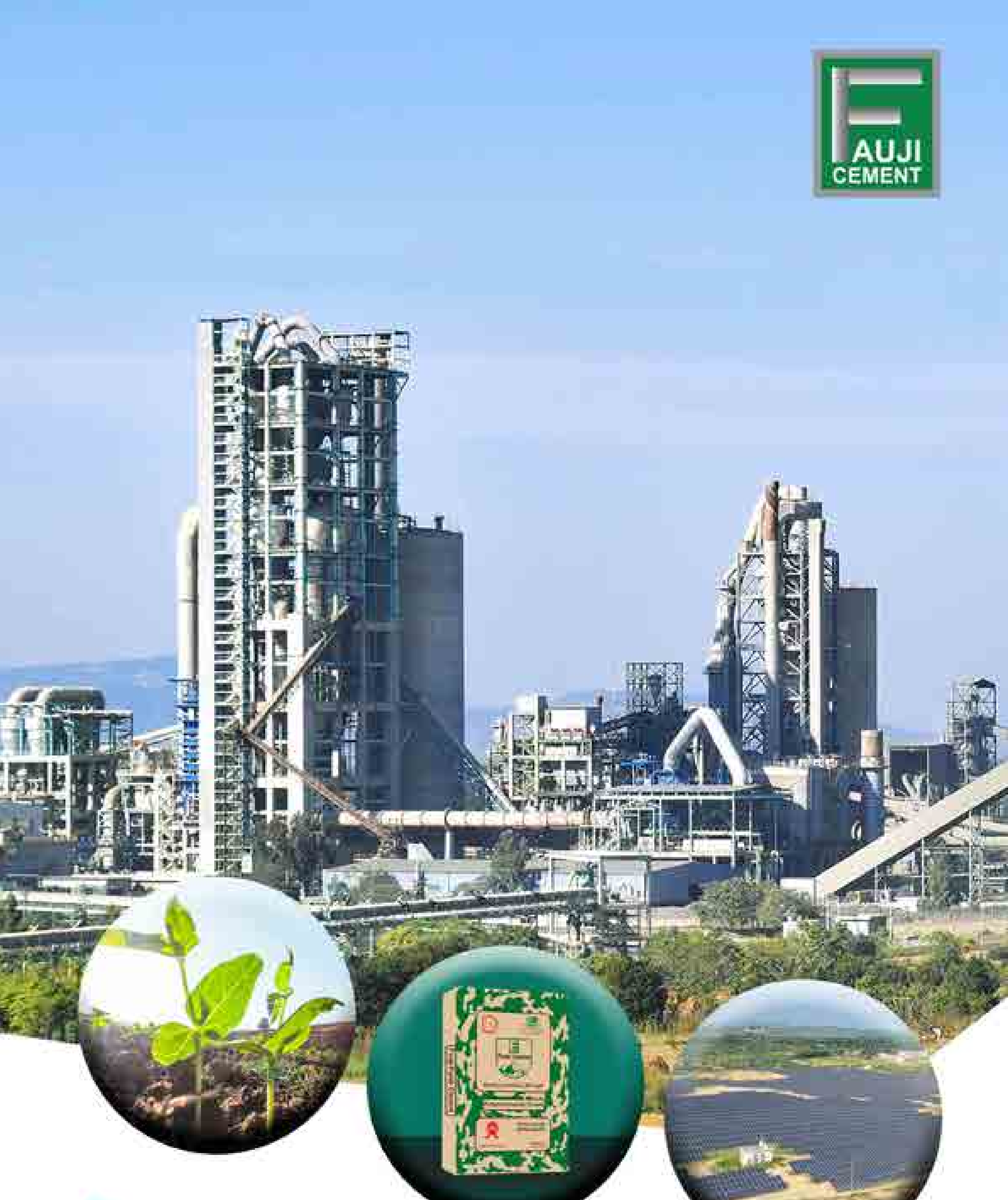
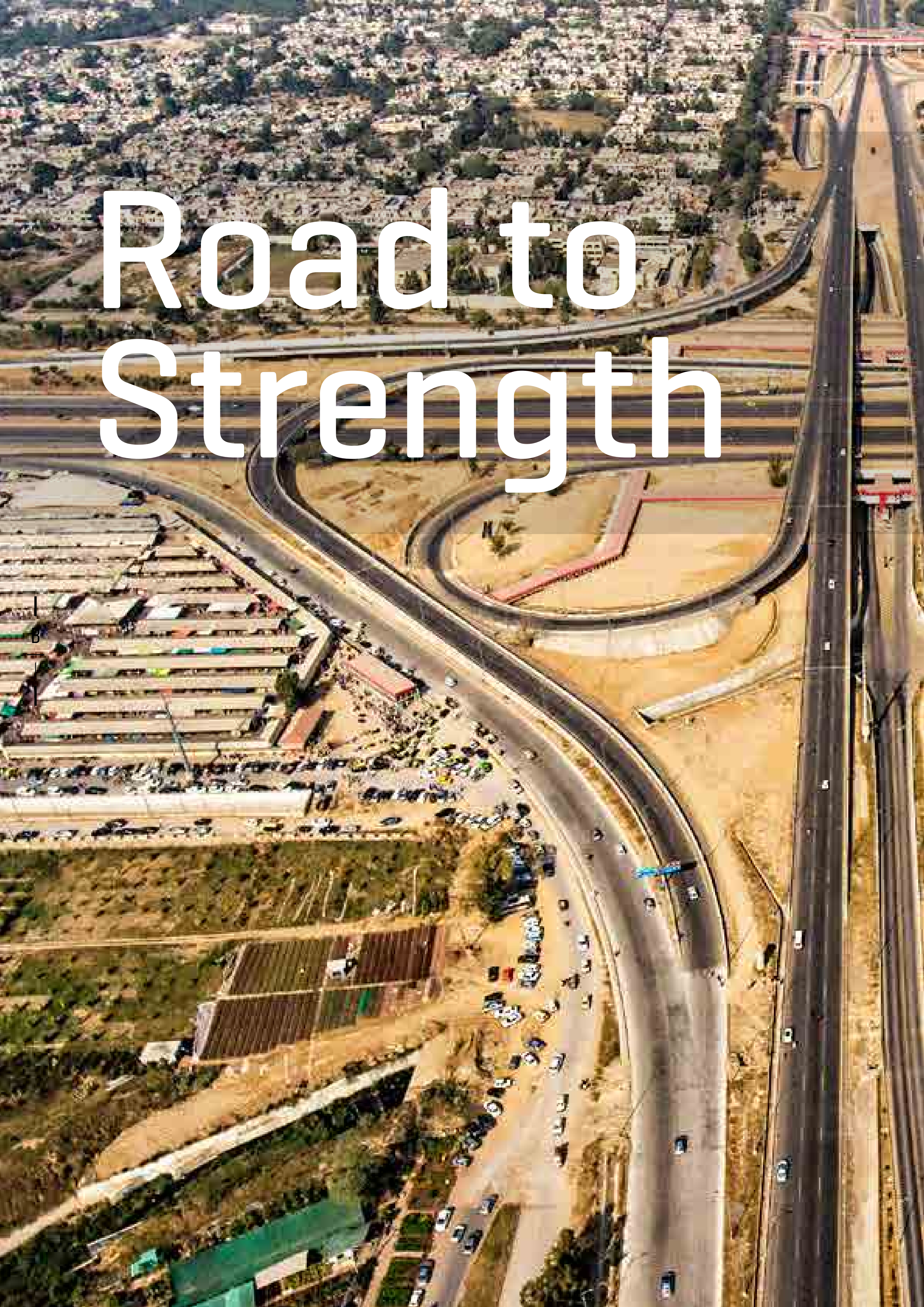
FAUJI CEMENT



Re-engineering for Sustainable Future

Annual Report 2019

Road to Strength



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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 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

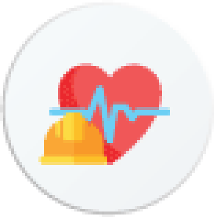
A conflict of interest exists when a personal interest or activity of an employee influences or interferes with employees' performance of duties, responsibilities or loyalties to the Company. All employees must avoid any personal or business influences or relationships that affect or appear to affect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

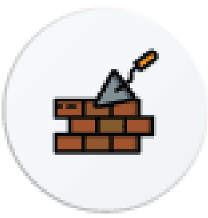
We support the communities where we do business, hold ourselves to the highest standards of ethical conduct and environment responsibility and communicate openly with people and the resources entrusted to us.

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.

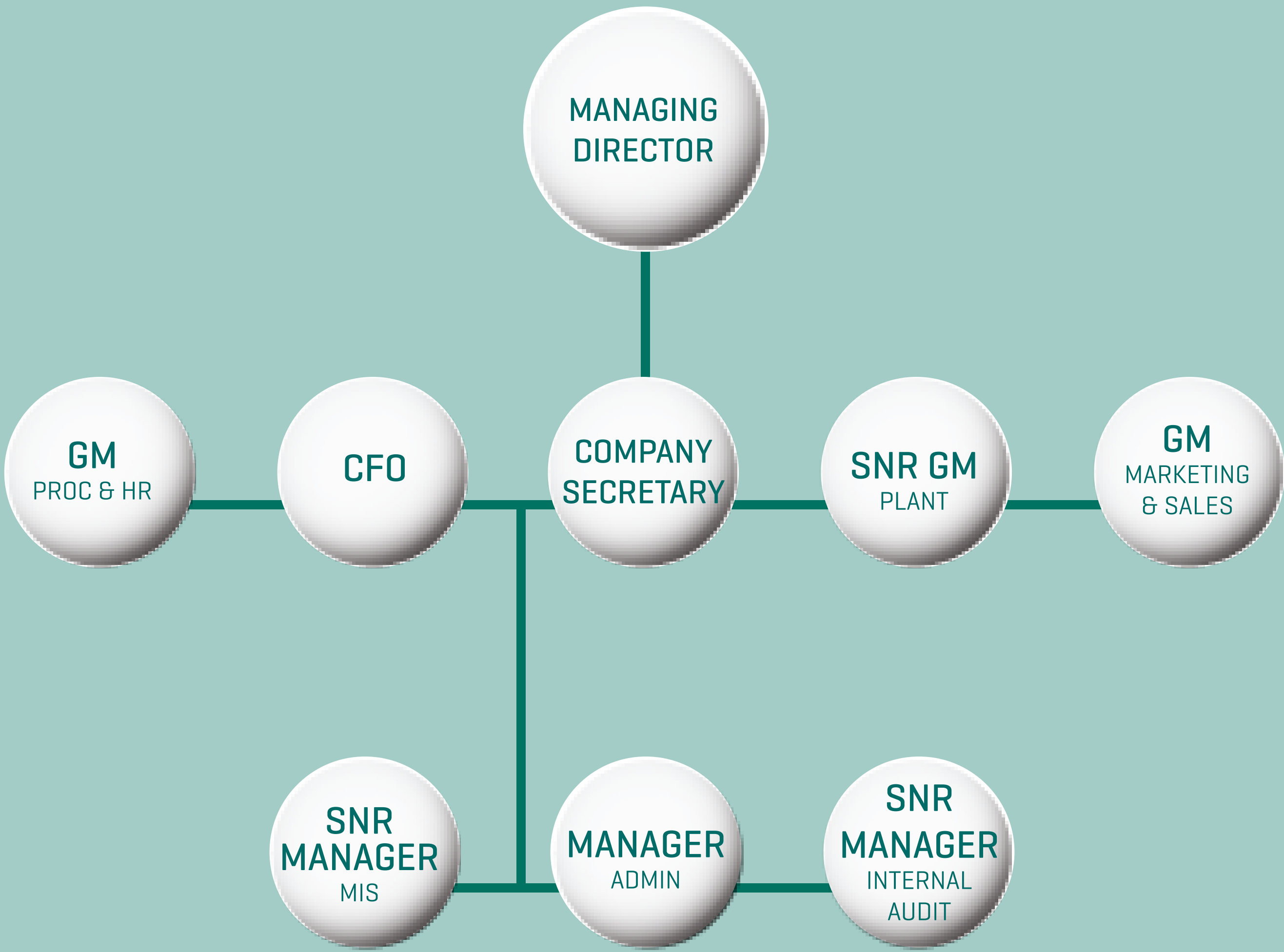
In pursuance of its commitment to ENVIRONMENT, the Company installed in 2009 first ever Refuse Derived Fuel (RDF) Processing Plant at a cost of Rs.320 Million. It has not only provided economical fuel but demonstrated a better way of disposing Municipal Waste. In addition, this milestone achievement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

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
PROC & HR	Procurement & Human Resource
MIS	Management Information System

HIGHLIGHTS **2019**

CEMENT PRODUCTION
3,041,178
(TONS)

CEMENT SALES
3,037,623
(TONS)

INVESTMENT IN SOLAR POWER PLANT
1,231
(RS IN MILLION)

CEMENT SALES REVENUE
20.798
(RS IN BILLION)

PROFIT PAYOUT TO SHAREHOLDERS
73%*

CONTRIBUTION TO NATIONAL EXCHEQUER
10.783
(RS IN BILLION)

CAPACITY UTILIZATION
85%

GENERATION OF OWN ELECTRICITY
43%
OF TOTAL REQUIREMENT

* Including final proposed dividend

YEAR AT **A GLANCE**

2018

August

01

- 127th Special BODs Meeting – Approval for setting up 12.5 Mega Watt Captive Solar Power Plant
- 128th BODs Meeting – Approval of Final Accounts for FY 2017-18 and Final Dividend 2018 proposed @ Rs 1/- per share

September

02

28th Annual General Meeting of Shareholders

October

03

129th BODs Meeting – Approval of 1st Quarterly Accounts

November

04

10th EOGM – Election of Directors for a period of 3 years

2019

February

05

130th BODs Meeting – Approval of Half Yearly Accounts and Interim Cash Dividend @ Rs 0.75 per share

April

06

131st BODs Meeting – Approval of 3rd Quarterly Accounts

May

07

Start of operations of 12.5 MW Solar Power Plant

June

08

132nd BODs Meeting-Approval of Annual Budget of the Company for FY 2019-20.

COMPANY **INFORMATION**

Board of Directors

Lt Gen Syed Tariq Nadeem Gilani,
HI(M), (Retd), **Chairman**

Lt Gen Muhammad Ahsan Mahmood,
HI(M), (Retd), **CEO/MD**

Maj Gen Tahir Ashraf Khan,
HI(M), (Retd)

Maj General Kaleem Saber Taseer,
HI(M), (Retd)

Mr Rehan Laiq

Mr Muhammad Amir Khan

Mr Syed Iqtidar Saeed

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

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

Email for E-Filling & E-Services

Email: secretaryoffice@fccl.com.pk

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

Marketing & Sales Department

Brig Khizer Sultan Raja,
SI(M), (Retd)
GM (Marketing & Sales)
Ist Floor, Aslam Plaza, 60
Adamjee Road, Saddar,
Rawalpindi-Pakistan
Tel No +92-51-5523836,
+092-051-5528042
+92-51-5528960,
+092-051-5528963-64,
Fax No. +92-51-5528965-66
Email: adminmkt@fccl.com.pk

Procurement & Human Resource Department

Brig Pervez Iqbal Malik,
SI(M), (Retd)
GM Procurement & Human
Resource
Tel: +92-51-9280084
Fax NO.+92-51-9280416
Email: pervez.iqbal@fccl.com.pk

Shares Registrar

M/s Corplink (Pvt) Limited
Wings Arcade, 1-K, Commercial,
Model Town, Lahore
Tel No +92-042-35916714-19
& 35869037
Fax No. +92-042-35869037
Email: corplink786@yahoo.com

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

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

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

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

- Years represent financial year

Road to Progress

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

2008
Commissioning of 5.4 MW dual fuel captive power plant

2009
Commissioning of First ever (in Pakistan) Refuse Defused Fuel (RDF) Plant to run on Municipal Solid Waste

2010
Commissioning of 16.3 MW dual fuel Wartsilla power plant

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

2015
Commissioning of 12 MW Waste Heat Recovery Power Plant (WHRP) on Line-II

2016
Highest ever Profit and Dividend payment in Company's History

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

2019
Commissioning of 12.5 MW Solar Power Plant (Largest Captive Solar Plant in Industry)

Launching of First Green Cement (Pamir Cement)

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 2019 saw us launching our own mobile quality testing van to address the customer complaints and also helping them by providing feedback where ever required, the first of its kind in the Industry.

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.

SWOT **ANALYSIS**

STRENGTHS

- One of the major cement producers in Pakistan.
- One of the lowest cost producer in the industry.
- Among the premium quality brands in the industry (trusted by mega projects both private and public) fetching a premium price.
- Own Captive multi fuel including Greener Generation capacity of 55 MW.
- State of the art energy efficient production lines – European Technology.
- Highly qualified, motivated and dedicated workforce with a very low turnover.

WEAKNESSES

- Potential disadvantage for sea exports compared to plants in South.
- Less outreach to some areas due to complete capacity at one site.
- High freight cost on fuels and materials due to its location.

OPPORTUNITIES

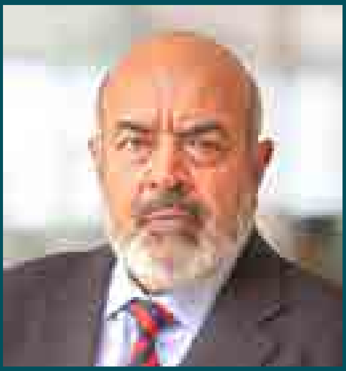
- Significant growth opportunities – as Pakistan has low per capita cement consumption, growing population, increasing urbanization and rising income levels.
- CPEC initiative presents a great opportunity for long term growth of the industry.
- Government's spending on infrastructure development, construction of highways, dams, energy projects and various housing schemes (announcement of 5 million homes by Government).

THREATS

- Growing pressure on margins due to rising input costs.
- Pressure on prices due to local capacity expansions.

