,898,562**	72%
NON - CURRENT LIABILITIES				
Long term loans	447,327	2%	**317,835**	1%
Employee benefits	72,547	0%	**71,216**	0%
Lease Liability	57,656	0%	**-**	0%
Deferred tax liabilities - net	3,812,837	13%	**3,925,740**	14%
	4,390,367	15%	**4,314,791**	15%
CURRENT LIABILITIES				
Trade and other payables	1,244,933	4%	**948,864**	3%
Accrued liabilities	1,040,530	4%	**834,816**	3%
Security deposits payable	253,940	1%	**219,704**	1%
Contract liabilities	367,952	1%	**324,300**	1%
Employee benefits - current portion	24,708	0%	**20,399**	0%
Payable to employees' provident fund trust	13,528	0%	**11,832**	0%
Unclaimed dividend	40,051	0%	**43,747**	0%
Markup accrued	-	0%	**-**	0%
Short term borrowings	1,869,167	6%	**997,701**	3%
Current portion of lease liability	23,737	0%	**-**	0%
Current portion of long term loans	303,912	1%	**350,466**	1%
Provision for taxation - net	-	0%	**-**	0%
Current liabilities	5,182,458	18%	**3,751,829**	13%
Total Equity and Liabilities	29,377,145	100%	**28,965,182**	100%
NON - CURRENT ASSETS				
Property, plant and equipment	22,065,172	75%	**23,202,930**	80%
Right of use asset	60,322	0%	**-**	0%
Long term deposits	86,601	0%	**86,601**	0%
Advance against issue of shares	12,500	0%	-	0%
Long term advance	-		-	0%
Non-current assets	22,224,595	76%	**23,289,531**	80%
CURRENT ASSETS				
Stores, spares and loose tools	3,505,809	12%	**3,055,041**	11%
Stock in trade	1,187,752	4%	**944,022**	3%
Trade debts	1,050,640	4%	**947,046**	3%
Advances	73,695	0%	**36,176**	0%
Trade deposits, short term prepayments and balances with statutory authority	19,843	0%	**20,463**	0%
Interest accrued	-	0%	**-**	0%
Advance tax - net	731,468	2%	**261,998**	1%
Other receivables	22,169	0%	**7,660**	0%
Cash and bank balances	561,174	2%	**403,245**	1%
Short term Investments	-	0%	**-**	0%
Current Assets	7,152,550	24%	**5,675,651**	20%
Total Assets	29,377,145	100%	**28,965,182**	100%

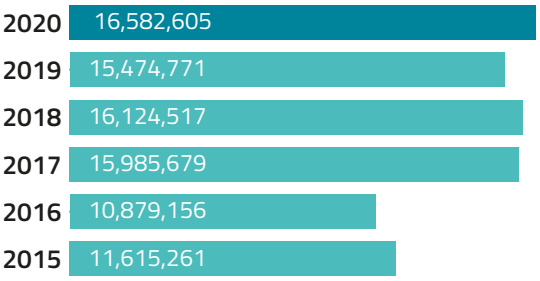
2018 Rupees'000	%	2017 Rupees'000	%	2016 Rupees'000	%	2015 Rupees'000
13,798,150	47%	13,798,150	50%	13,798,150	47%	13,798,150
(1,364,385)	-5%	(1,364,385)		(1,364,385)		(1,364,385)
8,055,175	28%	7,247,360	26%	4,629,705	16%	3,620,834
20,488,940	71%	19,681,125	71%	18,427,855	63%	17,418,984
636,868	2%	1,063,045	4%	1,486,178	5%	4,000,119
64,178	0%	58,014	0%	55,214	0%	43,743
	0%					
3,600,638	12%	4,281,496	15%	4,427,224	15%	4,335,067
4,301,684	15%	5,402,555	19%	5,968,616	20%	8,378,929
1,024,758	4%	595,672	2%	997,898	3%	874,130
573,347	2%	539,085	2%	645,138	2%	875,441
176,339	1%	137,904	0%	104,409	0%	90,940
245,133	1%	234,644	1%	175,379	1%	186,735
17,107	0%	15,244	0%	13,097	0%	8,807
9,534	0%	8,625	0%	8,229	0%	-
111,561	0%	27,084	0%	23,881	0%	19,575
35,980	0%	43,991	0%	76,265	0%	144,013
1,638,886	6%	312,441	1%	78,037	0%	5,758
-	0%	-		-		-
426,177	1%	426,177	2%	2,525,955	9%	2,524,978
-	0%	327,672	1%	312,893	1%	-
4,258,822	15%	2,668,539	10%	4,961,181	17%	4,730,377
	0%					
29,049,446	100%	27,752,219	100%	29,357,652	100%	30,528,290
22,624,413	78%	22,003,943	79%	21,701,250	74%	23,880,553
-	0%		0%			
86,601	0%	86,601	0%	156,733	1%	233,241
-	0%	-	0%	-	0%	-
-	0%	-	0%	-	0%	900
22,711,014	78%	22,090,544	80%	21,857,983	74%	24,114,694
3,067,684	11%	2,194,451	8%	2,177,367	7%	1,965,411
1,244,805	4%	1,071,970	4%	540,588	2%	888,536
1,168,343	4%	1,148,618	4%	569,101	2%	566,141
37,927	0%	83,001	0%	218,947	1%	11,190
66,669	0%	53,374	0%	16,593	0%	375,563
1,031	0%	2,663	0%	4,447	0%	3,902
115,550	0%	-	0%	-	0%	-
104,664	0%	589,761	2%	982,562	3%	6,039
531,759	2%	517,837	2%	1,665,579	6%	2,296,603
-	0%	-	0%	1,324,485	5%	300,211
6,338,432	22%	5,661,675	20%	7,499,669	26%	6,413,596
29,049,446	100%	27,752,219	100%	29,357,652	100%	30,528,290

GRAPHICAL **PRESENTATION**

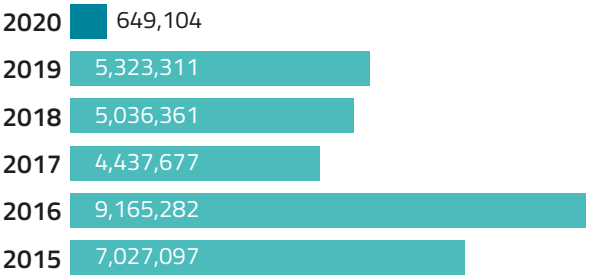
Revenue
(Rs in 000)



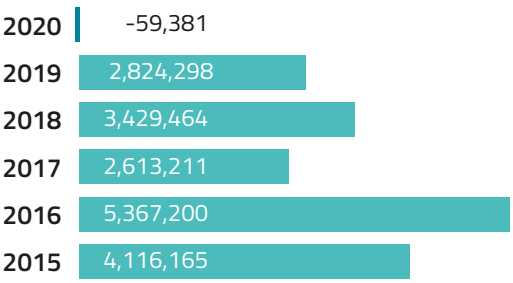
Cost of sales
(Rs in 000)



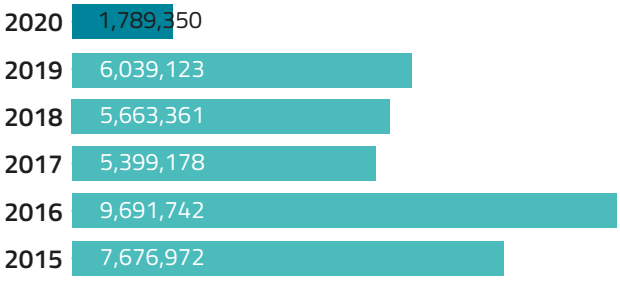
Gross profit
(Rs in 000)



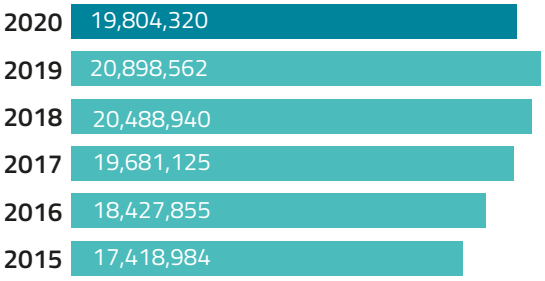
Net (Loss) / profit
(Rs in 000)



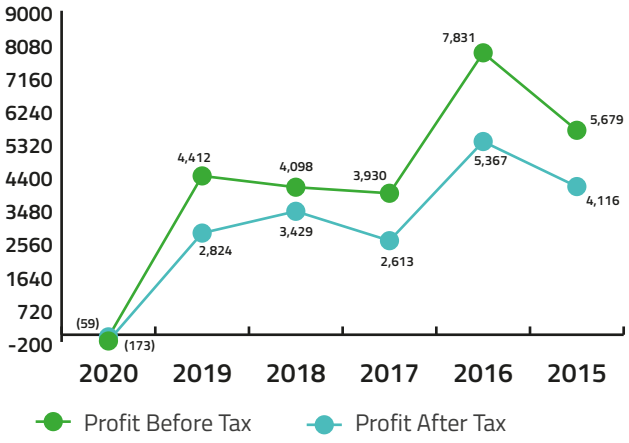
EBITDA
(Rs in 000)



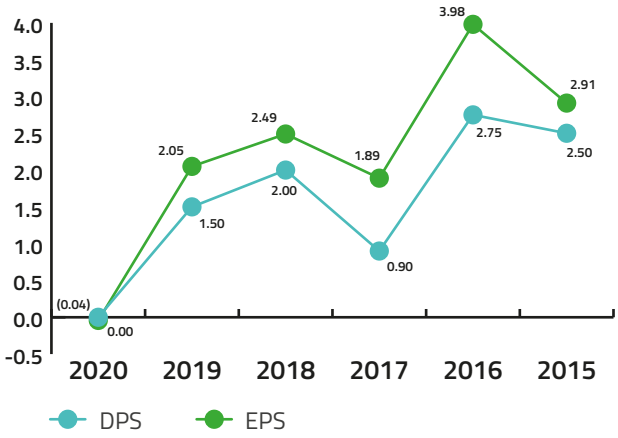
Shareholders equity
(Rs in 000)



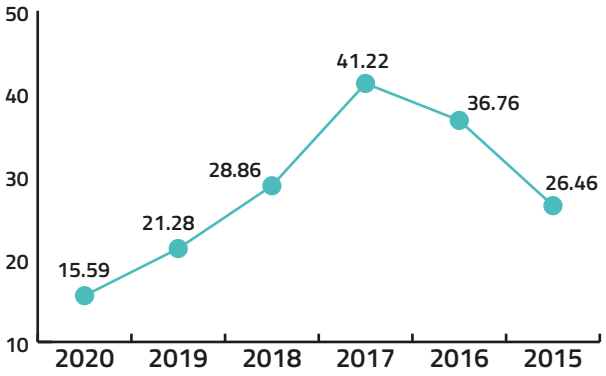
Comparison between PBT & PAT
(Rs in Millions)



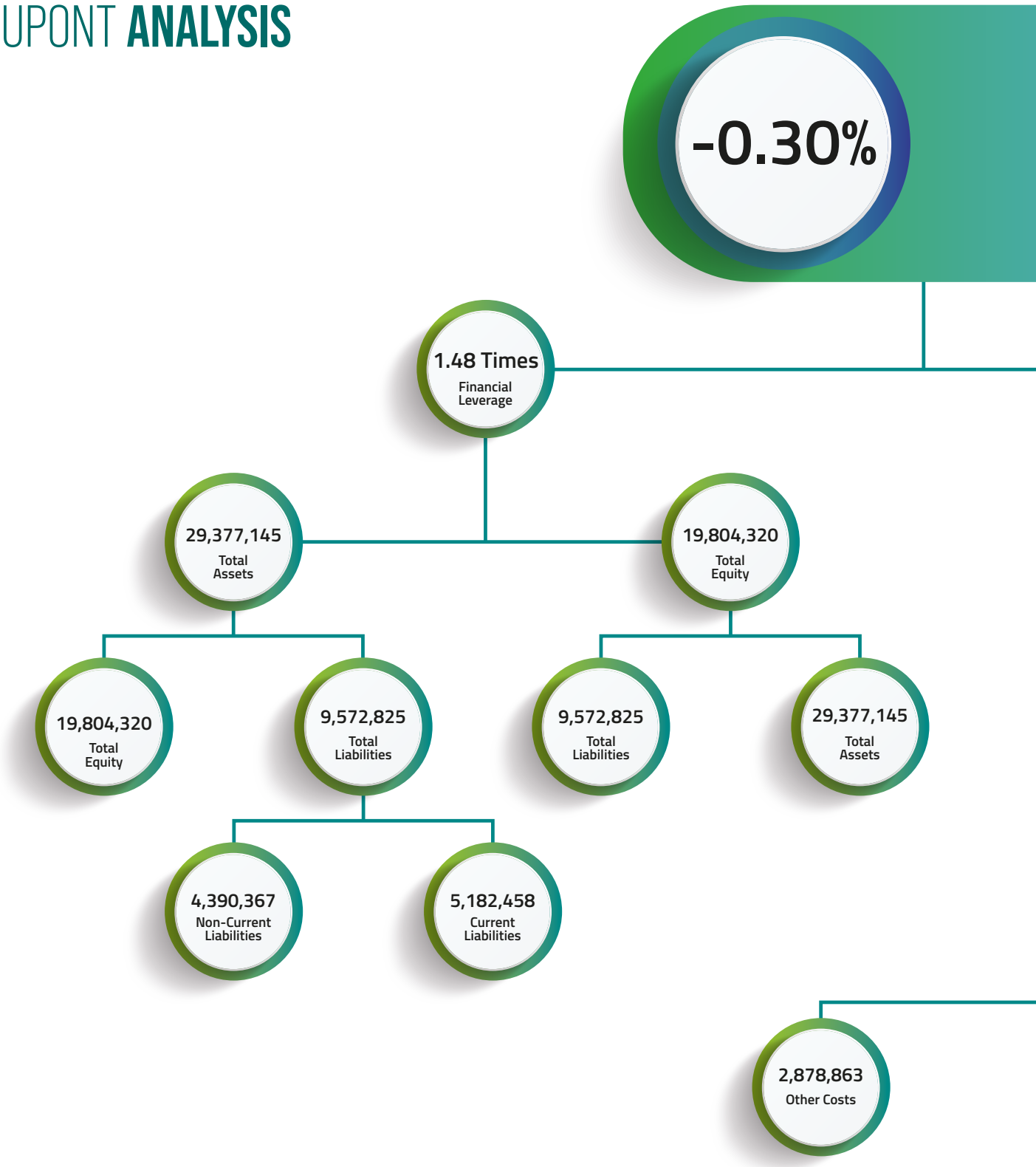
Comparison of EPS and DPS
(Rs)



Share price
(Rs)

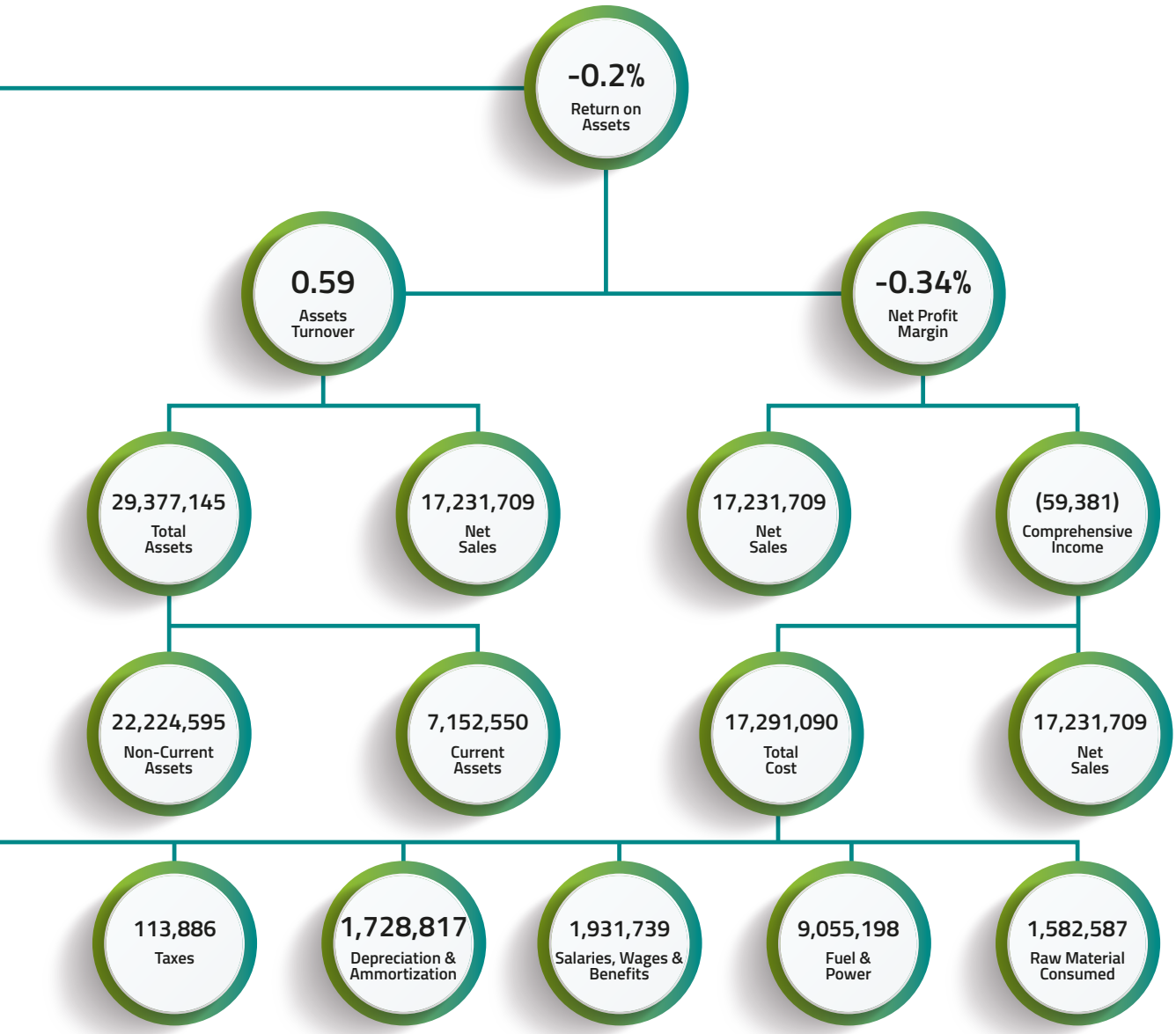


DUPONT **ANALYSIS**



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
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%
2017	12.80%	0.74	1.41	13%
2016	26.78%	0.68	1.59	29%
2015	22.08%	0.61	1.75	24%

Return on Equity



FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2020

INDEPENDENT AUDITORS' **REVIEW REPORT ON THE STATEMENT OF COMPLIANCE**

TO THE CODE OF CORPORATE GOVERNANCE

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 for the year ended 30 June 2020 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. 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 30 June 2020.

