

FAUJI CEMENT COMPANY LIMITED

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

Fax No : 051-9280416
E-mail : secretary@fccl.com.pk
Website : http://www.fccl.com.pk
Case No : SECY/FCCL/2037/30

Office : 051-9280075
Exchange : 051-9280081-83
5763321-24
Dated 29 October 2020

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

Subject: **Transmission of Quarterly Accounts for the Period Ended 30th September 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 reference regulations, Quarterly Report of Company for the period ended 30th September 2020 has been transmitted to PSX through PUCARS on 29th October 2020 and is also available on Company's website. 15 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 be inform the TRE Certificate Holders of the Pakistan Stock Exchange accordingly, please.

With regards,



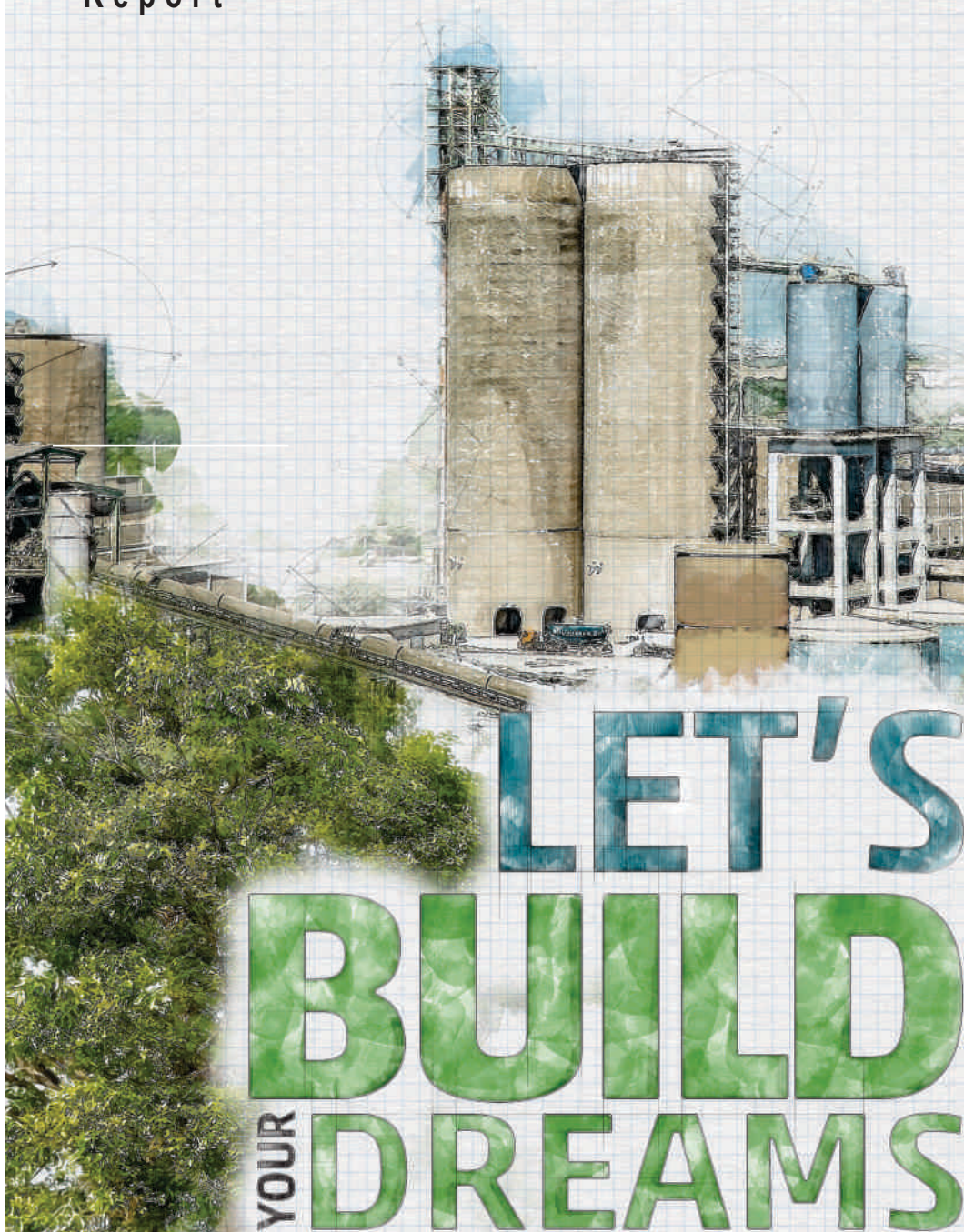
Your's sincerely,

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 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 Shahrah-e-Faisal, Karachi -74400
 - Share Registrar, M/s Corplink (Pvt) Ltd, Wing Arcade,
1-K, Commercial, Model Town, Lahore

2020-21

First
Quarterly
Report



LET'S
BUILD
YOUR DREAMS

آزادی قیمتی ہے



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Board of Directors

Mr Waqar Ahmed Malik
Mr Qamar Haris Manzoor
Maj Gen Abid Rafique, HI(M), (Retd)
Maj Gen Naseer Ali Khan, HI(M), (Retd)
Dr Nadeem Inayat
Mr Imran Moid
Mr Sami ul Haq Khilji
Mr Jawaid Iqbal
Mr Zafar Iqbal Sobani
Ms Jahanara Sajjad Ahmad

Chairman
Chief Executive / MD
Director
Director
Director
Director
Non Executive
Independent Director
Independent Director