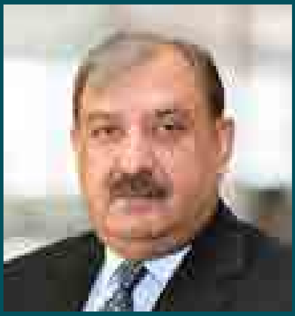
BOARD OF **DIRECTORS**

Lt Gen Syed Tariq Nadeem Gilani
HI(M), (Retd)
Chairman



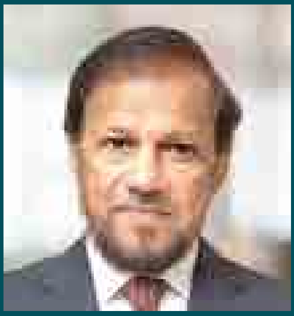
Lt. Gen. Muhammad Ahsan Mehmood
HI(M), (Retd)
CEO/MD

Maj Gen Tahir Ashraf Khan
HI (M), (Retd)
Non-Executive Director



Maj General Kaleem Saber Taseer
HI (M), (Retd)
Non-Executive Director

Mr Rehan Laiq
Non-Executive Director



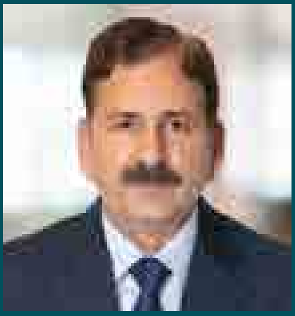
Mr Syed Iqtidar Saeed
Non-Executive Director

Mr Muhammad Amir Khan
Non-Executive Director

Mr Jawaid Iqbal
Independent Director

Mr Zafar Iqbal Sobani
Independent Director

Ms Jahanara Sajjad Ahmad
Independent Director



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

PROFILE OF **DIRECTORS**

Lt Gen Syed Tariq Nadeem Gilani, HI(M), (Retd)

Lt Gen Syed Tariq Nadeem Gilani was commissioned in Pakistan Army on 26th October 1979 with the coveted President's Gold Medal. The General Officer has served on various command, staff and instructional assignments. He received an early exposure of secondment in Saudi Arabian Armed Forces from 1983 to 1985. He is a graduate of US Army Artillery School, Fort Sill Oklahoma, Command and Staff College Camberley (UK), Armed Forces War College (National Defence University) Islamabad and US Army War College, Carlisle Barracks, Pennsylvania. He holds Master's degrees in War Studies from Quaid-e-Azam University, Islamabad and Strategic Studies from US Army War College, USA. His assignments include command of a brigade, division and a Corps. He has also held the prestigious appointments of Commandant Armed Forces War College, NDU, Islamabad and Chief of Logistics Staff at General Headquarters.

In recognition of his meritorious services, he was awarded Hilal-e-Imtiaz (Military).

Lieutenant General Gilani retired from Pakistan Army in October 2015 and has taken over as MD Fauji Foundation on 10th January 2018 and Chairman of the Boards of Directors of following companies:-

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

Lt Gen Muhammad Ahsan Mehmood, HI(M), (Retd)

Lt Gen Muhammad Ahsan Mehmood, HI(M), (Retd) is Chief Executive / Managing Director of Fauji Cement Company Limited since 24th February 2017. He served in Pakistan Army for 40 years from 1976 to 2016. While in service, he served on various Command, Staff and Instructional assignments which included faculty of Command and Staff College, Quetta and National Defence University, Islamabad. As a General Officer he commanded an Infantry Division and was Director General Weapons and Equipment General Headquarters.

He served as Engineer-in-Chief Pakistan Army and was Chairman Pakistan Ordnance Factory Wah Cantt for over three years. A qualified engineer, he did his Masters in Defence Technology from Cranfield Institute of Technology (UK) and is a Post Graduate of National Defence University, Islamabad.

He was awarded Hilal-i-Imtiaz (Military) for his distinguished military service.

Maj Gen Tahir Ashraf Khan, HI(M), (Retd)

Commissioned in 23rd Battalion of Baloch Regiment in April, 1978. Has vast experience of Command, Staff and Instructional appointments. A graduate of Command & Staff College, Armed Forces War College (National Defence University) and US Army War College; holds Masters Degrees in Strategic Studies from USA and War Studies. Commanded his parental unit at Gyong Sector of Siachen Glacier, an Infantry Brigade deployed along the Line of Control, an Independent Infantry Brigade and an Infantry Division.

Other major appointments held include Instructor at the School of Military Intelligence, Brigade Major of an Infantry Brigade, United Nations Military Observer in Bosnia Herzegovina, Directing Staff at the Command & Staff College and Armed Forces War College. Has been Chief of Staff of a Corps deployed along the Line of Control and Director General Operations & Plans at the Joint Staff Headquarters. Retired as Director General Defence Export Promotion Organization.

Presently is member of Central Board of Directors of Fauji Foundation and some other associated companies.

Maj Gen Kaleem Saber Taseer, HI(M), (Retd)

Maj Gen Kaleem Saber Taseer, HI(M), (Retd) is Director Welfare (Education) of Fauji Foundation.

He is graduate of Command & Staff College Quetta, Canadian Forces Command and Staff College Toranto, Canada and National Defence University Islamabad. He also attended International Symposium in National Defence University Changping, Beijing, China.

He has held various Command and Staff appointments to include Director Military Operations General Headquarters Rawalpindi and command of Strategic Force South. In recognition of his meritorious services, he was awarded Hilal-e-Imtiaz (Military).

He is also member of Board of Directors of:-

- Fauji Fertilizer Bin Qasim Limited
- Fauji Oil Terminal and Distribution Company Limited
- Askari Cement Limited
- Fauji Power Company Limited

PROFILE OF **DIRECTORS**

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.

Mr Syed Iqtidar Saeed

Syed Iqtidar Saeed graduated in Engineering, with High Honors, from Engineering University-Peshawar In 1973. He has over 42 years of experience in Chemical Fertilizer Industry. Besides plant management, his expertise also includes Project Development and managing large size Projects from Engineering till commissioning stages.

He commenced his career in 1974 from EXXON Chemicals Pakistan. He joined Fauji Fertilizer Company (FFCL) in Sep 1979 at its inception stage and has served at all operational locations of the Company.

He was member of FFC's core team which worked on setting up of Production facilities of Urea and DAP Fertilizer at Port Bin Qasim Karachi (FFBL) project from 1993 till 2002 and was involved from engineering till commercial production. In 2004 he was deployed at FFCL's third Fertilizer plant at Mirpur Mathelo, acquired from National Fertilizer Corporation. During the 3 year's assignment as GM Plant, he also led a BMR Project which successfully achieved a 25% increase in the Plant capacity and stabilized operation. In 2007, he was moved to FFC's Corporate Office as Head of Company's Engineering & Technology Division, which included Business Development also. He led the strategies for business diversification and globalization. These included investments in Renewable Energy projects, off-shore fertilizer production and evaluation of investment in Thar coal projects.

He played a pioneering role in FFC's 50 MW wind power project, Pakistan's first to achieve commercial production. He was appointed Director on the first Board of the new company FFCEL. In 2013, he was appointed as Group General Manager and subsequently as Chief Technical Officer of the Company. He retired from Company service in Nov 2016.

He has attended numerous International and national conferences, courses and training.

Syed Iqtidar Saeed has had an excellent academic career and is a recipient of several National awards, medals. He was awarded Pride of Performance and President of Pakistan's Gold Medal in 1969 for outstanding academic achievement at Higher Secondary level. He received Gold Medals consecutively each of the 4 years engineering degree course.

He is Director Planning and Development – Fauji Foundation and is also on the Boards of following Associated Companies:-

- Fauji Fertilizer Company Limited (FFCL)
- Fauji Fertilizer Bin Qasim Limited (FFBL)
- Mari Petroleum Company Limited (MPCL)
- Askari Cement Company Limited (ACL)
- Foundation Power Company Daharki Limited (FPCDL)
- Fauji Akbar Portia Marine Terminal Limited (FAP)
- Fauji Trans Terminal Limited (FTTL)
- Fauji Fertilizer Company Energy Limited (FFCEL)
- Foundation Wind Energy-1 Limited (FWEL-I)
- Foundation Wind Energy-2 Limited (FWEL-II)
- Fauji Foods Limited (FFL)
- FFBL Power Company Limited (FPCL)
- Fauji Electric Power Company Limited (FEPCO)
- He is also the Chairman of Technical Committees and Member of Investment Committees.

Mr Muhammad Amir Khan

Mr. Muhammad Amir Khan joined Fauji Foundation on 11th January 2019 as Chief Audit Officer. A United Kingdom qualified Chartered Accountant with over 15 years of Senior Management experience in various Chartered Accountancy firms and Multinational Organizations including Price Waterhouse Coopers (PWC),UCB,USAID, Clarkson Hyde and most recently worked as Director Finance Frontier Works Organization (FWO).

He is also Member of three prestigious accountancy bodies including ICAEW, ICAP and ACCA. In addition, he also holds BA Honors in Accounting and Finance from South Bank University London.

He brings with him extensive experience in Financial Reporting, Budgeting and Monitoring, IFRS, Financial Management, Organizational Assessments, Corporate Finance, Transaction Advisory, Compliance agreements with Donors, Suppliers and Cooperating Partners, Government Institutions, ERP systems and large Multinational Corporate Financial Accounting Systems and Control.

He is also member of Board of Directors of:

- Fauji Meat Limited.
- FFC Energy Limited.

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.

PROFILE OF **DIRECTORS**

Mr Zafar Iqbal Sobani

Zafar Iqbal Sobani brings with him over 40 years' of 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 Limited and Chairman of Human Resource and Remuneration Committee.

Ms Jahanara Sajjad Ahmad

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.

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

Brig Riaz Ahmed Gondal, SI(M), (Retd) is serving as Company Secretary 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.

SENIOR **MANAGEMENT**

Mr Omer Ashraf
Chief Financial Officer

Mr Muhammad Tariq
Snr GM (Plant)

Brig Khizar Sultan Raja, SI(M), (Retd)
GM (Marketing & Sales)

Brig Parvez Iqbal Malik, SI(M), (Retd)
GM (Procurement & Human Resource)

BOARD **COMMITTEES**

Following Committees were constituted to work under the guidance of Board of Directors. Details about their composition, attendance and terms of reference are indicated below.

Audit Committee

It consists of four members including its Chairman. Two members are non-executive Directors, while chairman and one member of Committee are independent Directors. Its meetings are held in every quarter for reviewing and recommending the Company's Financial Statements besides a meeting for recommending the Business / Strategic Plan & Annual Budget for approval of Board. In addition, the Board can convene a special meeting of this Committee to discuss any special agenda. Details of meetings are as under:-

Directors	**2018**		**2019**			**Meetings Attended**
	17th Aug	**16th Oct**	**14th Feb**	**10th Apr**	**18th Jun**	
Mr Pervez Inam Chairman, resigned on 12th Dec 2018	Leave	Leave	-	-	-	-
Ms Jahanara Sajjad Ahmad Chairperson, appointed on 13th Dec 2018	-	-	✓	✓	✓	3
Mr Qaiser Javed Member, resigned on 12th Dec 2018	✓	✓	-	-	-	2
Mr Rehan Laiq Member, appointed on 13th Dec 2018	-	-	✓	✓	✓	3
Dr Nadeem Inayat Member, resigned on 25th Feb 2019	Leave	Leave	✓	-	-	1
Mr Muhammad Amir Khan Member, appointed on 30th Mar 2019	-	-	-	✓	✓	2
Maj Gen Wasim Sadiq, HI(M), (Retd) Member, resigned on 25th Feb 2019	✓	✓	Leave	-	-	2
Mr Jawaid Iqbal Member, appointed on 30th Mar 2019	-	-	-	Leave	Leave	-

Terms of Reference

- Determination of appropriate measures to safeguard the Company's assets.
- Review of annual and interim financial statements of the Company, prior to their approval by the Board of Directors, focusing on:-
  - Major judgmental areas.
  - Significant adjustments resulting from the audit.
  - Going concern assumption.
  - Any changes in accounting policies and practices.
  - Compliance with applicable accounting standards.
  - Compliance with Listed Companies (Code of Corporate Governance) Regulations 2017 and other statutory and regulatory requirements.
  - All related party transactions.
- Review of preliminary announcements of results prior to external communication and publication.
- Facilitating the External Audit and discussion with External Auditors of major observations arising from interim and final audits and any matter that the auditors may wish to highlight (in the absence of management, where necessary).
- Review of management letter issued by external auditors and management's response thereto.
- Ensuring coordination between the internal and external auditors of the Company.
- Review of the scope and extent of internal audit, audit plan, reporting framework and procedures and

ensuring that the internal audit function has adequate resources and is appropriately placed within the Company. The performance appraisal of head of internal audit shall be done jointly by the Chairman of the Audit Committee and the Chief Executive Officer.

- Consideration of major findings of internal investigations of activities characterized by fraud, corruption and abuse of power and management's response thereto.
- Ascertaining that the internal control systems including financial and operational controls, accounting systems for timely and appropriate recording of purchases and sales, receipts and payments, assets and liabilities and the reporting structure are adequate and effective.
- Review of the Company's statement on internal control systems prior to endorsement by the Board of Directors and internal audit reports.
- Instituting special projects, value for money studies or other investigations on any matter specified by the Board of Directors, in consultation with the CEO and to consider remittance of any matter to the external auditors or to any other external body.
- Determination of compliance with relevant statutory requirements.
- Monitoring compliance with Listed Companies (Code of Corporate Governance), Regulations 2017 and identification of significant violations thereof.
- Review of arrangement for staff and management to report to Audit Committee in confidence, concerns, if any, about actual or potential improprieties in financial and other matters and recommend instituting remedial and mitigating measures.
- Recommend to the board of directors the appointment of external auditors, their removal, audit fees, the provision of any service permissible to be rendered to the company by the external auditors in addition to audit of its financial statements. 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.
- 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.
- In order to ensure the financial health of the company and to comment on the going concern status of the business, review of Key Performance Indicators (KPI) in comparison of the industry benchmark shall be carried out by the Committee.
- To review the effectiveness of risk management procedures and to present a report to the Board in this respect, the committee shall at least twice a year:-
  - Monitor and review all material controls (financial, operational and compliance)
  - Ensure that risk mitigation measures are robust along with integrity of financial information
  - Ensure appropriate extent of disclosure of Company's risk framework and internal control system in Directors report
- The Committee shall review the vision and / or mission statement of the Company before adoption by the Board.
- The Committee shall review the effectiveness of company's Corporate Governance practices before adoption by the Board.
- Consideration of any other issue or matter as may be assigned by the Board of Directors.

BOARD **COMMITTEES**

Human Resource and Remuneration (HR&R) Committee

The Committee has four members. Three are non-executive Directors while Chairman of the Committee is an independent Director, in line with Listed Companies (Code of Corporate Governance) Regulations 2017. Details of meetings are as under:-

Directors	2018 16th Aug	2019 4th Apr	Meetings Attended
Mr Pervez Inam Chairman, resigned on 12th Dec 2018	Leave	-	-
Mr Zafar Iqbal Sobani Chairman, appointed on 13th Dec 2018	-	✔	1
Dr Nadeem Inayat Member, resigned on 25th Feb 2019	Leave	-	-
Mr Muhammad Amir Khan Member, appointed on 30th Mar 2019	-	✔	1
Mr Jawaid Iqbal Member, appointed on 30th Mar 2019	-	✔	1
Brig Asmat Ullah Khan Niazi, SI(M), (Retd) Member, resigned on 12th Dec 2018	✔	-	1
Maj Gen Tahir Ashraf Khan, HI(M), (Retd) Member, appointed on 13th Dec 2018	✔	✔	2

Terms of Reference

- 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.
- Undertaking annually, a formal process of evaluation of performance of the Board as a whole and its Committees either directly or by engaging external independent consultant.
- Recommending Human Resource (HR) Management policies to the Board.
- Recommending to the Board, selection, evaluation, development, compensation (including retirement benefits) of CFO, Company Secretary and Head of Internal Audit.
- Consideration and approval, on recommendations of Chief Executive Officer on such matters for key management positions who report directly to Chief Executive Officer.
- 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 the members are non-executive Directors. Mr Syed Iqtidar Saeed was appointed as Chairman of Technical Committee with effect from 1st May 2019, in place of Brig Raashid Wali Janjua, SI(M), (Retd). Details of meetings are as under:-

Directors	2018		2019			Meetings Attended
	17th Aug	12th Oct	8th Feb	3rd Apr	13th Jun	
Brig Raashid Wali Janjua, SI(M), (Retd) Chairman, resigned on 30th Apr 2019	✔	✔	✔	✔	-	4
Mr Syed Iqtidar Saeed Chairman, appointed on 1st May 2019	-	-	-	-	✔	1
Maj Gen Tahir Ashraf Khan,HI(M), (Retd) Member, appointed on 13th Dec 2018	Leave	✔	✔	-	-	2
Mr Rehan Laiq Member, appointed on 30th Mar 2019	-	-	-	✔	✔	2
Maj Gen Wasim Sadiq, HI(M), (Retd) Member, resigned on 25th Feb 2019	✔	✔	✔	-	-	3
Maj Gen Kaleem Saber Taseer ,HI(M), (Retd) Member, appointed on 30th Mar 2019	-	-	-	✔	✔	2

Terms of Reference

- To critically review the technical aspects of feasibility studies submitted for new investments.
- To evaluate the proposals regarding balancing, modernization and expansion of existing projects.
- To monitor the progress of ongoing projects with budgeted targets in order to identify **"early warning signals"** at the right time and suggest corrective measures in order to put the project on the right track.
- To recommend any matter of significance to the Board of Directors.

Investment Committee

The Committee was constituted on **30th March 2019** and has four members out of which two are Non Executive Directors and two are Independent Directors. Chairman of the Committee is a non-executive Director. Details of meetings are as under:-

Directors	2019	Meetings Attended
	24th June	
Mr Rehan Laiq Chairman	✔	1
Mr Zafar Iqbal Sobani Member	✔	1
Mr Syed Iqtidar Saeed Member	✔	1
Mr Jawaid Iqbal Member	Leave	-

NOTICE OF **ANNUAL GENERAL MEETING**

27th Annual General Meeting (AGM) of the shareholders of Fauji Cement Company Limited (FCCL) will be held at **Topi Rakh Auditorium, Ayub Park, Rawalpindi on 27th September 2019 (Friday) at 1500 hours** to transact the following business:-

Ordinary Business

1. To confirm the minutes of 10th Extraordinary General Meeting held on 29th November 2018.
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 2019.
3. To appoint Statutory Auditors of the Company for the year ending 30th June 2020 and fix their remuneration.
4. To consider and approve payment of final cash dividend of Rupees 0.75 per share for the year ended 30th June 2019, as recommended by the Board of Directors.