Further, we highlight below instance of non - compliance with the requirement of the Regulations as reflected in the note 7 where it is stated in the Statement of Compliance:

	Reference	Description
i.	Chapter III Section 12	We have noted that the Company has not circulated a copy of the draft minutes of the board meeting to the board members within fourteen days of the date of meeting as required by Section 178 (4) of the Companies Act, 2017.

KPMG Taseer Hadi & Co.
Chartered Accountants
Islamabad
Date: 15 September 2020

INDEPENDENT **AUDITORS' 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 30 June 2020, 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 30 June 2020 and of the profit, the 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 Auditors' 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:

Sr No.	Key audit matters	How the matters were addressed in our audit
1.	**Recognition of Revenue** *Refer notes 3.7 and 25 to the financial statements.* The Company is engaged in the production and sale of cement. The Company recognized net revenue of Rs. 17,231,709 thousand for the year ended 30 June 2020. We identified recognition of revenue as a key audit matter because revenue is one of the key performance indicators of the Company and gives rise to an inherent risk that revenue could be subject to misstatement to meet expectations or targets.	Our audit procedures to assess the recognition of revenue, amongst others, included the following: • obtaining an understanding of the process relating to recognition of revenue and testing the design, implementation and operating effectiveness of key internal controls over recording of revenue; • comparing a sample of revenue transactions recorded during the year with sales orders, sales invoices, delivery documents and other relevant underlying documents; • comparing a sample of revenue transactions recorded around the year end with the sales orders, sales invoices, delivery documents and other relevant underlying documentation to assess if the related revenue was recorded in the appropriate accounting period; • comparing the details of journal entries posted to revenue accounts during the year, which met certain specific risk-based criteria, with the relevant underlying documentation; • assessing the appropriateness of accounting policy for revenue recognition and comparing with the applicable accounting and reporting standards; and • assessing the adequacy of disclosures related to revenue as required under the accounting and reporting standards as applicable in Pakistan.

Sr No.	Key audit matters	How the matters were addressed in our audit
2.	**Additions to property, plant and equipment** Refer to notes 2.4.1, 3.3 and 14 to the financial statements. The Company has made significant capital expenditure of Rs. 871,239 thousand on installation of clinker cooler and solar power plant along with acquisition of other assets including land. We identified capitalization of property, plant and equipment as a key audit matter because there is a risk that amounts being capitalized may not meet the capitalization criteria with related implications on depreciation charge for the year.	Our audit procedures to assess the additions to property, plant and equipment included the following: • testing, on sample basis, the costs incurred on property, plant and equipment with supporting documentation and contracts, where applicable; • assessing the nature of costs incurred on property, plant and equipment through testing on sample basis, of amounts recorded and considering whether the expenditure meets the criteria for capitalization as per the accounting policy and applicable accounting and reporting standards; • inspecting supporting documents for the date of capitalization when the assets were ready for its intended use to assess whether depreciation commenced and further capitalization of costs ceased from that date; • assessing the useful life assigned by management including testing the calculation of related depreciation expense; • assessing the appropriateness of accounting policy and comparing with the applicable accounting and reporting standards; and • assessing the adequacy of disclosures related to property, plant and equipment as required under the accounting and reporting standards as applicable in Pakistan.

Sr No.	Key audit matters	How the matters were addressed in our audit
3.	**Valuation and existence of stock in trade** Refer note 19 to the financial statements. The balance of stock in trade at 30 June 2020 is PKR 1,187,752 thousand. Management's judgement is required to assess the appropriate level of provisioning required for the stock in trade, including the assessment of available facts and circumstances, its physical condition, the market selling prices and estimated selling costs of the stock in trade. Further, stock in trade items are stored in purpose-built sheds, stockpiles and silos. As the weighing of these stocks is not practicable, management assesses the reasonableness of the quantities on hand by obtaining measurements of stockpiles and converting these measurements to unit of volumes by using angle of repose and bulk density. Moreover, while reviewing Directors report for the third quarter it was noted that sales were made at prices below cost. Due to the significance of stock in trade balance, related estimations involved and sale of cement at prices below cost, this is considered as a key audit matter.	Our audit procedures to assess the valuation and existence of stock in trade, amongst others, included the following: • assessing the design, implementation and operating effectiveness of key internal controls over valuation of stock in trade; • assessing the net realizable value of stock in trade by comparing, on a sample basis, with actual selling prices subsequent to the end of the reporting period; • comparing the net realizable value to the cost of a sample of stock in trade to assess whether stock-in-trade accurately valued; • assessing the management's process of measurement of stockpiles and the determination of values using conversion of volumes and density to total weight; • attended physical count of stock in trade, observed the aforesaid parameters and performed recalculations; • assessing the appropriateness of accounting policy for revenue recognition and comparing with the applicable accounting and reporting standards; and • assessing the adequacy of disclosures related to stock in trade as required under the accounting and reporting standards as applicable in Pakistan.

Information Other than the Financial Statements and Auditors' Report Thereon

Management is responsible for the other information. Other information comprises the information included in the annual report for the year ended 30 June 2020 but does not include the financial statements and our auditors' 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.

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.

Auditors' 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 auditors' 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 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 judgement and maintain professional scepticism 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 auditors' 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 auditors' 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 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 auditors' 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:

a) Proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

b) 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;

c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and

d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

The engagement partner on the audit resulting in this independent auditors' report is Riaz Pesnani.



KPMG Taseer Hadi & Co
Chartered Accountants
Islamabad
15 September 2020

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FAUJI CEMENT COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 Rupees'000	2019 Rupees'000
EQUITY			
Share capital and reserves			
Share capital	4	**13,798,150**	13,798,150
Discount on issue of shares		**(1,364,385)**	(1,364,385)
Unappropriated profits		**7,370,555**	8,464,797
Total equity		**19,804,320**	20,898,562
LIABILITIES			
Long term loans	5	**447,327**	317,835
Employee benefits	6	**72,547**	71,216
Lease liability	7	**57,656**	-
Deferred tax liabilities - net	8	**3,812,837**	3,925,740
Non-current liabilities		**4,390,367**	4,314,791
Trade and other payables	9	**1,244,933**	948,864
Accrued liabilities		**1,040,530**	834,816
Security deposits payable	10	**253,940**	219,704
Contract liabilities	11	**367,952**	324,300
Employee benefits - current portion	6	**24,708**	20,399
Payable to employees' provident fund trust		**13,528**	11,832
Unclaimed dividend		**40,051**	43,747
Short term borrowings	12	**1,869,167**	997,701
Current portion of lease liability	7	**23,737**	-
Current portion of long term loans	5	**303,912**	350,466
Current liabilities		**5,182,458**	3,751,829
Total liabilities		**9,572,825**	8,066,620
TOTAL EQUITY AND LIABILITIES		**29,377,145**	28,965,182
CONTINGENCIES AND COMMITMENTS	13		

The annexed notes 1 to 42 form an integral part of these financial statements.

	Note	2020 Rupees'000	2019 Rupees'000
ASSETS			
Property, plant and equipment	14	**22,065,172**	23,202,930
Right of use asset	15	**60,322**	-
Long term deposits	16	**86,601**	86,601
Advance against issue of shares	17	**12,500**	-
Non-current assets		**22,224,595**	23,289,531
Stores, spares and loose tools	18	**3,505,809**	3,055,041
Stock in trade	19	**1,187,752**	944,022
Trade debts	20	**1,050,640**	947,046
Advances	21	**73,695**	36,176
Trade deposits and short term prepayments	22	**19,843**	20,463
Advance tax - net		**731,468**	261,998
Other receivables	23	**22,169**	7,660
Cash and bank balances	24	**561,174**	403,245
Current assets		**7,152,550**	5,675,651
TOTAL ASSETS		**29,377,145**	28,965,182

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

FAUJI CEMENT COMPANY LIMITED

STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 Rupees'000	2019 Rupees'000
Revenue - net	25	**17,231,709**	20,798,082
Cost of sales	26	**(16,582,605)**	(15,474,771)
Gross profit		**649,104**	5,323,311
Other income	27	**36,134**	92,947
Selling and distribution expenses	28	**(204,344)**	(210,335)
Administrative expenses	29	**(468,651)**	(415,979)
Other expenses	30	**(567)**	(326,689)
Operating profit		**11,676**	4,463,255
Finance cost	31	**(233,800)**	(106,758)
Finance income	32	**48,857**	55,411
Net finance cost		**(184,943)**	(51,347)
(Loss) / profit before taxation		**(173,267)**	4,411,908
Income tax credit / (expense)	33	**113,886**	(1,587,610)
(Loss) / profit for the year		**(59,381)**	2,824,298
(Loss) / earnings per share - basic and diluted (Rupees)	34	**(0.04)**	2.05

The annexed notes 1 to 42 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER | DIRECTOR | CHIEF FINANCIAL OFFICER

FAUJI CEMENT COMPANY LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2020

	2020 Rupees'000	2019 Rupees'000
(Loss) / profit for the year	**(59,381)**	2,824,298
Other comprehensive income for the year	**-**	-
Total comprehensive income for the year - (loss)	**(59,381)**	2,824,298

The annexed notes 1 to 42 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 30 JUNE 2020

	Note	2020 Rupees'000	2019 Rupees'000
Cash flows from operating activities			
(Loss) / profit before tax		**(173,267)**	4,411,908
Adjustments for:			
Depreciation	14.2	**1,713,737**	1,520,457
Depreciation on right of use asset		**15,080**	-
Provision for compensated absences	6	**47,717**	45,653
Workers' (Profit) Participation Fund including interest	9.1	**121**	236,921
Workers' Welfare Fund	30	**(933)**	88,097
Finance cost	31	**233,679**	106,679
Loss / (gain) on disposal of property, plant and equipment	27	**5,486**	(17,170)
Interest income		**(48,857)**	(55,411)
		1,966,030	1,925,226
Operating cash flows before working capital changes		**1,792,763**	6,337,134
Changes in			
Stores, spares and loose tools		**(450,768)**	12,643
Stock in trade		**(243,730)**	300,783
Trade debts		**(103,594)**	221,297
Advances		**(37,519)**	1,751
Trade deposits and short term prepayments		**(831)**	46,206
Other receivables		**(14,509)**	97,004
Trade and other payables		**303,843**	(110,442)
Accrued liabilities		**205,714**	261,469
Security deposits payable		**34,236**	43,365
Contract liabilities		**43,652**	79,167
Payable to employees' provident fund trust		**1,696**	2,298
		(261,810)	955,541
Cash generated from operating activities		**1,530,953**	7,292,675
Compensated absences paid	6	**(42,077)**	(35,323)
Payment to Workers' (Profit) Participation Fund	9.1	**(6,963)**	(290,470)
Taxes paid		**(468,487)**	(1,408,956)
Net cash generated from operating activities		**1,013,426**	5,557,926
Cash flows from investing activities			
Additions in property, plant and equipment		**(586,409)**	(2,104,621)
Advance paid against issue of shares	17	**(12,500)**	-
Proceeds from disposal of property, plant and equipment		**4,943**	22,817
Interest received on bank deposits		**48,857**	56,442
Net cash used in investing activities		**(545,109)**	(2,025,362)
Cash flows from financing activities			
Repayment of long term loans		**(319,033)**	(426,176)
Disbursements from new long term loans		**411,344**	-
Lease payments		**(2,902)**	-
Dividend paid on ordinary shares		**(1,038,557)**	(2,482,490)
Finance cost paid		**(232,706)**	(111,227)
Net cash used in financing activities		**(1,181,854)**	(3,019,893)
Net (decrease) / increase in cash and cash equivalents		**(713,537)**	512,671
Cash and cash equivalents at beginning of the year		**(594,456)**	(1,107,127)
Cash and cash equivalents at end of the year	35	**(1,307,993)**	(594,456)

The annexed notes 1 to 42 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER | DIRECTOR | CHIEF FINANCIAL OFFICER

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2020

	Share capital	Capital reserve	Revenue reserve	Total
	Ordinary shares	Discount on issue of shares	Unappropriated profit	
	Rupees'000			
Balance at 01 July 2018	13,798,150	(1,364,385)	8,055,175	20,488,940
Total comprehensive income for the year				
Profit for the year	-	-	2,824,298	2,824,298
Total comprehensive income for the year	-	-	2,824,298	2,824,298
Transactions with owners of the Company				
Distributions:				
Final dividend 2018 @ Rs. 1.00 per share	-	-	(1,379,815)	(1,379,815)
Interim dividend 2019 @ Rs. 0.75 per share			(1,034,861)	(1,034,861)
Total transactions with owners of the Company	-	-	(2,414,676)	(2,414,676)
Balance at 30 June 2019	13,798,150	(1,364,385)	8,464,797	20,898,562
Balance at 01 July 2019	**13,798,150**	**(1,364,385)**	**8,464,797**	**20,898,562**
Total comprehensive income for the year				
Loss for the year	-	-	**(59,381)**	**(59,381)**
Total comprehensive income for the year - (loss)	-	-	**(59,381)**	**(59,381)**
Transactions with owners of the Company				
Distributions:				
Final dividend 2019 @ Rs. 0.75 per share	-	-	**(1,034,861)**	**(1,034,861)**
Total transactions with owners of the Company	-	-	**(1,034,861)**	**(1,034,861)**
Balance at 30 June 2020	**13,798,150**	**(1,364,385)**	**7,370,555**	**19,804,320**

The annexed notes 1 to 42 form an integral part of these financial statements.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

1. LEGAL STATUS AND OPERATIONS

1.1 Fauji Cement Company Limited ("the Company") is a public limited company incorporated in Pakistan on 23 November 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 22 May 1993. The shares of the Company are quoted on Pakistan Stock Exchange. The principal activity of the Company is manufacturing and sale of different types of cement.

The geographical location and address of the Company's business units, including plant is as under:

- The Company's registered office is situated at Fauji Towers, Block-III, 68-Tipu Road, Rawalpindi.
- The Company's manufacturing facilities are located at village Jhang Bahtar, Tehsil Fateh Jang in district Attock.

1.2 During the year after approval of shareholders and Competition Commission of Pakistan, FCCL entered into a resource sharing agreement with Askari Cement Limited for cost optimization by having a common c-suite, head office and marketing departments. This agreement is valid for five years. Under the agreement both companies will share cost as per agreed formula.

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.

This is the first set of the company's annual financial statements in which IFRS 16 'Leases' has been applied. Change to significant accounting policy is described in Note 3.1.

2.3 Functional and presentation currency

The financial statements are presented in Pakistan Rupees (PKR) which is the Company's functional and presentation currency. Amounts presented in PKR have been rounded off to nearest of thousand, unless otherwise 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 laws and decisions taken by the taxation authorities. Instances where the Company's view differs 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.

2.4.4 Provisions and contingencies

A provision is recognized as a result of past event when the Company has a present legal or constructive obligation that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at pre-tax rate that reflects the current market assessments of the time value of money and the risk specific to the liability. The un-winding of discount is recognized as finance cost, if any.

Where 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 can not be measured with sufficient reliability, it is disclosed as contingent liability.

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

The following International Financial Reporting Standards (IFRS Standards) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after 01 July 2020:

- Amendment to IFRS 3 'Business Combinations' – Definition of a Business (effective for business combinations for which the acquisition date is on or after the beginning of annual period beginning on or after 1 January 2020). The IASB has issued amendments aiming to resolve the difficulties that arise when an entity determines whether it has acquired a business or a group of assets. The amendments clarify that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. The amendments include an election to use a concentration test. The standard is effective for transactions in the future and therefore would not have an impact on past financial statements.

- Amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (effective for annual periods beginning on or after 1 January 2020). The amendments are intended to make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. In addition, the IASB has also issued guidance on how to make materiality judgments when preparing their general purpose financial statements in accordance with IFRS Standards.

- On 29 March 2018, the International Accounting Standards Board (the IASB) has issued a revised Conceptual Framework for Financial Reporting which is applicable immediately contains changes that will set a new direction for IFRS in the future. The Conceptual Framework primarily serves as a tool for the IASB to develop standards and to assist the IFRS Interpretations Committee in interpreting them. It does not override the requirements of individual IFRSs and any inconsistencies with the revised Framework will be subject to the usual due process – this means that the overall impact on standard setting may take some time to crystallize. The companies may use the Framework as a reference for selecting their accounting policies in the absence of specific IFRS requirements. In these cases, companies should review those policies and apply the new guidance retrospectively as of 1 January 2020, unless the new guidance contains specific scope outs.

- Interest Rate Benchmark Reform which amended IFRS 9, IAS 39 and IFRS 7 is applicable for annual financial periods beginning on or after 1 January 2020. The G20 asked the Financial Stability Board (FSB) to undertake a fundamental review of major interest rate benchmarks. Following the review, the FSB published a report setting out its recommended reforms of some major interest rate benchmarks such as IBORs. Public authorities in many jurisdictions have since taken steps to implement those recommendations. This has in turn led to uncertainty about the long-term viability of some interest rate benchmarks. In these amendments, the term 'interest rate benchmark reform' refers to the market-wide reform of an interest rate benchmark including its replacement with an alternative benchmark rate, such as that resulting from the FSB's recommendations set out in its July 2014 report 'Reforming Major Interest Rate Benchmarks' (the reform). The amendments made provide relief from the potential effects of the uncertainty caused by the reform. A company shall apply the exceptions to all hedging relationships directly affected by interest rate benchmark reform. The amendments are not likely to affect the financial statements of the Company.

- Amendments to IFRS-16- IASB has issued amendments to IFRS 16 (the amendments) to provide practical relief for lessees in accounting for rent concessions. The amendments are effective for periods beginning on or after 1 June 2020, with earlier application permitted. Under the standard's previous requirements, lessees assess whether rent concessions are lease modifications and, if so, apply the specific guidance on accounting for lease modifications. This generally involves remeasuring the lease liability using the revised lease payments and a revised discount rate. In light of the effects of the COVID-19 pandemic, and the fact that many lessees are applying the standard for the first time in their financial statements, the Board has provided an optional practical expedient for lessees. Under the practical expedient, lessees are not required to assess whether eligible rent concessions are lease modifications, and instead are permitted to account for them as if they were not lease modifications. Rent concessions are eligible for the practical expedient if they occur as a direct consequence of the COVID-19 pandemic and if all the following criteria are met:

    - the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
    - any reduction in lease payments affects only payments originally due on or before 30 June 2021; and
    - there is no substantive change to the other terms and conditions of the lease.

- Classification of liabilities as current or non-current (Amendments to IAS 1) effective for the annual period beginning on or after 1 January 2022. These amendments in the standards have been added to further clarify when a liability is classified as current. The standard also amends the aspect of classification of liability as non-current by requiring the assessment of the entity's right at the end of the reporting period to defer the settlement of liability for at least twelve months after the reporting period. An entity shall apply those amendments retrospectively in accordance with IAS 8.

- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37) effective for the annual period beginning on or after 1 January 2022 amends IAS 1 by mainly adding paragraphs which clarifies what comprise the cost of fulfilling a contract, Cost of fulfilling a contract is relevant when determining whether a contract is onerous. An entity is required to apply the amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments (the date of initial application). Restatement of comparative information is not required, instead the amendments require an entity to recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.

- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16) effective for the annual period beginning on or after 1 January 2022. Clarifies that sales proceeds and cost of items produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management e.g. when testing etc, are recognized in profit or loss in accordance with applicable Standards. The entity measures the cost of those items applying the measurement requirements of IAS 2. The standard also removes the requirement of deducting the net sales proceeds from cost of testing. An entity shall apply those amendments retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. The entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.

- Annual Improvements to IFRS standards 2018-2020 - The following annual improvements to IFRS standards 2018-2020 are effective for annual reporting periods beginning on or after 1 January 2022.

- IFRS 9 – The amendment clarifies that an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf, when it applies the '10 per cent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognize a financial liability.

- IFRS 16 – The amendment partially amends Illustrative Example 13 accompanying IFRS 16 by excluding the illustration of reimbursement of leasehold improvements by the lessor. The objective of the amendment is to resolve any potential confusion that might arise in lease incentives.

- IAS 41 – The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements except as indicated in 3.1 below:

3.1 Leases

The Company has initially applied IFRS - 16 'Leases' from 01 July 2019.

IFRS 16 introduced a single, on-balance sheet accounting model for lessees. As a result, the Company, as a lessee, has recognized right-of-use assets representing its rights to use the underlying assets and lease liabilities representing its obligation to make lease payments.

The Company applied IFRS 16 using the modified retrospective approach, under which the Company has recognized right of use assets and lease liabilities at the date of initial recognition for leases previously classified as operating leases under IAS 17 at the present value of the remaining lease payments using the Company's incremental borrowing rate at the initial application date. The Company has chosen to measure the right of use assets at an amount equal to the lease liabilities adjusted by the amount of prepaid lease payments relating to the operating leases recognized in the statement of financial position as at 01 July 2019. Accordingly, no adjustment to equity has been made in these financial statements on adoption of the new policy and the comparative figures presented for 2019 have not been restated, i.e., it is presented, as previously reported, under IAS 17 and related interpretations.

Previously, the Company determined at contract inception whether an arrangement was or contained a lease under IFRIC 4 Determining Whether an Arrangement contains a Lease. The Company now assesses whether a contract is, or contains a lease based on the new definition of a lease. Under IFRS 16, a contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- The contract involves the use of an identified asset - this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset;

- The Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and

- The Company has the right to direct the use of the asset. The Company has this right when it has the decision making rights that are most relevant to changing how and for what purpose the asset is used.

The impact of adoption of IFRS 16, on transition is disclosed in note 7 and 15 to the financial statements.

The Company used the practical expedient i.e. use of a single discount rate to a portfolio of leases with reasonably similar risk characteristics, when applying IFRS 16 to leases previously classified as operating leases under IAS 17.

Amounts recognized in statement of profit or loss for the year under new policy

	Amount Rupees '000
Depreciation	15,080
Interest on lease liabilities	10,343

Had IFRS - 16 not been applied, rental cost of Rs. 16 million would have been recognized in the statement of profit or loss. Accordingly, loss before tax would have been decreased by Rs. 9.2 million for the year ended 30 June 2020.

Policy applicable before 30 June 2019

Leases classified as operating leases under IAS - 17

Leases in which a significant portion of the risks and rewards of ownership were retained by the lessor, were classified as operating leases. Contractual payments under operating lease contracts were charged on a straight line basis to the statement of profit or loss unless another systematic basis was more representative of the underlying use of such assets.

Significant accounting policies of the Company are as follows:

3.2 Income tax

Income tax expense comprises current and deferred tax. Income tax is recognized in statement of profit or loss account 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 substantially 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; and

- 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.

3.3 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 including trial run production expenses (net of income, if any). 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 income 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 14. Depreciation on depreciable assets is commenced from the date the asset is available for use upto the date when the asset is disposed 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 and are recognized on net basis within "other income" in statement of profit or loss.

3.4 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 90 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 90 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.

3.5 Inventories

Inventories comprises of stores, spares and loose tools and stock in trade.

3.5.1 Stores, spares and loose tools

Stores, spares and loose tools are valued at lower of weighted average cost and net realizable. 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.

3.5.2 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.

3.6 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.

3.7 Revenue recognition

Revenue associated with the sale of cement and clinker is measured based on the consideration specified in customer order forms. Revenue from contracts with customers is recognized when or as the company satisfies a performance obligation by transferring a promised good or service to a customer. A good or service is transferred when the customer obtains control of that good or service. The transfer of control of cement and clinker coincides with the title passing to the customer and customer taking physical possession. The Company physically satisfies its performance obligations at a point in time in the amount of revenue recognized relating to performance. For sale of cement and clinker the transfer of control usually occurs on delivery of goods to the customer, however for some international shipments the transfer occurs on the loading of goods onto the relevant carrier at the port.

Generally for such sales, the customer has no right of return. The Company does not have any obligations for return of cement and clinker.

For credit sales collection of revenue associated with the sale of cement and clinker is due on average of 30 days following sale while for other sales advance receipts from customers are obtained prior to satisfaction of performance obligation i.e. transfer of promised good.

3.8 Financial instruments

3.8.1 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.

3.8.2 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.

3.8.3 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 and trade deposits.

3.8.4 Impairment of financial assets

The Company recognizes loss allowance for Expected Credit Losses (ECLs) on financial assets measured at amortized cost. The Company measures loss allowances at an amount equal to lifetime ECLs. 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.

Lifetime ECLs are those that result from all possible default events over the expected life of a financial instrument. The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

At each reporting date, the Company assesses whether the financial assets carried at amortized 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.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

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.

3.8.5 Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amount of its non-financial assets (other than 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 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.

3.8.6 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, unclaimed dividend and short term borrowings.

3.8.7 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.

3.9 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. Borrowing cost includes exchange differences arising from foreign currency borrowings to the extent these are regarded as an adjustment to borrowing costs.

3.10 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:

3.10.1 Provident fund (retirement benefit)

The Company also 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.

3.10.2 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.

3.11 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 dilutive potential ordinary shares.

3.12 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.

3.13 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.

3.14 Finance income and finance cost

Finance income comprises interest income on funds invested, deposit accounts, advances 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 and lease, exchange losses and bank charges.

3.15 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.

3.16 Leases

3.16.1 Right of use asset

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

3.16.2 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.

4 SHARE CAPITAL

4.1 Authorized share capital

Authorized share capital comprises of 1,500,000,000 (2019: 1,500,000,000) ordinary shares of Rs. 10 each.

4.2 Issued, subscribed and paid up capital

2020 Number '000	2019 Number '000		**2020** Rupees '000	2019 Rupees '000
		Ordinary shares		
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
1,379,815	1,379,815		**13,798,150**	13,798,150

4.2.1 Fauji Foundation, a related party holds 543,650 thousand (2019: 543,650 thousand) ordinary shares of the Company at the year end. In addition Fauji Fertilizer Company Limited, Fauji Fertilizer Bin Qasim Limited, Fauji Oil Terminal & Distribution Company Limited and FFBL Provident Fund Trust are related parties that hold 93,750 thousand (2019: 93,750 thousand), 18,750 thousand (2019: 18,750 thousand), 18,750 thousand (2019: 18,750 thousand) and 270 thousand (2019: 270 thousand) ordinary shares respectively of the Company at the year end. Whereas 20 thousand (2019: 11 thousand) shares are held by Directors of the Company.

4.2.2 All ordinary share holders have same rights regarding voting, board election, right of first refusal and block voting.

5 LONG TERM LOANS

Loans from banking companies (under mark up arrangements) - Conventional banks

Lender	Note	2020	2019	Rate of interest per annum	Outstanding installments	Interest payable
		Rupees'000				
National Bank of Pakistan		-	107,142	6 month's KIBOR + 0.75% (2019: 6 month's KIBOR +0.75%)	Nil	Nil
MCB Bank Limited	5.1	**317,836**	529,727	6 month's KIBOR + 0.40% (2019: 6 month's KIBOR + 0.40%)	3 semi annual installments ending 21 July 2021	Semi annual
Allied Bank Limited (ABL-1)	5.2	**219,159**	-	SBP Rate (3%) + 1.25% (2019: Nil)	10 semi annual installments ending 21 October 2025	Semi annual
Allied Bank Limited (ABL-2)	5.3	**192,185**	-	3 month's KIBOR + 0.40% (2019: Nil)	8 quarterly installments ending 31 October 2021	Quarterly
		729,180	636,869			
Less: current portion shown under current liabilities		**(281,853)**	(319,034)			
		447,327	317,835			
Current portion						
Current portion of loan		**281,853**	319,034			
Markup accrued	5.4	**22,059**	31,432			
		303,912	350,466			

5.1 This facility is secured by way of creation of 1st pari passu mortgage over the immovable property of the Company and hypothecation charge over all present and future fixed and movable assets (excluding land and building) of the Company with 25% margin. Allied Bank Limited is the security trustee and inter creditor agent on behalf of all the first pari passu lenders.

5.2 This facility is secured by way of ranking hypothecation charge over movable assets (excluding land and building) of the Company with 25% margin.

5.3 This facility is available under State Bank of Pakistan (SBP) refinance scheme for payment of wages and salaries and the mark-up rate was re-priced to 0.4% upon receipt of reimbursment proceeds from State Bank of Pakistan by Allied Bank Limited on 03 July 2020. This facility is secured by way of ranking hypothecation charge over present and future current and fixed assets (excluding land and building) of the Company with 25% margin.

5.4 Previously markup accrued was presented on face of statement of financial position. It has been reclassified here for fair presentation. Third statement of financial position has not been presented since the impact is immaterial in the context of overall financial statements.

		Note	2020 Rupees'000	2019 Rupees'000
6	**EMPLOYEE BENEFITS**			
	Balance at beginning of the year		**91,615**	81,285
	Charge for the year		**47,717**	45,653
			139,332	126,938
	Payment made		**(42,077)**	(35,323)
		6.2	**97,255**	91,615
	Less: amount transferred to current liabilities		**(24,708)**	(20,399)
			72,547	71,216

6.1 As per the rules of compensated absences, unavailed leaves up to 30 days are payable at the time of retirement. 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 over that period has been transferred to current liabilities. Actuarial valuation has not been carried out as the impact is considered immaterial.

6.2 This includes Rs. 3.89 million (2019: Rs 3.17 million) payable to key management personnel of the Company.

7 LEASE LIABILITY

The Company has recognized lease liabilities under IFRS 16 at the date of initial recognition, for leases previously classified as operating leases under IAS 17 at the present value of the remaining lease payments using the Company's incremental borrowing rate of 13.69% at 01 July 2019.

	2020 Rupees'000	2019 Rupees'000
Un-discounted lease commitments on initial recognition	**108,143**	-
Present value of future lease payments on initial recognition	**73,951**	-
Contractual maturity of remaining lease commitments		
Within one year	**33,662**	-
Between 2 and 5 years	**71,579**	-
Total un-discounted lease commitments	**105,241**	-
Discounted lease liability using the incremental borrowing rate	**81,393**	-
Current portion	**(23,737)**	-
Non-current portion	**57,656**	-

		2020 Rupees'000	2019 Rupees'000
8	**DEFERRED TAX LIABILITIES - NET**		
	Deductible temporary difference		
	Provision for slow moving spares	**(10,134)**	(10,134)
	Lease liability	**(2,420)**	-
	Taxable temporary difference		
	Property, plant and equipment	**3,825,391**	3,935,874
		3,812,837	3,925,740

8.1 During the year deferred tax of Rs. 112.9 million has been reversed (2019: Rs. 325.10 million was charged) in the statement of profit or loss.

		Note	2020 Rupees'000	2019 Rupees'000
9	**TRADE AND OTHER PAYABLES**			
	Creditors		**354,586**	310,154
	Retention money		**38,883**	318,225
	Workers' (Profit) Participation Fund (WPPF)	9.1	**-**	6,842
	Workers' Welfare Fund (WWF)		**24,027**	107,440
	Federal excise duty payable		**242,226**	51,223
	Sales tax payable (net)		**361,236**	27,520
	Withholding tax payable		**74,982**	18,172
	Other liabilities		**148,993**	109,289
			1,244,933	948,864
9.1	**Workers' (Profit) Participation Fund (WPPF)**			
	Balance at beginning of the year		**6,842**	60,391
	Interest on funds utilized in the Company's business		**121**	79
	Allocation for the year		**-**	236,842
	Payment to the fund during the year		**(6,963)**	(290,470)
			-	6,842
	Allocation for the year is made up as follows:			
	Profit for the year before tax, WPPF and WWF		**-**	4,736,847
	Charge for the year at the rate of 5%		**-**	236,842

10 SECURITY DEPOSITS PAYABLE

This represents unutilizable security deposits received from customers and suppliers kept in separate bank account as required under Section 217(2) of the Companies Act, 2017. These have not been utilized by the Company.

11 CONTRACT LIABILITIES

This represents advances received from customers in ordinary course of business. This includes advance received from related parties against sale of cement amounting to Rs. 0.9 million (2019: Rs. 2.8 million).

12 SHORT TERM BORROWINGS (SECURED) - CONVENTIONAL AND ISLAMIC BANKS

	Note	2020 Rupees'000	2019 Rupees'000
Short term borrowings	12.1	**1,851,920**	990,112
Markup accrued	12.2	**17,247**	7,589
		1,869,167	997,701

12.1 The Company has short term running finance facility limits to the tune of Rs. 3,180 million (2019: Rs. 2,580 million) from banking companies including facility of Rs. 500 million (2019: Rs 500 million) obtained from Bank Islami (Pakistan) Limited, an Islamic bank. 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 3 month KIBOR plus 0.25% to 0.75% (2019: 1 month KIBOR to 3 month KIBOR plus 0.25% to 0.75%) per annum of the utilized amount and payable on a quarterly basis. Allied Bank Limited is the security trustee and inter creditor agent on behalf of all the first pari passu lenders.

