

FAUJI CEMENT COMPANY LIMITED

Fauji Towers, Block-III, 68 Tipu Road, Chaklala, Rawalpindi, Pakistan

Fax No : 051-9280416 **Office** : 051-9280075
E-mail : riaz.gondal@fccl.com.pk **Exchange** : 051-9280081-83
Website : <http://www.fccl.com.pk> : 5763321-24
Case No : SECY/FCCL/2037/30 **Dated** : 25 February 2021

To: Manager, Companies & Securities Compliance - RAD
Pakistan Stock Exchange Limited (PSX)
Stock Exchange Building
Stock Exchange Road Karachi-74000

Subject: **Transmission of Half Yearly Accounts for the Period Ended 31st Dec 2020**


Reference: Section 237 of Companies Act 2017, PSX Notice no PSX/N-4403 dated 26th July 2018 and PSX Notice no PSX/N-4952 dated 29th August 2018.

Dear Sir,

1. In compliance with above referred regulations, Half Yearly Report of Company for the period ended 31st December 2020 has been transmitted to PSX through **PUCARS** on 26th February 2021 and is also available on Company's website. 15 x Hard copies of this Report will be submitted to PSX as per timeline indicated in above referred Notice of Pakistan Stock Exchange.
2. You may inform the TRE Certificate Holders of the Pakistan Stock Exchange accordingly, please.

With regards,



 Your's sincerely,
Brig Riaz Ahmed Gondal, SI(M), (Retd)
Company secretary

- Copy to:**
- Company Law Division
Corporatization & Compliance Department
Securities and Exchange Commission of Pakistan
NIC Building, 63-Jinnah Avenue, Blue Area, Islamabad
 - Additional Registrar
Company Registration Office, SECP
State Life Building, 7 Blue Area, Islamabad
 - Mr Hafiz Maqsood Munshi
Manager, Companies & Securities Compliance - RAD
Pakistan Stock Exchange Limited (PSX)
Stock Exchange Building
Stock Exchange Road Karachi-74000
 - Mr Badiuddin Akbar
Chief Compliance & Risk Officer
Central Depository Company of Pakistan Limited
CDC House, 99 B-B, Block B.S.M.C.H.S
Main Shahr-e-Faisal, Karachi -74400
 - Share Registrar, M/s Corplink (Pvt) Ltd, Wing Arcade,
1-K, Commercial, Model Town, Lahore

HALF YEARLY REPORT

2020-21

The background of the entire page is a photograph of an industrial facility, likely a cement plant. It features a large, tall, tan-colored silo in the center, with various pipes, walkways, and smaller structures around it. A conveyor belt system is visible in the foreground. The image is overlaid with a light gray grid pattern. In the bottom left corner, there is a green tree. The text 'LET'S BUILD YOUR DREAMS' is prominently displayed in the lower half of the image.

LET'S
BUILD
YOUR DREAMS

CONTENT

| | |
|----|--|
| 02 | Company Information |
| 04 | Directors' Review |
| 06 | Directors' Review - Urdu |
| 08 | Independent Auditors' Review Report |
| 10 | Condensed Interim Statement of Financial Position |
| 12 | Condensed Interim Statement of Profit or Loss (Un-Audited) |
| 13 | Condensed Interim Statement of Comprehensive Income (Un-Audited) |
| 14 | Condensed Interim Statement of Cash Flows (Un-Audited) |
| 15 | Condensed Interim Statement of Changes in Equity (Un-Audited) |
| 16 | Notes to the Condensed Interim Financial Statements (Un-Audited) |

COMPANY INFORMATION

| | |
|---|----------------------|
| Mr Waqar Ahmed Malik | Chairman |
| Mr Qamar Haris Manzoor | Chief Executive / MD |
| Dr Nadeem Inayat | Director |
| Maj Gen Abid Rafique, HI(M), (Retd) | Director |
| Maj Gen Naseer Ali Khan, HI(M), (Retd) | Director |
| Syed Bakhtiyar Kazmi | Director |
| Mr Sami ul Haq Khilji | Director |
| Mr Jawaid Iqbal | Independent Director |
| Mr Zafar Iqbal Sobani | Independent Director |
| Ms Jahanara Sajjad Ahmad | Independent Director |

Company Secretary

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

Fauji Towers, Block III, 68 Tipu Road, Chaklala, Rawalpindi

Tel: +92-51 9280075

Fax: +92-51 9280416

Email: riaz.gondal@fccl.com.pk

Chief Financial Officer

Mr Omer Ashraf

Tel: +92-51 5500157

Email: omer@fccl.com.pk

Marketing & Sales Department

Brig Muhammad Iqbal Tahir, SI(M), (Retd)

GM (Marketing & Sales)

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

Tel: +92-51-5523836,

Office: +92-51-5528963-64

Fax Number : +92-51-5528965-66

Email: adminmkt@fccl.com.pk

Human Resource Department

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

GM (Human Resource & Admin)

Tel: +92-51-9280084

Fax Number: +92-51-9280416

Email: abdul.jabbar@fccl.com.pk

Supply Chain Management Department

Syed Kamran Hassan

GM (Supply Chain Management)

Tel: +92-51-9281549

Fax Number : +92-51-9280416

Email:kamran.hassan@fccl.com.pk

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: +92-51 282-3558

Fax: +92-51 2822671

LEGAL ADVISORS

M/s ORR Dignam & Co, Advocate

Marina Height, 2nd Floor, 109 East,
Jinnah Avenue, Islamabad

Tel: +92-51 2260517-8

Fax: +92-51 2260653

SHARES REGISTRAR

M/s Corplink (Pvt) Limited

Wings Arcade, 1-K, Commercial,
Model Town, Lahore

Tel: +92-42-35916714-19 & 35869037

Email: corplink786@yahoo.com

Fax: +92-42-35869037

Email for E-Filing & E-Services

Email: riaz.gondal@fccl.com.pk

Factory

Fauji Cement Company Limited

Near Village Jhang Bahtar,

Tehsil Fateh Jang, District Attock

Tel Exchange : +92-572-538047-48,

+92-572- 2538138

Fax Number : +92-572-538025

Registered Office

Fauji Cement Company Limited

Fauji Towers, Block III, 68 Tipu Road,
Chaklala, Rawalpindi

Tel Exchange: +92-51-9280081-83,

+92-51-5763321-24

Fax Number: +92-51-9280416

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

Audit Committee

| | |
|--|-----------|
| Mr Zafar Iqbal Sobani | Chairman |
| Dr Nadeem Inayat | Member |
| Mr Sami ul Haq Khilji | Member |
| Mr Jawaid Iqbal | Member |
| Syed Bakhtiyar Kazmi | Member |
| Brig Riaz Ahmed Gondal, SI(M), (Retd) | Secretary |