Other Business

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

By Order of FCCL Board of Directors

Rawalpindi
6th September 2019

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

Notes

1. The Share Transfer Books of the Company will remain closed from **21st Sep to 27th Sep 2019** (both days inclusive) for entitlement of final cash dividend of Rs.**0.75** per share. Transfer of share, received at the office of Company's Share Registrar, M/s Corplink (Pvt) Limited, Wings Arcade 1-K, Commercial, Model Town, Lahore **by the close of the business on 20th September 2019** will be treated in time for the purpose of Annual General Meeting and entitlement of cash dividend.
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 Computerised National Identity Card (CNIC) must be attached with the Form. For any other relevant aspects, contents of section **137** of the **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**

i. 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.

ii. Member registered on Central Depository Company (CDC) are also requested to bring their particulars, ID number and account number in Central Depository System (CDS).

iii. 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**

i. 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.

ii. The Proxy Form shall be witnessed by two persons whose names, addresses and CNIC Numbers shall be mentioned on the Form.

iii. Attested copies of CNIC or Passport of the beneficial owners and the Proxy shall be furnished with the Proxy Form.

iv. The Proxy shall produce his / her original CNIC or original Passport at the time of meeting.

v. 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. **CNIC / NTN Number on Electronic Dividend (Mandatory)**

a. As per **SRO. 831(1)/2012** dated **5th July 2012** and other relevant rules, the electronic Dividend should also bear the CNIC Number of the registered shareholder or the authorized person, except in case of minor(s) and corporate shareholder(s).

b. As per **Regulation no 4 & 6** of **SRO 1145 (1)/2017** dated 6th November 2017, the Company shall be constrained to withhold the payment of Dividend to the shareholders, in case of non-availability of identification number (CNIC or Natioanl Tax Number) of the shareholder or authorized person.

c. Accordingly, the shareholders, who have not yet submitted copy of their valid CNIC or NTN, are once again requested to immediately submit the same to the Share Registrar, M/s Corplink (Pvt) Limited.

5. **Payment of Cash Dividend Electronically (Mandatory)**

a. In accordance with **SECP Circular No. 18** of 2017 dated **1st August 2017** and the instructions related to distribution of dividend indicated in Companies (Distribution of Dividends) Regulations, 2017 and section **242 of Companies Act 2017,** all listed companies are required to ensure that with effect from **1st November 2017,** the cash dividends shall be paid through electronic mode only. Therefore, shareholders are requested to provide the details of their Bank mandate specifying: (i) Title of account, (ii) Account number (iii) IBAN number (iv) Bank name and (v) Branch name, code and address to the Company Share Registrar. Those shareholders who hold shares with participants / Central Depository Company of Pakistan (CDC) are advised to provide the same to their concerned participant / CDC.

b. Please note that as per **Section 243 (3)** of the **Companies Act, 2017,** listed Companies are entitled to withhold payment of dividend, if necessary information is not provided by the shareholders.

c. For the convenience of shareholders, **e-Dividend Mandate Form** is available on Company's website http://www.fccl.com.pk

6. **Deduction of Income Tax from Dividend under Section 150 of the Income Tax Ordinance, 2001 (Mandatory)**

a. This is with reference to final cash dividend announced by Fauji Cement Company Limited at the rate of **Rs.0.75** per share to the shareholders for the year ended 30th June 2019.

b. Shareholders whose names are not appearing in the Active Tax-payers List (ATL) are advised to immediately make necessary arrangement to make them active. Otherwise, tax on their cash dividend will be deducted as per laws.

c. Further, according to clarification received from Federal Board of Revenue (FBR), with-holding tax will be determined separately on Active / Non-Active status of Principal Shareholder as well as Joint-Holder(s) based on their shareholding proportions, in case of joint accounts.

d. In this regard, all shareholders, who hold shares jointly, are requested to provide shareholding proportions of Principal shareholder and Joint holder(s) in respect of shares held by them to our Share Registrar, in writing as follows:-

Company Name	Folio/ CDS Account Number	Total Shares	Principal Shareholder		Joint Shareholder	
			Name and CNIC	Shareholding Proportion (No. of shares)	Name and CNIC	Shareholding Proportion (No. of shares)

e. The required information must reach our Share Registrar within **10 days** of issue of this notice; otherwise it will be assumed that the shares are equally held by Principal shareholder and Joint Holder(s).

f. The corporate shareholders, having CDC accounts, are requested to have their National Tax Number (NTN) updated with their respective participants. Corporate physical shareholders should send a copy of their NTN certificate to the Company or Share Registrar M/s Corplink (Pvt.) Limited. The shareholders, while sending NTN or NTN certificates, as the case may be, must quote Company name and their respective folio numbers.

7. **Availability of Annual Audited Financial Statement**

a. In accordance with the provisions of **Section 223 and 237** of the **Companies Act 2017,** the audited financial statements of the Company for the year, which ended on 30th June 2019, 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 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 2019 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, 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 Statements are available on the Company's website (http://www.fccl.com.pk).

8. **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 Annual General Meeting. They will be entertained subject to availability of such facility in that city.

b. Subject to the fulfillment 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 8c** 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.

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: www.fccl.com.pk

b. **FCCL Shares Registrar**

M/s Corplink (Pvt) (Ltd)
Wings Arcade 1-K, Commercial,
Model Town Lahore, Pakistan
Tel :+92-042-35916714-19, 35839182
Email: corplink786@gmail.com
Website: www.corplink.com.pk

BOARD'S **REVIEWS**

CHAIRMAN'S **REVIEW**

"I am pleased to share with you that performance of the Board and Committees remained par excellence throughout the year."

Compared to last few years, FY 2018/19 was challenging for the Cement Industry, mainly due to economic slowdown, less demand when seen in the context of addition of new capacities and inability of the Government to sustain the projects and infrastructure growth. During the second half of the year, market got further depressed due to ambiguity about the changes made in the taxation system and reluctance of dealers and retailors to get registered. Resultantly, the emerging environment continues to remain complex with tough market competition.

During the year, Cement Industry dispatches remained approximately 46.76 Million MT (40.24 Million MT domestic and 6.52 Million MT exports) compared to the previous year's record of 45.89 Million MT (41.15 Million MT domestic and 4.74 Million MT exports). Although, the number shows an increase of 1.90% in total dispatches of the Industry (decline in domestic dispatches remained around 2.21% while the exports increased by 37.55%), but in actual terms the dispatches reduced when seen in the context of increased installed capacities.

Despite the challenging environment, the Company displayed good financial performance by attaining a profit after tax of Rs 2,824 Million, which is a clear manifestation of the dedication, professional commitment and good team work. During the period, cost of production also increased by 8%, mainly due to increase in cost of coal, packing material and water conservancy charges. The gross profit percentage of the Company increased from 24% in FY 2018 to 26% in FY 2019, thanks to better retention prices. In addition, the Company successfully managed debt servicing of Rs 0.426 Billion during the period being reviewed.

In continuation of the Board's policy of transferring maximum returns to the shareholders, I am pleased to inform that in addition to the Interim Dividend of Rupee 0.75 per share, the Company has decided to give Final Dividend of Rupee 0.75 per share, thereby taking the payout to Rs. 1.50 per share i.e. 73 %.

I would also like to take this opportunity to congratulate FCCL on commissioning of 12.5 MW Captive Solar Power Project in May 2019 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 15 MW, by adding another 2.5 MW through its indigenous capability.

Due to completion of the term of Board Directors, fresh elections of Board Members were conducted to elect ten Directors on 29th November 2018 during 10th Extraordinary General Meeting of the shareholders. I would like to place on record the appreciation for invaluable contributions rendered by the outgoing Directors, that is, Brig Asmat Ullah Khan Niazi, SI(M), (Retd), Mr Qaiser Javed and Mr Pervez Inam. I would also like to welcome all the new Directors, especially, Mr Zafar Iqbal Sobani, Ms Jahanara Sajjad Ahmad and Mr Rehan Laiq who joined the Board for the first time.

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. This resulted in not only completing the projects in time, but it also helped the Company in maintaining its reputation for good governance and provision of steady returns to its shareholders.

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.

On behalf of the Board of Directors, I would like to express my special gratitude to all the shareholders for their continued support, valued input and encouragement. I would also like to place on record the dedication, professional commitment and efforts of CEO/MD and FCCL management for steering the Company in the right direction and the commendable services rendered by its Employees. I also acknowledge the hard work, dedication and commitment of my fellow directors during this year.

Lt Gen Syed Tariq Nadeem Gilani, HI(M), (Retd)
Chairman Board of Directors FCCL
Rawalpindi
27th August 2019

چیئرمین کا جائزہ

۱۔ گزشتہ چند برس کے مقابلے میں، مالی سال 2018/19 میں سیمنٹ کی صنعت کو کئی چیلنج درپیش رہے، جس کی بنیادی وجوہات میں معاشی سست روی ، کمپنیوں کی پیداواری صلاحیت میں اضافہ اور حکومت کی طرف سے منصوبہ جات اور انفراسٹرکچر (infrastructure) میں ترقی کی رفتار برقرار نہ رکھ پانے کے باعث سیمنٹ کی طلب میں کمی، شامل ہیں۔ اس سال کی دوسری ششماہی میں ٹیکس کے نظام میں کی جانے والی ترامیم میں ابہام کی وجہ سے اور ڈیلرز (Dealers) اور پرچون فروشوں کی طرف سے رجسٹریشن کے عمل میں ہچکچاہٹ کے باعث مارکیٹ مزید دباؤ کا شکار رہی۔ اس طرح مارکیٹ کی پیچیدہ صورت حال برقرار رہی جس کے نتیجے میں مارکیٹ میں سخت مقابلے کا رجحان دیکھنے میں آیا۔

۲۔ اس سال سیمنٹ کی صنعت کی ترسیلات تقریباً 46.76 ملین میٹرک ٹن رہیں(40.24 ملین میٹرک ٹن مقامی اور 6.52 ملین میٹرک ٹن کی برآمدات) جبکہ گزشتہ سال کی ترسیلات 45.89 ملین میٹرک ٹن(41.15 ملین میٹرک ٹن مقامی اور 4.74 ملین میٹرک ٹن کی برآمدات) ریکارڈ ہوئیں۔ اگرچہ اعداد و شمار سے ایسا لگتا ہے کہ صنعت کی کل ترسیلات میں 1.90 فیصد اضافہ ہوا (مقامی ترسیلات میں کمی 2.21 فیصد رہی جبکہ برآمدات میں 37.55 فیصد اضافہ ہوا) لیکن حقیقت میں دیکھا جائے تو پتہ چلتا ہے کہ ترسیلات میں کمی ہوئی جس کی وجہ کمپنیوں کی پیداواری صلاحیت میں اضافہ ہے۔

۳۔ سخت مقابلے کے ماحول کے باوجود، کمپنی نے 2,824 ملین روپے کا بعد از ٹیکس منافع کما کر عمدہ مالی کارکردگی کا مظاہرہ کیا جو لگن، عزم اور عمدہ ٹیم ورک (Team Work) کا واضح اظہار ہے۔ اس دورانیے میں، کوئلے کی قیمت، پیکنگ کے سامان اور پانی استعمال کرنے کے اخراجات میں اضافے کے باعث پیداواری لاگت میں بھی 8 فیصد اضافہ ہوا۔ اس کے باوجود مجموعی منافع کی شرح مالی سال 2018 کے 24 فیصد سے بڑھ کر مالی سال 2019 میں 26 فیصد ہوگئی جس کی وجہ امدادی قیمتوں Retention) (Prices میں اضافہ تھا۔ مزید برآں، کمپنی رواں مالی سال کے دوران آپریشنل نقد رقم کے بہاؤ سے 0.426 بلین (Billion) روپے کے قرضے ادا کرنے میں کامیاب ہوئی۔

۴۔ ہمارے بورڈ کی، شراکت داروں کو زیادہ سے زیادہ شرح منافع فراہم کرنے کی پالیسی کے تسلسل میں، مجھے آپ کو یہ بتاتے ہوئے مسرت محسوس ہو رہی ہے کہ 0.75 روپے فی حصہ کے عبوری منافع کے ساتھ ساتھ کمپنی نے 0.75 روپے فی حصہ کا حتمی منافع دینے کا بھی فیصلہ کیا ہے جس سے مجموعی ادائیگی 1.50 روپے فی حصہ یعنی 73 فیصد تک پہنچ جائے گی۔

۵۔ میں فوجی سیمنٹ کمپنی کو مبارکباد پیش کرتا ہوں کہ اس نے 12.5 میگاواٹ کا اپنا شمسی توانائی کا پراجیکٹ مکمل کرلیا ہے اور سیمنٹ کی صنعت میں سب سے پہلے اور سب سے بڑے شمسی توانائی کے پلانٹ کی تنصیب سے اس شعبے میں اولیت کا اعزاز حاصل کیا ہے۔ دوبارہ قابلِ استعمال توانائی کے اس منصوبے سے نہ صرف قومی گرڈ پر ہمارا انحصار کم ہوجائے گا بلکہ یہ کمپنی کی اپنی ذاتی بجلی کی

پیداواری صلاحیت میں اضافے کا باعث ہونے کے ساتھ ساتھ ماحول پر بھی مثبت اثرات ڈالے گا اور کمپنی کو کم قیمت بجلی بھی فراہم کرے گا۔ کمپنی نے موجودہ 12.5 میگاواٹ کے پلانٹ کو 15 میگاواٹ تک لے جانے کے لئے بھی کام شروع کر دیا ہے جس کو کمپنی کے اپنے ملازمین پایہ تکمیل تک پہنچائیں گے۔

۶۔ کمپنی کے بورڈ کے ڈائریکٹران کی تقرری کی مدت پوری ہونے کی وجہ سے 29 نومبر 2018 کو منعقد ہونے والے شراکت داران کے 10 ویں غیر معمولی اجلاس میں دس ڈائریکٹران کے انتخاب کے لیے کمپنی کے تازہ انتخابات منعقد ہوئے۔ میں سبکدوش ہونے والے ڈائریکٹران، بریگیڈئر عصمت اللہ خان نیازی (ریٹائرڈ)، ستارہ امتیاز (ملٹری)، جناب قیصر جاوید اور جناب پرویز انعام کی گراں قدر خدمات پر پیش کیا گیا خراج تحسین ریکارڈ پر لانا چاہتا ہوں۔ میں تمام نئے ڈائریکٹران کا خیر مقدم کرتا ہوں، خصوصاً جناب ظفر اقبال سوبانی، محترمہ جہاں آرا سجاد احمد اور جناب ریحان لئیق، کا کیونکہ ان کی بورڈ میں شمولیت کا یہ پہلا موقع ہے۔

۷۔ میں آپ کو یہ اطلاع دیتے ہوئے بھی مسرت محسوس کرتا ہوں کہ بورڈ کی کمیٹیوں کی کارکردگی پورے سال میں عمدہ ترین رہی۔ بورڈ کے ارکان کی ذاتی دلچسپی، رہنمائی اور بروقت فیصلہ سازی نے کمپنی کو درست سمت میں اپنا سفر جاری رکھنے میں بھرپور کردار ادا کیا۔ اس کا نتیجہ نہ صرف یہ کہ منصوبوں کی بروقت تکمیل کی صورت میں نکلا بلکہ اس سے انتظامی معاملات کی عمدگی اور شراکت داروں کو منافع کی ادائیگی میں باقاعدگی کے ضمن میں کمپنی کی ساکھ برقرار رکھنے میں بھی مدد ملی۔

۸۔ فوجی سیمنٹ کمپنی مارکیٹ میں اپنے حصص کی قدر برقرار رکھنے کے لیے ہر ممکن اقدامات کرنے کے لیے تیار ہے اور اس کے ساتھ ساتھ معقول منافع کمانے پر بھی خصوصی توجہ مرکوز کیے ہوئے ہے۔ کمپنی اضافی قدر کی جدید مصنوعات متعارف کرانے کی غرض سے اپنی ایجادی صلاحیت کو مزید بڑھانے کے لیے بھی کوشاں ہے اور اس ضمن میں سیمنٹ کی نئی اقسام کی دریافت اور پلانٹ میں جدید ترین آلات و پرزہ جات کی تنصیب پر کام جاری رکھے ہوئے ہے۔

۹۔ میں بورڈ آف ڈائریکٹرز کی طرف سے تمام شراکت داران کی معاونت، گراں قدر تعاون اور حوصلہ افزائی پر ان کا خصوصی شکریہ ادا کرنا چاہتا ہوں۔ میں چیف ایگزیکٹو آفیسر/ منیجنگ ڈائریکٹر اور FCCL کی انتظامیہ کو پیش کیا جانے والا خراج تحسین ریکارڈ پر لانا چاہتا ہوں جن کی لگن، پیشہ ورانہ وابستگی اور کوششوں نے کمپنی کو درست سمت میں اپنا سفر جاری رکھنے میں بھرپور کردار ادا کیا۔ میں کمپنی کے ملازمین کی لائق ستائش خدمات کو بھی خراج تحسین پیش کرتا ہوں۔ میں اپنے ساتھی ڈائریکٹران کی محنت، لگن اور عزم کا بھی اعتراف کرتا ہوں جس کا مظاہرہ انھوں نے سارا سال اپنے کام کے دوران کیا۔

لیفٹیننٹ جنرل

سید طارق ندیم گیلانی، ہلال امتیاز (ملٹری)، (ریٹائرڈ)

چیئرمین بورڈ آف ڈائریکٹرز، فوجی سیمنٹ کمپنی لمیٹڈ

راولپنڈی

27 اگست 2019

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

During the year under review, Cement Industry faced a number of challenges on the domestic front primarily due to considerable decline in demand resulting in low domestic offtake, reduced PSDP allocation by the Government, high markup rates and increase in cost of production amid currency devaluation. The situation is likely to aggravate further due to addition of new capacities, unless immediate measures are taken to kick start stalled infrastructure projects and new projects are undertaken. In case this does not happen, desire of all the market players for increased market share, has the potential to destabilize the market environment and keep the prices under pressure. Situation in the North Zone deteriorated further due to closure of exports to India and continuous border issues with Afghanistan, while the Southern units were able to enhance their exports by sea. Towards the end of the financial year, post budget FY 2020 increase in excise duty, axle weight restrictions, imposition of disproportionate royalty by Punjab Government on limestone and clay, and increase in Fuel & Energy prices further impacted the cost of production, thereby eroding margins.

During FY 2019, the Company earned a net profit after tax of Rs 2,824 Million, compared to Rs 3,429 Million of last year. The major reasons for the decline being imposition of water conservancy charges and increase in the deferred tax expense; owing to upward revision in corporate tax rate. Capacity utilization for the year remained at 85%, compared to 97% during the previous year (over 7 Million MT of capacity was added in the industry during the year only in the Northern Zone). The Net Sales Revenue decreased from Rs 21,161 Million to Rs 20,798 Million (decrease of 2 %) primarily due to decrease in dispatches, however better retention prices and benefit of indigenous cheaper captive power generation helped increase of Gross Profit Margins from 24% to 26%. On the cost side, there was a major increase of Rs 383 per ton (i.e. from Rs 4,711 per ton to Rs 5,094 per ton) mainly due to imposition of water conservancy charges, increase in cost of packing material and fuel.