12.2 Previously markup accrued was classified on statement of financial position. It has been reclassified here for better presentation. Third balance sheet has not been presented since the impact is immaterial in the context of overall financial statements.

13 CONTINGENCIES AND COMMITMENTS

13.1 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 14 May 1992 against an undertaking provided by the Company. Subsequent to the release of plant and machinery, the Custom Authorities raised a demand of Rs. 828.41 million in respect of following items which are considered by the Federal Board of Revenue (FBR) as not qualifying for the concessionary rate of duty. The status of the cases included in the above amount is as follows:

(i) The custom case of Rs. 337.28 million was decided in favour of the Company by the Honorable Sindh High Court (SHC). On an appeal filed by the custom authorities to Honorable Supreme Court of Pakistan against decision of SHC, the matter was referred back by the Honorable Supreme Court to custom authorities for review. Thereafter, the Deputy Collector, then Collector (Appeals) and finally Custom Appellate Tribunal decided the case against the Company and the Company has filed an appeal before Sindh High Court.

(ii) On dismissal of customs appeal from Supreme Court of Pakistan in Rs. 808 million case, the custom authorities issued another show cause notice of Rs. 455 million during the year. The case is pending before Custom Appellate Tribunal and stay against recovery has been granted by Sindh High Court.

(iii) Case for Rs. 87.44 million is pending before the Sindh High Court.

(iv) Demand for Rs. 39.29 million has also been raised by the Custom Authorities.

(v) A demand of Rs. 20.26 million has been raised by the Assistant Collector of Customs on 21 September 2004 and the Company has asked for details of this claim. The case is pending before the Sindh High Court.

(vi) Remaining amount of Rs. 328.34 million has been claimed by Custom Authorities by revising the total demand of custom duty as being short levied as per letter No. SI/NISC/IB/191/96-VI dated 31 December 1999. The case is pending before the Sindh High Court.

The Company filed an application before FBR under Section 47A of the Sales Tax Act, 1990 and Section 195C of the Customs Act, 1969 for constitution of an Alternate Dispute Resolution Committee (ADRC) on the above cases. The proceedings of ADRC were concluded and final recommendations were forwarded to FBR, which were in the Company's favour. FBR informed the Company that recommendations of ADRC are not acceptable and advised the Company to plead the cases in court of law. The management of the Company is confident of a favorable outcome, since the management believes that the goods imported by the Company (against which the purported duties have been assessed) were covered by statutory exemption issued by the Ministry of Finance in 1992, the grant of which was confirmed by the custom authorities through various documents obtained from the appropriate authorities.

b) Competition Commission of Pakistan (CCP) has issued a show cause notice dated 28 October 2008 to 21 cement manufacturers (including the Company) under section 30 of the Competition Ordinance, 2007 ("Ordinance") and imposed a penalty of Rs. 266 million on the Company. The cement manufacturers (including the Company) have filed a petition in Lahore High Court (Court) and challenged the CCP order in the Court. An amended writ petition challenging applicability of Ordinance was filed on 01 October 2009 in the Court. After numerous hearings, Lahore High Court has reserved the judgement. Meanwhile the Competition Appellate Tribunal (CAT) on the directions of Supreme Court issued notice dated 18 October 2017 for refiling of appeal in CAT after removal of deficiencies. FCCL filed the appeal in CAT on 13 December 2017 and also filed another constitutional petition in Sindh High Court (SHC); on 6 January 2018 challenging the vires of Section 42, 43 and 44 of Competition Act 2010. Based on expert legal advice, the management is confident that the case will be decided in favour of the Company.

c) 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 rightfully 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 ATIR on 16 October 2017 against the orders of Commissioner Inland Revenue (Appeals) whereby proceedings are under way. Based on expert opinion, management is confident of favourable outcome.

d) On finalization the audit of sales tax affairs of the Company for FY 2017 DCIR has levied sales tax amounting to Rs. 102 million, mainly, on insurance claim received by the Company against loss of property, plant and equipment during the year through his order dated 31 October 2019. The Company filed appeal before CIR (Appeals) against the aforesaid order. The CIR (Appeals) disposed off the appeal through order in appeal dated 27 December 2019 and upheld the action of DCIR. The Company filed appeal before ATIR against the order of CIR (Appeals) whereby proceedings are under way. Based on expert opinion, management is confident of favourable outcome.

e) 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, ACIR has issued an appeal effect order dated December 29, 2017 in which he has allowed WPPF paid amounting to Rs 420,417,504 and excess minimum tax in respect of tax year 2012 amounting to Rs 36,391,557. The Company filed rectification application dated May 30, 2019 requesting the AdCIR to allow adjustment of minimum tax aggregating to Rs 305,588,655 instead of Rs 36,391,5537 for excess minimum tax paid by it in tax years 2012, 2013 and 2014. Hearing has been held on this account before AdCIR, however, no order has been received to date. Based on expert opinion, management is confident of favourable outcome.

f) The Company is contingently liable in respect of guarantees amounting to Rs. 475 million (2019: Rs. 470 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.

13.2 Commitments

The Company has opened letters of credit for the import of coal and spare parts valuing Rs. 931 million (2019: Rs. 368 million).

14 PROPERTY, PLANT AND EQUIPMENT

	Freehold land (Note 14.3)	Building on freehold land (Note 14.4)	Plant and machinery	Stores held for capital expenditure	Office equipment	Computers	Electric installation and other equipment	Furniture and fittings	Motor vehicles	Quarry road and related development	Capital work in progress (Note 14.5)	Total
	Rupees'000											
Cost												
Balance at 01 July 2018	219,884	6,600,403	27,578,327	33,688	19,254	84,954	104,872	42,944	219,355	27,855	157,763	35,089,299
Additions	37,734	67,932	136,110	-	756	7,363	3,345	3,680	43,405	-	1,804,296	2,104,621
Disposals	-	-	-	-	(66)	(4,822)	(578)	-	(35,886)	-	-	(41,352)
Transfers	-	85,444	1,580,985	-	-	-	-	-	7,992	-	(1,674,421)	-
Balance at 30 June 2019	257,618	6,753,779	29,295,422	33,688	19,944	87,495	107,639	46,624	234,866	27,855	287,638	37,152,568
Balance as at 01 July 2019	**257,618**	**6,753,779**	**29,295,422**	**33,688**	**19,944**	**87,495**	**107,639**	**46,624**	**234,866**	**27,855**	**287,638**	**37,152,568**
Additions	**102,664**	**526**	**169,110**	**-**	**-**	**4,660**	**13,508**	**305**	**7,827**	**-**	**287,809**	**586,409**
Disposals	**-**	**-**	**-**	**-**	**-**	**(712)**	**-**	**-**	**(10,854)**	**-**	**-**	**(11,566)**
Write off	**-**	**-**	**(120,112)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(120,112)**
Transfers	**-**	**14,139**	**552,664**	**-**	**-**	**-**	**-**	**-**	**5,836**	**-**	**(572,639)**	**-**
Balance at 30 June 2020	**360,282**	**6,768,444**	**29,897,084**	**33,688**	**19,944**	**91,443**	**121,147**	**46,929**	**237,675**	**27,855**	**2,808**	**37,607,299**
Accumulated depreciation												
Balance at 01 July 2018	-	2,280,066	9,812,086	20,627	13,227	70,740	90,468	29,306	120,511	27,855	-	12,464,886
Charge for the year	-	288,651	1,177,109	3,244	1,713	9,015	3,593	3,197	33,935	-	-	1,520,457
On disposals	-	-	-	-	(45)	(4,822)	(578)	-	(30,260)	-	-	(35,705)
Balance at 30 June 2019	-	2,568,717	10,989,195	23,871	14,895	74,933	93,483	32,503	124,186	27,855	-	13,949,638
Balance at 01 July 2019	**-**	**2,568,717**	**10,989,195**	**23,871**	**14,895**	**74,933**	**93,483**	**32,503**	**124,186**	**27,855**	**-**	**13,949,638**
Charge for the year	**-**	**325,223**	**1,330,514**	**3,253**	**1,638**	**8,309**	**4,850**	**3,605**	**36,345**	**-**	**-**	**1,713,737**
On disposals	**-**	**-**	**-**	**-**	**-**	**(713)**	**-**	**-**	**(9,735)**	**-**	**-**	**(10,448)**
On write off	**-**	**-**	**(110,800)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(110,800)**
Balance at 30 June 2020	**-**	**2,893,940**	**12,208,909**	**27,124**	**16,533**	**82,529**	**98,333**	**36,108**	**150,796**	**27,855**	**-**	**15,542,127**
Carrying amounts - 2020	**360,282**	**3,874,504**	**17,688,175**	**6,564**	**3,411**	**8,914**	**22,814**	**10,821**	**86,879**	**-**	**2,808**	**22,065,172**
Carrying amounts - 2019	257,618	4,185,062	18,306,227	9,817	5,049	12,562	14,156	14,121	110,680	-	287,638	23,202,930
Rates of depreciation (per annum) - %	-	4%-29%	3%-29%	10%	15%	33%	10%-15%	15%	20%-25%	10%		

14.1 Detail of property, plant and equipment disposed off:

	Cost	Book value	Sale proceeds	Mode of disposal
	Rupees'000			
Motor vehicle	2,668	836	257	Ex-MD as per Company policy
Other assets with individual book value not exceeding Rs. 500,000	8,898	283	4,686	
	11,566	1,119	4,943	

	Note	2020 Rupees'000	2019 Rupees'000
14.2 Depreciation charge for the year has been allocated as follows:			
Cost of sales	26	**1,693,525**	1,498,617
Selling and distribution expenses	28	**5,877**	5,744
Administrative expenses	29	**14,335**	16,096
		1,713,737	1,520,457

14.3 Freehold land

Freehold land of the Company is located in village Jhang Bahtar, Tehsil Fateh Jang in district Attock measuring 4,976 kanals (2019: 4,483 kanals).

14.4 Building on freehold land

The building and immovable fixed assets of the Company are located as disclosed in note 14.3 of the financial statements.

	2020 Rupees'000	2019 Rupees'000
14.5 Capital work in progress		
Plant and machinery	**-**	287,638
Advance for capital expenditure	**2,808**	-
	2,808	287,638

15 RIGHT OF USE ASSET

Right of use assets have been measured at the amount equal to the lease liability, adjusted by the amount of prepaid lease payments relating to the operating leases, recognized in the statement of financial position as at 01 July 2019.

	2020 Rupees'000	2019 Rupees'000
Present value of future lease payments	**73,951**	-
Pre-payments reclassified as right of use assets	**1,451**	-
	75,402	-
Balance at beginning of the year	**75,402**	-
Depreciation	**(15,080)**	-
Balance at end of the year	**60,322**	-

		2020 Rupees'000	2019 Rupees'000
16	**LONG TERM DEPOSITS**		
	Islamabad Electric Supply Company Limited - non interest bearing	**61,590**	61,590
	Sui Northern Gas Pipelines Limited - non interest bearing	**25,011**	25,011
		86,601	86,601

17 ADVANCE AGAINST ISSUE OF SHARES

This represents advance for issue of shares to Foundation Solar Energy Limited. The shareholders of the Company in their 11th Extra Ordinary General meeting held on 10 January 2020 approved equity investment of Rs. 200 million.

		2020 Rupees'000	2019 Rupees'000
18	**STORES, SPARES AND LOOSE TOOLS**		
	Stores (Including items in transit of Rs. 254 million (2019: Rs 212 million))	**896,387**	765,544
	Spares (Including items in transit of Rs. 394 million (2019: Rs. 176 million))	**2,644,525**	2,325,115
	Provision for slow moving spares	**(38,828)**	(38,828)
		2,605,697	2,286,287
	Loose tools	**3,725**	3,210
		3,505,809	3,055,041
19	**STOCK IN TRADE**		
	Raw and packing material	**269,467**	212,849
	Work in process	**779,940**	524,636
	Finished goods	**138,345**	206,537
		1,187,752	944,022
20	**TRADE DEBTS**		
	Unsecured		
	Considered good	**907,187**	732,235
	Considered doubtful	**3,281**	3,281
		910,468	735,516
	Secured - considered good	**143,453**	214,811
	Less: Provision for doubtful debts	**(3,281)**	(3,281)
		1,050,640	947,046

		Note	2020 Rupees'000	2019 Rupees'000
21	**ADVANCES**			
	Advances - considered good			
	To suppliers - non interest bearing		**72,073**	34,348
	To employees against expenditures - non interest bearing		**1,622**	1,828
			73,695	36,176
22	**TRADE DEPOSITS AND SHORT TERM PREPAYMENTS**			
	Trade deposits		**11,189**	13,255
	Prepayments		**8,654**	7,208
			19,843	20,463
23	**OTHER RECEIVABLES**			
	Other receivables - considered good	23.1	**20,262**	5,753
	Margin on letter of guarantee		**1,907**	1,907
			22,169	7,660

23.1 This includes an amount of Rs. 5.4 million (2019: Nil) receivable from Askari Cement Limited (a related party) on account of shared services agreement and received subsequently.

		Note	2020 Rupees'000	2019 Rupees'000
24	**CASH AND BANK BALANCES**			
	Cash at bank			
	Deposit accounts - Conventional banks	24.1 & 24.2	**100,237**	66,741
	Deposit accounts - Islamic banks		**3,404**	4,412
	Term deposit receipts - Conventional banks	24.3 & 24.4	**280,050**	215,398
	Current accounts - Conventional banks		**177,425**	116,046
	Current accounts - Islamic banks		**48**	438
			561,164	403,035
	Cash in hand		**10**	210
			561,174	403,245

24.1 Deposits of Rs. 4 million (2019: Rs. 4 million) with banks are under lien for letters of guarantee issued on behalf of the Company.

24.2 Deposit accounts carry mark-up ranging from 8.03% to 13.5% (2019: 7.44% to 11.2%) per annum.

24.3 This includes markup accrued amounting to Rs. 50,000 (2019: Rs. 398,000) and is maturing on 29 July 2020.

24.4 Previously markup accrued was presented on face of statement of financial position. It has been reclassified here for fair presentation. Third statement of financial position has not been presented since the impact is immaterial in the context of overall financial statements.

		2020 Rupees'000	2019 Rupees'000
25	**REVENUE - NET**		
Sales	- Local	**25,580,151**	28,236,791
	- Export	**1,418,004**	1,263,526
		26,998,155	29,500,317
Less:	- Sales tax	**4,139,235**	4,473,274
	- Excise duty	**5,623,159**	4,225,401
	- Export development surcharge	**4,052**	3,560
		9,766,446	8,702,235
		17,231,709	20,798,082

25.1 Revenue recognised during the year includes Rs. 324.3 million (2019: Rs. 245.1 million) which was shown as contract liabilities at the beginning of the year.

		Note	2020 Rupees'000	2019 Rupees'000
26	**COST OF SALES**			
	Raw materials consumed		**1,582,587**	1,265,214
	Packing material consumed		**1,279,202**	1,170,925
	Stores and spares consumed		**40,017**	60,481
	Spares written-off due to technical obsolescence		**16,684**	-
	Salaries, wages and benefits	26.1	**1,452,572**	1,472,747
	Rent, rates and taxes		**21,953**	25,309
	Insurance		**150,056**	48,286
	Fuel consumed		**6,322,411**	6,037,284
	Power consumed		**2,732,787**	2,256,696
	Depreciation	14.2	**1,693,525**	1,498,617
	Repairs and maintenance		**718,505**	831,474
	Technical assistance		**14,071**	60,242
	Vehicle running and maintenance expenses		**20,512**	20,155
	Printing and stationery		**2,908**	2,861
	Traveling and conveyance		**43,534**	46,116
	Communication, establishment and other expenses		**42,004**	45,763
	Water conservancy charges		**267,554**	336,748
			16,400,882	15,178,918
	Add: Opening work-in-process		**524,636**	808,315
	Less: Closing work-in-process		**(779,940)**	(524,636)
	Cost of goods manufactured		**16,145,578**	15,462,597
	Add: Opening finished goods		**206,537**	186,546
	Less: Closing finished goods		**(138,345)**	(206,537)
			16,213,770	15,442,606
	Less: Own consumption		**(955)**	(6,999)
	Add: Freight charges		**369,790**	39,164
			16,582,605	15,474,771

26.1 This includes retirement benefits of Rs. 70.2 million (2019 : Rs. 69.1 million).

		2020 Rupees'000	2019 Rupees'000
27	**OTHER INCOME**		
	(Loss) / gain on disposal of property, plant and equipment	**(5,486)**	17,170
	Others	**41,620**	75,777
		36,134	92,947

		Note	2020 Rupees'000	2019 Rupees'000
28	**SELLING AND DISTRIBUTION EXPENSES**			
	Salaries, wages and benefits	28.1	**167,115**	173,320
	Traveling and conveyance		**2,235**	2,639
	Vehicle running and maintenance expenses		**3,615**	3,274
	Rent, rates and taxes		**7,379**	6,717
	Repairs and maintenance		**728**	616
	Printing and stationery		**1,496**	602
	Depreciation	14.2	**5,877**	5,744
	Communication, establishment and other expenses		**6,350**	5,883
	Advertisement and sale promotion expenses		**8,976**	11,007
	Insurance		**573**	533
			204,344	210,335

28.1 This includes retirement benefits of Rs. 10.2 million (2019: Rs. 8.7 million)

		Note	2020 Rupees'000	2019 Rupees'000
29	**ADMINISTRATIVE EXPENSES**			
	Salaries, wages and benefits	29.1	**312,052**	319,673
	Traveling and conveyance		**11,252**	11,021
	Vehicle running and maintenance expenses		**7,670**	7,438
	Insurance		**1,293**	1,713
	Rent, rates and taxes		**200**	11,488
	Repairs and maintenance		**757**	920
	Printing and stationery		**4,268**	4,097
	Communication, establishment and other expenses		**35,308**	20,695
	Legal and professional charges		**9,660**	15,594
	Depreciation	14.2	**14,335**	16,096
	Depreciation on right of use asset		**15,080**	-
	Donations	29.2	**56,776**	7,244
			468,651	415,979

29.1 This includes retirement benefits of Rs. 23.1 million (2019: Rs. 19.3 million)

29.2 This includes an amount of Rs. 50 million paid to Fauji Foundation (a related party) on account of contribution for electro medical equipment for their health projects.