Investment Committee

| | |
|--|-----------|
| Dr Nadeem Inayat | Chairman |
| Mr Qamar Haris Manzoor | Member |
| Mr Sami ul Haq Khilji | Member |
| Brig Riaz Ahmed Gondal, SI(M), (Retd) | Secretary |

Human Resource & Remuneration Committee

| | |
|--|-----------|
| Ms Jahanara Sajjad Ahmed | Chairman |
| Dr Nadeem Inayat | Member |
| Mr Sami ul Haq Khilji | Member |
| Mr Jawaid Iqbal | Member |
| Brig Riaz Ahmed Gondal, SI(M), (Retd) | Secretary |

BANKERS

- 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
- Bank of Punjab
- Faysal Bank Limited
- Bank Al-Habib Limited
- Al-Baraka Pakistan
- Bank Islami Pakistan Limited
- Habib Metropolitan Bank Limited

DIRECTORS' REVIEW

FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2020

The Board of Directors are pleased to present their Review Report along with the condensed interim financial statements of the Company, for the Half Year ended 31st December 2020, duly reviewed by the External Auditors.

Overview – Cement Industry.

Cement Industry witnessed a robust growth of 16% on the back of boom in construction activity due to incentives announced by the Government and commencement of infrastructure projects. The Breakup of overall industry dispatches are as under:-

| S/No | Despatches | Half year ended 31 December 2020 | Half year ended 31 December 2019 | Variance (Million Tons) | Variance (%) |
|------|--------------|-------------------------------------|-------------------------------------|----------------------------|--------------|
| | | (Million Tons) | | | |
| a. | Local | 23.61 | 20.37 | 3.24 | 16 |
| b. | Exports | 5.02 | 4.38 | 0.64 | 15 |
| c. | Total | 28.63 | 24.75 | 3.88 | 16 |

The capacity utilization was recorded at 83% during the period, same as in corresponding period last year.

Overview - The Company.

During the review period, the Company's capacity utilisation improved to 100% compared to last year's 92%. Cement despatches and sales revenue during the review period were highest ever during any six months period. Export sales during review period declined compared to previous period mainly due to closure of Afghan borders.

The Breakup of dispatches during the review period and corresponding period of last year are as under:-

| S/No | Despatches | Half year ended 31 December 2020 | Half year ended 31 December 2019 | Variance (Million Tons) | Variance (%) |
|------|--------------|-------------------------------------|-------------------------------------|----------------------------|--------------|
| | | (Million Tons) | | | |
| a. | Local | 1.65 | 1.46 | 0.19 | 13 |
| b. | Exports | 0.13 | 0.18 | (0.05) | (28) |
| c. | Total | 1.78 | 1.64 | 0.14 | 9 |

The plant performance was very good and the cement production was 8% higher as compared to same period last year. Production statistics are as under:-

| Particulars | Half year ended 31 December 2020 | Half year ended 31 December 2019 |
|---------------------------|-------------------------------------|-------------------------------------|
| Cement Production (Tons) | 1,789,309 | 1,651,018 |
| Clinker Production (Tons) | 1,654,986 | 1,512,097 |

Cement production recorded during the review period was highest ever in history of FCCL during any six months period.

Solar power plant having capacity of 2.5 MW has started its trial operations during the month of January 2021, making the total solar power capacity as 17.5 MW largest captive solar project in Pakistan.

Financial Performance

Key financial results of Company for the review period and their comparison with the same period of last year are tabulated below:-

| Particulars | Half year ended 31 December 2020 | Half year ended 31 December 2019 |
|--------------------------|-------------------------------------|-------------------------------------|
| | Rs.000 | Rs.000 |
| Sales Revenue | 11,610,729 | 9,557,063 |
| Gross Profit | 2,717,687 | 983,753 |
| EBIT | 2,225,673 | 610,668 |
| PBT | 2,193,293 | 555,369 |
| PAT | 1,600,829 | 482,189 |
| Earnings Per Share – Rs. | 1.16 | 0.35 |

The improved financial performance is mainly attributable to higher dispatches and improved retentions during the review period. The initiatives to reduce costs have also started to realise with improvement in fixed costs. Cost of production showing decrease by 6% as compared to last year owing to lower fuel, power and fixed costs. Power cost reduction is attributable to cheaper own generation and to fuel the reduced coal prices during review period.

Future Outlook

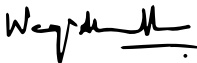
Going forward, the cement demand is expected to remain strong on the back of pick up in construction activity and initiating of work on CPEC and mega hydro power projects. Due to stable local demand, prices are also expected to remain stable in 2nd half year of the year. Exports to Afghanistan are also expected to increase with the start of summer season and more borders being opened.

However, the increase in international coal prices and the recent announcement by the Government to increase electricity prices will increase the cost of production going forward.

Acknowledgement

The Board of Directors would like to express their appreciation to all the Employees and Management of the Company for their hard work resulting in a positive outcome during 1st half of FY 21. The Board also expresses its appreciation for the initiatives taken especially by State Bank of Pakistan in particular and the focus of the Government towards the construction sector in general to be the key ingredients in reviving growth in the sector in this pandemic period. The Board would also like to extend their gratitude to all the stakeholders in their ongoing support to the Company.