Independent Director

Company Secretary

Brig Riaz Ahmed Gondal, SI(M), (Retd)
Fauji Towers, Block III, 68 Tipu Road,
Chaklala, Rawalpindi
Tel: +92-051 9280075
Fax Number: +92-051 9280416
Email: secretary@fccl.com.pk

Chief Financial Officer

Mr Omer Ashraf
Tel: +92-051 5500157
Email: omer@fccl.com.pk

Auditors

M/s KPMG Taseer Hadi & Co,
Chartered Accountants
6 Floor, State Life Building No. 5
Jinnah Avenue, Blue Area, P.O. Box 1323
Islamabad, Pakistan
Tel: +92-051 282-3558
Fax Number: +92-051 2822671

Legal Advisors

M/s ORR Dignam & Co, Advocates
Marina Height, 2nd Floor 109 East
Jinnah Avenue, Islamabad
Tel: +92-051 2260517-8
Fax Number: +92-051 2260653

Share Registrar

M/s Corplink (Pvt) Limited
Wings Arcade, 1-K, Commercial,
Model Town, Lahore
Tel: +92-042-35916714-19 &
+92-042-35869037
Email: corplink786@yahoo.com
Fax Number: +92-042-35869037

Email for E-Filling & E-Services

Email:secretaryoffice@fccl.com.pk

GM Marketing & Sales

Brig Muhammad Iqbal Tahir, SI(M), (Retd)
GM (Marketing & Sales)
4th Floor, AWT Plaza, The Mall,
Rawalpindi, Pakistan
Tel: +92-051-5523836,
Office: +92-051-5528963-64
Fax Number: +92-051-5528965-66
Email: adminmkt@fccl.com.pk

GM Human Resource

Brig Abdul Jabbar, SI(M), (Retd)
GM Human Resource
Tel: +92-051-9280084
Fax Number: +92-051-9280416
Email:abdul.jabbar@fccl.com.pk

GM Supply Chain Management

Syed Kamran Hassan
Tel: +92-051-9281549
Fax Number: +92-051-9280416
Email:kamran.hassan@fccl.com.pk

Factory

Fauji Cement Company Limited Near
Village Jhang Bahtar, Tehsil Fateh Jang,
District Attock
Tel Exchange: +92-0572-538047-48,
+92-0572- 2538138
Fax Number: +92-0572-538025