		Note	2020 Rupees'000	2019 Rupees'000
30	**OTHER EXPENSES**			
	Auditors' remuneration:			
	Annual audit		**1,219**	1,219
	Half yearly review		**180**	180
	Out of pocket expenses		**30**	30
	Other certifications		**71**	321
			1,500	1,750
	Workers' Profit Participation Fund	9.1	**-**	236,842
	Workers' Welfare Fund		**(933)**	88,097
			567	326,689
31	**FINANCE COST**			
	Interest and other charges on long and short term borrowings			
	- Conventional banks		**191,062**	87,661
	- Islamic banks		**17,988**	836
			209,050	88,497
	Interest on Workers' Profit Participation Fund		**121**	79
	Finance cost related to lease		**10,343**	-
	Bank charges and commission - Conventional banks		**14,286**	18,182
			233,800	106,758
32	**FINANCE INCOME**			
	Income from financial assets			
	Income from deposits and investments			
	- Conventional banks		**48,516**	45,357
	- Islamic banks		**341**	10,054
			48,857	55,411

		Note	2020 Rupees'000	2019 Rupees'000
33	**INCOME TAX EXPENSE**			
	Current			
	For the year		**80,717**	1,262,431
	Prior year		**(81,700)**	77
			(983)	1,262,508
	Deferred	8.1	**(112,903)**	325,102
			(113,886)	1,587,610
	Accounting (loss) / profit for the year		**(173,267)**	4,411,908
	Applicable tax rate (%)		**29%**	29%
	Income tax at applicable rate		**(50,247)**	1,279,453
	Tax effect of income taxable at lower rates		**18,061**	(55,013)
	Tax effect of change in proportion of export sales to local sales		**-**	(218,097)
	Tax effect of change in tax rates		**-**	499,505
	Effect of super tax		**-**	81,447
	Tax effect of permanent differences		**-**	238
	Prior year adjustment		**(81,700)**	77
			113,886	1,587,610

33.1 Tax assessments up to and including tax year 2019 have been finalized. However, the tax authorities are empowered to reopen these assessments with five years from the end of the financial year in which the returns were filed.

		2020 Rupees'000	2019 Rupees'000
34	**(LOSS)/ EARNINGS PER SHARE (BASIC AND DILUTED)**		
	(Loss)/ profit after tax (Rs. '000)	**(59,381)**	2,824,298
	(Loss)/ profit attributable to ordinary shareholders (Rs. '000)	**(59,381)**	2,824,298
	Weighted average number of ordinary shares (Numbers '000)	**1,379,815**	1,379,815
	(Loss)/ earnings per share - basic (Rupees)	**(0.04)**	2.05

34.1 There is no dilution effect on earnings per share of the Company.

35 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	2020 Rupees'000	2019 Rupees'000
Cash and bank balances	24	**561,174**	403,245
Short term borrowings	12	**(1,869,167)**	(997,701)
		(1,307,993)	(594,456)

36 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	
	2020	2019	**2020**	2019
	Rupees'000			
Managerial remuneration	**18,012**	17,966	**236,270**	204,569
Bonus	**3,821**	3,421	**102,926**	110,094
Provident fund	**661**	584	**13,588**	11,038
Compensated absences	**-**	1,133	**9,026**	7,215
Utilities and upkeep	**3,090**	3,050	**36,961**	44,089
Gratuity	**1,640**	1,923	**-**	-
	27,224	28,077	**398,771**	377,005
Number of persons	**2**	1	**77**	64

36.1 Chief Executive, key management personnel and certain executives are provided with Company maintained cars.

36.2 Meeting fee of non-executive directors charged during the year was Rs. 4.3 million (2019: Rs. 2.4 million). Number of non-executive directors at year end were 9 (2019: 9).

36.3 Number of persons include those who worked part of the year.

37 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).

37.1 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	Note	Carrying amount			Fair value			
		Amortized Cost	FVTPL	Total	Level 1	Level 2	Level 3	Total
		Rupees'000						
30 June 2020								
Financial assets not measured at fair value								
Trade debts - net of impairment loss	20	1,050,640	-	1,050,640	-	-	-	-
Other receivables	23	22,169	-	22,169	-	-	-	-
Cash and bank balances	24	561,174	-	561,174	-	-	-	-
		1,633,983	-	1,633,983	-	-	-	-
Financial assets measured at fair value								
Long term deposits	16	-	86,601	86,601	-	-	86,601	86,601
Trade deposits	22	-	11,189	11,189	-	-	11,189	11,189
		-	97,790	97,790	-	-	97,790	97,790
Financial liabilities not measured at fair value								
Long term loans (including current portion)	5	751,239	-	751,239	-	-	-	-
Lease liability (including current portion)	7	81,393	-	81,393				
Creditors	9	354,586	-	354,586	-	-	-	-
Retention money	9	38,883	-	38,883	-	-	-	-
Other liabilities	9	148,993	-	148,993	-	-	-	-
Payable to employees' provident fund trust		13,528	-	13,528				
Accrued liabilities		1,040,530	-	1,040,530	-	-	-	-
Security deposits payable	10	253,940	-	253,940	-	-	-	-
Unclaimed dividend		40,051	-	40,051	-	-	-	-
Short term borrowings	12	1,869,167	-	1,869,167	-	-	-	-
		4,592,310	-	4,592,310	-	-	-	-

On-balance sheet financial instruments	Note	Carrying amount			Fair value			
		Amortized Cost	FVTPL	Total	Level 1	Level 2	Level 3	Total
		Rupees'000						
30 June 2019								
Financial assets not measured at fair value								
Trade debts - net of impairment loss	20	947,046	-	947,046	-	-	-	-
Other receivables	23	7,660	-	7,660	-	-	-	-
Cash and bank balances	24	403,245	-	403,245	-	-	-	-
		1,357,951	-	1,357,951	-	-	-	-
Financial assets measured at fair value								
Long term deposits	16	-	86,601	86,601	-	-	86,601	86,601
Trade deposits	22	-	13,255	13,255	-	-	13,255	13,255
		-	99,856	99,856	-	-	99,856	99,856
Financial liabilities not measured at fair value								
Long term loans (including current portion)	5	668,301	-	668,301	-	-	-	-
Lease liability (including current portion)	7	-	-	-	-	-	-	-
Creditors	9	310,154	-	310,154	-	-	-	-
Retention money	9	318,225	-	318,225	-	-	-	-
Other liabilities	9	109,289	-	109,289	-	-	-	-
Accrued liabilities		834,816	-	834,816	-	-	-	-
Payable to employees' provident fund trust		11,832	-	11,832				
Security deposits payable	10	219,704	-	219,704	-	-	-	-
Unclaimed dividend		43,747	-	43,747	-	-	-	-
Short term borrowings	12	997,701	-	997,701	-	-	-	-
		3,513,769	-	3,513,769	-	-	-	-

37.2 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.

37.3 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.

37.4 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, interest accrued, other receivables, margin on letter of guarantee and bank balances. The carrying amount of financial assets represents the maximum credit exposure.

The Company's credit risk exposures 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:

	2020	2019
	(Rupees' 000)	
From government institutions	**86,601**	86,601
Banks and financial institutions	**561,154**	403,035
Others	**1,083,998**	967,961
	1,731,753	1,457,597

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 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.

Trade debts	2020	2019
	Rupees' 000	
Counterparties without external credit ratings with no default in the past	**1,050,640**	947,046

Impairment losses

The aging of trade debts at the reporting date was:

	2020		2019	
	Gross	Impairment	Gross	Impairment
	Rupees' 000		Rupees' 000	
Past due 1-30 days	**766,085**	**-**	648,455	-
Past due 31-60 days	**118,626**	**-**	83,970	-
Past due 61-90 days	**40,608**	**-**	74,190	-
Over 90 days	**128,602**	**3,281**	143,712	3,281
	1,053,921	**3,281**	950,327	3,281

The movement in allowance for impairment in respect of trade debts during the year was as follows:

	2020	2019
	Rupees '000	
Balance at 1 July	**3,281**	3,281
Impairment loss adjustment	**-**	-
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 has 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. 561 million at 30 June 2020 (2019: Rs. 403 million). Cash at bank is held with banks and financial institution, which are rated A-1+ to A-2.

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	2020	2019
		Rupees '000	
Long term deposits	16	**86,601**	86,601
Trade debts - net of provision	20	**1,050,640**	947,046
Trade deposits	22	**11,189**	13,255
Other receivables	23	**22,169**	7,660
Bank balances	24	**561,164**	403,035
		1,731,763	1,457,597

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. 267 million (2019: Rs. 175 million) was outstanding and which is included in total carrying amount of trade debtors as at 30 June 2020.

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 with high credit ratings, management does not expect any counter party to fail to meet its obligations.

	2020	2019
	Rupees' 000	
Long term deposits		
Counterparties with external credit ratings of AA-	**25,011**	25,011
Counterparties without external credit ratings	**61,590**	61,590
Deposits		
Counterparties without external credit ratings	**11,189**	13,255
Other receivables		
Counterparties with external credit ratings of AA	**386**	1,203
Counterparties without external credit ratings	**21,783**	6,457
Bank balances		
Counterparties with external credit ratings from A-1+ to A-1	**561,164**	403,035

37.5 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 13.2 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
2020			**Rupees '000**			
Long term loans	**751,239**	**783,139**	**310,610**	**257,959**	**192,188**	**22,382**
Lease liability	**81,393**	**105,241**	**33,662**	**22,321**	**49,258**	
Trade and other payables	**542,462**	**542,462**	**542,462**	**-**	**-**	**-**
Accrued liabilities	**1,040,530**	**1,040,530**	**1,040,530**	**-**	**-**	**-**
Security deposits payable	**253,940**	**253,940**	**253,940**	**-**	**-**	**-**
Payable to employees' provident fund trust	**13,528**	**13,528**	**13,528**	**-**	**-**	**-**
Unclaimed dividend	**40,051**	**40,051**	**40,051**	**-**	**-**	**-**
Short term borrowings	**1,869,167**	**1,869,167**	**1,869,167**	**-**	**-**	**-**
	4,592,310	**4,648,058**	**4,103,950**	**280,280**	**241,446**	**22,382**
2019						
Long term loans	668,301	695,934	360,379	335,555	-	-
Lease Liability	-	-	-	-	-	-
Trade and other payables	737,668	737,668	737,668	-	-	-
Accrued liabilities	834,816	834,816	834,816	-	-	-
Security deposits payable	219,704	219,704	219,704	-	-	-
Payable to employees' provident fund trust	11,832	11,832	11,832	-	-	-
Unclaimed dividend	43,747	43,747	43,747	-	-	-
Short term borrowings	997,701	997,701	997,701	-	-	-
	3,513,769	3,541,402	3,205,847	335,555	-	-

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amounts.

37.5.1 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 disclosed in note 5 to these financial statements.

37.6 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 and interest rates only.

37.6.1 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 rate applied during the year:

	Average rates		Balance sheet date rate	
	2020	2019	**2020**	2019
US Dollars	**163.85**	140.58	**168.10**	159.6
Euro	**185.17**	161.31	**188.91**	181.43

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.

37.6.2 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 balance sheet date, the interest rate profile of the Company's interest bearing financial instruments is:

	Effective interest rates		Carrying Amount	
	2020	2019	**2020**	2019
			Rupees '000	
Fixed rate instruments				
Financial assets	**8.03% - 13.5%**	**7.44% - 11.2%**	**103,641**	286,153
Variable rate instruments				
Financial liabilities	**1 month KIBOR to 6 month KIBOR + 0.25% to 0.75%**	1 month KIBOR to 6 month KIBOR + 0.25% to 0.75%	**2,620,406**	1,626,981

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 2019.

	Profit or loss	
	100 basis points increase	**100 basis points decrease**
	Rupees '000	
Cash flow sensitivity (net)		
Variable rate instruments	**(1,402)**	**1,402**
30 June 2020	**(1,402)**	**1,402**
Variable rate instruments	(3,758)	3,758
30 June 2019	(3,758)	3,758

37.7 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 which comprises capital and reserves 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.

38 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.

Related party	Basis of relationship	Percentage of shareholding %
Fauji Foundation	Shareholder	39.40
Fauji Fertilizer Company Limited	Related party of Fauji Foundation	6.79
Fauji Fertilizer Bin Qasim Limited	Related party of Fauji Foundation	1.36
Fauji Oil Terminal and Distribution Company Limited	Related party of Fauji Foundation	1.36
FFBL provident fund trust	Related party of Fauji Foundation	0.02
Askari Cement Limited	Related party of Fauji Foundation	Nil
Askari Bank Limited	Related party of Fauji Foundation	Nil
Foundation Solar Energy (Pvt) Limited	Related party of Fauji Foundation	Nil
FFBL Power Company Limited	Related party of Fauji Foundation	Nil
Mr. Qamar Haris Manzoor	Key management personnel	Nil
Lt Gen Muhammad Ahsan Mahmood (Retd), HI(M)	Key management personnel	Nil
Mr. Muhammad Tariq	Key management personnel	Nil
Brig Riaz Ahmed Gondal (Retd), SI(M)	Key management personnel	Nil
Mr. Omer Asharaf	Key management personnel	Nil
Brig Parvez Iqbal Malik (Retd), SI(M)	Key management personnel	Nil
Brig Khizer Sultan Raja (Retd), SI(M)	Key management personnel	Nil
Employees' provident fund trust	Provident fund trust	Nil

Balances and transactions with related parties are disclosed in note 4, 6.2, 11, 23 and 36 to the financial statements. Transactions and balances with related parties other than those disclosed elsewhere in these financial statements are as follows:

	2020 Rupees'000	2019 Rupees'000
Transactions and balances with related parties		
Fauji Foundation		
- Sale of cement	**12,773**	15,314
- Payment for use of medical facilities	**2,097**	1,144
- Payment on account of clearance of shipments	**-**	114
- Payable on account of clearance of shipments	**-**	215
- Payment of rent and utilities	**7,934**	15,585
- Donation paid through Fauji Foundation	**4,700**	4,000
- Donation paid for medical equipment	**50,000**	-
- Dividend paid on ordinary shares	**407,738**	951,388
Fauji Fertilizer Company Limited		
- Dividend paid on ordinary shares	**70,312**	162,063
Fauji Fertilizer Bin Qasim Limited		
- Dividend paid on ordinary shares	**14,062**	32,812
FFBL Provident Fund Trust		
- Dividend paid on ordinary shares	**202**	-
Fauji Oil Terminal and Distribution Company Limited		
- Dividend paid on ordinary shares	**14,062**	32,812
FFBL Power Company Limited		
- Payment for purchase of coal	**91,122**	-
Askari Cement Limited		
- Amount against shared services	**5,419**	-
Askari Bank Limited		
- Balance in bank accounts	**471**	3,182
- Profit received on deposit accounts	**856**	291
Employees Funds		
- Payments made into the fund	**53,346**	48,962
Others		
- Remuneration to key management personnel (other than Chief Executive)	**57,918**	56,741

39 Reconciliation of movement of liabilities to cash flows arising from financing activities

	Liabilities			Equity		
	Short term borrowings used for cash management purposes	Lease liability	Long term loan	Share capital	Unappropriated profits	Total
	Rupees'000					
Balance at 01 July 2019	**997,701**	**-**	**668,301**	**13,798,150**	**8,464,797**	**23,928,949**
Lease liability on right of use asset	-	**73,951**	-	-	-	**73,951**
Changes from financing cash flows						
Disbursements from new long term loans	-	-	**411,344**	-	-	**411,344**
Repayment of loan	-	-	**(319,033)**	-	-	**(319,033)**
Finance cost paid for the year	**(164,255)**	-	**(68,451)**	-	-	**(232,706)**
Lease payments	-	**(2,902)**	-	-	-	**(2,902)**
Dividend paid	-	-	-	-	**(1,038,557)**	**(1,038,557)**
Total changes from financing cash flows	**(164,255)**	**(2,902)**	**23,860**	-	**(1,038,557)**	**(1,181,854)**
Other changes						
Liability related						
Net increase in short term borrowings	**885,749**	-	-	-	-	**885,749**
Finance cost expense for the year	**149,972**	**10,343**	**59,078**	-	-	**219,393**
Total liability related other changes	**1,035,721**	**10,343**	**59,078**	-	-	**1,105,142**
Equity related						
Total comprehensive income for the year - (loss)	-	-	-	-	**(59,381)**	**(59,381)**
Change in unclaimed dividend	-	-	-	-	**3,696**	**3,696**
Total equity related other changes	-		-	-	**(55,685)**	**(55,685)**
Balance at 30 June 2020	**1,869,167**	**81,392**	**751,239**	**13,798,150**	**7,370,555**	**23,870,503**

Reconciliation of movement of liabilities to cash flows arising from financing activities

	Liabilities			Equity		
	Short term borrowings used for cash management purposes	Lease liability	Long term loan	Share capital	Unappropriated profits	Total
	Rupees'000					
Balance at 01 July 2018	1,638,886	-	1,099,025	13,798,150	8,055,175	24,591,236
Changes from financing cash flows						
Repayment of loan	-	-	(426,176)	-	-	(426,176)
Finance cost paid for the year	(34,121)	-	(77,106)	-	-	(111,227)
Dividend paid	-	-	-	-	(2,482,490)	(2,482,490)
Total changes from financing cash flows	(34,121)	-	(503,282)	-	(2,482,490)	(3,019,893)
Other changes						
Liability related						
Net increase in short term borrowings	(623,000)	-	-	-	-	(623,000)
Finance cost expense for the year	15,936	-	72,561	-	-	88,497
Total liability related other changes	(607,064)	-	72,561	-	-	(534,503)
Equity related						
Total comprehensive income for the year	-	-	-	-	2,824,298	2,824,298
Change in unclaimed dividend	-	-	-	-	67,814	67,814
Total equity related other changes	-		-	-	2,892,112	2,892,112
Balance at 30 June 2019	997,701	-	668,304	13,798,150	8,464,797	23,928,952

40	PLANT CAPACITY AND ACTUAL PRODUCTION - CEMENT	2020 Metric Tons	2019 Metric Tons
	Current installed capacity	**3,559,500**	3,559,500
	Actual production	**3,066,737**	3,041,178

Difference is due to demand supply situation of the market.