Cement plants are high consumers of energy and with its spiraling cost, the production cost is becoming non-competitive, both internally and for exports. The option available is to make arrangement for cheaper source(s) of energy. Accordingly, FCCL in the recent past developed capability of generating over 20 MW from waste heat recovery. However, with no other viable option left, it was decided to utilize the potential of renewable energy resources. Accordingly, in line with the global initiatives and to produce cheaper energy, FCCL has become the pioneer by commissioning the largest captive Solar Power Plant. The project was completed in May 2019 with an installed capacity of 12.5 MW, capable of producing 19,750 MW Hours of energy annually. The project is spread over an area of 50 acres (waste land) adjacent to the Plant and was completed in a record time of 5 months. The project would not only complement the energy needs of the country but also produce Green Energy and is expected to reduce approximately 12,000 tons of CO_2 emissions annually.

In an effort to innovate and diversify the product range of FCCL, number of initiatives have been undertaken and the latest being introduction of Pamir Cement (GREEN Cement) in 2019. Fauji Cement is therefore pioneer in introducing Green Cement in Pakistan, which is a hybrid class of Portland cement and contains required percentage of mineral additives. It is a general use product that complies with the required national/international standards and reduces the CO_2 emissions by over 20%.

Fauji Cement also undertook few major improvements during the year, to enhance the efficiency of its Plant and improve profitability. Some of these include: replacement of the old vintage cooler at Kiln Line 1 with a 3rd Generation Cross Bar Clinker Cooler. This would ensure better quality cement due to reduction of clinker temperature and economize on consumption of fuel. Installation of two Steel Silos of 2000 tons each at Line 2 has been done to develop the capability of producing and storing new/special cements for critical mega structures. Addition of a new Packer with capacity of 120 tons / hour at Line II has also been completed to enhance the cement packing capacity.

Concurrently, Fauji Cement also improved its operational and organizational abilities by undertaking institutional improvements, which included operationalization of Health Safety & Environment setup, establishing Horticulture Department and upgradation of Quality Control Laboratory, which is now ASTM & EU compliant. In addition a Mobile Laboratory has also been commissioned for onsite advice and addressing of complaints. Another distinctive feature during the year has been development and implementation of indigenous Enterprise Resource Planning (ERP) for the complete production / operation cycle of Fauji Cement, which has made the Company fully automated.

In the field of Corporate Social Responsibility, FCCL distinguishes itself in the fields of education, health, adult literacy and environment protection. It runs a technical education center for skill development of youth of the surrounding areas, a vocational training institute for women to impart basic skills, Fauji Model Secondary School for education for local children up to secondary school, provision of medical facility to employees and locals through a well-equipped dispensary (19,463 Patients were provided free treatment during the year) and an adult literacy program.

FCCL is also playing a lead role in the national 'Go Green' Campaign for preservation of environment. Two main initiatives in this regard includes water preservation and massive tree plantation. With regards to former, water used at Plant is being recycled in addition to harvesting of rain water. Extensive tree plantation campaign is being pursued in and around the Plant, in addition to provision of plants/saplings to Local Government, District Administration of Attock and schools of the surrounding villages.

Projecting ahead, Fauji Cement's strategy would be to retain its market share at all cost. This would be complemented with introduction of innovative products, diversification and reduction in the cost of Fuel & Power. The former will be achieved by increasing the sale of special cements and introduction of new Brands to include Pozolana Cement, High Strength Cement and Fibrous Cement. Whereas with regards to later, existing 12.5 MW Solar Power Project is being enhanced to 15 MW, installation of Air Cooled System is being evaluated, use of alternate fuel and achieving better coal mix ratios. Concurrently, Plant efficiency will be further improved by optimizing the production. The management is also in advanced stages of planning for setting up a Greenfield Project to enhance its capacity and meet the challenge of increasing capacities.

On behalf of the Company Management and Employees, I would like to express my gratitude to all the shareholders for their valued input and encouragement. I would also like to thank the honorable Chairman and the Board Members for their guidance, personal involvement and professional commitment in helping us steer the Company in the right direction. I would also like to acknowledge the hard work, dedication and commitment of senior management of the Company and Employees without which it would not have been possible to achieve these results.

Lt Gen Muhammad Ahsan Mahmood, HI(M), (Retd)
Chief Executive/Managing Director FCCL
Rawalpindi
27th August 2019

چیف ایگزیکٹو/ منیجنگ ڈائریکٹر کا جائزہ

۱۔موجودہ سال میں سیمنٹ کی صنعت کو ملکی سطح پر کئی چیلنجز درپیش رہے جن کی بنیادی وجوہات میں سیمنٹ کی طلب میں قابل ذکر کمی رہی جس کی وجہ سے مقامی سطح پر سیمنٹ کی فروخت میں کمی، حکومت کی طرف سے PSDP میں مختص کی گئی رقوم میں کمی اور کاروباری سود کے بڑھتے ہوئے نرخ اور کرنسی کی قدر میں کمی کی وجہ سے پیداواری لاگت میں اضافہ شامل ہیں۔سیمنٹ کی مارکیٹ میں کچھ کمپنیوں کی پیداواری صلاحیت میں اضافے کی بدولت اس صورت حال کے مزید سنگین ہونے کا امکان ہے، تاوقتیکہ انفراسٹرکچر (Infrastructure) کے موجودہ منصوبوں کو فوری طور پر بحال کرنے اور نئے منصوبوں کو شروع کرنے کے لیے اگر یہ اقدامات نہ اٹھائے گئے تو ہر مدِ مقابل کی مارکیٹ میں اپنے کاروباری حصے میں اضافہ کرنے کی خواہش مارکیٹ کے ماحول کو غیر مستحکم اور قیمتوں پر دباؤ کو مستقل برقرار رکھ سکتی ہے۔شمالی زون میں، بھارت کے ساتھ کاروباری تعلقات معطل ہونے اور افغانستان کے ساتھ سرحدی تنازعات کی وجہ سے برآمدات میں کمی رہی جبکہ جنوبی کمپنیاں (Southern Units) بحری راستے سے اپنی برآمدات میں اضافہ کرنے میں کامیاب رہیں۔اس مالی سال کے اختتام تک، مالی سال 2020 کے لیے، بعد از بجٹ، ایکسائز ڈیوٹی میں اضافے، فی ایکسل وزن (axle load) کی پابندی، چونے اور چکنی مٹی پر حکومتِ پنجاب کی جانب سے نافذ کردہ نارواراٹلی (Royalty) اور ایندھن اور توانائی کی قیمتوں میں اضافے نے پیداواری لاگت میں کافی زیادہ اضافہ کردیا ہے جس سے منافع کی شرح میں کمی آئی ہے۔

۲۔مالی سال 2019 میں کمپنی نے 2,824 ملین روپے کا بعد از ٹیکس منافع کمایا ہے جو پچھلے سال 3,429 ملین روپے تھا۔اس کمی کی بنیادی وجوہات میں پانی کے استعمال پر نئے ٹیکس کا نفاذ اور کارپوریٹ (Corporate) ٹیکس کے نرخوں میں اضافہ کے باعث ٹیکس کے مؤخر اخراجات شامل ہیں۔اس سال پیداواری صلاحیت کے استعمال کی شرح 85 فیصد رہی جو گزشتہ برس 97 فیصد تھی (اس سال میں صرف شمالی زون (North Zone) میں سیمنٹ کی صنعت میں 7 ملین میٹرک ٹن پیداواری صلاحیت کا مزید اضافہ ہوا ہے)۔مصنوعات کی فروخت سے حاصل شدہ آمدنی 21,161 ملین روپے سے کم ہو کر (2 فیصد کمی کے ساتھ) 20,798 ملین روپے ہوگئی جس کی بڑی وجہ ترسیلات میں کمی ہے، تاہم امدادی قیمتوں (Retention Prices) کے بہتر ہونے کی وجہ سے، اور اپنی پیدا کردہ کم خرچ بجلی کی پیداوار میں اضافے کے باعث، مجموعی منافع 24 فیصد سے بڑھ کر 26 فیصد ہوگیا۔پیداواری لاگت پر نظر ڈالیں تو لاگت میں فی ٹن اضافہ 383 روپے رہا (یعنی 4,711 روپے فی ٹن سے بڑھ کر 5,094 روپے فی ٹن) جس کی بنیادی وجوہات میں پانی استعمال کرنے کے اخراجات اور پیکنگ کے سامان اور ایندھن کے اخراجات میں اضافہ شامل ہیں۔

۳۔سیمنٹ کے پلانٹس میں توانائی کا خرچ بہت زیادہ ہوتا ہے اور توانائی کی بڑھتی ہوئی قیمتوں کے باعث مقامی اور برآمدی ہر دو طرح کی مصنوعات کی پیداواری لاگت کے اخراجات میں مقابلے کی سکت کم ہوتی جا رہی ہے۔ اس صورت حال کا صرف یہی حل باقی ہے کہ توانائی کے کم خرچ ذرائع پیدا کیے جائیں۔ اس سلسلے میں، فوجی سیمنٹ کمپنی نے ماضی قریب میں پلانٹ کی فاضل حدت (Waste Heat Recovery) کے استعمال سے 20 میگاواٹ سے زائد بجلی پیدا کرنے کی صلاحیت حاصل کی ہے۔ تاہم مزید کوئی قابل عمل حل دستیاب نہ ہونے کے باعث، دوبارہ قابل استعمال توانائی کے ذرائع استعمال کرنے کا فیصلہ کیا گیا۔ اس سلسلے میں عالمی تقاضوں سے ہم آہنگی اور سستی بجلی کے حصول کے لیے، فوجی سیمنٹ نے شمسی توانائی سے چلنے والا بجلی کا پلانٹ لگا کر اس حوالے سے مارکیٹ میں اولیت کا اعزاز حاصل کر لیا ہے۔ مئی 2019 میں فوجی سیمنٹ نے 12.5 میگاواٹ کا شمسی توانائی سے چلنے والا پلانٹ نصب کیا جو 19,750 میگاواٹ گھنٹے سالانہ توانائی پیدا کرنے کی صلاحیت کا حامل ہے۔ یہ پلانٹ 150 ایکڑ کے رقبے پر پھیلا ہوا ہے اور اس کی تنصیب کا کام 5 ماہ کی ریکارڈ مدت میں مکمل کیا گیا۔ یہ منصوبہ نہ صرف توانائی کی ملکی ضروریات کو پورا کرنے میں معاون ثابت ہوگا بلکہ سرسبز توانائی پیدا کرے گا اور اس سے کاربن ڈائی آکسائیڈ کے اخراج میں سالانہ 12,000 ٹن کی بھی متوقع ہے۔

۴۔فوجی سیمنٹ کی مصنوعات میں تنوع لانے کی کوششوں کے ضمن میں متعدد اقدامات بروئے کار لائے گئے ہیں جن میں 2019 میں پامیر سیمنٹ (Pamir Cement) کو متعارف کرانا ہے جو کہ ایک Green سیمنٹ ہے۔ اس لحاظ سے فوجی سیمنٹ پاکستان میں Green سیمنٹ متعارف کرانے والا پہلا ادارہ ہے۔ پامیر پورٹ لینڈ (Pamir Portland) سیمنٹ کی ہائی برڈ کلاس (Hybrid Class) ہے اور اس میں مطلوبہ شرح کے مطابق تکملیات شامل ہیں۔ یہ عمومی استعمال کا سیمنٹ ہے اور معیار کے اعتبار سے ملکی اور بین الاقوامی پیمانوں کے مطابق ہونے کے ساتھ ساتھ کاربن ڈائی آکسائیڈ کے اخراج کو 20 فیصد تک کم کرتا ہے۔

۵۔ پلانٹ کی کارکردگی میں اضافے اور منافع میں بہتری کی غرض سے اس سال کمپنی نے بہتری کے چند بڑے منصوبے پایہ تکمیل تک پہنچائے ہیں۔ ان میں سے کچھ یہ ہیں۔ لائن 1 پر پرانے کولر (cooler) کی جگہ نیا تھرڈ جنریشن کراس بار کلنکر کولر (third generation cross bar clinker cooler) لگایا گیا ہے۔ یہ کلنکر (Clinker) میں درجہ حرارت کی کمی اور ایندھن کے خرچ کو کم کر کے سیمنٹ کی بہتر کوالٹی کو یقینی بنانے کے لیے ہے۔ لائن 2 پر سٹیل کے دو سٹور (Steel Silos) تیار کیے گئے ہیں جن میں سے ہر ایک کی گنجائش 2000 ٹن ہے۔ اس سے اہم ترین نوعیت کے بڑے منصوبوں کے لیے نئے اور خاص سیمنٹ کی تیاری اور ذخیرہ کرنے کی صلاحیت میں اضافہ ہوگا۔ 120 ٹن فی گھنٹہ کی صلاحیت رکھنے والے پیکنگ کے ایک نئے پلانٹ کی تنصیب کا کام بھی مکمل کیا گیا ہے جس سے سیمنٹ کی پیکنگ کی

صلاحیت میں اضافہ ہوگا۔

۶۔ حال ہی میں، فوجی سیمنٹ نے اپنی انتظامی اور عملی صلاحیت میں اضافے کے اقدامات بھی کیے ہیں جس میں ادارہ جاتی سطح کے بہتری کے اقدامات شامل ہیں جن میں ہیلتھ سیفٹی اینڈ اینوائرنمنٹ ڈیپارٹمنٹ (Health, safety and Environment) اور ہارٹی کلچر (Horticulture) ڈیپارٹمنٹ کا بنانا، مرکزی کنٹرول روم کی حالت بہتر بنانا، کوالٹی کنٹرول (Quality Control) لیبارٹری میں جدت لانا جو اب امریکی اور یورپی (ASTM& EU) معیار کے مطابق ہے۔ اس کے ساتھ ساتھ ایک موبائل لیبارٹری بھی قائم کی گئی ہے تاکہ سائٹ پر جا کر بھی مشاورت کی جا سکے اور شکایات کا ازالہ کیا جا سکے۔ اس سال میں بہتری کے اقدامات میں ایک اور امتیازی اضافہ فوجی سیمنٹ کی تیاری کے تمام مراحل پر محیط ایک مکمل نظام یعنی انٹرپرائز ریسورس پلاننگ (Enterprise Resourse Planning-ERP) بنانا ہے جس سے کمپنی کا سیمنٹ بنانے کا نظام مکمل طور پر خودکار (fully automated) ہو گیا ہے۔

۷۔ اپنی کاروباری سماجی ذمہ داری سے عہدہ برآ ہونے کے لیے فوجی سیمنٹ نے تعلیم، صحت، تعلیم بالغاں اور ماحولیاتی تحفظ کے شعبوں میں امتیازی اقدامات کیے ہیں۔ گردونواح کے نوجوانوں کی مہارت میں اضافے کے لیے، ٹیکنیکل تعلیم کا ایک مرکز بنایا گیا ہے، عورتوں کو بنیادی مہارتوں کی تربیت دینے کے لیے ایک ووکیشنل ٹریننگ انسٹی ٹیوٹ (Vocational Training Institute) قائم کیا گیا ہے، مقامی آبادی کے بچوں کی تعلیم کے لیے فوجی ماڈل سیکنڈری سکول کام کر رہا ہے، ملازمین اور مقامی افراد کو صحت کی سہولتیں فراہم کرنے کے لیے ضروری آلات سے بخوبی آراستہ ایک نئی ڈسپنسری موجود ہے (اس سال 19,643 مریضوں کو مفت علاج کی سہولت فراہم کی گئی) اور تعلیم بالغاں کا ایک پروگرام جاری ہے۔

۸۔ ماحولیاتی تحفظ کے سلسلے میں قومی گو گرین (Go Green) مہم میں فوجی سیمنٹ قائدانہ کردار ادا کر رہا ہے۔ اس ضمن میں، بروئے کار لائے جانے والے دو بڑے اقدامات میں پانی کو محفوظ کرنا اور بڑے پیمانے پر شجرکاری ہے۔ اول الذکر کے ضمن میں، پلانٹ میں استعمال ہونے والے پانی کو دوبارہ قابلِ استعمال بنایا گیا ہے اور اس کے ساتھ ساتھ بارشی پانی کو اکھٹا کرنے کا انتظام کیا گیا ہے۔ شجرکاری کی ایک وسیع مہم پلانٹ اور اس کے گردونواح میں چلائی گئی ہے، اس کے ساتھ ساتھ مقامی حکومت، ضلعی انتظامیہ اور گردونواح کے سکولوں کو شجرکاری کے لیے پودے بھی فراہم کئے گئے ہیں۔

۹۔ مستقبل پر نگاہ رکھتے ہوئے، فوجی سیمنٹ کی حکمتِ عملی میں ہر قیمت پر مارکیٹ میں اپنا کاروباری حصہ محفوظ و برقرار رکھنا ہے۔ اس کے ساتھ ساتھ جدید مصنوعات کو متعارف کرانا، اپنی مصنوعات میں تنوع لانا اور ایندھن اور بجلی کے اخراجات میں کمی لانا معاون اقدامات ہیں۔ اول الذکر کا حصول، اپنے تیار کردہ خصوصی سیمنٹ برانڈز کی فروخت میں اضافے، نئے

برانڈز جیسے پوزولانا سیمنٹ(Pozzolana Cement)، ہائی سٹرینتھ(High strength)اور فائبرس سیمنٹ (Fibrous cement) کو متعارف کرانے سے ممکن ہوگا۔ جبکہ مؤخر الذکر کے ضمن میں، موجودہ 12.5 میگاواٹ شمسی توانائی سے چلنے والے بجلی گھر کو 15 میگاواٹ تک لے جایا جائے گا، ایئر کولڈ سسٹم(Air Cooled System) کی تنصیب کا جائزہ لیا جارہا ہے، متبادل ایندھن کے استعمال اور کوئلے کی بہتر شرح کے حصول کے اقدامات کیے جائیں گے۔ ساتھ ہی ساتھ، پیداوار کو مزید بہتر بنا کر پلانٹ کی کارکردگی میں بہتری لائی جائے گی۔ سیمنٹ مارکیٹ کی مجموعی پیداواری صلاحیت میں اضافے کے چیلنج کا مقابلہ کرنے کے لیے فوجی سیمنٹ کمپنی کی پیداواری صلاحیت میں اضافے کے لیے ایک گرین فیلڈ پراجیکٹ(Green Field Project) کا قیام بھی انتظامیہ کے زیر غور ہے اور منصوبہ بندی کے آخری مراحل میں ہے۔

۱۰۔ کمپنی کی انتظامیہ اور ملازمین کی جانب سے، میں تمام شراکت داروں کے لیے ان کی گراں قدر معاونت اور حوصلہ افزائی پر ممنونیت کا اظہار کرتا ہوں۔ میں محترم المقام چیئرمین اور بورڈ کے دیگر ممبران کا شکر گزار ہوں جن کی رہنمائی، ذاتی لگن اور پیشہ ورانہ وابستگی کے باعث کمپنی درست سمت میں اپنے سفر پر گامزن رہی۔ میں کمپنی کی سینئر انتظامیہ اور ملازمین کی محنت، لگن اور عزم کا بھی اعتراف کرنا چاہوں گا جس کے بغیر ایسے اچھے نتائج کا حصول ممکن نہیں تھا۔

لیفٹیننٹ جنرل

محمد احسن محمود، ہلال امتیاز (ملٹری)، (ریٹائرڈ)
چیف ایگزیکٹو/ مینیجنگ ڈائریکٹر، فوجی سیمنٹ کمپنی لمیٹڈ

راولپنڈی
27 اگست 2019

DIRECTORS' **REPORT**

The 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 2019 and Auditors' Report thereon

FINANCIAL CAPITAL

Profit or Loss Analysis

FCCL earned Profit after Tax of Rs 2,824 Million, compared to last year's Profit of Rs 3,429 Million. Decreased local and export demand resulted in lower cement production and sales thereof compared to the actual results of previous year.