On behalf of the Board of Directors



Waqar Ahmed Malik

Chairman Board of Directors

Date: February 19, 2021

Place: Rawalpindi



Qamar Haris Manzoor

Chief Executive & Managing Director

1۔ بورڈ آف ڈائریکٹرز 31 دسمبر 2020 کو ختم ہونے والے نصف سال کے لیے آپ کی کمپنی کے مختصر عبوری مالیاتی نتائج کے ساتھ اپنا جائزہ پیش کرتے ہوئے فخر محسوس کرتے ہیں جو کہ آڈیٹرز سے باقاعدہ پڑا تال شدہ ہیں۔

۲۔ عمومی جائزہ - سینٹ کی صنعت : پاکستان کی سینٹ کی صنعت میں 16 فیصد کا عمدہ اضافہ دیکھنے میں آیا ہے جس کا باعث حکومت کی طرف سے تعمیراتی صنعت کے لیے اعلان کی گئی مراعات کی وجہ سے تعمیراتی سرگرمیوں میں تیزی اور انفراسٹرکچر کے منصوبوں کا آغاز ہے۔ سینٹ کی صنعت کی مجموعی ترسیلات کی تقسیم درج ذیل ہے:-

| نمبر شمار | ترسیلات | 31 دسمبر 2020 کو ختم ہونے والی ششماہی (ملین روپے) | 31 دسمبر 2019 کو ختم ہونے والی ششماہی (ملین روپے) | فرق (ملین روپے) | فرق (%) |
|-----------|---------|--|--|--------------------|---------|
| الف | مقامی | 23.61 | 20.37 | 3.24 | 16 |
| ب | برآمدات | 5.02 | 4.38 | 0.64 | 15 |
| ج | میزان | 28.63 | 24.75 | 3.88 | 16 |

پیداواری صلاحیت کے استعمال کی شرح اس دورانیے میں 83 فیصد ریکارڈ کی گئی ہے، جو گزشتہ برس کے اسی عرصے کے مساوی ہے۔

۳۔ عمومی جائزہ - فوجی سینٹ کمپنی : اس دورانیے میں کمپنی کی پیداواری صلاحیت میں گزشتہ برس کے 92 فیصد کے مقابلے میں 100 فیصد رہی۔ آج تک کسی بھی ششماہی میں سینٹ کی ترسیلات اور فروخت سے آمدن اتنی نہیں ہوئی جتنی اس دورانیے میں ہوئی ہے۔ بیرون ملک فروخت اس دورانیے میں گزشتہ برس کے مقابلے میں کم ہوئی جس کی بنیادی وجہ افغان سرحد کی بندش رہی۔

اس ششماہی میں اور گزشتہ برس اسی دورانیے میں ہونے والی کمپنی کی سینٹ کی مجموعی ترسیلات کی تقسیم درج ذیل ہے:

| نمبر شمار | ترسیلات | 31 دسمبر 2020 کو ختم ہونے والی ششماہی (ملین روپے) | 31 دسمبر 2019 کو ختم ہونے والی ششماہی (ملین روپے) | فرق (ملین روپے) | فرق (%) |
|-----------|---------|--|--|--------------------|---------|
| الف | مقامی | 1.65 | 1.46 | 0.19 | 13 |
| ب | برآمدات | 0.13 | 0.18 | (0.05) | (28) |
| ج | میزان | 1.78 | 1.64 | 0.14 | 9 |

پلانٹ کی کارکردگی بہت اچھی رہی اور سینٹ کی پیداوار گزشتہ برس کے اسی دورانیے کے مقابلے میں 8 فیصد زیادہ رہی۔ پیداوار کے

اعداد و شمار درج ذیل ہیں:-

31 دسمبر 2019 کو

31 دسمبر 2020 کو

ختم ہونے والی ششماہی

ختم ہونے والی ششماہی

1,651,018

1,789,309

سینٹ کی پیداوار (ٹن میں)

1,512,097

1,654,986

کلنکر کی پیداوار (ٹن میں)

سینٹ کی پیداوار جو اس جائزے کے دورانیے میں ریکارڈ کی گئی وہ فوجی سینٹ کمپنی کی تاریخ میں کسی بھی ششماہی کی پیداوار سے زیادہ ہے۔

2.5 میگاواٹ پیداواری صلاحیت کے شمسی توانائی کے بجلی گھر نے ماہ جنوری 2021ء سے اپنے کام کا آغاز کر دیا ہے جس سے شمسی توانائی کی کل صلاحیت 17.5 میگاواٹ ہو گئی ہے جو پاکستان میں نئی شمسی توانائی کا سب سے بڑا پراجیکٹ ہے۔

۳۔ مالی کارکردگی: زیر جائزہ ششماہی میں کمپنی کے مالی حسابات کے کلیدی نتائج اوگڈشڈ برس کے اسی دورانیے کے حسابات کا موازنہ درج ذیل ہے:

| نمبر شمار | تفصیل | 31 دسمبر 2020 کو ختم ہونے والی ششماہی | 31 دسمبر 2019 کو ختم ہونے والی ششماہی |
|-----------|----------------------------------|---------------------------------------|---------------------------------------|
| | | (Rs.000) | (Rs.000) |
| الف۔ | فروخت سے حاصل شدہ کل آمد | 11,610,729 | 9,557,063 |
| ب۔ | کل منافع | 2,717,687 | 983,753 |
| ج۔ | قبل از ٹیکس اور قبل از سود منافع | 2,225,673 | 610,668 |
| د۔ | قبل از ٹیکس منافع | 2,193,293 | 555,369 |
| ہ۔ | بعد از ٹیکس صافی منافع | 1,600,829 | 482,189 |
| و۔ | فی حصہ (شیر) آمدنی - روپوں میں | 1.16 | 0.35 |

بہتر مالی کارکردگی کی بنیادی وجہ زیر جائزہ دورانیے میں بھاری ترسیلات اور بہتر شرح منافع ہے۔ لاگت میں کمی کرنے کے اقدامات کے نتائج بھی مستقل اخراجات میں بہتری کی صورت میں سامنے آ رہے ہیں۔ پیداواری لاگت میں 6 فیصد کی دیکھی جا رہی ہے جس کا باعث ایندھن اور بجلی کے خرچ اور مستقل اخراجات میں کمی ہے۔ بجلی کے خرچ میں کمی کی وجہ اپنی ساختہ سستی بجلی ہے اور ایندھن کے خرچ میں کمی کی وجہ زیر جائزہ دورانیے میں کوئلے کی قیمتوں میں کمی ہے۔