41	EMPLOYEES PROVIDENT FUND TRUST	2020	2019
	Size of the Fund (Rupees'000)	**945,170**	783,542
	Cost of investments made (Rupees'000)	**730,403**	633,831
	Percentage of investments made (%)	**77.28**	80.89
	Fair value of investments (Rupees'000)	**797,648**	665,046

Breakup of cost of investment is as follows:

	2020		2019	
	Rupees'000	% of full	Rupees'000	% of full
NSC Saving certificates	**545,768**	**75**	244,258	39
Term finance certificates	**4,985**	**1**	4,985	1
Term deposit receipts	**110,000**	**15**	324,692	51
Mutual funds	**69,650**	**9**	59,896	9
	730,403	**100**	633,831	100

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.

42 GENERAL

42.1 Facilities of letters of guarantee and letters of credit

Facilities of letters of guarantee and letters of credit amounting to Rs. 315 million and Rs. 3,900 million (2019: Rs. 315 million and Rs. 2,500 million) respectively are available to the Company. Letters of guarantees are secured against first pari passu and ranking charge through hypothecation charge on present and future assets of the Company (excluding land and building) and lien on bank deposits / margin.

42.2	Number of persons employed	2020 Numbers	2019 Numbers
	Total employees of the Company at year end	**1,220**	1,236
	Average employees of the Company during the year	**1,228**	1,224

42.3 Impact of COVID 19 on the financial statements

On 30 January 2020, the World Health Organization (WHO) declared the outbreak a "Public Health Emergency of International Concern" and on 11 March 2020, the WHO declared the COVID-19 outbreak to be a pandemic in recognition of its rapid spread across the globe. Many countries, including Pakistan, have taken stringent steps to help contain further spread of the virus. While these events and conditions have resulted in general economic uncertainty, management has evaluated the impact of COVID-19 and concluded that there are no material implications of COVID-19 on the operations of the Company that require specific disclosure in the financial statements, except for immaterial impact on export to Afghanistan due to closure of Afghan boarder for few months. However, Afghan border restrictions have been eased near to the year end which has made way for recovery of export to Afghanistan which is a primary export market of the Company. Neither the Company operations were significantly effected due to COVID-19 during the year nor is expected to be adversely affected in the near future. Further, pro-construction macro theme and construction supportive tax measures introduced by the federal government in the Finance Act 2020 have also improved demand outlook of cement. Further, COVID-19 has no impact on the presented amounts and disclosures.

42.4 These financial statements were authorized for issue by the Board of Directors of the Company in their meeting held on 7th September 2020.

CHIEF EXECUTIVE OFFICER | DIRECTOR | CHIEF FINANCIAL OFFICER

SHAREHOLDERS' INFORMATION

FAUJI CEMENT COMPANY LIMITED

PATTERN OF SHAREHOLDING

AS AT 30 JUNE 2020

Number of Shareholders	Shareholdings		Total Number of Shares held	Percentage of Total Capital
	From	To		
448	1	100	16,918	0.0012
2068	101	500	984,957	0.0714
2487	501	1,000	2,450,836	0.1776
4778	1,001	5,000	14,429,761	1.0458
1802	5,001	10,000	14,807,644	1.0732
699	10,001	15,000	9,139,784	0.6624
518	15,001	20,000	9,699,232	0.7029
381	20,001	25,000	9,063,360	0.6569
235	25,001	30,000	6,715,556	0.4867
155	30,001	35,000	5,160,318	0.3740
139	35,001	40,000	5,390,700	0.3907
84	40,001	45,000	3,660,794	0.2653
196	45,001	50,000	9,700,965	0.7031
72	50,001	55,000	3,812,348	0.2763
56	55,001	60,000	3,303,403	0.2394
47	60,001	65,000	2,989,528	0.2167
40	65,001	70,000	2,749,119	0.1992
50	70,001	75,000	3,694,264	0.2677
37	75,001	80,000	2,928,179	0.2122
22	80,001	85,000	1,832,000	0.1328
25	85,001	90,000	2,204,756	0.1598
17	90,001	95,000	1,592,810	0.1154
144	95,001	100,000	14,355,773	1.0404
5	100,001	105,000	513,500	0.0372
18	105,001	110,000	1,963,500	0.1423
16	110,001	115,000	1,814,646	0.1315
15	115,001	120,000	1,780,620	0.1290
27	120,001	125,000	3,350,583	0.2428
14	125,001	130,000	1,794,201	0.1300
10	130,001	135,000	1,336,500	0.0969
8	135,001	140,000	1,114,000	0.0807
6	140,001	145,000	867,800	0.0629
30	145,001	150,000	4,488,800	0.3253
7	150,001	155,000	1,072,000	0.0777
9	155,001	160,000	1,420,167	0.1029
7	160,001	165,000	1,144,490	0.0829
7	165,001	170,000	1,184,964	0.0859
13	170,001	175,000	2,261,000	0.1639
9	175,001	180,000	1,613,500	0.1169
5	180,001	185,000	913,200	0.0662
3	185,001	190,000	564,800	0.0409
4	190,001	195,000	767,200	0.0556

Number of Shareholders	Shareholdings		Total Number of Shares held	Percentage of Total Capital
	From	To		
43	195,001	200,000	8,592,800	0.6228
8	200,001	205,000	1,624,500	0.1177
10	205,001	210,000	2,082,500	0.1509
6	210,001	215,000	1,284,600	0.0931
8	215,001	220,000	1,747,040	0.1266
9	220,001	225,000	2,022,146	0.1466
3	225,001	230,000	686,000	0.0497
3	230,001	235,000	700,500	0.0508
1	235,001	240,000	238,000	0.0172
2	240,001	245,000	488,500	0.0354
15	245,001	250,000	3,749,000	0.2717
5	250,001	255,000	1,272,737	0.0922
2	255,001	260,000	515,500	0.0374
4	260,001	265,000	1,051,000	0.0762
8	265,001	270,000	2,143,999	0.1554
1	270,001	275,000	275,000	0.0199
3	275,001	280,000	832,000	0.0603
5	285,001	290,000	1,440,291	0.1044
4	290,001	295,000	1,174,000	0.0851
14	295,001	300,000	4,192,000	0.3038
3	300,001	305,000	909,000	0.0659
4	305,001	310,000	1,235,045	0.0895
5	315,001	320,000	1,592,200	0.1154
1	320,001	325,000	320,500	0.0232
2	325,001	330,000	657,500	0.0477
3	335,001	340,000	1,017,500	0.0737
9	345,001	350,000	3,143,000	0.2278
1	350,001	355,000	351,000	0.0254
2	355,001	360,000	718,500	0.0521
4	360,001	365,000	1,448,200	0.1050
1	365,001	370,000	370,000	0.0268
4	370,001	375,000	1,495,626	0.1084
1	375,001	380,000	377,000	0.0273
1	380,001	385,000	382,000	0.0277
1	385,001	390,000	388,500	0.0282
1	390,001	395,000	391,000	0.0283
9	395,001	400,000	3,598,000	0.2608
3	400,001	405,000	1,202,524	0.0872
1	405,001	410,000	408,000	0.0296
1	415,001	420,000	419,000	0.0304
4	420,001	425,000	1,697,500	0.1230
1	425,001	430,000	430,000	0.0312

FAUJI CEMENT COMPANY LIMITED

PATTERN OF SHAREHOLDING

AS AT 30 JUNE 2020

Number of Shareholders	Shareholdings		Total Number of Shares held	Percentage of Total Capital
	From	To		
1	435,001	440,000	437,500	0.0317
1	440,001	445,000	445,000	0.0323
6	445,001	450,000	2,694,621	0.1953
1	450,001	455,000	454,000	0.0329
2	455,001	460,000	919,500	0.0666
1	460,001	465,000	465,000	0.0337
1	470,001	475,000	472,500	0.0342
4	475,001	480,000	1,910,500	0.1385
12	495,001	500,000	6,000,000	0.4348
1	500,001	505,000	503,000	0.0365
2	505,001	510,000	1,012,500	0.0734
2	510,001	515,000	1,022,843	0.0741
2	515,001	520,000	1,037,000	0.0752
4	520,001	525,000	2,090,000	0.1515
2	525,001	530,000	1,059,500	0.0768
1	530,001	535,000	535,000	0.0388
1	540,001	545,000	543,500	0.0394
4	545,001	550,000	2,190,350	0.1587
1	550,001	555,000	555,000	0.0402
2	560,001	565,000	1,124,500	0.0815
2	570,001	575,000	1,150,000	0.0833
1	590,001	595,000	590,500	0.0428
4	595,001	600,000	2,400,000	0.1739
2	600,001	605,000	1,204,561	0.0873
2	605,001	610,000	1,217,500	0.0882
2	610,001	615,000	1,224,000	0.0887
2	615,001	620,000	1,238,500	0.0898
1	620,001	625,000	621,000	0.0450
1	630,001	635,000	632,000	0.0458
1	640,001	645,000	642,000	0.0465
1	645,001	650,000	650,000	0.0471
1	660,001	665,000	665,000	0.0482
1	665,001	670,000	670,000	0.0486
1	675,001	680,000	676,000	0.0490
2	690,001	695,000	1,385,000	0.1004
6	695,001	700,000	4,200,000	0.3044
1	705,001	710,000	708,500	0.0513
1	720,001	725,000	721,500	0.0523
2	740,001	745,000	1,486,500	0.1077
3	745,001	750,000	2,240,376	0.1624
1	750,001	755,000	755,000	0.0547
1	755,001	760,000	760,000	0.0551

Number of Shareholders	Shareholdings		Total Number of Shares held	Percentage of Total Capital
	From	To		
1	770,001	775,000	775,000	0.0562
1	790,001	795,000	791,000	0.0573
4	795,001	800,000	3,200,000	0.2319
1	805,001	810,000	810,000	0.0587
1	840,001	845,000	843,500	0.0611
1	845,001	850,000	850,000	0.0616
1	865,001	870,000	870,000	0.0631
2	895,001	900,000	1,800,000	0.1305
1	900,001	905,000	900,100	0.0652
1	905,001	910,000	910,000	0.0660
1	910,001	915,000	915,000	0.0663
1	915,001	920,000	920,000	0.0667
1	925,001	930,000	930,000	0.0674
1	935,001	940,000	940,000	0.0681
2	945,001	950,000	1,897,683	0.1375
1	950,001	955,000	954,100	0.0691
1	985,001	990,000	989,500	0.0717
1	990,001	995,000	993,000	0.0720
9	995,001	1,000,000	9,000,000	0.6523
1	1,010,001	1,015,000	1,015,000	0.0736
2	1,025,001	1,030,000	2,056,250	0.1490
1	1,045,001	1,050,000	1,050,000	0.0761
1	1,095,001	1,100,000	1,096,000	0.0794
1	1,110,001	1,115,000	1,111,300	0.0805
1	1,115,001	1,120,000	1,120,000	0.0812
2	1,145,001	1,150,000	2,300,000	0.1667
1	1,170,001	1,175,000	1,175,000	0.0852
1	1,220,001	1,225,000	1,221,000	0.0885
6	1,245,001	1,250,000	7,500,000	0.5436
1	1,265,001	1,270,000	1,268,000	0.0919
1	1,270,001	1,275,000	1,274,000	0.0923
5	1,295,001	1,300,000	6,500,000	0.4711
1	1,345,001	1,350,000	1,350,000	0.0978
1	1,405,001	1,410,000	1,409,500	0.1022
1	1,465,001	1,470,000	1,468,000	0.1064
2	1,480,001	1,485,000	2,967,550	0.2151
5	1,495,001	1,500,000	7,500,000	0.5436
1	1,540,001	1,545,000	1,541,000	0.1117
1	1,595,001	1,600,000	1,600,000	0.1160
2	1,610,001	1,615,000	3,225,390	0.2338
1	1,695,001	1,700,000	1,700,000	0.1232
1	1,710,001	1,715,000	1,715,000	0.1243

FAUJI CEMENT COMPANY LIMITED

PATTERN OF SHAREHOLDING

AS AT 30 JUNE 2020

Number of Shareholders	Shareholdings		Total Number of Shares held	Percentage of Total Capital
	From	To		
1	1,725,001	1,730,000	1,730,000	0.1254
1	1,760,001	1,765,000	1,761,875	0.1277
1	1,795,001	1,800,000	1,800,000	0.1305
1	1,870,001	1,875,000	1,871,500	0.1356
1	1,875,001	1,880,000	1,877,000	0.1360
1	1,905,001	1,910,000	1,910,000	0.1384
1	1,945,001	1,950,000	1,950,000	0.1413
2	1,995,001	2,000,000	4,000,000	0.2899
1	2,040,001	2,045,000	2,042,807	0.1480
1	2,050,001	2,055,000	2,052,500	0.1488
1	2,170,001	2,175,000	2,171,000	0.1573
1	2,365,001	2,370,000	2,366,500	0.1715
1	2,380,001	2,385,000	2,381,750	0.1726
1	2,495,001	2,500,000	2,500,000	0.1812
1	2,545,001	2,550,000	2,550,000	0.1848
1	2,600,001	2,605,000	2,603,500	0.1887
1	2,695,001	2,700,000	2,700,000	0.1957
1	2,810,001	2,815,000	2,812,002	0.2038
2	2,890,001	2,895,000	5,785,500	0.4193
1	2,915,001	2,920,000	2,920,000	0.2116
2	2,995,001	3,000,000	6,000,000	0.4348
1	3,025,001	3,030,000	3,030,000	0.2196
1	3,295,001	3,300,000	3,300,000	0.2392
1	3,355,001	3,360,000	3,359,500	0.2435
1	3,450,001	3,455,000	3,454,500	0.2504
1	3,660,001	3,665,000	3,663,000	0.2655
1	3,695,001	3,700,000	3,700,000	0.2682
1	3,780,001	3,785,000	3,783,500	0.2742
1	3,790,001	3,795,000	3,791,867	0.2748
1	3,895,001	3,900,000	3,900,000	0.2826
1	4,025,001	4,030,000	4,029,352	0.2920
1	4,275,001	4,280,000	4,276,500	0.3099
1	4,390,001	4,395,000	4,392,500	0.3183
1	4,395,001	4,400,000	4,397,500	0.3187
1	4,755,001	4,760,000	4,756,000	0.3447
1	4,760,001	4,765,000	4,761,000	0.3450
1	4,955,001	4,960,000	4,956,500	0.3592
1	4,975,001	4,980,000	4,980,000	0.3609
1	5,080,001	5,085,000	5,082,500	0.3683
1	5,120,001	5,125,000	5,120,664	0.3711
1	5,405,001	5,410,000	5,408,000	0.3919
1	5,655,001	5,660,000	5,660,000	0.4102