Aggregate Cost of Sales

Decrease in aggregate cost of sales is primarily due to decrease in cement production. However, the average cost of production increased mainly due to increase in coal prices, packing material and power (IESCO Tariff). Primary reason for increase in coal and packing material cost is drastic Pak Rupee devaluation against US Dollar.

Gross Profit

The Company was able to improve its GP ratio from 24% in previous year to 26% in current year mainly due to better cement prices and increase in own cheaper captive power generation. Own power generation touched its highest in the Company history, contributing 43% of the total required power.

Distribution Cost and Administrative Expenses

Increase in distribution cost and administrative expenses is mainly attributable to routine inflationary impact.

Finance Cost

Improved cash flow generation through operations helped to reduce interest cost on short term running finances. Timely repayment of long term borrowings also resulted in reduced finance cost.

Other Income

Due to better cash flow generation through operations, the Company was able to earn income from short term placements, thereby recording increase of Rs 41 Million.

Income Tax Expense

Change in tax legislation resulted in major charge of deferred tax expense of Rs 500 Million which also significantly decreased net profit after tax.

Financial Position Analysis

Net Worth

Net worth of the Company stood at Rs 20,898 Million translating into a breakup value of Rs 15.15 per share. The net worth registered a growth of 2% over last year.

Long Term Borrowings

Long term borrowings (including current portion) stood at Rs 637 Million which decreased by Rs 426 Million due to repayment of borrowings in line with the agreement terms. All debt obligations, which were due for repayments, were paid in time.

Trade and Other Payables

Recorded at Rs 949 Million at year end and decreased by Rs 76 Million compared to previous financial year, mainly due to reduction in creditors.

Accrued Liabilities

Stood at Rs 835 Million and increased by Rs 262 Million compared to previous financial year due to outstanding balance of water conservancy charges.

Short Term Running Finance

Balance decreased from Rs 1,639 Million in previous year to Rs 990 Million due to better cash flow generation from operations.

Property, Plant & Equipment

Stood at Rs 23,203 Million with an increase of 3% compared to previous financial year mainly due to capitalization of Solar Power Plant during current financial year.

Stock in Trade

Stood at Rs 944 Million with decrease of Rs 301 Million compared to previous financial year due to decrease in clinker and paper bags stocks.

Trade Debts

Trade debts decreased from Rs 1,168 Million in previous financial year to Rs 947 Million in current financial year showing decrease of Rs 221 Million due to increased collection from customers.

Cash and Bank Balances

Stood at Rs 403 Million compared to Rs 532 Million compared to previous financial year.

مالیات/ مالی تفصیلات

۱۔ نفع یا نقصان کا تجزیہ

فوجی سیمنٹ کمپنی نے اس سال میں 2,824 ملین کا بعد از ٹیکس منافع کمایا جبکہ گزشتہ برس یہ منافع 3,429 ملین روپے تھا۔ مقامی اور برآمدی سطح پر سیمنٹ کی طلب میں کمی کا نتیجہ گزشتہ برس کے مقابلے میں سیمنٹ کی پیداوار اور فروخت میں کمی کی صورت میں نکلا۔

۲۔ سیمنٹ کی فروخت کی مجموعی قیمت

سیمنٹ کی فروخت کی مجموعی قیمت میں کمی کی بنیادی وجہ سیمنٹ کی پیداوار میں کمی ہے۔ تاہم پیداوار کی اوسط لاگت میں اضافہ کوئلے کی قیمت بڑھنے، پیکنگ کے سامان کے مہنگا ہونے اور بجلی کی قیمتوں (IESCO Tarrif) میں اضافے کے باعث ہوا۔ کوئلے اور پیکنگ کے سامان کی قیمت میں اضافے کی بنیادی وجہ امریکی ڈالر کے مقابلے میں پاکستانی روپے کی قدر میں شدید کمی ہونا ہے۔

۳۔ مجموعی منافع

اس سال میں کمپنی اپنے مجموعی منافع کی شرح کو 24 فیصد سے 26 فیصد تک بڑھانے میں کامیاب رہی جس کی بنیادی وجوہات میں سیمنٹ کی بہتر قیمت فروخت اور اپنی سستی بجلی کی پیداوار شامل ہیں۔ کمپنی کی اپنی بجلی کی پیداوار تاریخ کی بلند ترین سطح پر پہنچ گئی جو کل درکار بجلی کا 43 فیصد تھی۔

۴۔ تقسیم کاری کی لاگت اور انتظامی اخراجات

تقسیم کاری کی لاگت اور اور انتظامی اخراجات میں اضافے کی اہم وجہ معمول کی مہنگائی کے اثرات ہیں۔

۵۔ مالی اخراجات

عملی اقدامات کے ذریعے نقد رقم کے بہاؤ میں بہتری ہوئی جس کی وجہ سے مختصر مدت کے گردشی قرضہ جات پر سود کی ادائیگی کے اخراجات میں کمی ہوئی۔ طویل مدت کے قرضہ جات کی بروقت واپسی نے بھی مالی اخراجات کو کم کرنے میں مدد دی۔

۶۔ دیگر آمدنی

عملی اقدامات کے ذریعے نقد رقم کے بہاؤ میں بہتری ہوئی جس کی وجہ سے کمپنی نے مختصر مدت کی placements کے ذریعے اضافی رقم کمائی، اور یوں آمدنی میں 41 ملین روپے کا اضافہ ہوا۔

۷۔ انکم ٹیکس کے اخراجات

ٹیکس کے قوانین میں ترمیم کے نتیجے میں مؤخر ٹیکس کی مد میں کمپنی کو 500 ملین روپے کی لاگت برداشت کرنی پڑی جس سے بعد از ٹیکس صافی منافع بھی واضح طور پر کم ہوگیا۔

مالی حالت کا تجزیہ

۱۔ نئی قدر و قیمت

کمپنی کی نئی قدر و قیمت 20,898 ملین روپے پر کھڑی ہے جس کی تحلیل کی جائے تو ہر حصے (share) کی قیمت 15.15 روپے بنتی ہے۔ گزشتہ سال کی قدر و قیمت کے مقابلے میں یہ نئی قدر و قیمت 2 فیصد اضافے کے ساتھ ہے۔

۲۔ طویل مدتی قرضہ جات

طویل مدتی قرضہ جات (بشمول موجودہ حصے کے) 637 ملین روپے پر کھڑے ہیں۔ اس سال کے دوران معاہدوں کی شرائط کے مطابق کمپنی نے 426 ملین روپے کی ادائیگی کی ہے۔ قرضہ جات کی تمام رقوم جو واجب الادا تھیں، ان کی ادائیگی بروقت کردی گئی ہے۔

۳۔ تجارت اور دیگر واجب الادا رقوم

سال کے اختتام پر تجارت اور دیگر واجب الادا رقوم 949 ملین روپے ریکارڈ کی گئی ہیں جو گزشتہ سال کے مقابلے میں 76 ملین روپے کم ہیں جس کی بنیادی وجہ قرض خواہوں کی کمی ہے۔

۴۔ واجب الادا رقوم

کمپنی کے ذمے واجب الادا رقوم 835 ملین پر کھڑی ہیں اور گزشتہ سال کے مقابلے میں یہ رقم 262 ملین روپے زیادہ ہے جس کی وجہ پانی کو استعمال کرنے کے اخراجات کے واجب الادا بقایا جات ہیں۔

۵۔ مختصر مدتی گردشی قرضہ جات

گزشتہ برس کے ان قرضہ جات کی کل رقم 1,639 ملین روپے کے مقابلے میں اس سال یہ رقم کم ہو کر 990 ملین روپے ہوگئی جس کی وجہ عملی اقدامات کے بعد نقد رقم کا بہاؤ ہے۔

۶۔ جائیداد، پلانٹ اور دیگر آلات

یہ رقم 23,203 ملین روپے رہی جو گزشتہ مالی سال کے مقابلے میں 3 فیصد اضافے کے ساتھ ہے۔ اس کی بنیادی وجہ اس مالی سال میں شمسی توانائی سے چلنے والے بجلی گھر کی قیمت کا شامل ہونا ہے۔

۷۔ تجارت میں سٹاک

تجارت میں سٹاک کی رقم 944 ملین رہی جس میں گزشتہ مالی سال کے مقابلے میں 301 ملین کی کمی ہوئی ہے۔ اس کی وجہ کلنکر اور کاغذی تھیلوں کے سٹاک میں کمی ہے۔

۸۔ تجارتی قرضے

تجارتی قرضے گزشتہ برس کے 1,168 ملین روپے سے کم ہو کر اس مالی سال میں 947 ملین روپے رہ گئے جو 221 ملین روپے کی کمی کو ظاہر کرتے ہیں۔ اس کی بنیادی وجہ گاہکوں سے رقوم کی وصولی میں اضافہ ہے۔

۹۔ نقد رقم اور بینک بیلنس

گزشتہ مالی سال کے 532 ملین روپے کے مقابلے میں اس سال یہ رقم 403 ملین روپے ہے۔

Key Operating and Financial Statistics

		2019	2018	2017	2016	2015	2014
Performance							
Return on total assets	%	9.75	11.81	9.42	18.28	13.48	8.94
Total Assets turnover	Times	0.72	0.73	0.74	0.68	0.61	0.60
Fixed Assets turnover	Times	0.90	0.94	0.92	0.92	0.78	0.73
Return on Paid up Share Capital	%	20.47	24.85	18.94	38.90	29.83	19.03
Leverage							
Debt Equity Ratio	Times	0.03	0.05	0.07	0.18	0.27	0.33
Current Ratio	Times	1.51	1.49	2.12	1.51	1.36	1.16
Quick Ratio	Times	1.26	1.20	1.72	1.40	1.17	0.84
Valuation							
Earnings Per Share (basic)	Rs	2.05	2.49	1.89	3.98	2.91	1.80
Breakup Value Per Share (basic)	Rs	15.15	14.85	14.26	13.36	13.09	11.86
Breakup Value Per Share (diluted)	Rs	NA	NA	NA	NA	12.62	11.44
Dividend Per Share	Rs	0.75*	2.00	0.90	2.75	2.50	1.50
Dividend payout Ratio	%	36.59*	80.32	47.62	69.10	85.91	83.33
Market Price Per Share (average)	Rs	21.28	28.86	41.22	36.76	26.46	15.41

* Interim only

	2019	2018	2017	2016	2015	2014
			(RS in Million)			
Operating Results						
Net Sales	20,798	21,161	20,423	20,044	18,642	17,532
Gross Profit	5,323	5,036	4,438	9,165	7,027	6,084
Operating Profit	4,519	4,246	3,777	8,335	6,386	5,552
EBITDA	6,039	5,663	5,399	9,692	7,677	6,821
Finance Cost	107	148	153	503	706	1,042
Profit After Taxation	2,824	3,429	2,613	5,367	4,116	2,626
Balance Sheet						
Shareholders Equity	20,899	20,489	19,681	18,428	17,419	15,788
Fixed Assets	23,203	22,624	22,004	21,701	23,881	23,881
Long Term Borrowing Including Current Portion	637	1,063	1,489	4,012	6,525	7,914
EPS (Rs)						
Basic	2.05	2.49	1.89	3.98	2.91	1.8
Diluted	2.05	2.49	1.89	3.94	2.91	1.8

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

	2019	2019 Vs 2018	**2018**	2018 Vs 2017
	Rupees'000	Increase/ (Decrease) %	**Rupees'000**	Increase/ (Decrease) %
Turnover - net	**20,798,082**	**(2)**	21,160,878	4
Cost of sales	**(15,474,771)**	**(4)**	(16,124,517)	0.9
Gross profit	**5,323,311**	**6**	5,036,361	13
Distribution cost	**(210,335)**	**6**	(197,707)	19
Administrative expenses	**(415,979)**	**8**	(385,602)	13
Other operating expenses	**(326,689)**	**5**	(311,184)	7
Finance cost	**(106,758)**	**(28)**	(147,813)	(3)
Other income	**148,358**	**43**	104,094	(24)
Insurance claim	**-**	**-**	-	(100)
Profit before taxation	**4,411,908**	**8**	4,098,149	4
Income tax expense	**(1,587,610)**	**137**	(668,685)	(49)
Profit for the year	**2,824,298**	**(18)**	3,429,464	31
Earnings per share - Basic (Rs)	**2.05**	**(18)**	2.49	31
Earnings per share - Diluted (Rs)	**2.05**	**(18)**	2.49	31

2017	2017 Vs 2016	2016	2016 Vs 2015	2015	2015 Vs 2014	2014
Rupees'000	Increase/ (Decrease) %	**Rupees'000**	Increase/ (Decrease) %	**Rupees'000**	Increase/ (Decrease) %	**Rupees'000**
20,423,356	2	20,044,438	8	18,642,358	6	17,532,277
(15,985,679)	47	(10,879,156)	(6)	(11,615,261)	1	(11,448,142)
4,437,677	(52)	9,165,282	30	7,027,097	15	6,084,135
(166,361)	(20)	(208,777)	48	(141,018)	13	(125,106)
(339,766)	9	(312,108)	15	(271,629)	20	(225,957)
(291,095)	(50)	(578,543)	38	(419,918)	26	(333,504)
(152,960)	(70)	(503,346)	(29)	(706,027)	(32)	(1,042,144)
136,884	(49)	268,798	40	191,386	26	152,081
305,842	100	-	-	-	-	-
3,930,221	(50)	7,831,306	38	5,679,891	26	4,509,505
(1,317,010)	(47)	(2,464,106)	58	(1,563,726)	(17)	(1,883,511)
2,613,211	(51)	5,367,200	30	4,116,165	57	2,625,994
1.89	(52)	3.98	37	2.91	62	1.80
1.89	(52)	3.94	35	2.91	62	1.80

HORIZONTAL ANALYSIS - STATEMENT OF FINANCIAL POSITION

	2019	2019 Vs 2018	2018	2018 Vs 2017
	Rupees'000	Increase/ (Decrease) %	Rupees'000	Increase/ (Decrease) %
SHARE CAPITAL AND RESERVES				
Share capital	**12,433,765**	**-**	12,433,765	-
Reserves	**8,464,797**	**5**	8,055,175	11
	20,898,562	**2**	20,488,940	4
NON - CURRENT LIABILITIES				
Long term borrowings	**317,836**	**(50)**	636,868	(40)
Provision for compensated absences	**71,216**	**11**	64,178	11
Deferred taxation	**3,925,740**	**9**	3,600,638	(16)
	4,314,791	**0.3**	4,301,684	(20)
CURRENT LIABILITIES				
Trade and other payables	**948,864**	**(7)**	1,024,758	72
Accrued liabilities	**834,816**	**46**	573,347	6
Security deposits	**219,704**	**25**	176,339	28
Advances from customers	**324,300**	**32**	245,133	4
Provision for compensated absences current portion	**20,399**	**19**	17,107	12
Payable to employees' provident fund trust	**11,832**	**24**	9,534	11
Unclaimed dividend	**43,747**	**(61)**	111,561	312
Markup accrued	**39,021**	**8**	35,980	(18)
Short term running finance	**990,112**	**(40)**	1,638,886	425
Current portion of long term borrowings	**319,034**	**(25)**	426,177	-
Provision for taxation - net	**-**	**-**	-	(100)
	3,751,829	**(12)**	4,258,822	60
	28,965,182	**(0.3)**	29,049,446	5
NON - CURRENT ASSETS				
Property, plant and equipment	**23,202,930**	**2.6**	22,624,413	3
Long term advance	-	**-**	-	-
Long term deposits	**86,601**	**-**	86,601	-
	23,289,531	**2.5**	22,711,014	3
CURRENT ASSETS				
Stores, spares and loose tools	**3,055,041**	**(0.4)**	3,067,684	40
Stock in trade	**944,022**	**(24.2)**	1,244,805	16
Trade debts	**947,046**	**(18.9)**	1,168,343	2
Advances	**36,176**	**(4.6)**	37,927	(54)
Trade deposits, short term prepayments and balances with statutory authority	**20,463**	**(69.3)**	66,669	25
Interest accrued	**398**	**(61.4)**	1,031	(61)
Advance tax - net	**261,998**	**126.7**	115,550	100
Other receivables	**7,660**	**(92.7)**	104,664	(82)
Cash and bank balances	**402,847**	**(24.2)**	531,759	3
Short term Investments	**-**	**-**	-	-
	5,675,651	**(10.5)**	6,338,432	12
	28,965,182	**(0.3)**	29,049,446	5