۵۔ مستقبل کا جائزہ۔ مستقبل پر نگاہ ڈالی جائے تو سیمنٹ کی طلب میں استحکام رہے گا جس کی وجہ تعمیراتی سرگرمیوں میں اضافہ اور CPEC اور چین بجلی کے دیگر بڑے منصوبوں پر کام کا آغاز ہے۔ مستحکم مقامی طلب کے باعث اس سال کے نصف آخر میں قیمتیں مستحکم رہنے کی توقع ہے۔ گرمیوں کا موسم شروع ہونے اور مزید سردوں کے کھلنے کے ساتھ افغانستان کی طرف برآمدات میں بھی اضافے کی توقع ہے۔

تاہم، بین الاقوامی مارکیٹ میں کوئلے کی قیمتوں میں اضافے اور حکومت کی طرف سے بجلی کے نرخوں میں اضافے کے باعث آنے والے دنوں میں پیداواری لاگت زیادہ ہو جائے گی۔

۶۔ اظہار تشکر۔ کمپنی کے بورڈ آف ڈائریکٹرز تمام ملازمین اور انتظامیہ کو خراج تحسین پیش کرتے ہیں جن کی محنت کے ثمرات مالی سال 2020/21 کی پہلی ششماہی میں مثبت نتائج کی صورت میں سامنے آئے ہیں۔ یہ بورڈ ان اقدامات کی بھی تحسین کرتا ہے جو بالخصوص سٹیٹ بینک آف پاکستان نے کیے اور بالعموم تعمیراتی شعبے پر حکومت کی خصوصی توجہ جو اس وبائی صورت حال میں اس شعبے کی بحالی کا باعث بنی۔ یہ بورڈ تمام متعلقہ افراد اور اداروں کا بھی شکریہ ادا کرتا ہے جن کی مسلسل تائید و حمایت کمپنی کو حاصل ہے۔

منجانب بورڈ آف ڈائریکٹرز

قر حارث منظور
چیف ایگزیکٹو مینیجر ڈائریکٹر

وقار احمد ملک
چیرمین بورڈ آف ڈائریکٹرز
راولپنڈی

۱۹ فروری ۲۰۲۱

INDEPENDENT AUDITORS' REVIEW REPORT

TO THE MEMBERS OF FAUJI CEMENT COMPANY LIMITED

Report on review of Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Fauji Cement Company Limited as at 31 December 2020 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the financial statements for the six months' period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other matter

The figures for the quarter ended 31 December 2020 and 31 December 2019 in the condensed interim statement of profit or loss and the condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion on them.

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



KPMG Taseer Hadi & Co.
Chartered Accountants
Islamabad

February 25, 2021

CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2020

FAUJI CEMENT COMPANY LIMITED

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2020

| | | Un-audited 31 December 2020 Rupees'000 | Audited 30 June 2020 Rupees'000 |
|--|------|--|---------------------------------------|
| | Note | | |
| 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 | | 8,971,384 | 7,370,555 |
| Total equity | | 21,405,149 | 19,804,320 |
| LIABILITIES | | | |
| Long term loans | 5 | 613,347 | 447,327 |
| Employee benefits | | 76,027 | 72,547 |
| Lease liability | | 52,833 | 57,656 |
| Deferred liabilities | 6 | 3,793,436 | 3,812,837 |
| Non-current liabilities | | 4,535,643 | 4,390,367 |
| Trade and other payables | | 1,093,063 | 1,244,933 |
| Accrued liabilities | | 1,185,032 | 1,040,530 |
| Security deposits payable | | 243,649 | 253,940 |
| Contract liabilities | | 433,613 | 367,952 |
| Employee benefits - current portion | | 33,440 | 24,708 |
| Payable to employees' provident fund trust | | 14,836 | 13,528 |
| Unclaimed dividend | | 39,141 | 40,051 |
| Short term borrowings | 7 | 462,592 | 1,869,167 |
| Current portion of lease liability | | 29,510 | 23,737 |
| Current portion of long term loans | 5 | 556,358 | 303,912 |
| Current liabilities | | 4,091,234 | 5,182,458 |
| Total liabilities | | 8,626,877 | 9,572,825 |
| TOTAL EQUITY AND LIABILITIES | | 30,032,026 | 29,377,145 |
| CONTINGENCIES AND COMMITMENTS | 8 | | |

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

FAUJI CEMENT COMPANY LIMITED

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2020

| | | Un-audited 31 December 2020 Rupees'000 | Audited 30 June 2020 Rupees'000 |
|---|------|--|---------------------------------------|
| ASSETS | Note | | |
| Property, plant and equipment | 9 | 21,758,868 | 22,065,172 |
| Right of use asset | | 63,205 | 60,322 |
| Long term deposits | | 86,601 | 86,601 |
| Advance against issue of shares | | 12,500 | 12,500 |
| Non-current assets | | 21,921,174 | 22,224,595 |
| Stores, spares and loose tools | | 3,084,439 | 3,505,809 |
| Stock in trade | | 1,232,638 | 1,187,752 |
| Trade debts | | 854,309 | 1,050,640 |
| Advances | | 70,238 | 73,695 |
| Trade deposits and short term prepayments | | 24,988 | 19,843 |
| Advance tax - net | | 535,349 | 731,468 |
| Other receivables | | 66,734 | 22,169 |
| Short term investments | 10 | 1,308,250 | - |
| Cash and bank balances | 11 | 933,907 | 561,174 |
| Current assets | | 8,110,852 | 7,152,550 |
| TOTAL ASSETS | | 30,032,026 | 29,377,145 |



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

FAUJI CEMENT COMPANY LIMITED

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)

FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2020

| | Note | Three months ended | | Six months ended | |
|---|------|---------------------|---------------------|---------------------|---------------------|
| | | 31 December 2020 | 31 December 2019 | 31 December 2020 | 31 December 2019 |
| | | (Rupees '000) | | (Rupees '000) | |
| Revenue - net | 12 | 6,109,741 | 5,314,051 | 11,610,729 | 9,557,063 |
| Cost of sales | 13 | (4,580,460) | (4,921,652) | (8,893,042) | (8,573,310) |
| Gross profit | | 1,529,281 | 392,399 | 2,717,687 | 983,753 |
| Selling and distribution expenses | | (45,904) | (51,878) | (93,440) | (104,210) |
| Administrative expenses | | (150,821) | (152,788) | (253,887) | (262,708) |
| Other expenses | | (91,385) | (5,476) | (161,836) | (35,070) |
| Other income | | 8,587 | 12,835 | 17,148 | 28,903 |
| Operating profit | | 1,249,758 | 195,092 | 2,225,672 | 610,668 |
| Finance cost | | (33,007) | (52,249) | (62,666) | (80,022) |
| Finance income | | 20,427 | 10,898 | 30,287 | 24,723 |
| Net finance cost | | (12,580) | (41,351) | (32,379) | (55,299) |
| Profit before taxation | | 1,237,178 | 153,741 | 2,193,293 | 555,369 |
| Income tax expense | | (331,933) | 35,628 | (592,464) | (73,180) |
| Profit for the period | | 905,245 | 189,369 | 1,600,829 | 482,189 |
| Earnings per share - basic & diluted (Rupees) | | 0.66 | 0.14 | 1.16 | 0.35 |

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

FAUJI CEMENT COMPANY LIMITED
 CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
 FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2020

| | Three months ended | | Six months ended | |
|--|--------------------|----------------|------------------|----------------|
| | 31 December | 31 December | 31 December | 31 December |
| | 2020 | 2019 | 2020 | 2019 |
| | (Rupees '000) | | (Rupees '000) | |
| Profit for the period | 905,245 | 189,369 | 1,600,829 | 482,189 |
| Other comprehensive income for the period | - | - | - | - |
| Total comprehensive income for the period | 905,245 | 189,369 | 1,600,829 | 482,189 |

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

FAUJI CEMENT COMPANY LIMITED

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)

FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2020

| | 31 December 2020 Rupees'000 | 31 December 2019 Rupees'000 |
|---|--------------------------------|--------------------------------|
| Cash flows from operating activities | | |
| Profit before tax | 2,193,293 | 555,369 |
| Adjustments for: | | |
| Depreciation | 707,068 | 825,749 |
| Depreciation on right of use asset | 12,007 | - |
| Provision for compensated absences | 22,274 | 28,199 |
| Workers' (Profit) Participation Fund including interest and Workers' Welfare Fund | 161,611 | 35,011 |
| Finance cost (excluding interest on WPPF) | 62,666 | 79,901 |
| Loss/ (gain) on disposal of property, plant and equipment | 15,949 | (4,413) |
| Amortization of deferred grant | (13,267) | - |
| Finance income | (30,287) | (24,723) |
| | 938,021 | 939,724 |
| Operating cash flows before working capital changes | 3,131,314 | 1,495,093 |
| Decrease / (increase) in working capital | | |
| Stores, spares and loose tools | 421,370 | (1,110,159) |
| Stock in trade | (44,886) | (261,716) |
| Trade debts | 196,331 | (398,374) |
| Advances | 3,457 | (60,751) |
| Trade deposits and short term prepayments | (5,145) | (41,983) |
| Other receivables | (44,565) | (64,493) |
| Trade and other payables | (313,484) | 423,904 |
| Accrued liabilities | 144,502 | 24,901 |
| Security deposits payable | (10,291) | 25,284 |
| Contract liabilities | 65,661 | (4,447) |
| Payable to employees' provident fund trust | 1,308 | 1,294 |
| | 414,258 | (1,466,540) |
| Cash generated from operations | 3,545,572 | 28,553 |
| Compensated absences paid | (10,060) | (2,578) |
| Payment to Workers' (Profit) Participation Fund | - | (6,964) |
| Taxes paid | (454,332) | (237,044) |
| Net cash generated from / (used) in operating activities | 3,081,180 | (218,033) |
| Cash flows from investing activities | | |
| Additions to property, plant and equipment | (468,388) | (574,562) |
| Lease payment | (22,308) | - |
| Short term investments | (1,299,368) | - |
| Proceeds from disposal of property, plant and equipment | 51,674 | 4,519 |
| Interest received on bank deposits | 21,404 | 24,950 |
| Net cash used in investing activities | (1,716,986) | (545,093) |
| Cash flows from financing activities | | |
| Repayment of long term loans | (105,945) | (213,088) |
| Proceeds against long term loans | 573,392 | 213,841 |
| Dividend paid on ordinary shares | (910) | (1,035,278) |
| Finance cost paid | (51,423) | (59,054) |
| Net cash generated/ (used) in financing activities | 415,114 | (1,093,579) |
| Net increase/ (decrease) in cash and cash equivalents | 1,779,308 | (1,856,705) |
| Cash and cash equivalents at beginning of the period | (1,307,993) | (587,265) |
| Cash and cash equivalents at end of the period | 471,315 | (2,443,970) |
| Cash and cash equivalents comprise of the following: | | |
| Cash and bank balances | 933,907 | 485,051 |
| Short term borrowings | (462,592) | (2,929,021) |
| | 471,315 | (2,443,970) |

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

FAUJI CEMENT COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
 FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2020

| | Share capital | Capital reserve | Revenue reserve | Total |
|--|-----------------|-----------------------------|-----------------------|-------------|
| | Ordinary shares | Discount on issue of shares | Unappropriated profit | |
| | Rupees'000 | | | |
| Balance at 01 July 2019 | 13,798,150 | (1,364,385) | 8,464,797 | 20,898,562 |
| Total comprehensive income for the period | | | | |
| Profit for the period | - | - | 482,189 | 482,189 |
| Other comprehensive income for the period | - | - | - | - |
| Total comprehensive income for the period | - | - | 482,189 | 482,189 |
| 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 31 December 2019 | 13,798,150 | (1,364,385) | 7,912,125 | 20,345,890 |
| Balance at 01 July 2020 | 13,798,150 | (1,364,385) | 7,370,555 | 19,804,320 |
| Total comprehensive income for the period | | | | |
| Profit for the period | - | - | 1,600,829 | 1,600,829 |
| Other comprehensive income for the period | - | - | - | - |
| Total comprehensive income for the period | - | - | 1,600,829 | 1,600,829 |
| Balance at 31 December 2020 | 13,798,150 | (1,364,385) | 8,971,384 | 21,405,149 |

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

FAUJI CEMENT COMPANY LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2020

1 STATUS AND NATURE OF BUSINESS

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 30 May 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 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.