Registered Office

Fauji Cement Company Limited
Fauji Towers, Block III, 68 Tipu Road,
Chaklala, Rawalpindi
Tel Exchange: +92-051-9280081-83,
+92-051-5763321-24
Fax Number: +92-051-9280416
http://www.fccl.com.pk

Company Website

http://www.fccl.com.pk

Audit Committee

(1)	Mr Zafar Iqbal Sobani	Chairman
(2)	Dr Nadeem Inayat	Member
(3)	Mr Sami ul Haq Khilji	Member
(4)	Mr Jawaid Iqbal	Member
(5)	Brig Riaz Ahmed Gondal, SI(M), (Retd)	Secretary

Human Resource & Remuneration Committee

(1)	Ms Jahanara Sajjad Ahmed	Chairperson
(2)	Dr Nadeem Inayat	Member
(3)	Mr Sami ul Haq Khilji	Member
(4)	Mr Jawaid Iqbal	Member
(5)	Brig Riaz Ahmed Gondal, SI(M), (Retd)	Secretary

Investment Committee


(1)	Dr Nadeem Inayat	Chairman
(2)	Mr Qamar Haris Manzoor	Member
(3)	Mr Sami ul Haq Khilji	Member
(4)	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 Limited
- Silk Bank Limited
- Bank of Punjab
- Faysal Bank Limited
- Bank Al-Habib Limited
- Al-Baraka Pakistan Limited
- Bank Islami Pakistan Limited
- Habib Metropolitan Bank Limited

1. The Board of Directors are pleased to present the Review Report along with un-audited financial statements of the Company for the 1st Quarter ended 30th September 2020.
2. The Cement Industry saw a revival of demand as well as improvement in prices in the quarter ending September 2020, with an overall growth of 22% in sales as compared to same period last year. The company through focused marketing strategy was able to achieve a capacity utilization of 97% in the quarter under review as compared to 79% last year. Sales revenue stood at Rs 5,501 Million as compared to Rs 4,243 Million in corresponding period of last year showing an increase of 30%. The Company continued to maximize its own power generation from its gas engines and solar plants to rationalize the power cost which is one of the major cost components. Fixed costs were also kept under tight control. As a result of all above gross profit ratio improved to 22% as compared to 14% of corresponding period last year. During first quarter of FY 20-21, the Company earned a net profit of Rs 696 Million as compared to Rs 293 Million in same period of last year translating into an increase of 138%.
3. Going forward, the cement demand is expected to remain strong on the back of construction activity gaining momentum and initiating of work on CPEC and mega hydro power projects. Exports to Afghanistan is also showing robust growth after opening of Afghan border post Covid -19 related lockdown and is expected to remain stable in coming quarter. Due to onset of winter reduction in uptake of cement in local market in northern areas is foreseen. The prices are also likely to sustain the current levels with improved sales. On cost side, prices of coal in international market have shown an increasing trend that can impact profitability of the Company in the next quarter, however efforts are fully in place to get local coal supplies resumed and alternate fuels are being explored. The cost savings initiatives will continue to remain in close focus to ensure better results.
4. 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 for the quarter. The Board expresses its appreciation to the State Bank of Pakistan in providing relief on the financing aspect and assistance provided by its lenders. The Board would also like to extend gratitude to all the stakeholders in their ongoing support to the Company.

On behalf of the Board of Directors



Waqar Ahmed Malik
Chairman BODs FCCL



Qamar Haris Manzoor
Chief Executive & Managing Director

ڈائریکٹرز کی رپورٹ

1۔ فوجی سینٹ کمپنی لمیٹڈ (FCCL) کے بورڈ آف ڈائریکٹرز نے جائزہ رپورٹ پیش کرنے میں مسرت محسوس کرتا ہے جس میں 30 ستمبر 2020 کو ختم ہونے والی پہلی سہ ماہی کے لیے کمپنی کے نمبر آڈٹ شدہ مالیاتی گوشوارے بھی شامل ہیں۔