	2017	2017 Vs 2016	2016	2016 Vs 2015	2015	2015 Vs 2014	2014
	Rupees'000	Increase/ [Decrease] %	Rupees'000	Increase/ [Decrease] %	Rupees'000	Increase/ [Decrease] %	Rupees'000
	12,433,765	[10]	13,798,150	-	13,798,150	-	13,798,150
	7,247,360	57	4,629,705	28	3,620,834	82	1,990,037
	19,681,125	7	18,427,855	6	17,418,984	10	15,788,187
	1,063,045	[28]	1,486,178	[63]	4,000,119	[25]	5,362,998
	58,014	5	55,214	26	43,743	3	42,611
	4,281,496	[3]	4,427,224	2	4,335,067	17	3,705,030
	5,402,555	[9]	5,968,616	[29]	8,378,929	[8]	9,110,639
	595,672	[40]	997,898	14	874,130	15	757,166
	539,085	[16]	645,138	[26]	875,441	31	667,952
	137,904	32	104,409	15	90,940	9	83,497
	234,644	34	175,379	[6]	186,735	[6]	198,538
	15,244	16	13,097	49	8,807	1	8,713
	8,625	5	8,229	100	-	-	-
	27,084	13	23,881	22	19,575	100	9,782
	43,991	[42]	76,265	[47]	144,013	[12]	163,457
	312,441	300	78,037	1255	5,758	[86]	42,232
	426,177	[83]	2,525,955	0.04	2,524,978	[1]	2,551,169
	327,672	5	312,893	100	-	-	-
	2,668,539	[46]	4,961,181	5	4,730,377	6	4,482,506
	27,752,219	[5]	29,357,652	[4]	30,528,290	4	29,381,332
	22,003,943	1	21,701,250	[9]	23,880,553	-	23,881,426
	-		-	[100]	900	[50]	1,800
	86,601	[45]	156,733	[33]	233,241	[25]	309,749
	22,090,544	1	21,857,983	[9]	24,114,694	-	24,192,975
	2,194,451	1	2,177,367	11	1,965,411	[3]	2,016,336
	1,071,970	98	540,588	[39]	888,536	[37]	1,409,107
	1,148,618	102	569,101	1	566,141	[2]	580,214
	83,001	[62]	218,947	1857	11,190	[78]	50,414
	53,374	222	16,593	[96]	375,563	40	268,545
	2,663	[40]	4,447	14	3,902	2155	173
	-	-	-	-	-	-	-
	589,761	[40]	982,562	16170	6,039	[71]	20,585
	517,837	[69]	1,665,579	[27]	2,296,603	172	842,983
	-	[100]	1,324,485	341	300,211	100	-
	5,661,675	[25]	7,499,669	17	6,413,596	24	5,188,357
	27,752,219	[5]	29,357,652	[4]	30,528,290	4	29,381,332

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

	2019		2018	
	Rupees'000	%	Rupees'000	%
Turnover - net	**20,798,082**	**100**	21,160,878	100
Cost of sales	**(15,474,771)**	**(74)**	(16,124,517)	(76)
Gross profit	**5,323,311**	**26**	5,036,361	24
Distribution cost	**(210,335)**	**(1)**	(197,707)	(1)
Administrative expenses	**(416,229)**	**(2)**	(385,602)	(2)
Other operating expenses	**(326,439)**	**(2)**	(311,184)	(1)
Finance cost	**(106,758)**	**(1)**	(147,813)	(1)
Other income	**148,358**	**0.7**	104,094	0.5
Insurance claim	**-**	**-**	-	-
Profit before taxation	**4,411,908**	**21**	4,098,149	19
Income tax expense	**(1,587,610)**	**(8)**	(668,685)	(3)
Profit for the year	**2,824,298**	**14**	3,429,464	16
Earnings per share - Basic (Rupees)	**2.05**		2.49	
Earnings per share - Diluted (Rupees)	**2.05**		2.49	

2017 Rupees'000	%	2016 Rupees'000	%	2015 Rupees'000	%	2014 Rupees'000	%
20,423,356	100	20,044,438	100	18,642,358	100	17,532,277	100
(15,985,679)	(78)	(10,879,156)	(54)	(11,615,261)	(62)	(11,448,142)	(65)
4,437,677	22	9,165,282	46	7,027,097	38	6,084,135	35
(166,361)	(1)	(208,777)	(1)	(141,018)	(1)	(125,106)	(1)
(339,766)	(2)	(312,108)	(2)	(271,629)	(1)	(225,957)	(1)
(291,095)	(1)	(578,543)	(3)	(419,918)	(2)	(333,504)	(2)
(152,960)	(1)	(503,346)	(3)	(706,027)	(4)	(1,042,144)	(6)
136,884	1	268,798	1	191,386	1	152,081	1
305,842	1	-	-	-	-	-	-
3,930,221	19	7,831,306	39	5,679,891	30	4,509,505	26
(1,317,010)	(6)	(2,464,106)	(12)	(1,563,726)	(8)	(1,883,511)	(11)
2,613,211	13	5,367,200	27	4,116,165	22	2,625,994	15
1.89		3.98		2.91		1.80	
1.89		3.94		2.91		1.80	

VERTICAL ANALYSIS - STATEMENT OF FINANCIAL POSITION

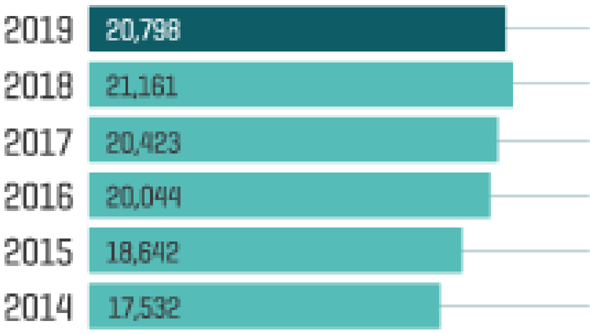
	2019		2018	
	Rupees'000	%	Rupees'000	%
SHARE CAPITAL AND RESERVES				
Share capital	**12,433,765**	**42.9**	12,433,765	42.8
Reserves	**8,464,797**	**29.2**	8,055,175	27.7
	20,898,562	**72.2**	20,488,940	70.5
NON - CURRENT LIABILITIES				
Long term borrowings	**317,836**	**1.1**	636,868	2.2
Provision for compensated absences	**71,216**	**0.2**	64,178	0.2
Deferred taxation	**3,925,740**	**13.6**	3,600,638	12.4
	4,314,791	**14.9**	4,301,684	14.8
CURRENT LIABILITIES				
Trade and other payables	**948,865**	**3.3**	1,024,758	3.5
Accrued liabilities	**834,816**	**2.9**	573,347	2.0
Security deposits	**219,704**	**0.8**	176,339	0.6
Advances from customers	**324,300**	**1.1**	245,133	0.8
Provsion for compensated absences current portion	**20,399**	**0.1**	17,107	0.1
Payable to employees' provident fund trust	**11,832**	**-**	9,534	-
Unclaimed dividend	**43,747**	**0.2**	111,561	0.4
Markup accrued	**39,021**	**0.1**	35,980	0.1
Short term running finance	**990,112**	**3.4**	1,638,886	5.6
Current portion of long term borrowings	**319,034**	**1.1**	426,177	1.5
Provision for taxation - net	**-**	**-**	-	-
	3,751,830	**13.0**	4,258,822	14.7
	28,965,182	**100**	29,049,446	100
NON - CURRENT ASSETS				
Property, plant and equipment	**23,202,930**	**80.1**	22,624,413	77.9
Long term advance	**-**	**-**	-	-
Long term deposits	**86,601**	**0.3**	86,601	0.3
	23,289,531	**80.4**	22,711,014	78.2
CURRENT ASSETS				
Stores, spares and loose tools	**3,055,041**	**10.5**	3,067,684	10.6
Stock in trade	**944,022**	**3.3**	1,244,805	4.3
Trade debts	**947,046**	**3.3**	1,168,343	4.0
Advances	**36,176**	**0.1**	37,927	0.1
Trade deposits, short term prepayments and balances with statutory authority	**20,463**	**0.1**	66,669	0.2
Interest accrued	**398**	**-**	1,031	-
Advance tax - net	**261,998**	**0.9**	115,550	0.4
Other receivables	**7,660**	**-**	104,664	0.4
Cash and bank balances	**402,847**	**1.4**	531,759	1.8
Short term Investments	**-**	**-**	-	-
	5,675,651	**19.6**	6,338,432	21.8
	28,965,182	**100**	29,049,446	100

2017		2016		2015		2014	
Rupees'000	%	Rupees'000	%	Rupees'000	%	Rupees'000	%
12,433,765	44.8	13,798,150	47.0	13,798,150	45.2	13,798,150	47.0
7,247,360	26.1	4,629,705	15.8	3,620,834	11.9	1,990,037	6.8
19,681,125	70.9	18,427,855	62.8	17,418,984	57.1	15,788,187	53.7
1,063,045	3.8	1,486,178	5.1	4,000,119	13.1	5,362,998	18.3
58,014	0.2	55,214	0.2	43,743	0.1	42,611	0.1
4,281,496	15.4	4,427,224	15.1	4,335,067	14.2	3,705,030	12.6
5,402,555	19.5	5,968,616	20.3	8,378,929	27.4	9,110,639	31.0
595,672	2.1	997,898	3.4	874,130	2.9	757,166	2.6
539,085	1.9	645,138	2.2	875,441	2.9	667,952	2.3
137,904	0.5	104,409	0.4	90,940	0.3	83,497	0.3
234,644	0.8	175,379	0.6	186,735	0.6	198,538	0.7
15,244	0.1	13,097	-	8,807	-	8,713	-
8,625	-	8,229	-	-	-	-	-
27,084	0.1	23,881	0.1	19,575	0.1	9,782	-
43,991	0.2	76,265	0.3	144,013	0.5	163,457	0.6
312,441	1.1	78,037	0.3	5,758	-	42,232	0.1
426,177	1.5	2,525,955	8.6	2,524,978	8.3	2,551,169	8.7
327,672	1.2	312,893	1.1	-	-	-	-
2,668,539	9.6	4,961,181	16.9	4,730,377	15.5	4,482,506	15.3
27,752,219	100	29,357,652	100	30,528,290	100	29,381,332	100

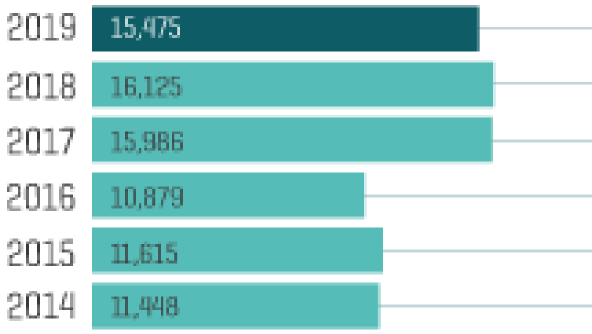
22,003,943	79.3	21,701,250	73.9	23,880,553	78.2	23,881,426	81.3
-	-	-	-	900	-	1,800	-
86,601	0.3	156,733	0.5	233,241	0.8	309,749	1.1
22,090,544	79.6	21,857,983	74.5	24,114,694	79.0	24,192,975	82.3
2,194,451	7.9	2,177,367	7.4	1,965,411	6.4	2,016,336	6.9
1,071,970	3.9	540,588	1.8	888,536	2.9	1,409,107	4.8
1,148,618	4.1	569,101	1.9	566,141	1.9	580,214	2.0
83,001	0.3	218,947	0.7	11,190	0.0	50,414	0.2
53,374	0.2	16,593	0.1	375,563	1.2	268,545	0.9
2,663	-	4,447	-	3,902	-	173	-
-	-	-	-	-	-	-	-
589,761	2.1	982,562	3.3	6,039	-	20,585	0.1
517,837	1.9	1,665,579	5.7	2,296,603	7.5	842,983	2.9
-	-	1,324,485	4.5	300,211	1.0	-	-
5,661,675	20.4	7,499,669	25.5	6,413,596	21.0	5,188,357	17.7
27,752,219	100	29,357,652	100	30,528,290	100	29,381,332	100

GRAPHICAL **PRESENTATION**

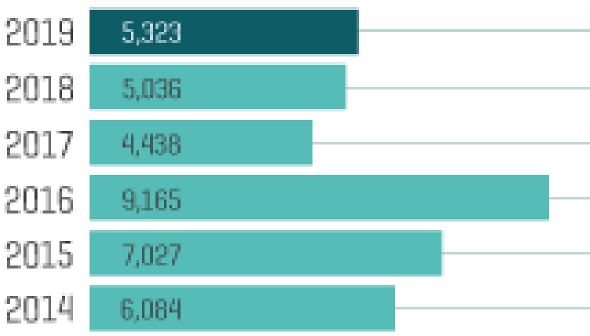
REVENUE
(Rs in million)



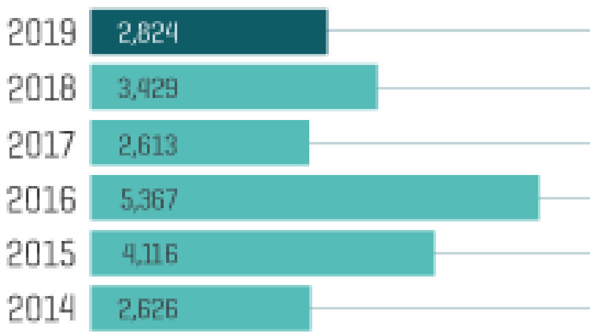
COST OF SALE
(Rs in million)



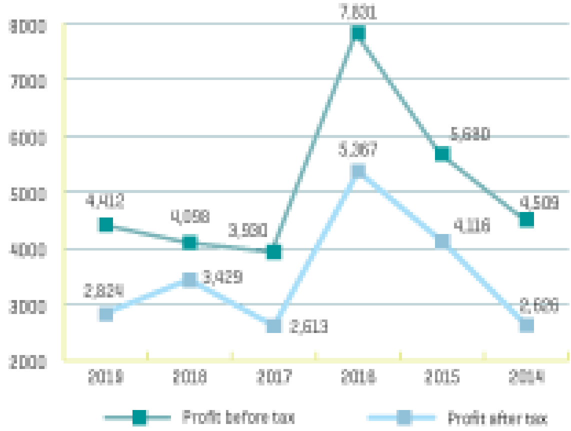
GROSS PROFIT
(Rs in million)



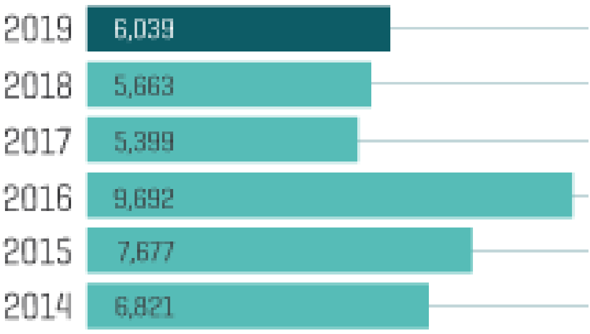
NET PROFIT
(Rs in million)



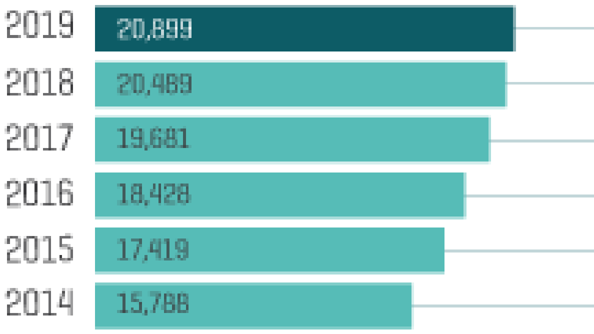
COMPARISON BETWEEN PBT & PAT
(Rs in million)



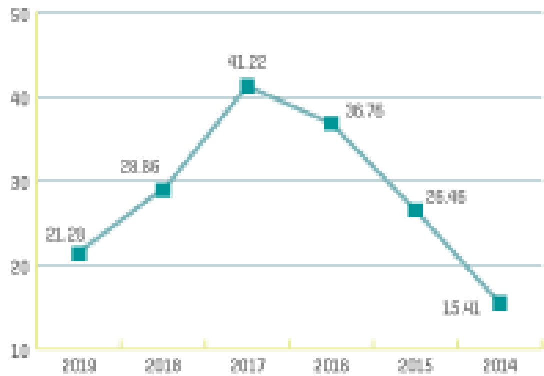
EBITDA
(Rs in million)



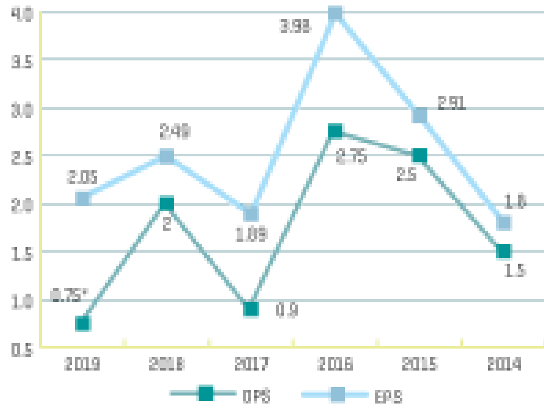
SHAREHOLDERS EQUITY
(Rs in million)



SHARE PRICE
(Rupees)

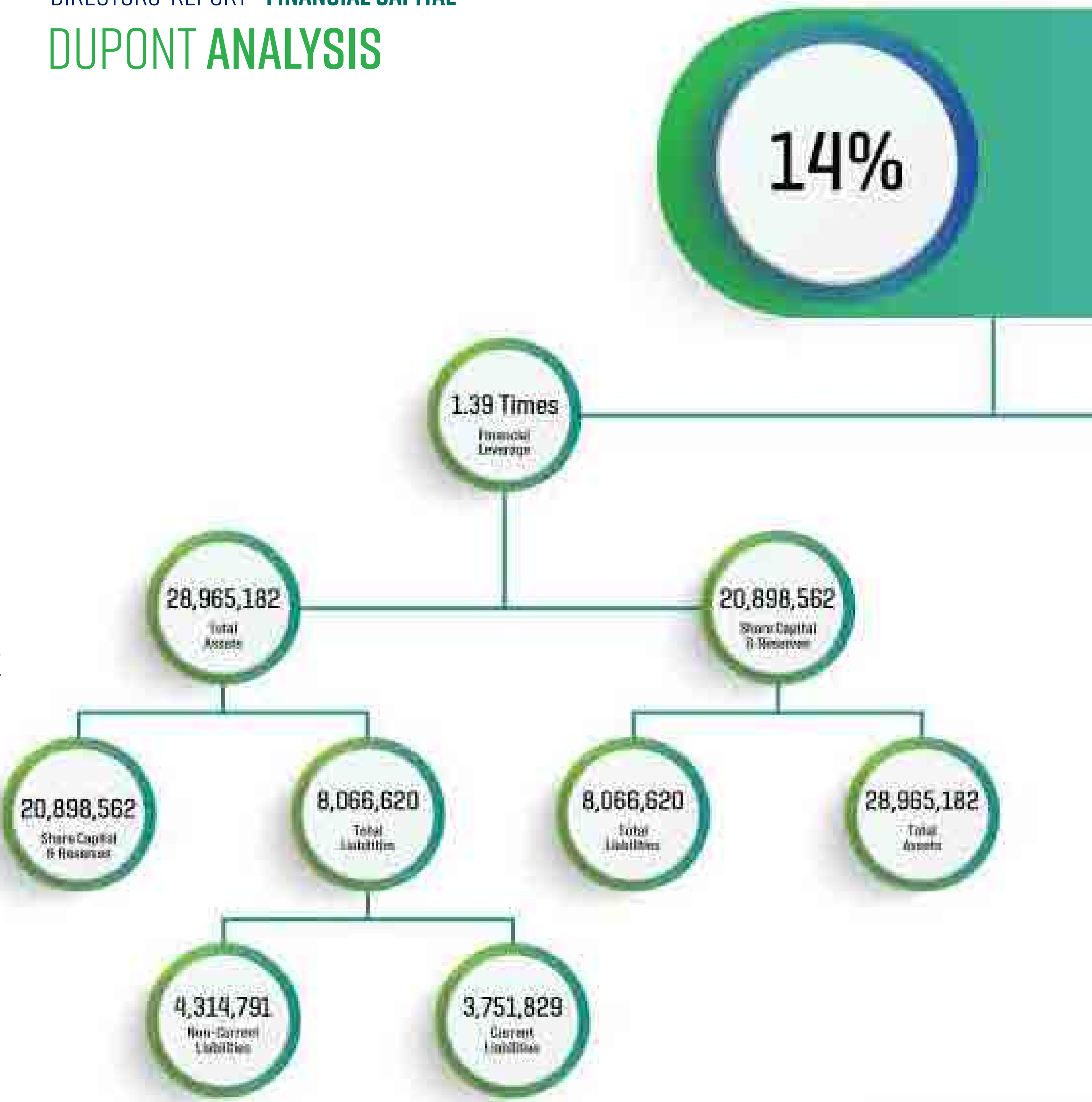


COMPARISON OF EPS & DPS
(Rs)