Number of Shareholders	Shareholdings		Total Number of Shares held	Percentage of Total Capital
	From	To		
1	5,820,001	5,825,000	5,820,500	0.4218
1	5,925,001	5,930,000	5,930,000	0.4298
1	6,780,001	6,785,000	6,782,401	0.4915
1	7,435,001	7,440,000	7,436,507	0.538
1	7,500,001	7,505,000	7,501,500	0.5437
1	8,695,001	8,700,000	8,699,000	0.6304
1	9,515,001	9,520,000	9,516,000	0.6897
1	9,785,001	9,790,000	9,790,000	0.7095
1	12,115,001	12,120,000	12,117,000	0.8782
1	12,495,001	12,500,000	12,500,000	0.9059
1	13,245,001	13,250,000	13,250,000	0.9603
1	13,635,001	13,640,000	13,638,500	0.9884
1	14,090,001	14,095,000	14,092,500	1.0213
1	14,995,001	15,000,000	15,000,000	1.0871
1	17,905,001	17,910,000	17,907,500	1.2978
2	18,745,001	18,750,000	37,500,000	2.7178
1	21,730,001	21,735,000	21,734,250	1.5752
1	24,535,001	24,540,000	24,536,500	1.7782
1	48,695,001	48,700,000	48,699,187	3.5294
1	93,745,001	93,750,000	93,750,000	6.7944
1	494,950,001	494,955,000	494,951,055	35.8708
15,158			**1,379,815,025**	**100.00**

FAUJI CEMENT COMPANY LIMITED

CATEGORIES OF SHAREHOLDERS

AS AT 30 JUNE 2020

S/No	Categories of Shareholders	Shareholders	Shares Held	Percentage
1.	Directors, Chief Executive Officers, and their Spouse and Minor children	13	20,007	0.0014
2.	Associated Companies, undertakings and related parties	6	675,170,242	48.9319
3.	NIT and ICP	6	3,791,867	0.2748
4.	Banks Development Financial Institutions, Non-Banking Financial Institutions	22	56,520,000	4.0962
5.	Insurance Companies	19	29,096,397	2.1087
6.	Modarabas	6	381,500	0.0199
7.	Mutual Funds	40	55,007,175	0.4243
8.	**General Public**			
	a. Local	14749	388,586,441	32.4174
	b. Foreign	27	354,542	0.0162
9.	**Other (to be Specified)**			
	a. Investment Companies	5	4,783,500	0.3467
	b. Joint Stock Companies	176	119,979,292	8.6953
	c. Pension Funds	12	6,531,367	0.4734
	d. Foreign Companies	15	29,539,607	2.1408
	e. Other	62	10,053,088	0.7286
	Total	**15,158**	**1,379,815,025**	**100%**
10.	**Shareholding 10% or more of the total Capital**			
	a. Committee of Admin Fauji Foundation		543,650,242	39.4002%
11.	**Shareholders holding 5% or more of the total Capital**			
	a. Committee of Admin Fauji Foundation		543,650,242	39.4002%
	b. Fauji Fertilizer Company Limited (CDC).		93,750,000	6.79%

FINANCIAL CALENDAR – 2020/2021

The Company's financial year starts from 1st July and end at 30th June each year. Tentative schedule for announcement of financial results in 2020 /21 is as under:-

a.	Annual General Meeting.	- 14th October 2020
b.	First Quarter ending 30th September 2020.	- Last Week of October 2020
c.	Second Quarter ending 30th December 2020.	- Last Week of February 2021
d.	Third Quarter ending 31st March 2021.	- Last Week of April 2021
	Annual Accounts year ending 30th June 2021.	- Last week of August 2021

Categories of Shareholding required under Listed Companies (Code of Corporate Governance) Regulations, 2019 as on 30th June 2020

S/No	Name	Number of Shares Held	Percentage
Associated Companies, Undertakings and Related Parties (Name Wise Detail)			
1.	Committee of Admin, Fauji Foundation (**CDC**)	494,951,055	35.8708
2.	Fauji Foundation (**Physical**)	48,699,187	3.5294
3.	Fauji Fertilizer Bin Qasim Limited (FFBL) (**CDC**)	18,750,000	1.3589
4.	Fauji Oil Terminal & Distribution Company Limited (**Physical**)	18,750,000	1.3589
5.	Fauji Fertilizer Company Limited (**CDC**)	93,750,000	6.7944
6.	FFBL Provident Fund Trust (**CDC**)	270,000	0.0195
	Total	**675,170,242**	**48.9319%**
Mutual Funds (Name Wise Detail)			
1.	CDC - Trustee ABL Stock Fund (CDC)	47,500	0.0034
2.	CDC - Trustee AKD Index Traker Fund (CDC)	187,800	0.0136
3.	CDC - Trustee Al Meezan Mutual Fund (CDC)	45,000	0.0033
4.	CDC - Trustee Alfalah GHP Alpha Fund (CDC)	7,500	0.0005
5.	CDC - Trustee Alfalah GHP Islamic dedicated Equity Fund (CDC)	91,000	0.0066
6.	CDC- Trustee Alfalah GHP Islamic Stock Fund (CDC)	250,000	0.0181
7.	CDC- Trustee Alfalah GHP Stock Fund (CDC)	9,000	0.0007
8.	CDC- Trustee Alfalah GHP value Fund (CDC)	4,000	0.0003
9.	CDC - Trustee Alhamra Islamic Stock Fund (CDC)	4,980,000	0.3609
10.	CDC - Trustee APF-Equity Sub Fund (CDC)	5,000	0.0004
11.	CDC - Trustee APIF - Equity Sub Fund (CDC)	129,000	0.0093
12.	CDC - Trustee Atlas Islamic Stock Fund (CDC)	500,000	0.0362
13.	CDC - Trustee Atlas Stock Market Fund (CDC)	30,500	0.0022
14.	CDC - Trustee faysal mts Fund - Market (CDC)	1,221,000	0.0885
15.	CDC - Trustee Frist Capital Mutual Fund (CDC)	20,000	0.0014
16.	CDC - Trustee KSE Meezan Index Fund (CDC)	1,761,875	0.1277
17.	CDC - Trustee Lakson Equity Fund (CDC)	2,890,500	0.2095
18.	CDC - Trustee Lakson Islamic Tactical Fund (CDC)	144,800	0.0105
19.	CDC - Trustee Lakson Tactical Fund (CDC)	362,200	0.0262
20.	CDC - Trustee MCB DCF Income Fund (CDC)	320,500	0.0232
21.	CDC - Trustee MCB Pakistan Asset Allocation Fund (CDC)	1,500,000	0.1087
22.	CDC - Trustee MCB Pakistan Stock Market Fund (CDC)	13,638,500	0.9884
23.	CDC - Trustee Meezan Asset Allocation Fund (CDC)	199,500	0.0145
24.	CDC - Trustee Meezan Balanced Fund (CDC)	80,000	0.0058
25.	CDC - Trustee Meezan Islamic Fund (CDC)	2,550,000	0.1848
26.	CDC - Trustee Meezan Tahafuz Pension Fund - Equity Sub Fund	1,730,000	0.1254
27.	CDC - Trustee NBP Balanced Fund (CDC)	454,000	0.0329
28.	CDC - Trustee NBP Income Opportunity Fund - Market (CDC)	34,500	0.0025
29.	CDC - Trustee NBP Islamic Active Allocation Equity Fund (CDC)	377,000	0.0273
30.	CDC - Trustee NBP Islamic Regular Income Fund (CDC)	176,500	0.0128
31.	CDC - Trustee NBP Islamic Sarmaya Izafa Fund (CDC)	2,920,000	0.2116

FAUJI CEMENT COMPANY LIMITED

CATEGORIES OF SHAREHOLDERS

AS AT 30 JUNE 2020

S/No	Name	Number of Shares Held	Percentage
32.	CDC - Trustee NBP Islamic Stock Fund (CDC)	3,454,500	0.2504
33.	CDC - Trustee NBP Mahana Amdani Fund - (CDC)	382,000	0.0277
34.	CDC - Trustee NBP Sarmaya Izafa Fund (CDC)	400,500	0.0290
35.	CDC - Trustee NBP Savings Fund - Market (CDC)	249,000	0.0180
36.	CDC - Trustee NBP Stock Fund (CDC)	9,516,000	0.6897
37.	CDC - Trustee Pakistan Capital Market Fund (CDC)	530,000	0.0384
38.	CDC - Trustee - Meezan dedicated Equity Fund (CDC)	191,500	0.0139
39.	CDC-Trustee Alhamra Islamic Asset Allocation Fund (CDC)	2,366,500	0.1715
40.	CDC- MCBFSL - Trustee ABL Islamic Stock Fund (CDC)	1,250,000	0.0906
	Total	**55,007,175**	**3.9866**
Directors and their Spouse and Minor Children (Name Wise Detail):-			
1.	Mr Qamar Haris Manzoor (CDC)	9,001	0.0007
2.	Maj Gen Naseer Ali Khan, HI(M), (Retd)	1	0.0000
3.	Maj Gen Abid Rafique HI(M) (retd)	1	0.0000
4.	Mr Waqar ahmed Malik	1	0.0000
5.	Mr Sarfaraz Ahmed Rehman	1	0.0000
6.	Dr Nadeem Inyat	1	0.0000
7.	Mr Rehan Laiq	501	0.0000
8.	Mr Jawaid Iqbal (CDC)	7,500	0.0005
9.	Mr Zafar Iqbal Sobani (CDC)	2,500	0.0002
10.	Ms Jahanara Sajjad Ahmad (CDC)	500	0.0000
	Total	**20,007**	**0.1450**
Executives		-	-
Public Sector Companies & Corporations:		-	-
Banks, Development Finance Institutions, Non-Banking Finance Companies, Insurance Companies, Takaful, Modarabas and Pension Funds		92,529,264	6.7059%
Shareholders holding 10% or more voting interest in the Listed Company			
1.	Committee of Admin. Fauji Foundation	543,650,242	39.4002
Shareholders holding 5% or more voting interest in the Listed Company			
1.	Committee of Admin. Fauji Foundation	543,650,242	39.4002
2.	Fauji Fertilizer Company LTD (CDC)	93,750,000	6.7944
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:-			
1.	Mr Qamar Haris Manzoor (CDC)	9,001	0
2.	Maj Gen Naseer Ali Khan, HI(M), (Retd)	1	0
3.	Maj Gen Abid Rafique HI(M) (retd)	1	0
4.	Mr Waqar ahmed Malik	1	0
5.	Mr Sarfaraz Ahmed Rehman	1	0
6.	Dr Nadeem Inyat	1	0
	Total	**9,006**	**0**

NOTICE OF **ANNUAL GENERAL MEETING**

28th Annual General Meeting (AGM) of the shareholders of Fauji Cement Company Limited (FCCL) will be held at **Pearl Continental Hotel**, **The Mall, Rawalpindi** on **14th October 2020 (Wednesday) at 1500** hours to transact the following business:-

Ordinary Business

1. To confirm the minutes of 11th Extraordinary General Meeting held on 10th January 2020.

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 2020.

3. To appoint Statutory Auditors of the Company and fix their remuneration for the year ending 30th June 2021.

Other Business

4. To transact any other business with permission of the Chairman.

By Order of FCCL Board of Directors

Brig Riaz Ahmed Gondal, SI(M), (Retd)
Company Secretary

Rawalpindi
Dated 22nd September 2020

Notes

1. The Share Transfer Books of the Company will remain closed from **8th October to 14th October 2020** (both days inclusive) for the purpose of attending AGM.

2. A member of the Company entitled to attend and vote at this Meeting may appoint any shareholder as his / her proxy to attend and vote on his /her behalf. The instrument appointing proxy must be received at the registered office of the Company duly stamped and signed, not later than **48** hours before the time for holding the meeting. A member cannot appoint more than one proxy. Attested copy of the shareholder's Computerized National Identity Card (**CNIC**) must be attached with the Form. For any other relevant aspects, contents of section **137** of **Companies Act, 2017** will apply.

3. CDC Account Holders will further have to follow the under mentioned guidelines, as laid down in Circular No.**1 of 2000** of SECP dated 26th January 2000:-

   a. For Attending the Meeting

   (1) In case of individuals, the account holder or sub-account holder and / or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall authenticate his / her identity by showing his / her original CNIC or original passport at the time of attending the meeting.

   (2) Member registered on Central Depository Company (CDC) are also requested to bring their particulars,

ID number and account number in Central Depository System (CDS).

(3) In case of corporate entity, the Board of Directors' Resolution/ Power of Attorney with specimen signature and attested copy of valid CNIC of the nominee shall be produced at the time of meeting.

b. For Appointing Proxies

(1) In case of individuals, the account holder or sub-account holder and / or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall submit the Proxy Form as per the above requirement.

(2) The Proxy Form shall be witnessed by 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 alongwith Proxy Form to the Company.

4. Availability of Annual Audited Financial Statement

a. In accordance with the provisions of **Section 223** of the **Companies Act 2017**, the audited financial statements of the Company for the year which ended on 30th June 2020, are available on the Company's website (**http://www.fccl.com.pk**).

b. In accordance with **SRO 470 (I) / 2016 dated 31st May 2016**, SECP has allowed the Companies to circulate the Annual Audited Financial Statements, Auditors' Report and Directors' Report to its members through **CD/DVD/USB** instead of transmitting the hard copies at their registered addresses. The Company has obtained shareholders' approval in its 25th Annual General Meeting held on 30th October 2017. Accordingly, the Annual Report of FCCL for the year which ended on **30th June 2020** is being dispatched to the shareholders through CD. However, if any shareholder, in addition, desires to get the hard copy of Annual Audited Financial Statements, Auditors' Report and Directors' Report the same shall be provided free of cost within seven working days of receipt of such request.

c. For convenience of shareholders, a **"Standard Request Form"** for provision of Annual Audited Financial Accounts are available on the Company's website (**http://www.fccl.com.pk**).

5. Notice of AGM & Annual Accounts through Email

a. Pursuant to Notification vide **SRO.787(1)/2014 of September 08, 2014**, SECP has directed to facilitate the members of the company receiving Annual Financial Statements and Notices through electronic mail system **(E-mail).** We are pleased to offer this facility to our members who desire to receive Annual Financial Statements and Notices of the Company through e-mail in future. In this respect members are hereby requested to convey their consent via e-mail on a standard request form which is available at the Company website i.e. (**http://www.fccl.com.pk**).

b. Please ensure that your e-mail has sufficient rights and space available to receive such e-mail which may be larger than 1 MB file in size. Further, it is the responsibility of the member to timely update the Company Shares Registrar of any change in the registered e-mail address.

6. Unclaimed /Unpaid Dividends

Shareholders, who by any reason, could not claim their unclaimed/unpaid dividend are advised to contact our Shares Registrar M/s Corplink (Pvt) Limited at Wing Arcade, 1-K, Commercial, Model Town, Lahore to collect / enquire about their Unclaimed / Unpaid dividends, if any.

7. Video Conference Facility

a. In accordance with the provisions of **Section 132 and 134** of the Companies Act, 2017, on the demand, received at least seven days before the date of meeting, of members residing in a city, who hold at least **10%** or more shareholding, **video-link facility** will be provided to such members enabling them to participate in the AGM. They will be entertained subject to availability of such facility in that city.

b. Subject to the fulfilment of the above conditions, members shall be informed of the venue, 2 days before the date of the General Meeting along with complete information necessary to access the facility. In this regard, please send a duly signed request as per format given in para **7c** at the registered address of the Company **7 days** before holding of General Meeting.

c. For convenience of shareholders, a **"Consent Form"** for provision of Video link facility is available on the Company's website.

8. Deposit of Physical Share into CDC Account

a. As per Section **72 of the Companies Act, 2017** every existing Company shall be required to replace its physical shares with book-entry form in a manner as may be specified and from the date notified by the Commission, within a period not exceeding four years from the commencement of this Act i.e. 30th May 2017.

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 scripless form. This will facilitate them in many ways, including safe custody and sale of shares at any time they want; as the trading of physical shares is not permitted as per existing regulation of Pakistan Stock Exchange.