2 BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

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

- International Accounting Standard (IAS) 34, Interim Financial Reporting, 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 the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

The disclosures in the condensed interim financial statements do not include the information reported for full audited annual financial statements and should therefore be read in conjunction with the audited annual financial statements for the year ended 30 June 2020. Comparative statement of financial position is extracted from audited annual financial statements as of 30 June 2020 whereas comparative condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity are stated from unaudited condensed interim financial statements for the six months period ended 31 December 2019.

These condensed interim financial statements are unaudited and are being submitted to the members as required under Section 237 of the Companies Act, 2017 and the Listing Regulations of the Pakistan Stock Exchange Limited.

3 SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES

3.1 Significant accounting policies

The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are consistent with those applied in the preparation of the financial statements for the year ended 30 June 2020.

3.2 Significant accounting judgments and estimates

The preparation of these condensed interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. In preparing these condensed interim financial statements, the significant judgments made by the management in applying the accounting policies and the key sources of estimation uncertainty were the same as those applied to the financial statements of the Company for the year ended 30 June 2020, except as disclosed in note 3.2.1.

3.2.1 Property, plant and equipment

During the period, the Company has reassessed the useful life of plant and machinery of Line - I. Based on detailed analysis of current performance indicators, maintenance history and regular inspection, management is of the view that the aforesaid line is expected to remain in operations for a further period of ten years instead of remaining two years. Accordingly, the Company has changed its estimate of remaining useful life of plant and machinery of Line - I from 2 to 10 years. Had there been no change in the estimate of useful life, the profit before tax for the six months period ended 31 December 2020 would be lower by Rs. 123 million and the balance of property, plant and equipment would have been lower by the same.

FAUJI CEMENT COMPANY LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
 FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2020

3.3 Standards, interpretations and amendments to approved accounting and reporting 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 January 2021:

| | | |
|---|--|-----------------------------|
| - | Amendments to IFRS 03: Reference to the Conceptual Framework | (effective 01 January 2021) |
| - | Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 - Interest rate benchmark reform | (effective 01 January 2021) |
| - | Amendments to IFRS 10 and IAS 28: Sale or contribution of assets between an investor and its associates or joint venture | (effective 01 January 2021) |
| - | Amendments to IFRS 16: COVID-19 related rent concessions | (effective 01 January 2021) |
| - | Amendments to IAS - 01: Classification of liabilities as current or non-current | (effective 01 January 2021) |
| - | Amendments to IAS 16: Property, plant and equipment - Proceeds before intended use | (effective 01 January 2021) |
| - | Amendments to IAS 37: Onerous Contracts - Cost of fulfilling a contract | (effective 01 January 2021) |

The above amendments are not likely to have an impact on the Company's interim financial statements.

4 SHARE CAPITAL

There is no change in authorised and issued, subscribed and paid up share capital of the Company from 30 June 2020.

| 5 | LONG TERM LOANS | Note | Un-audited | Audited |
|-----|--|------|---------------------|-----------------|
| | | | 31 December 2020 | 30 June 2020 |
| | | | Rupees'000 | Rupees'000 |
| | - From banking companies (conventional banks) | | | |
| | Term finance facilities - secured | 5.1 | 1,196,627 | 729,180 |
| | Less: Current portion shown under current liabilities | 5.2 | (544,694) | (281,853) |
| | Deferred government grant | 6.1 | (38,586) | - |
| | | | 613,347 | 447,327 |
| 5.1 | Movement in this account during the period/ year is as follows: | | | |
| | Opening balance | | 729,180 | 636,869 |
| | Loans received during the period/ year | 5.3 | 573,392 | 411,344 |
| | Principal repayment during the period/ year | | (105,945) | (319,033) |
| | Closing balance | | 1,196,627 | 729,180 |
| 5.2 | Current Portion | | | |
| | Current portion of long term loans | | 544,694 | 281,853 |
| | Markup accrued | | 11,664 | 22,059 |
| | | | 556,358 | 303,912 |
| 5.3 | During the period, the Company obtained following new long term loans: | | | |

| Lender | Amount | Rate of Interest per annum | Security |
|---|----------------|----------------------------|---|
| | Rs.000 | | |
| Allied Bank Limited - Facility under SBP refinance scheme for payment of wages and salaries | 385,758 | 0.35% | Same as stated in note 5.3 of annual audited financial statements for the year ended 30 June 2020 |
| United Bank Limited - Solar Loan | 187,634 | SBP rate (3%) + 0.75% | |
| | 573,392 | | |

FAUJI CEMENT COMPANY LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2020

5.4 The markup rates and securities offered are the same as disclosed in the annual audited financial statements of the Company for the year ended 30 June 2020 except for the following:

- mark up rate on loan amounting to Rs. 192 million under State Bank of Pakistan (SBP) salaries and wages refinance scheme (refer note 5.3 of annual audited financial statements for the year ended 30 June 2020) is revised to 0.40% per annum (2020: 3 months KIBOR + 0.40%) on reimbursement by SBP.

- mark up rates and securities offered on new loans as stated in note 5.3 above.

6 DEFERRED LIABILITIES

| | Note | Un-audited 31 December 2020 Rupees' 000 | Audited 30 June 2020 Rupees' 000 |
|---|------|--|---|
| Deferred government grant | 6.1 | 38,586 | - |
| Deferred tax liabilities | | 3,754,850 | 3,812,837 |
| | | 3,793,436 | 3,812,837 |
| 6.1 Deferred government grant | | | |
| Opening balance | | - | - |
| Received during the period | | 51,853 | - |
| Transferred to statement of profit or loss during the period / year | | (13,267) | - |
| Closing balance | | 38,586 | - |

6.1.1 The grant is recognised on loan under State Bank of Pakistan (SBP) refinance scheme for payment of salaries and wages. It represents the difference between fair value and actual receipt of the loan. As per the terms of aforesaid loan, the Company will not lay off its workers / employees till the end of six months from first disbursement (i.e. April 2020) on account of cash shortage.

7 SHORT TERM BORROWINGS

The markup rates, facility limits, securities offered are the same as disclosed in the annual audited financial statements of the Company for the year ended 30 June 2020.