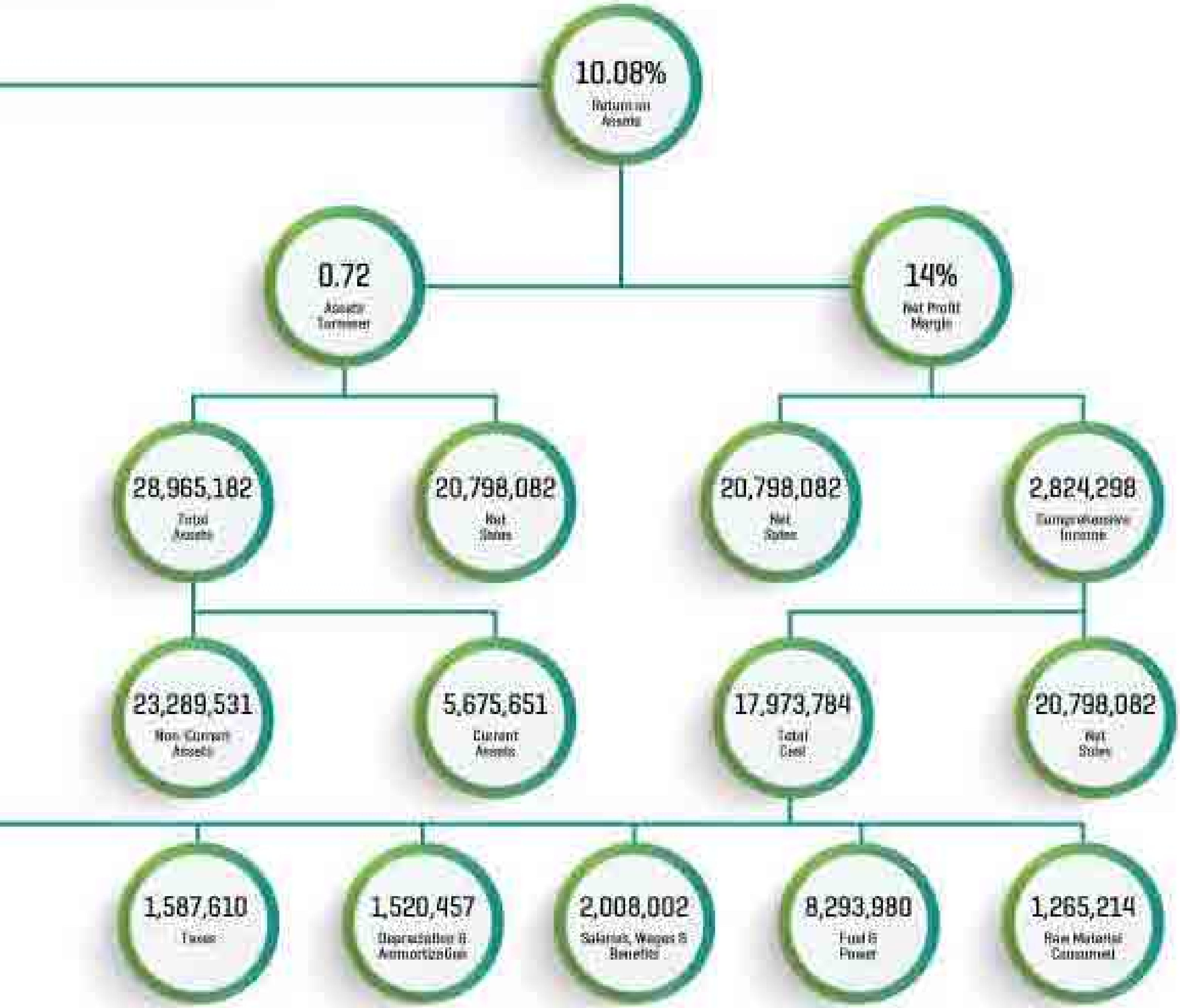
*Interim only

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
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%
2014	14.98%	0.60	1.86	17%

Return on Equity



Figures are in PKR ('000) or otherwise stated

Contribution to National Exchequer

FCCL contributed PKR **10.783 Billion (** in 2018 it was PKR **10.914** 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 $ 10.5 Million** was generated by FCCL from export of Cement during the year.

Dividend

Based on performance of the Company, the Board is pleased to propose a final dividend of Rs **0.75** per share (**7.5 %**) in respect of the financial year ended 30th June 2019. This final dividend will be subject to the approval of shareholders in 27th Annual General Meeting scheduled on 27th September 2019.

Outstanding Statutory Dues

The Company does not have any outstanding statutory dues except as shown in Note 8 to the Financial Statements.

Provident Fund

The total value of this Fund, as on 30thJune 2019, is given below:-

Ser No	Category of Staff	Rs in Million
a.	Management Staff	466
b.	Non-Management Staff	317
	Total	**783**

CORPORATE GOVERNANCE

Role of Chairman FCCL Board

The Chairman leads the Board of Directors, represents the Group and acts as an overall custodian of the Group. He is responsible for ensuring the Board's effectiveness 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 for execution of Company's long term strategy with a view to ensure achievement of laid down objectives. He takes all the decisions for the routine functioning and acts as a direct link between the Board and Company management. On behalf of the Company, he communicates with the shareholders, Government authorities, other stakeholders and the public. He also acts as a director, decision maker and leader, ensuring effective decision making in the realm of policy and strategy; concurrently he motivates the employees and inculcates in them the desired enthusiasm and spirit.

Composition of the Board

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

Composition of Board Committees

Composition of Board Committees and other relevant details are given on pages from 30 to 33.

Election of Board Directors

Due to completion of the term of Board of Directors on 12th December 2018, fresh elections were conducted on 29th November 2018 to elect 10 Directors during 10th Extraordinary General Meeting of the shareholders. The Board placed on record its appreciation for contributions rendered by the outgoing Directors, i.e., Brig Asmat Ullah Khan Niazi, SI(M), (Retd), Mr Qaiser Javed and Mr Pervez Inam. The Chairman also welcomed the new Directors, especially, Mr Zafar Iqbal Sobani, Ms Jahanara Sajjad Ahmad and Mr Rehan Laiq.

Selection of Independent Directors

It was carried out in accordance with the rules / regulations given in Companies Act 2017, Listed Companies (Code of Corporate Governance) Regulations 2017 and other relevant instructions issued by the Securities and Exchange Commission of Pakistan (SECP). The independent directors were shortlisted from the list being maintained by Pakistan Institute of Corporate Governance (PICG) and were elected as such during the elections on 29th November 2018.

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 2017. 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 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 control and approving / monitoring financial & other reporting systems.

Relations with Company Personnel

Relations between the Management and the workers continued to remain cordial, based on mutual respect and trust. Provident Fund and Worker Profit Participation Fund (WPPF) are being maintained for the employees. Considerable investment has also been made for the welfare of staff and ensuring the safe & conducive working environment.

Directors' Remuneration

The meeting fee is paid only to independent and non-executive Directors 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 paid to the Directors during the year is indicated in Note 32 of the attached financial statements.

Performance Evaluation of the Board

As per directions given in the Listed Companies (Code of Corporate Governance) Regulations 2017, performance evaluation of individual Directors, Board and Committees is being done. The system is being further refined by the Human Resource and Remuneration Committee.

Trading of Shares by the Directors and Executives

Directors of the Company traded in 3504 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 Directors and Executives.

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 and Annual Budget. In addition, the Board can convene a special meeting to discuss any special agenda. During the year, six meetings of Board were held and the details are as under:-

Directors	2018			2019			Meetings Attended
	3rd Aug	27th Aug	22nd Oct	18th Feb	18th Apr	28th June	
Lt Gen Syed Tariq Nadeem Gilani, HI(M), (Retd)	✔	✔	✔	✔	✔	✔	6
Lt Gen Muhammad Ahsan Mahmood, HI(M), (Retd)	✔	✔	✔	✔	✔	✔	6
Maj Gen Tahir Ashraf Khan, HI(M), (Retd)	✔	✔	✔	✔	✔	✔	6
Mr Jawaid Iqbal	✔	Leave	Leave	Leave	Leave	Leave	1
Mr Qaiser Javed Resigned on 12th Dec 2018	✔	✔	✔	-	-	-	3
Mr Rehan Laiq Elected Board Member on 13th Dec 2018	-	-	-	✔	✔	✔	3
Brig Asmat Ullah Khan Niazi, SI(M), (Retd) Resigned on 12th Dec 2018	✔	✔	✔	-	-	-	3
Mr Zafar Iqbal Sobani Elected Board Member on 13th Dec 2018	-	-	-	✔	✔	✔	3
Mr Pervez Inam Resigned on 12th Dec 2018	Leave	Leave	Leave	-	-	-	-
Ms Jahanara Sajjad Ahmad Elected Board Member on 13th Dec 2018	-	-	-	✔	✔	✔	3
Maj Gen Wasim Sadiq, HI(M), (Retd) Resigned on 25th Feb 2019	✔	✔	✔	✔	-	-	4
Maj Gen Kaleem Saber Taseer, HI(M), (Retd) Appointed Board Member on 20th Mar 2018	-	-	-	-	✔	✔	2
Dr Nadeem Inayat Resigned on 25th Feb 2019	✔	✔	Leave	✔	-	-	3
Mr Muhammad Amir Khan Appointed Board Member on 20th Mar 2018	-	-	-	-	✔	✔	2
Brig Raashid Wali Janjua, SI(M), (Retd) Resigned on 30th April 2019	✔	✔	✔	✔	✔	-	5
Mr Syed Iqtidar Saeed Appointed Board Member on 1st May 2019	-	-	-	-	-	✔	1

Shareholding Pattern

In accordance with Listed Companies (Code of Corporate Governance) Regulations 2017 and the Companies Act 2017, the pattern of shareholding of Company, as on 30th June 2019, is indicated on pages from 154 to 158 of this Report.

Approval of Vision, Mission and Corporate Strategy by the Board

Pursuant to Listed Companies (Code of Corporate Governance) Regulations 2017, 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 2017 and Companies Act 2017. This entire information is also uploaded immediately on Company's website (www.fccl.com.pk).

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 2017.

Training of Board Members and Senior Management

The Company takes keen interest in the professional development and grooming of its Board members and senior management. Accordingly, training of one Director and Company Secretary was organized through PICG. Hence, the parameters for training of specific number of Directors by 30th June 2019, as laid down in Listed Companies (Code of Corporate Governance) Regulations 2017, have been fulfilled. Details of training are as under:-

a. Mr Muhammad Amir Khan, Director, attended the training, organized by PICG for three days in June 2019.

b. Brig Riaz Ahmed Gondal, SI(M), Retd, Company Secretary, attended the training organized by PICG for three days in August 2018.

Code of Conduct for Employees

Pursuant to Listed Companies (Code of Corporate Governance) Regulations 2017, 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 website of Company.

External Auditors

M/s KPMG Taseer Hadi & Co, chartered accountants, have completed the annual audit of Company for the year ended 30th June 2019 and will retire on 27th September 2019 after conclusion of 27th Annual General Meeting (AGM). In view of their performance, adherence to good corporate governance practices and recommendation of Audit Committee, the Board has recommended M/s KPMG Taseer Hadi & Co, as External Auditors of Company for the year ending 30thJune 2020, for approval by the shareholders during 27th AGM, scheduled on 27th September 2019.

Whistle Blowing Policy

Pursuant to Listed Companies (Code of Corporate Governance) Regulations 2017, FCCL is committed to achieve high standards of integrity, transparency, ethical values and accountability. Accordingly, Whistle Blowing Policy of the Company, duly approved by the Board of Directors, has been placed on the Company's website. The Policy allows the officers and other employees to share their concerns, if any, with the senior management and these concerns are addressed promptly.

Related Parties Transactions Policy

In the light of regulations issued by SECP under SRO 1194(I) / 2018 dated 2nd October 2018 and Section 208 of Companies Act 2017 for Related Party Transactions, the revised Related Parties Transaction Policy of FCCL was approved by the Board on 28th June 2019. The Company maintains proper record of all transactions pertaining to Related Parties and relevant details have been appropriately disclosed in Note 34 of the Financial Statements in accordance with Fourth schedule of Companies Act 2017. These transactions were reviewed and recommended by Audit Committee and were subsequently approval by the Board on 27th August 2019.

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 2017, 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 will review these risks and corresponding measures at least once a year.

Principal Risks/Uncertainities

	Description of Risk	Impact on Company	Risk Response, Treatment and Controls
Strategic	**New Capacities and Change in Competitive Scenario** 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. We have also planned expansion of our capacity in due course of time.
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.
	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 needed hedging arrangements 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.
	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 between local and foreign currency. 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.
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 is perceived as a premium brand in the market. We have introduced new competitive and value added products with high margins. Modernization of plant and efficiency on processes:- • Technology upgradation • Debottlenecking • Energy efficient equipment
	Increasing Fuel and Power Cost 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 on regular basis • Increased system efficiencies of equipment • Use of alternative fuels and optimum coal mix
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

ممکنہ کاروباری خطرات سے نمٹنے کا طریق کار / پالیسی

(Risk Management Policy)

فوجی سیمنٹ سمجھتی ہے کہ غیر متوقع خطرات کاروبار کا لازمی اور ناگزیر حصہ ہوتے ہیں اور ایسے خطرات سے موثر اور فعال انداز میں نمٹنے پر کمربستہ ہے۔ کمپنیز ایکٹ 2017 اور لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2017 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 کی نشاندہی 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۔ اہم کاروباری خطرات / غیر یقینی صورت حال کی تفصیل اور ان سے نمٹنے کے اقدامات درج ذیل ہیں:

	ممکنہ خطرے کی تفصیل	کمپنی پر ممکنہ خطرے کے اثرات	ممکنہ خطرے پر ردعمل اور اس کا حل
حکمت عملی سے متعلق خطرہ	پیداواری صلاحیت میں نیا اضافہ اور مقابلے کی صورت حال میں تبدیلی **خطرے کا ماخذ** بیرونی (External) **خطرے کے وقوع کا امکان** بہت زیادہ (Very Likely) **خطرے کی ترجیح** بہت زیادہ (High)	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۔ ہم نے مناسب وقت کے اندر اپنی پیداواری صلاحیت میں توسیع کے بارے میں بھی منصوبہ بندی کر رکھی ہے۔
مالیات سے متعلق خطرہ	ادھار کا خطرہ **خطرے کا ماخذ** بیرونی (External) **خطرے کے وقوع کا امکان** موجود (Likely) **خطرے کی ترجیح** اوسط (Medium)	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۔
	زر مبادلہ کی شرح کا خطرہ **خطرے کا ماخذ** بیرونی (External) **خطرے کے وقوع کا امکان** بہت زیادہ (Very Likely) **خطرے کی ترجیح** اوسط (Medium)	کمپنی کے کچھ انتظامی اور مالی اخراجات غیر ملکی کرنسی میں کیے جاتے ہیں۔ زر مبادلہ 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

	کاروباری سود کی شرح کا خطرہ خطرے کا ماخذ بیرونی (External) خطرے کے وقوع کا امکان بہت زیادہ (Very Likely) خطرے کی ترجیح کم (Low)	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 (leverage) کم ہونے کی وجہ سے کمپنی کو شرح سود سے متعلق خطرات محدود ہیں۔
	جامد یا کم ہوتی قیمت فروخت خطرے کا ماخذ بیرونی (External) خطرے کے وقوع کا امکان بہت زیادہ (Very Likely) خطرے کی ترجیح بہت زیادہ (High)	جب لاگت کے اخراجات زیادہ ہو رہے ہوں قیمتوں کا جامد ہونا منافع کی شرح کم کرنے کا باعث ہوگا۔	لوجی کو مارکیٹ میں ایک اعلیٰ برانڈ کے طور پر جانا جاتا ہے۔ ہم نے نئی اور اضافی قدر کی جدید مصنوعات متعارف کرائی ہیں جن میں منافع کی شرح کافی زیادہ ہے۔ پلانٹ کو جدید بنانا اور پیداواری اعمال کی کارکردگی ٹیکنالوجی کو اپ گریڈ کرنا رکاوٹوں کو دور کرنا توانائی کے استعمال میں بچت والے آلات کا استعمال
آپریشن سے متعلق خطرہ	ایندھن اور بجلی کے اخراجات میں اضافہ خطرے کا ماخذ بیرونی (External) خطرے کے وقوع کا امکان بہت زیادہ (Very Likely) خطرے کی ترجیح بہت زیادہ (High)	پیداواری اخراجات میں اضافہ اس امکان کے ساتھ کہ یہ آگے منتقل نہ ہو سکے گا۔	مختلف ذرائع سے اپنی ذاتی بجلی کی پیداوار جس میں پلانٹ کی فاضل حدت کے استعمال، شمسی توانائی اور گیس کے جنریٹرز شامل ہیں۔ قیمتوں کی کڑی نگرانی اور کوئلے کا ممکن حد تک باقاعدگی سے ذخیرہ کرنا۔ آلات کی کارکردگی میں اضافہ۔ متبادل ایندھن اور کوئلے کی صحیح شرح کا استعمال۔
ماحولیات سے متعلق خطرہ	ماحولیاتی قوانین سے انحراف خطرے کا ماخذ بیرونی/داخلی (External/Internal) خطرے کے وقوع کا امکان شاذ و نادر (Remote) خطرے کی ترجیح زیادہ (High)	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 PEQS/NEQS کی مکمل پیروی کر رہے ہیں۔ متعدد ایسے آلات جن میں گرد جمع ہوتی ہے (الیکٹروسٹیٹک پریسی پیٹیٹرز (Electrostatic Precipitators)، بیگ فلٹرز Bag Filters) 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 ارد گرد وسیع شجرکاری کی گئی ہے تا کہ سرسبز قطعہ زمین تیار ہو۔ کاربن کے اخراج کو کم کرنے والے میٹریل (Material) کا استعمال۔

Disclosures

To the best of our knowledge, Directors (except as shown on page 161 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 2018-19.