2۔ ستمبر 2020 میں ختم ہونے والی سہ ماہی میں سینٹ کی صنعت میں طلب کی بحالی اور اس کے ساتھ ساتھ قیمتوں میں بہتری بھی دیکھنے میں آئی، اور سینٹ کی فروخت میں گزشتہ برس کے اسی دورانے کے مقابلے میں 22 فیصد کا مجموعی اضافہ ہوا۔ فروخت میں اضافے اور منافع میں بہتری پر توجہ کرنے والا لائحہ عمل بروئے کار لانے کے باعث کمپنی کی پیداواری صلاحیت کے استعمال کی شرح 97 فیصد تک پہنچ گئی ہے جو گزشتہ برس 79 فیصد تھی۔ فروخت سے ہونے والی آمدنی 5,501 ملین روپے رہی جو گزشتہ برس کے اسی دورانیے میں 4,243 ملین روپے تھی جس سے 30 فیصد اضافہ ظاہر ہوتا ہے۔ کمپنی نے گیس اور شمسی توانائی سے چلنے والے پلانٹس کے ذریعے اپنی بجلی پیدا کرنے کی استعداد کو زیادہ سے زیادہ کرنے کی کوشش جاری رکھی ہوئی ہے تاکہ سستی بجلی کے ذریعے، جو پیداواری لاگت کا ایک بڑا جزو ہے، پیداواری لاگت کو مزید کمزور کرنے میں مدد ملے۔ طے شدہ اخراجات کو بھی لڑی نگاری کے تحت رکھا گیا۔ اس سب اقدامات کے نتیجے میں مجموعی منافع کی شرح 22 فیصد پر پہنچ گئی جو گزشتہ برس کے اسی دورانیے میں 14 فیصد تھی۔ مالی سال 2021 کی پہلی سہ ماہی میں کمپنی نے 696 ملین روپے کا نیٹ (net) منافع کمایا ہے جو گزشتہ برس کے اسی دورانیے میں 293 ملین روپے تھا اور یوں یہ اضافہ 138 فیصد بنتا ہے۔

3۔ مستقبل پر نگاہ ڈالی جائے تو تعمیراتی سرگرمیوں میں تیزی اور سی پیک اور پرن بجلی کے بڑے منصوبوں پر کام شروع ہونے کی بنا پر سینٹ کی طلب میں استحکام رہنے کی توقع ہے۔ کورونا وبا کی وجہ سے کیے گئے لاک ڈاؤن کے بعد افغان سرحد کے کھل جانے کے باعث افغانستان کو ہونے والی برآمدات میں بھی خاصا اضافہ دیکھنے میں آ رہا ہے اور توقع ہے کہ آئندہ سہ ماہی میں اس میں بھی استحکام رہے گا۔ موسم سرما کی آمد کے ساتھ شمالی علاقہ جات کی مقامی مارکیٹ میں سینٹ کی طلب میں کمی کا پہلے سے اندازہ ہے۔ فروخت کی بہتر صورت حال کی وجہ سے قیمتوں کے بھی حالیہ سطح پر برقرار رہنے کی توقع ہے۔ لاگت کو دیکھا جائے تو بین الاقوامی مارکیٹ میں کوئلے کی قیمتوں میں اضافے کا رجحان دیکھا جا رہا ہے جو آئندہ سہ ماہی میں کمپنی کے منافع کی شرح پر اثر انداز ہو سکتا ہے تاہم پوری کوشش کی جا رہی ہے کہ کوئلے کی مقامی ترسیلات کو بحال کیا جائے اور کسی متبادل ایندھن کی تلاش جستجو کی جائے۔ بہتر نتائج کا حصول یقینی بنانے کے لیے لاگت میں کمی کے اقدامات پر کڑی توجہ جاری رکھی جائے گی۔