9. 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

فوجی سیمنٹ کمپنی لمیٹڈ

اطلاع برائے 28واں سالانہ اجلاس عام

فوجی سیمنٹ کمپنی لمیٹڈ کے شراکت داروں کا 28واں سالانہ اجلاس عام بروز بدھ بتاریخ 14 اکتوبر 2020ء کو 1500 بجے بمقام پرل کانٹینینٹل ہوٹل (Pearl Continental Hotel) دی مال، راولپنڈی مندرجہ ذیل امور کی انجام دہی کیلئے منعقد ہوگا۔

عمومی کارروائی

۱۔ گیارواں غیر معمولی اجلاس عام منعقدہ 10 جنوری 2020ء میں کئے گئے فیصلوں کی توثیق کرنا۔

۲۔ 30 جون 2020ء کو ختم شدہ سال کیلئے کمپنی کے آڈٹ شدہ مالیاتی گوشواروں، آڈیٹرز (Auditors) اور ڈائریکٹرز (Directors) کی رپورٹوں پر غور وخوض کرنا منظوری دینا اور اس کو اپنانا۔

۳۔ 30 جون 2021ء کو ختم ہونے والے سال کیلئے آڈیٹرز (Auditors) کا تقرر اور ان کے معاوضے کا تعین کرنا۔

دیگر کاروبار

۴۔ چیئرمین کی اجازت سے کمپنی کے دیگر امور پر غور کرنا۔

بحکم بورڈ آف ڈائریکٹرز، فوجی سیمنٹ کمپنی لمیٹڈ

بریگیڈیئر ریاض احمد گوندل، ستارہ امتیاز (ملٹری)، (ریٹائرڈ)
کمپنی سیکریٹری

راولپنڈی
22 ستمبر 2020ء

نوٹس

۱۔ کمپنی کی شیئر ٹرانسفر بکس (books) 8 اکتوبر تا 14 اکتوبر 2020ء (بشمول دونوں ایام) بند رہیں گی اس کے دوران شیئر کی کسی منتقلی کو رجسٹریشن کیلئے قبول نہیں کیا جائے گا۔ جو ٹرانسفر (transfer) 7 اکتوبر 2020ء کو کاروباری اوقات کے اختتام تک کمپنی کے شیئر رجسٹرار آفس، میسرز کارپلنک، (پرائیویٹ) لمیٹڈ، ونگز آرکیڈ، 1-K، کمرشل، ماڈل ٹاؤن، لاہور کے دفتر میں باضابطہ طور پر موصول ہوں گی ان کو عام اجلاس میں شرکت اور ووٹ دینے کیلئے بروقت سمجھا جائے گا۔

۲۔ اجلاس ہذا میں شرکت اور ووٹ دینے کا حامل کمپنی کا کوئی ممبر کسی دوسرے شخص کو اپنی جگہ بطور پراکسی (Proxy) شرکت کرنے اور ووٹ دینے کیلئے نامزد کرسکتا ہے۔ نامزدگی کی دستاویز (مہر لگی ہوئی اور دستخط شدہ) اجلاس شروع ہونے سے 48 گھنٹے قبل کمپنی کے رجسٹرڈ آفس میں لازماً موصول ہونی چاہیے۔ کوئی ممبر ایک سے زیادہ پراکسی (Proxy) نامزد کرنے کا اہل نہیں۔ پراکسی فارم کے ساتھ ممبر کے کارآمد کمپیوٹرائز قومی شناختی کارڈ (CNIC) کی تصدیق شدہ نقل لازماً منسلک ہونی چاہیے۔ اس ضمن میں کمپنی ایکٹ 2017ء کے سکشن 137 میں درج شرائط لاگو ہوں گی۔

۳۔ سی ڈی سی (CDC) اکاؤنٹ ہولڈرز کو سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کے جاری کردہ سرکلر نمبر 1/2000 مورخہ 26 جنوری 2000ء میں وضع کردہ ہدایات کی تعمیل کرنی ہوگی:۔

الف۔ اجلاس میں شرکت کیلئے

(۱)۔ افراد کی صورت میں اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر اور/یا جس شخص کی سیکورٹیز کی تفصیلات گروپ اکاؤنٹ میں ہیں اور ان کی رجسٹریشن کی تفصیلات قوائد کے مطابق اپ لوڈ ہیں انہیں اجلاس میں شرکت کرتے وقت اپنا اصل کمپیوٹرائز قومی شناختی کارڈ (CNIC) یا اصل پاسپورٹ دکھا کر اپنی شناخت کی تصدیق کرنا ہوگی۔

(۲)۔ سی ڈی سی رجسٹرڈ ممبران سے گزارش کی جاتی ہے کہ وہ اپنے شناختی کوائف، آئی ڈی نمبر اور اکاؤنٹ نمبر سی ڈی ایس (CDS) کو فراہم کریں۔

(۳)۔ کارپوریٹ ادارے کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد/مختار نامہ مع نامزد کردہ فرد کے نمونہ دستخط اور کارآمد کمپیوٹرائز قومی شناختی کارڈ (CNIC) کی تصدیق شدہ کاپی اجلاس کے وقت پیش کرنا ہوگی۔

ب۔ پراکسی (Proxy) تقرر کرنے کیلئے ہدایات

(۱)۔افراد کی صورت میں اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر اور/یا شخص کو جس کی سیکورٹیز گروپ اکاؤنٹ میں ہیں اور ان کی رجسٹریشن تفصیلات قوائد کے مطابق اپ لوڈ ہیں۔انہیں شرائط کے مطابق پراکسی فارم پیش کرنا ہوگا۔

(۲)۔پراکسی (Proxy) فارم پر دو افراد کی گواہی موجود ہو۔جن کے نام پتے اور کمپیوٹرائز ڈ قومی شناختی کارڈ نمبر بھی فارم پر درج ہوں۔

(۳)۔اصل مالکان (Beneficial Onwers) اور پراکسی کے کمپیوٹرائز ڈ قومی شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ نقول لازماً پراکسی (Proxy) فارم کے ساتھ فراہم کی جائے۔

(۴)۔پراکسی (Proxy) اجلاس میں شرکت کے وقت اپنا اصل کمپیوٹرائز ڈ قومی شناختی کارڈ یا اصل پاسپورٹ ملاحظے کیلئے پیش کریگا۔

(۵) کارپوریٹ ادارے کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد/مختارنامہ مع نمونہ دستخط پراکسی (Proxy) فارم کے ساتھ کمپنی کو پیش کیا جائیگا۔

۴۔سالانہ مالیاتی آڈٹ گوشواروں (Annual Audited Financial Statements) کی دستیابی

الف۔کمپنی ایکٹ 2017 کی سیکشن 223 کی شرائط کی تعمیل میں 30 جون 2020ء کو ختم شدہ سال میں آڈٹ شدہ مالیاتی گوشوارے کمپنی کی ویب سائیٹ (www.fccl.com.pk) پر دستیاب ہیں۔

ب۔ ایس آر او 2016 (1)470 مورخہ 31 مئی 2016ء کے مطابق ایس ای سی پی (SECP) کی طرف سے کمپنیوں کو اجازت دی گئی ہے کہ وہ اپنے شیئر ہولڈرز کو سالانہ آڈٹ شدہ اکاؤنٹس، ایڈیٹرز رپورٹ، اور ڈائریکٹرز رپورٹ ان کے رجسٹرڈ پتوں پر بذریعہ سی ڈی (CD) اور ڈی وی ڈی (DVD) بھجوا سکتے ہیں۔کمپنی اس ضمن میں مورخہ 30 اکتوبر 2017ء کو اپنے منعقدہ 25 واں سالانہ اجلاس عام میں اجازت حاصل کی تھی۔لہذا کمپنی 30 جون 2020ء کو ختم شدہ سال کی سالانہ رپورٹس اپنے شیئر ہولڈر کو بذریعہ سی ڈی ارسال کر رہی ہے۔تاہم اگر کسی شیئر ہولڈر کو سالانہ اکاؤنٹس، ایڈیٹرز رپورٹ، اور ڈائریکٹرز رپورٹ کی کاپی درکار ہو تو وہ تحریری طور پر اپنی درخواست کمپنی کے رجسٹرڈ آفس کے پتہ پر ارسال کر سکتا ہے۔درخواست موصول ہونے کے 7 اروباری ایام میں سالانہ اکاؤنٹس، ایڈیٹرز رپورٹ، اور ڈائریکٹرز رپورٹ کی کاپی مفت مہیا کی جائے گی۔

ج۔شیئر ہولڈرز کی سہولت کیلئے **"درخواست فارم"** کمپنی کی ویب سائیٹ (www.fccl.com.pk) پر دستیاب ہے۔

۵۔سالانہ مالیاتی آڈٹ گوشواروں (Annual Audited Financial Statements) کی بذریعہ ای میل دستیابی

الف۔ ایس آر او 2014 (1)787 مورخہ 08 ستمبر 2014ء کے مطابق ایس ای سی پی (SECP) کی طرف سے کمپنیوں کو ہدایت جاری کی ہے کہ وہ اپنے شیئر ہولڈرز کو سالانہ آڈٹ شدہ اکاؤنٹس اور سالانہ اجلاس عام کے نوٹس کی بذریعہ الیکٹرانک میل سسٹم (ای میل) وصول کرنے کی سہولت فراہم کی جائے۔ہمیں یہ سہولت اپنے شیئر ہولڈرز کو پیش کرنے پر خوشی ہے۔جو مستقبل میں ای میل کے ذریعے کمپنی کے سالانہ مالیاتی آڈٹ گوشوارے اور نوٹس وصول کرنا چاہتے ہیں۔اس سلسلے میں ممبروں سے درخواست کی جاتی ہے کہ وہ ایک معیاری درخواست فارم پر ای میل (email) کے ذریعے اپنی رضامندی کا اظہار کریں جو کمپنی کی وبب سائیٹ (www.fccl.com.pk) پر دستیاب ہے۔

ب۔اس بات کو یقینی بنائیں کہ آپ کے ای میل (email) میں ایسے ای میل کو وصول کرنے کیلئے کافی جگہ دستیاب ہے جو سائز میں ایک میگا بائیٹ (1MB) فائل سے بڑی ہو سکتی ہے۔مذید یہ کہ ممبر پر یہ ذمہ داری عائد ہوتی ہے کہ وہ رجسٹرڈ ای میل پتے میں کسی بھی تبدیلی کی صورت میں کمپنی کے شیئر رجسٹرار کو بروقت مطلع کریں۔

۶۔عدم دعوی (Unclaimed) اور غیر ادا شدہ منافع (Unpaid Dividend)

ایسے تمام شیئر ہولڈرز جو کسی بھی عذر کی وجہ سے اپنے عدم دعوی (Unclaimed) اور غیر ادا شد (Unpaid) ڈیوڈنڈ کا دعوی نہیں کر سکے، انہیں مشورہ دیا جاتا ہے کہ اگر ان کے کوئی ڈیوڈنڈ (Dividend) کی ادائیگی بقایا ہے تو وہ کمپنی کے شیئر رجسٹرار آفس، میسرز کارپلنک (پرائیویٹ) لمیٹڈ، ونگز، آرکیڈ K-1، کمرشل، ماڈل ٹاؤن، لاہور کے دفتر سے رابطہ کریں۔تاکہ انہیں اپنے ڈیوڈنڈ کے متعلق بتایا جا سکے۔

۷۔وڈیو کانفرنس کی سہولت

الف۔کمپنیز ایکٹ 2017ء کی سیکشن 132 اور 134 کے تحت اگر مجموعی طور پر 10 فیصد یا زیادہ شیئر رکھنے والے ارکان جو جغرافیائی طور پر مختلف مقامات پر رہائش پزیر ہیں۔ان کو ویڈیو کانفرنس کے ذریعے سے اجلاس میں شرکت کرنے کی سہولت فراہم کی جا سکتی ہے۔اس کی درخواست اجلاس کی تاریخ سے سات دن پہلے موصول ہونی چاہیئے۔درخواست موصول ہونے پر کمپنی متعلقہ شہر میں ویڈیو کانفرنس کا انتظام کرے گی۔بشرطیکہ اس شہر میں ایسی سہولت میسر کی جا سکتی ہو۔

ب۔درجہ بالا شرائط کی رو سے اس سہولت سے استفادہ حاصل کرنے کیلئے شیئر ہولڈز اجلاس کی تاریخ سے سات دن پہلے اپنی معلومات پیرہ ۷ ج میں درج فارم پر تحریری طور کمپنی کے رجسٹرڈ ایڈریس پر ارسال کریں۔مندرجہ بالا شرائط پوری ہونے پر ممبران کو اجلاس عام سے دو دن قبل ویڈیو کانفرنس سے متعلق معلومات فراہم کی جائیں گی۔

ج۔شیئر ہولڈرز کی سہولت کیلئے ویڈیو کانفرنس کیلئے **"Concent Form"** کمپنی کی ویب سائیٹ http://www.fccl.com.pk پر دستیاب ہے۔

فوجی سیمنٹ کمپنی لمیٹڈ

اطلاع برائے 28واں سالانہ اجلاس عام

۸۔ فزیکل حصص (Physical Share) کی سی ڈی سی میں منتقلی

الف۔ کمپنی ایکٹ 2017ء کی سیکشن 72 کے تحت تمام لسٹڈ کمپنیوں (Listed Companies) پر لازم ہے کہ کمپنی اپنے تمام فزیکل شیئر ہولڈرز کو کمیشن (SECP) کی جانب سے دی گئی تاریخ جو کہ ایکٹ ہذا کے نفاذ یعنی 30 مئی 2017ء کے چار سال کے اندر اپنے فزیکل شیئر کو مجوزہ بک (book entry) میں تبدیل کر لیں۔

ب۔ ایسے شیئر ہولڈرز جو کہ فزیکل حصص (Physical Shares) کے حامل ہیں کو چاہیے کہ سی ڈی سی میں موجودہ براہ راست بروکر کے یا انویسٹر اکاؤنٹ (Investor Account) اپنے ذیلی سی ڈی سی اکاؤنٹ کھلوا کر اپنے فزیکل حصص کو بک انٹری (Book entry) کی صورت میں منتقل کر لیں۔ ایسا کرنے سے انہیں کئی سہولیات میسر آسکتی ہیں جیسا کہ حصص (Share) کی محفوظ تحویل اور فروخت جب کبھی وہ چاہیں۔ کیونکہ اب پاکستان اسٹاک ایکسچینج (PSX) کے قوائد کے مطابق فزیکل حصص کی صورت میں فروخت کی اجازت نہیں ہے۔ لہذا فزیکل حصص کے حامل افراد اپنے سی ڈی سی اکاؤنٹ کھلوا کر جلد از جلد کمپنی کے شیئر رجسٹرار، آفس میسرز، کارپلنک (پرائیویٹ) لمیٹڈ، ونگز آرکیڈ 1-K کمرشل، ماڈل ٹاؤن، لاہور کے دفتر میں رابطہ کریں۔

۹۔ پتہ میں تبدیلی کیلئے۔ تمام ممبران سے استدعا کی جاتی ہے۔ وہ اپنے پتوں میں کسی بھی قسم کی تبدیلی سے متعلق فوراً مطلع کریں۔ مزید معلومات کیلئے کمپنی یا شیئر رجسٹرار کو درج ذیل پتوں پر رابطہ کریں:۔

الف۔ رجسٹرڈ آفس، فوجی سیمنٹ کمپنی لمیٹڈ
کمپنی سیکریٹری
فوجی سیمنٹ کمپنی لمیٹڈ، فوجی ٹاورز، بلاک ۳
۶۸ ٹیپو روڈ چکلالہ، راولپنڈی، پاکستان
فون نمبر: 9280075-051-92+
ای میل: secretaryoffice@fccl.com.pk
ویب سائیٹ www.fccl.com.pk

ب۔ شیئر رجسٹرار آفس، فوجی سیمنٹ کمپنی لمیٹڈ
شیئر رجسٹرار
میسرز کارپلنک (پرائیویٹ) لمیٹڈ، ونگز آرکیڈ، K-1، کمرشل،
ماڈل ٹاؤن، لاہور۔ پاکستان
فون نمبر: 19-35916714-042-92+
ای میل: corplink786@gmail.com
ویب سائیٹ: www.corplink.com.pk

FORM OF **PROXY**

28TH ANNUAL GENERAL MEETING - 14TH OCTOBER 2020

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 **28th Annual General Meeting** of the Company to be held on **14th October 2020 (Wednesday)** and /or any adjournment thereof.

Please affix
Rupees Five
revenue Stamp

_____

Signature of Shareholders

(The signature should agree with the Specimen registered with the Company)

Signed this _____ day of _____ 2020.

Signature of Proxy _____

Witnesses:-

1. Signature: _____
   Name: _____
   Address:_____
   _____
   CNIC/Passport No:_____

2. Signature :_____
   Name: _____
   Address:_____
   _____
   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 shallbe 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.

فوجی سیمنٹ کمپنی لمیٹڈ

28واں سالانہ اجلاس عام۔ 14 اکتوبر 2020ء

میں/ہم ۔۔۔۔۔۔۔۔۔۔۔۔ بحیثیت فوجی سیمنٹ کمپنی لمیٹڈ کے رکن (اراکین) ۔۔۔۔۔۔۔۔۔۔۔۔ عام حصص بمطابق رجسٹرڈ فولیو نمبر/سی ڈی سی اکاؤنٹ نمبر ۔۔۔۔۔۔۔۔۔۔۔۔ اپنی جانب سے محترم/محترمہ ۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔ اتقرر کرتا/کرتی ہوں۔ ان کا مکمل پتہ ۔۔۔۔۔۔۔۔۔۔ اور ان کی عدم موجودگی میں محترم/محترمہ ۔۔۔۔۔۔۔۔۔۔۔۔ کا تقرر کرتا/کرتی ہوں۔ ان کا مکمل پتہ ۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔ رجسٹرڈ فولیو نمبر/سی ڈی سی اکاؤنٹ نمبر (اگر ممبر ہے) ۔۔۔۔۔۔۔۔۔۔ کو اپنی/ہماری عدم موجودگی میں کمپنی کے **14** اکتوبر **2020**ء بروز بدھ کو 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

آج بروز ۔۔۔۔۔۔۔۔ بتاریخ ۔۔۔۔۔۔۔۔۔۔ 2020 کو دستخط کئے گئے

دستخط پراکسی

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 کمپیوٹرائیزقومی 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 کمپیوٹرائیز 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/مختارنامہ مع نمونہ دستخط پراکسی (Proxy) فارم کے ساتھ کمپنی کو پیش کیا جائے گا۔





Designed and Produced By:
ASTRAL HATCH INC.

Say No to Corruption

Fauji Cement Company Limited

Fauji Towers, Block 3, 68 Tipu Road, Chaklala,
Rawalpindi, Pakistan

www.fccl.com.pk

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