8 CONTINGENCIES AND COMMITMENTS

8.1 Contingencies

There is no change in the contingent liabilities as reported in the financial statements for the year ended 30 June 2020.

8.2 Commitments

The Company has opened Letters of Credit for the import of coal and spare parts valuing Rs. 501 million (30 June 2020: Rs. 931 million).

| | Un-audited 31 December 2020 Rupees'000 | Audited 30 June 2020 Rupees'000 |
|--|---|--|
| 9 PROPERTY, PLANT AND EQUIPMENT | | |
| Opening book value | 22,065,172 | 23,202,930 |
| Additions during the period / year | 468,388 | 586,409 |
| Written down value of disposals | (67,624) | (1,118) |
| Written down value of write off | - | (9,312) |
| Depreciation for the period / year | (707,068) | (1,713,737) |
| Closing book value | 21,758,868 | 22,065,172 |

FAUJI CEMENT COMPANY LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2020

10 SHORT TERM INVESTMENTS

This represents investments in open ended mutual funds and are measured at fair value through profit or loss. Fair value of these investments is determined using quoted repurchase price.

11 CASH AND BANK BALANCES

| | Un-audited 31 December 2020 Rupees'000 | Audited 30 June 2020 Rupees'000 |
|--|---|--|
| Cash at bank | | |
| Deposit accounts - Conventional banks | 577,160 | 100,237 |
| Deposit accounts - Islamic banks | 7,702 | 3,404 |
| Term deposit receipts - Islamic banks | 251,090 | - |
| Term deposit receipts - Conventional banks | - | 280,050 |
| Current accounts - Conventional banks | 96,262 | 177,425 |
| Current accounts - Islamic banks | 1,014 | 48 |
| | 933,228 | 561,164 |
| Cash in hand | 679 | 10 |
| | 933,907 | 561,174 |

12 REVENUE - NET

The disaggregation of turnover from contracts with customers is as follows:

| | Three months ended | | Six months ended | |
|--------------------------------|--|--|--|--|
| | 31 December 2020 Rupees'000 | 31 December 2019 Rupees'000 | 31 December 2020 Rupees'000 | 31 December 2019 Rupees'000 |
| Sales | | | | |
| - Local | 8,356,782 | 7,625,175 | 15,886,729 | 13,740,823 |
| - Export | 341,930 | 574,159 | 691,445 | 961,538 |
| | 8,698,712 | 8,199,334 | 16,578,174 | 14,702,361 |
| Less: | | | | |
| - Sales tax | 1,310,005 | 1,241,113 | 2,491,776 | 2,230,608 |
| - Excise duty | 1,278,029 | 1,642,616 | 2,473,801 | 2,912,046 |
| - Export development surcharge | 937 | 1,554 | 1,868 | 2,644 |
| | 2,588,971 | 2,885,283 | 4,967,445 | 5,145,298 |
| | 6,109,741 | 5,314,051 | 11,610,729 | 9,557,063 |

FAUJI CEMENT COMPANY LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2020

| 13 | COST OF SALES | Three months ended | | Six months ended | |
|----|---|---------------------|---------------------|---------------------|---------------------|
| | | 31 December 2020 | 31 December 2019 | 31 December 2020 | 31 December 2019 |
| | | Rupees'000 | Rupees'000 | Rupees'000 | Rupees'000 |
| | Raw material consumed | 512,424 | 503,308 | 949,860 | 863,081 |
| | Packing material consumed | 329,014 | 379,824 | 649,839 | 667,001 |
| | Stores and spares consumed | 13,068 | 9,370 | 23,760 | 19,043 |
| | Salaries, wages and benefits | 391,351 | 343,622 | 765,789 | 735,398 |
| | Rent, rates and taxes | 7,106 | 6,253 | 13,755 | 11,931 |
| | Insurance | 34,672 | 37,214 | 69,283 | 73,499 |
| | Fuel consumed | 1,876,847 | 2,170,757 | 3,489,372 | 3,460,925 |
| | Power consumed | 834,560 | 890,746 | 1,459,008 | 1,496,928 |
| | Depreciation | 349,042 | 408,548 | 698,255 | 815,106 |
| | Repairs and maintenance | 159,529 | 220,672 | 365,554 | 310,062 |
| | Technical assistance | 404 | 449 | 628 | 1,270 |
| | Printing and stationery | 768 | 540 | 1,139 | 1,519 |
| | Traveling and conveyance | 8,085 | 12,157 | 17,136 | 25,859 |
| | Vehicle running and maintenance expenses | 3,395 | 5,995 | 9,149 | 9,982 |
| | Communication, establishment and other expenses | 7,146 | 9,616 | 15,178 | 19,210 |
| | Water conservancy charges | 66,024 | 78,295 | 135,300 | 158,150 |
| | | 4,593,435 | 5,077,366 | 8,663,005 | 8,668,964 |
| | Add: Opening work-in-process | 684,753 | 443,162 | 779,940 | 524,636 |
| | Less: Closing work-in-process | (811,954) | (696,949) | (811,954) | (696,949) |
| | Cost of goods manufactured | 4,466,234 | 4,823,579 | 8,630,991 | 8,496,651 |
| | Add: Opening finished goods | 142,104 | 227,553 | 138,345 | 206,537 |
| | Less: Closing finished goods | (188,168) | (269,459) | (188,168) | (269,459) |
| | | 4,420,170 | 4,781,673 | 8,581,168 | 8,433,729 |
| | Less: Own consumption capitalized | (368) | (385) | (376) | (783) |
| | Cost to complete the contract - Freight charges | 160,658 | 140,364 | 312,250 | 140,364 |
| | | 4,580,460 | 4,921,652 | 8,893,042 | 8,573,310 |