4۔ بورڈ آف ڈائریکٹرز کمپنی کے تمام ملازمین اور انتظامیہ کو خراج تحسین پیش کرتا ہے جن کی محنت کے باعث اس سہ ماہی میں مثبت نتائج سامنے آئے۔ یہ بورڈ مالی معاملات میں آسانی فراہم کرنے پر سٹیٹ بینک آف پاکستان اور مالی معاونت فراہم کرنے پر کاروباری قرض خواہ اداروں کے لیے بھی ممنونیت کا اظہار کرتا ہے۔ بورڈ اپنے تمام دیگر متعلقین کا بھی شکریہ ادا کرتا ہے جن کی مسلسل تائید کمپنی کو حاصل ہے۔

بورڈ آف ڈائریکٹرز کی نیابت سے



قمر حارث منظور

چیف ایگزیکٹو و مینجنگ ڈائریکٹر



وقار احمد ملک

چیئر مین بورڈ آف ڈائریکٹرز فوجی سینٹ کمپنی لمیٹڈ

راولپنڈی

29 اکتوبر 2020

	Note	Un-audited 30 September 2020 Rupees'000	Audited 30 June 2020 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		8,066,139	7,370,555
Total equity		20,499,904	19,804,320
LIABILITIES			
Long term loans	5	496,554	447,327
Employee benefits		74,095	72,547
Lease liability		54,437	57,656
Deferred liabilities	6	3,797,847	3,812,837
Non-current liabilities		4,422,933	4,390,367
Trade and other payables		1,516,000	1,244,933
Accrued liabilities		1,240,345	1,040,530
Security deposits payable		260,004	253,940
Contract liabilities		414,234	367,952
Employee benefits - current portion		31,537	24,708
Payable to employees' provident fund trust		14,092	13,528
Unclaimed dividend		39,763	40,051
Short term borrowings	7	801,363	1,869,167
Current portion of lease liability		29,740	23,737
Current portion of long term loans	5	413,578	303,912
Current liabilities		4,760,656	5,182,458
Total liabilities		9,183,589	9,572,825
TOTAL EQUITY AND LIABILITIES		29,683,493	29,377,145

CONTINGENCIES AND COMMITMENTS 8

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.

Chief Executive Officer

Director

Chief Financial Officer

		Un-audited 30 September 2020 Rupees'000	Audited 30 June 2020 Rupees'000
	Note		
ASSETS			
Property, plant and equipment	9	21,731,207	22,065,172
Right of use asset		56,552	60,322
Long term deposits		86,601	86,601
Advance against issue of shares		12,500	12,500
Non-current assets		21,886,860	22,224,595
Stores, spares and loose tools		3,837,394	3,505,809
Stock in trade		1,045,201	1,187,752
Trade debts		1,061,788	1,050,640
Advances		82,433	73,695
Trade deposits and short term prepayments		67,530	19,843
Advance tax - net		673,917	731,468
Other receivables		67,503	22,169
Cash and bank balances	10	960,867	561,174
Current assets		7,796,633	7,152,550
TOTAL ASSETS		29,683,493	29,377,145

Chief Executive Officer

Director

Chief Financial Officer

		Quarter Ended	
	Note	30 September 2020 Rupees'000	30 September 2019 Rupees'000
Revenue - net	11	5,500,988	4,243,012
Cost of sales	12	(4,312,582)	(3,651,658)
Gross profit		1,188,406	591,354
Selling and distribution expenses		(47,536)	(52,332)
Administrative expenses		(103,066)	(109,920)
Other expenses		(70,451)	(29,594)
Other income		8,561	16,069
Operating profit		975,914	415,577
Finance cost		(29,659)	(27,773)
Finance income		9,860	13,824
Net finance cost		(19,799)	(13,949)
Profit before taxation		956,115	401,628
Income tax expense		(260,531)	(108,808)
Profit for the period		695,584	292,820
Earnings per share - basic and diluted (Rupees)		0.50	0.21

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.

Chief Executive Officer

Director

Chief Financial Officer

	Quarter Ended	
	30 September 2020 Rupees'000	30 September 2019 Rupees'000
Net profit after tax	695,584	292,820
Other comprehensive income	-	-
Total comprehensive income	695,584	292,820

The annexed notes 1 to 16 form an integral part of these condensed interim financial Statement.



Chief Executive Officer



Director



Chief Financial Officer

	Quarter Ended	
	30 September 2020 Rupees'000	30 September 2019 Rupees'000
Cash flows from operating activities		
Net profit before taxation	956,115	401,628
Adjustments for:		
Depreciation	353,523	411,600
Depreciation on right of use asset	3,770	-
Provision for compensated absences	11,137	20,513
Workers' (Profit) Participation Fund including interest	51,328	21,682
Workers' Welfare Fund	19,122	8,033
Finance cost (excluding interest on WPPF)	29,659	27,651
Gain on disposal of property, plant and equipment	(3,435)	(4,414)
Interest income	(9,860)	(13,824)
	455,244	471,241
Operating cash flows before working capital changes	1,411,359	872,869
Changes in		
Stores, spares and loose tools	(331,585)	269,719
Stock in trade	142,551	5,862
Trade debts	(11,148)	(175,615)
Advances	(8,738)	(23,690)
Trade deposits and short term prepayments	(47,687)	(66,315)
Other receivables	(45,334)	(8,536)
Trade and other payables	200,614	678,067
Accrued liabilities	199,815	49,701
Security deposits payable	6,064	21,306
Contract liabilities	46,282	47,435
Payable to employees' provident fund trust	564	932
Cash generated from operating activities	151,398	798,866
Compensated absences paid	(2,758)	(1,977)
Payment to Workers' (Profit) Participation Fund	-	(6,964)
Taxes paid	(234,250)	(215,320)
Net cash generated from operating activities	1,325,749	1,447,474
Cash flows from investing activities		
Additions in property, plant and equipment	(21,132)	(109,657)
Proceeds from disposal of property, plant and equipment	5,009	4,520
Interest received on bank deposits	7,702	14,129
Net cash used in investing activities	(8,421)	(91,008)
Cash flows from financing activities		
Repayment of long term loans	(105,945)	(213,088)
Disbursements from new long term loans	294,761	-
Unclaimed dividend	(288)	(2,677)
Finance cost paid	(38,359)	(49,328)
Net cash generated from /(used) in financing activities	150,169	(265,093)
Increase in cash and cash equivalents	1,467,497	1,091,373
Cash and cash equivalents at beginning of the period	(1,307,993)	(587,265)
Cash and cash equivalents at end of the period	159,504	504,108
Cash and cash equivalents comprise of the following:		
Cash and bank balances	960,867	613,052
Short term borrowings	(801,363)	(108,944)
	159,504	504,108

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.

Chief Executive Officer

Director

Chief Financial Officer

Chief Executive Officer

Director

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.

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 of the Company have been prepared in accordance with the requirements of International Accounting Standard 34 - "Interim Financial Reporting" and provisions of and directives issued under the Companies Act, 2017. In case where requirements differ, the provisions of or 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 annual financial statements and should therefore be read in conjunction with the financial statements for the year ended 30 June 2020. Comparative statement of financial position is extracted from annual financial statements as of 30 June 2020 whereas comparative condensed interim profit or loss, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity are extracted from unaudited condensed interim financial statements for the quarter ended 30 September 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

3 SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES

The accounting policies, significant judgments made in the application of accounting policies, key sources of estimations, the methods of computation adopted in preparation of these condensed interim financial statements and financial risk management policy are the same as those applied in preparation of audited annual financial statements for the year ended 30 June 2020 except for the changes as indicated below:

3.1 GOVERNMENT GRANTS

Grants are recognised when there is reasonable assurance that:

- the Company will comply with the conditions, if any, attached thereto; and
- the grants will be received.

It is recognised as income on systematic basis over the periods when related costs are expensed out.