FAUJI CEMENT COMPANY LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2020

14 RELATED PARTY TRANSACTIONS AND BALANCES

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

| | Six months ended | |
|--|---------------------|---------------------|
| | 31 December 2020 | 31 December 2019 |
| | Rupees'000 | Rupees'000 |
| Transactions and balances with related parties | | |
| Fauji Foundation | | |
| Sale of cement | 2,620 | 5,771 |
| Advance against sale of cement | 278 | 929 * |
| Donation paid through Fauji Foundation | - | 4,700 |
| Donation paid for medical equipment | - | 50,000 |
| Payment of rent, utilities and management cost | 42,600 | 4,636 |
| Payment for use of medical facilities | 1,308 | 1,040 |
| Dividend paid on ordinary shares | - | 407,738 |
| Transactions with other related parties | | |
| Amount charged to Askari Cement Limited against shared services/materials | 54,262 | - |
| Payment to Foundation Solar Energy (Pvt) Limited against solar power plant | 167,401 | - |
| Payable to Foundation Solar Energy (Pvt) Limited against solar power plant | 20,643 | - * |
| Balance at Askari Bank Limited (AKBL) | 110,216 | 471 * |
| Profit received from AKBL | 266 | 391 |
| Dividend paid to Fauji Fertilizer Company Limited | - | 70,312 |
| Dividend paid to Fauji Fertilizer Bin Qasim Limited | - | 14,062 |
| Dividend paid to Fauji Oil Terminal and Distribution Company Limited | - | 14,062 |
| Payment to FFB Power Company Limited for purchase of coal | - | 91,122 |
| Payments made into Employees' Provident Fund | 29,279 | 26,612 |
| Directors' fee | 1,800 | 2,700 |
| Remuneration including benefits and perquisites to Chief Executive | 9,109 | 12,809 |
| Remuneration including benefits and perquisites to key management personnel - (other than Chief Executive) | 39,080 | 39,540 |

* This represents balance as at 30 June 2020

15 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).

FAUJI CEMENT COMPANY LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
 FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2020

15.1 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

31 December 2020

Financial assets not measured at fair value

Trade debts - net of impairment loss
 Other receivables
 Cash and bank balances

| | Amortized Cost | Carrying amount | | Fair value | | | |
|--|-------------------|-----------------|-----------|-------------|---------|---------|-------|
| | | FVTPL | Total | Level 1 | Level 2 | Level 3 | Total |
| | | | | Rupees '000 | | | |
| | 854,309 | - | 854,309 | - | - | - | - |
| | 66,734 | - | 66,734 | - | - | - | - |
| | 933,907 | - | 933,907 | - | - | - | - |
| | 1,854,950 | - | 1,854,950 | - | - | - | - |

Financial assets measured at fair value

Long term deposits
 Trade deposits
 Short term investments

| | | | | | | | |
|--|---|-----------|-----------|-----------|---|--------|-----------|
| | - | 86,601 | 86,601 | - | - | 86,601 | 86,601 |
| | - | 5,930 | 5,930 | - | - | 5,930 | 5,930 |
| | - | 1,308,250 | 1,308,250 | 1,308,250 | - | - | 1,308,250 |
| | - | 1,400,781 | 1,400,781 | 1,308,250 | - | 92,531 | 1,400,781 |

Financial liabilities not measured at fair value

Long term loans (including current portion)
 Lease liability (including current portion)
 Creditors
 Retention money
 Other liabilities
 Accrued liabilities
 Payable to employees' provident fund trust
 Security deposits payable
 Unclaimed dividend
 Short term borrowings

| | | | | | | | |
|-----------|---|-----------|---|---|---|---|---|
| 1,169,705 | - | 1,169,705 | - | - | - | - | - |
| 82,343 | - | 82,343 | - | - | - | - | - |
| 165,047 | - | 165,047 | - | - | - | - | - |
| 44,214 | - | 44,214 | - | - | - | - | - |
| 176,684 | - | 176,684 | - | - | - | - | - |
| 1,185,032 | - | 1,185,032 | - | - | - | - | - |
| 14,836 | - | 14,836 | - | - | - | - | - |
| 243,649 | - | 243,649 | - | - | - | - | - |
| 39,141 | - | 39,141 | - | - | - | - | - |
| 462,592 | - | 462,592 | - | - | - | - | - |
| 3,583,243 | - | 3,583,243 | - | - | - | - | - |

FAUJI CEMENT COMPANY LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2020

On-balance sheet financial instruments

30 June 2020

Financial assets not measured at fair value

Trade debts - net of impairment loss
 Other receivables
 Cash and bank balances

| Amortized Cost | Carrying amount | | Fair value | | | |
|-------------------|-----------------|-----------|-------------|---------|---------|-------|
| | FVTPL | Total | Level 1 | Level 2 | Level 3 | Total |
| | | | Rupees '000 | | | |
| 1,050,640 | - | 1,050,640 | - | - | - | - |
| 22,169 | - | 22,169 | - | - | - | - |
| 561,174 | - | 561,174 | - | - | - | - |
| 1,633,983 | - | 1,633,983 | - | - | - | - |

Financial assets measured at fair value

Long term deposits
 Trade deposits
 Short term investments

| | | | | | | |
|---|--------|--------|---|---|--------|--------|
| - | 86,601 | 86,601 | - | - | 86,601 | 86,601 |
| - | 11,189 | 11,189 | - | - | 11,189 | 11,189 |
| - | - | - | - | - | - | - |
| - | 99,856 | 99,856 | - | - | 99,856 | 99,856 |

Financial liabilities not measured at fair value

Long term loans (including current portion)
 Lease liability (including current portion)
 Creditors
 Retention money
 Other liabilities
 Payable to employees' provident fund trust
 Accrued liabilities
 Security deposits payable
 Unclaimed dividend
 Short term borrowings

| | | | | | | |
|-----------|---|-----------|---|---|---|---|
| 751,239 | - | 751,239 | - | - | - | - |
| 81,393 | - | 81,393 | - | - | - | - |
| 354,586 | - | 354,586 | - | - | - | - |
| 38,883 | - | 38,883 | - | - | - | - |
| 148,993 | - | 148,993 | - | - | - | - |
| 13,528 | - | 13,528 | - | - | - | - |
| 1,040,530 | - | 1,040,530 | - | - | - | - |
| 253,940 | - | 253,940 | - | - | - | - |
| 40,051 | - | 40,051 | - | - | - | - |
| 1,869,167 | - | 1,869,167 | - | - | - | - |
| 4,592,310 | - | 4,592,310 | - | - | - | - |

FAUJI CEMENT COMPANY LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2020

16 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were authorized for issue by the Board of Directors of the Company in their meeting held on 19 February 2021.

17 GENERAL

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



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

Say No to Corruption



Fauji Cement Company Limited

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

www.fccl.com.pk