4 SHARE CAPITAL

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

5 LONG TERM LOANS

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

	Note	Un-audited 30 September 2020 Rupees' 000	Audited 30 June 2020 Rupees' 000
Term finance facilities	5.1	917,996	729,180
Less: Current portion shown under current liabilities		(405,166)	(281,853)
Deferred government grant		(16,276)	-
		496,554	447,327
5.1	Movement in this account during the period/ year is as follows:		
Opening balance		729,180	636,869
Disbursements from loans		294,761	411,344
Principal repayment during the period/ year		(105,945)	(319,033)
Closing balance		917,996	729,180
5.2	Current Portion		
Current portion of loan		405,166	281,853
Markup accrued		8,412	22,059
		413,578	303,912

- 5.3** 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 except for mark up rate on loan 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) that is revised to 0.40% per annum (2020: 3 months KIBOR + 0.40%) on reimbursement by SBP.

6 DEFERRED LIABILITIES

	Note	Un-audited 30 September 2020 Rupees' 000	Audited 30 June 2020 Rupees' 000
Deferred government grant	6.1	16,276	-
Deferred tax liabilities		3,781,571	3,812,837
		3,797,847	3,812,837
6.1	Deferred government grant		
Opening balance		-	-
Received during the period	6.1.1	18,439	-
Transferred to statement of profit or loss during the period/year		(2,163)	-
Closing balance		16,276	-

- 6.1.1** The grant is recognised on loan 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). It represents the difference between fair value and actual receipt of the loan. As per the terms of aforesaid loan, 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 (SECURED) - CONVENTIONAL AND ISLAMIC BANKS

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

8.2.1 The company has opened Letters of Credit for the import of coal and spare parts valuing Rs. 757 million (30 June 2020: Rs. 931 million).

8.2.2 The Company has capital commitments of Rs. 201 million (30 June 2020: Nil).

9 PROPERTY, PLANT AND EQUIPMENT

	Un-audited 30 September 2020 Rupees'000	Audited 30 June 2020 Rupees'000
Opening book value	22,065,172	23,202,930
Additions during the period/ year	21,132	586,409
Written down value of disposals	(1,574)	(1,118)
Written down value of write off	-	(9,312)
Depreciation for the period/year	(353,523)	(1,713,737)
Closing book value	21,731,207	22,065,172

10 CASH AND BANK BALANCES

Cash at banks		
Deposit accounts - Conventional banks	666,003	100,237
Deposit accounts - Islamic banks	2,318	3,404
Term deposit receipts - Islamic banks	230,044	-
Term deposit receipts - Conventional banks	-	280,050
Current accounts - Conventional banks	59,197	177,425
Current accounts - Islamic banks	2,719	48
	960,281	561,164
Cash in hand	586	10
	960,867	561,174

11 REVENUE-NET

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

	Quarter Ended 30 September 2020 Rupees'000	30 September 2019 Rupees'000
Sales - Local	7,529,947	6,115,648
- Export	349,515	387,379
	7,879,462	6,503,027
Less: - Sales tax	1,181,771	989,495
- Excise duty	1,195,772	1,269,430
- Export development surcharge	931	1,090
	2,378,474	2,260,015
	5,500,988	4,243,012

12 COST OF SALES

	Quarter Ended	
	30 September 2020	30 September 2019
	Rupees'000	Rupees'000
Raw material consumed	437,436	359,773
Packing material consumed	320,825	287,177
Stores and spares consumed	10,692	9,673
Salaries, wages and benefits	374,438	381,490
Rent, rates and taxes	6,649	5,678
Insurance	34,611	36,285
Fuel consumed	1,612,525	1,290,168
Power consumed	624,448	606,182
Depreciation	349,213	406,558
Repairs and maintenance	206,025	99,676
Technical assistance	224	821
Printing and stationery	371	979
Traveling and conveyance	9,051	13,702
Vehicle running and maintenance expenses	5,754	3,987
Communication, establishment and other expenses	8,032	22,094
Water conservancy charges	69,276	67,355
	4,069,570	3,591,598
Add: Opening work-in-process	779,940	524,636
Less: Closing work-in-process	(684,753)	(443,162)
Cost of goods manufactured	4,164,757	3,673,072
Add: Opening finished goods	138,345	206,537
Less: Closing finished goods	(142,104)	(227,553)
	4,160,998	3,652,056
Less: Own consumption	(8)	(398)
Freight charges	151,592	-
	4,312,582	3,651,658

13 RELATED PARTY TRANSACTIONS

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

	Quarter Ended	
	30 September 2020 Rupees'000	30 September 2019 Rupees'000
Transactions and balances with related parties		
Fauji Foundation		
Sale of Cement	1,970	799
Advance against sale of cement	928	929 *
Payment for use of medical facilities	809	524
Donation paid through Fauji Foundation	-	4,700
Payment of rent and utilities	492	3,991
Amount charged to Askari Cement Limited against shared services/materials	31,494	5,419 *
Balance at Askari Bank Limited	3,174	471 *
Profit received from Askari Bank Limited	115	94
Transactions with other related parties		
Payments made into Employees' Provident Fund	13,631	13,187
Payment of director's fee	1,200	1,650
Remuneration including benefits and perquisites to Chief Executive	3,979	5,688
Remuneration including benefits and perquisites to key management personnel	8,710	12,376

* Comparative figures are as at 30 June 2020

14 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).

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

On-balance sheet financial instruments	Carrying amount		Fair value			
	Amortized Cost	FVTPL	Total	Level 1	Level 2	Level 3
	Rupees '000					
			Total			Total
Financial assets not measured at fair value						
Trade debts - net of impairment loss	1,061,788	-	1,061,788	-	-	-
Other receivables	67,503	-	67,503	-	-	-
Cash and bank balances	960,867	-	960,867	-	-	-
	2,090,158	-	2,090,158	-	-	-
Financial assets measured at fair value						
Long term deposits	-	86,601	86,601	-	-	86,601
Trade deposits	-	6,534	6,534	-	-	6,534
	-	93,135	93,135	-	-	93,135
Financial liabilities not measured at fair value						
Long term loans (including current portion)	910,132	-	910,132	-	-	-
Lease liability (including current portion)	84,177	-	84,177	-	-	-
Creditors	300,931	-	300,931	-	-	-
Retention money	20,415	-	20,415	-	-	-
Other liabilities	269,482	-	269,482	-	-	-
Payable to employees' provident fund trust	14,092	-	14,092	-	-	-
Accrued liabilities	1,240,345	-	1,240,345	-	-	-
Security deposits payable	260,004	-	260,004	-	-	-
Unclaimed dividend	39,763	-	39,763	-	-	-
Short term borrowings	801,363	-	801,363	-	-	-
	3,940,704	-	3,940,704	-	-	-

On-balance sheet financial instruments	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	1,050,640	-	1,050,640	-	-	-	-
Other receivables	22,169	-	22,169	-	-	-	-
Cash and bank balances	561,174	-	561,174	-	-	-	-
	1,633,983	-	1,633,983	-	-	-	-
Financial assets measured at fair value							
Long term deposits	-	86,601	86,601	-	-	86,601	86,601
Trade deposits	-	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)	751,239	-	751,239	-	-	-	-
Lease liability (including current portion)	81,393	-	81,393	-	-	-	-
Creditors	354,586	-	354,586	-	-	-	-
Retention money	38,883	-	38,883	-	-	-	-
Other liabilities	148,993	-	148,993	-	-	-	-
Accrued liabilities	13,528	-	13,528	-	-	-	-
Payable to employees' provident fund trust	1,040,530	-	1,040,530	-	-	-	-
Security deposits payable	253,940	-	253,940	-	-	-	-
Undeclared dividend	40,051	-	40,051	-	-	-	-
Short term borrowings	1,869,167	-	1,869,167	-	-	-	-
	4,592,310	-	4,592,310	-	-	-	-

15 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 29th October 2020.

16 GENERAL

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



Chief Executive Officer



Director



Chief Financial Officer



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Company Secretary

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