Social Environmental Policy

FCCL follows the best possible ethical standards in the conduct of business. Accordingly, Social Environmental Policy of the Company, duly approved by the Board of Directors, is placed on the website of Company.

Compliance to Listed Companies (Code of Corporate Governance) Regulations 2017

The Board is fully aware of the corporate governance guidelines and requirements given in the Listed Companies (Code of Corporate Governance) Regulations 2017 and ensures compliance of the same. As part of compliance of the subject Code, we confirm the following: -

- The Financial Statements have been prepared by the Company in a true and fair manner, reflecting its operations, cash flows and changes in equity.
- Appropriate accounting policies have been applied consistently in the preparation of Financial Statements and the Accounting Estimates are based on reasonable and prudent judgments.
- 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.
- The system of internal control is sound in design and is being effectively implemented and monitored.
- There are no significant doubts about the Company's ability to continue as a going concern.
- There has been no material departure from the best practices of corporate governance, as given in the Listed Companies (Code of Corporate Governance) Regulations 2017,
- As required by the Listed Companies (Code of Corporate Governance) Regulations 2017, we have included following information in this Report:

  a. Chairman's Review is given on pages from 38 to 41.

  b. Statement on Pattern of Shareholding is given on pages from 154 to 158.

  c. Statement of Shares, held by Associated Companies, Undertakings and Related Parties is given on page 160.

  d. Statement of the Board meetings held during the year and attendance by each Director is given on page 68.

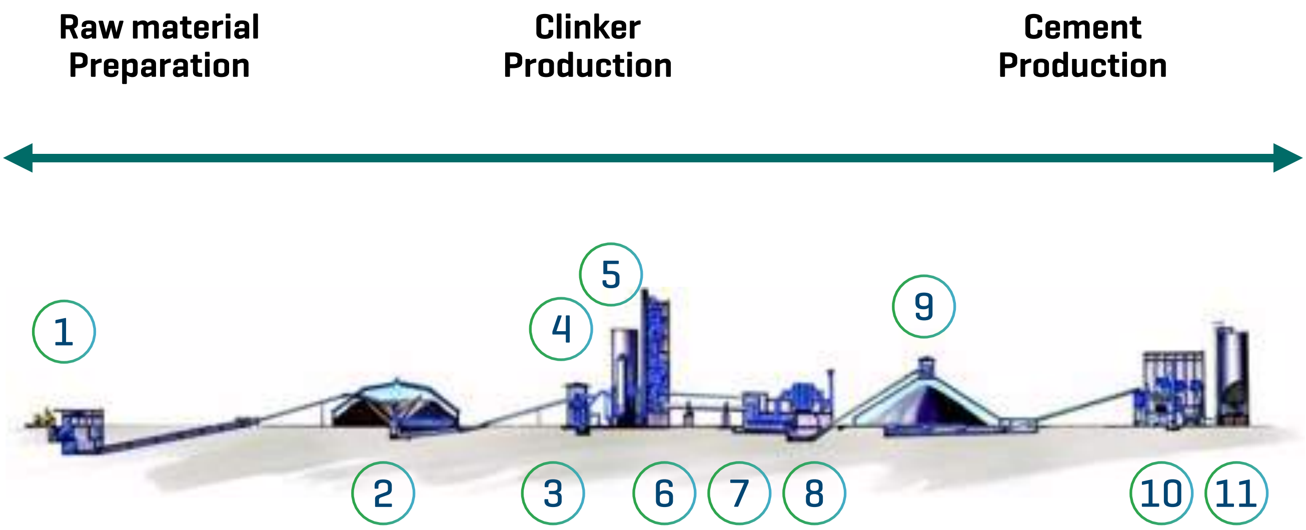
  e. Key Operating and Financial Statistics for the last six years are given on page 53.

MANUFACTURED CAPITAL

Primarily, manufactured capital of FCCL comprises the infrastructure at the Plant site.

Cement Production Overview

The manufacturing of cement at our Plant involves the selection of best quality raw materials and employing the Dry Process; major portion of ingredients consists of Limestone and Clay. The raw materials are quarried, crushed and corrected for subsequent mixing to form Raw Mix, which is then grinded in Raw Mill and subsequently burnt in a rotary Kiln at a temperature of around 1450° C. The raw materials undergo a number of complex chemical reactions in the burning phase and leave the Kiln as Clinker. Finally, the clinker and gypsum (about 5%) is grinded in a Cement Mill to produce a fine powder, called Cement.



1. Crushing
2. Storage, Mixing
3. Dosing
4. Grinding
5. Homogenising
6. Pre-heating, Calcining
7. Burning
8. Cooling
9. Storage
10. Grinding
11. Storage, Packing and Loading

Operational Performance

Performance of the Plant remained very good. Total clinker production for the year was 2,750,077 MT as compared to 2,729,020 MT of last year. Cement Production stood at 3,041,178 MT as compared to 3,399,807 MT of last year.

FCCL dispatched **3,037,623** MT in FY 2018-19, which included **2,816,934** MT of domestic sales and **220,689** MT exports; registering **10.81%** decrease in the total dispatches compared to the previous year. Capacity utilization of FCCL in **FY 2018-19** remained **85%** as against **97%** in **FY 2017-18**.

Major Projects at the Plant Site

Installation of Two Steel Silos

To develop the capability of producing and storing new products and special cements for critical mega structures, FCCL installed two Steel Silos of 2,000 tons each at Line II. The silos were locally designed & manufactured, and were commissioned in January 2019. Dispatches of the first batch of Pamir Cement CEM-II started from these Silos in February 2019.

12.5 MW Solar Captive Power Plant

FCCL has become the pioneer, in Cement Industry of Pakistan, by installing the largest (12.5 MW) Captive Solar Power Project at its Plant. The Project is spread over an area of 50 acres and its installation was completed in record time of 5 Months. The Plant is efficient and distinctive in nature, as it is presently generating more than the designed quantum of energy. It was commissioned in May 2019 and is expected to produce more than 19 GWh units annually. Moreover, it is expected to reduce approximately 12,000 tons of CO_2 emissions annually.

Cooler Upgradation

At the time of upgradation of Kiln in Line 1, from 3,000 Tons Per Day (TPD) to 3,700 TPD, the Clinker Cooler was not upgraded. Later, it was observed that due to old vintage Cooler, the temperature of clinker would increase, which in turn resulted in increasing the consumption of fuel in the Kiln. Resultantly, it was difficult to handle high temperature clinker. FCCL, therefore, decided to install a 3rd Generation Cross Bar Clinker Cooler at Line 1 and the installation was successfully completed on 30th June 2019.

Certifications

FCCL has implemented the latest version of ISO 9001:2015 in order to comply with the latest Quality Assurance Standards. The certification is audited by TUV Austria. FCCL has also adopted latest organizational system, i.e., Integrated Management System for manufacturing and selling of its complete range of Cement. FCCL 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

FCCL plays a lead role in the national 'Go Green' Campaign by planting thousands of plants in/around the Plant site, preservation of rain and process water in the ponds, production of renewable energy and manufacture of green cement.

ENVIRONMENTAL PROTECTION, HEALTH AND SAFETY INITIATIVES

We believe that the Company's success is best reflected in development of the community. Key focus areas of our CSR vision are as follows:

- Environmental Protection
- Health and Safety
- Quality Education

Environmental Protection, Health and Safety Initiatives

FCCL is committed to utilize the resources in a sustainable and environment friendly manner for manufacturing high quality cement of various types. To control the emissions, both technically and administratively, FCCL has taken certain measures to include installation of state of the art Emission Control Equipment, utilization of efficient and alternate fuels, adaptation of renewable energy sources, water recycling, rain water harvesting, sprinkling, plantation and rehabilitation. Relevant details are as under: -

Emission Control at Stationary Sources

The cement manufacturing involves generation of emissions, especially the dust emission. To control these, FCCL has installed state of the art, European origin emission control equipment.

Energy Consumption within Organization

FCCL Plants mainly need energy in the form of heat and electricity. The Plants use coal for heating the raw mix in the cement process. We generate electricity from own captive power plants and buy the rest from IESCO. The company endeavors to explore the possibilities of renewable energy generation and increase the share of energy obtained from renewable sources. In this process, FCCL has successfully added 12.5 MW Solar Power Plants into its grid which is subject to future expansion to increase its generation capacity. In all, following power generation sources have been installed at the Plant:

a. 16.3 MW Wartsila Thermal Power Plant

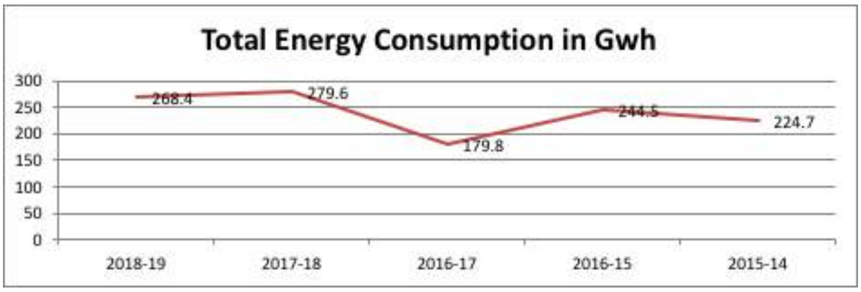
b. 5.4 MW Caterpillar Thermal Power Plant

c. 12 MW Waste Heat Recovery Power Plant on Line II

d. 9 MW Waste Heat Recovery Power Plant on Line I

e. 12.5 MW Photovoltaic Solar Power Plant

	2018-19	2017-18	2016-17	2015-16	2014-15
Total Energy Consumption in Gwh	268.4	279.6	179.8	244.5	224.7



Electricity Generation from Different Sources

Sources	Unit	2018-19	2017-18	2016-17	2015-16	2014-15
Wartsila	Gwh	23.7	15.9	72.4	83.1	39.3
Caterpillar	Gwh	0.018	23.7	7.9	0.01	0
WHR I	Gwh	42.8	16	0	0	0
WHR II	Gwh	46.4	41.6	0	55.2	14.2
Solar PV	Gwh	3.3	0	0	0	0
Total	Gwh	116.4	97.4	80.3	138.4	53.5

Energy Reductions

FCCL is striving hard to reduce the energy consumption requirement during the production process through implementation of projects aimed at upgradation of energy efficient technologies.

a. **Bucket Elevator Project**

FCCL has upgraded its raw meal transport mechanism from air lifts to bucket elevator which provides efficient means of transportation.

b. **Conversion of Lighting**

FCCL is constantly striving to upgrade its lighting to latest energy efficient LED lights. The old fluorescence lights are being replaced by new energy efficient LED lights.

c. **Cooler Upgradation**

FCCL has upgraded its Line I Clinker Cooler from grate cooler technology to cross bar cooler technology which is energy efficient. The cooler upgradation resulted in fuel and power saving.

GHG Emissions Reduction

Cement Industry releases mainly one greenhouse gas i.e. CO_2. The direct carbon dioxide (CO_2) emissions are the results of the cement manufacturing process, heat production through fossil fuel and generation of energy/ electricity. Emissions of CO_2 released from these sources can be reduced as following:

a. **Clinker Substitution - to Reduce CO_2 Emission from Production Process**

CO_2 comes from making clinker through a chemical reaction (Calcination) as by-product gas of the production process. Therefore, it cannot be completely eliminated despite all environmental protection efforts. Globally, cement industry releases 7 % of CO_2 emission.

Development of clinker free cement significantly reduces carbon emission which is emitted during calcination process. FCCL has achieved the landmark of reducing 20 % of carbon emission by replacing a proportion of clinker. Pamir Cement is one such Green Cement produced by FCCL that has reduced 20 % of CO_2 emission. FCCL is striving to achieve maximum reduction in CO_2 emission during production process stage (Calcination).

b. **Alternative Fuel – to Reduce CO_2 from Burning of Fossil Fuel**

Fossil fuel i.e. coal is burnt to provide the required heat for breaking of Limestone and making of clinker. Burning of fossil fuel is the second source of CO_2 emission. Replacement of Coal with Alternative Fuel is one of the solutions to avoid CO_2 emission and decrease dependency on fossil fuels. FCCL currently utilizes 3 % of Poultry waste as Alternative Fuel. Such efforts of FCCL reduce carbon emissions and burden of waste at regional level.

c. **Clean and Green Energy – to Reduce CO_2 from Power Generation**

Power is required for operating equipment and machinery beside utility use. Keeping in view the national power crises, FCCL has opted for captive power production which is mostly clean and environmentally friendly. FCCL has kept Wartsila and Caterpillar power facility as back up and seldom utilizes power from this source.

d. **Tree Plantation**

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 130,000 tree plants during this year. FCCL has approximately 20,000 grown-up tree plants in its premixes which absorb million tons of CO_2 and purifies the air. FCCL has celebrated the **Year 2019 as 'Stronger Greener Pakistan'** through continuous plantation and vigorous plantation campaign. It has developed three orchards in its surroundings by planting 1,500 fruit tree plants and distributed approximately 10,000 among its employees.

Other Emissions

Beside CO_2 emission, in-organic pollutants are also emitted from the cement industry chimneys which have an environmental impact. These emissions are subject to the control limits, laid down by the Environmental Protection Agency. FCCL monitors compliance with these limits by taking environmental protection measures through EPA certified third party laboratory at regular intervals. FCCL is in compliance with National & International standards of environment relevant to emissions.

Pollutant Emissions from FCCL Stack/ Chimney

Pollutant/Emission	Unit	Average Results	PEQS	IFC/World Bank
Particulate Matter	mg/Nm³	90	500	100
NOx	mg/Nm³	500	1200	600
CO	mg/Nm³	300	800	Nil
Sox	mg/Nm³	150	1700	400

Note FCCL has installed state of the art, 4 x Electrostatic Precipitators, 5 x Bag House Filters and 100 Bag Filters to control the emissions. These items of equipment conserve our natural resources and bring the level of emissions up to the international / IFC world standards/limits.

Waste Management

Among the Cement Industry, FCCL is pioneer in reusing the municipal waste of Rawalpindi as a replacement of non-renewable fuel. During FY 2018-19, the Company conserved about 3% of its coal consumption due to utilization of poultry waste which has a positive impact on the environment. In addition, FCCL operates on the principle of generating minimum possible waste during its Plant operation which entails efficient utilization of its resources and speedy disposal of waste. In this regard, the scrap or other metallic waste is resold to a third party/scrap dealer, while the dust, considered as vital resource, is collected through EPs and Bag filters and then reused. Small amount of rejected material, in the form of quartz and pebbles, is used for land leveling, road maintenance and quarry rehabilitation. A very limited amount of lubricant /used oil is generated, which is utilized for smoothing of conveyor belt rollers and other equipment.

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 responsibility 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:-

a. **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 was 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.

b. **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. An innovative environmental project, which will contribute a lot to the environment in future.

c. **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**.**

d. **Mini Earth Dam (Clay Quarry Area).**

The clay quarry area is naturally surrounded by two seasonal waterways. Based on its location, the FCCL consulted Agency for Barani Area Development (ABAD) to prepare feasibility / suitability report of this area for construction of mini earthen dam. After detailed survey, the Agency has declared the area feasible for a mini dam with approximately 35 acre feet of surface area with depth of over 30 feet. FCCL plans to construct the dam in the near future.

Health and Safety

FCCL accords top priority to health and safety of its employees and safeguarding the environment. In order to foster the culture of health and safety in the daily activities and to implement the international standards of HSE, a new HSE Department was created during the year 2018. In this Department, experienced and professional people were inducted for its efficient functioning. To enhance efficiency and improving the awareness of Plant employees, extensive training programs are being executed as per laid down timelines. The Plant is well equipped with Fire Safety System, which includes fire hydrants, two fire tenders and a team of well-trained fire fighters who are capable and ready to deal with any fire emergency within the Plant and surroundings.

Go Green Campaign

FCCL plays a lead role in the national 'Go Green' Campaign to preserve environment. The initiatives taken in this regard are; establishing 12.5 MW Solar Plant, two Waste Heat Recovery Power Plants, launching of Pamir Cement, construction of Water Recycling and Rain Harvesting Ponds and extensive tree plantation campaign in and around the Plant. FCCL School and four other schools of the surrounding area regularly undertake tree plantation to improve the environment and provide initiative to future generations. In addition, FCCL also regularly provides plants and saplings to District and Local Administration of Attock for plantation in the surrounding areas.

CORPORATE SOCIAL RESPONSIBILITY (CSR) INITIATIVES

Under the CSR vision, key focus of the Company was:-

- **a.** Education
- **b.** Medical Facility to local community
- **c.** Promotion of sports and recreational activities

Some of the activities being undertaken regularly by the Company in this regard are: -

Technical Education and Skill Development

To impart technical education to the youth and enhance their skills, FCCL runs a Technical Training Institute, named; Fauji Technical Training Institute (FTTI), at the Plant, since year 2014. In collaboration with TEVTA Punjab, FCCL has conducted a number of technical courses, including both long and short courses. Details are as under:-

Apprenticeship Course (3 Years)

- **a.** 21 students, inducted in year 2015, successfully completed three years Apprenticeship Course on 30th June 2018 and were awarded certificates by TEVTA.
- **b.** Second Apprenticeship Course for 14 students commenced on 1st July 2017 and is currently progressing well. The Course will terminate in June 2020.
- **c.** 34 Students have been inducted for the third Course in June 2018. The course will finish in June 2021.
- **d.** Process for induction of 24 x fresh apprentices for the fourth course has been completed and the classes have started in 3rd week of July 2019.

Short Courses (6 Months)

Short courses of 6 months duration are also being conducted in FTTI. It is affiliated with Fauji Foundation Vocational & Technical Training Department and three new workshops have been added in January 2018. So far, two Batches (64 students) have successfully completed their courses. Training of 3rd Batch with 54 students started on 22nd April 2019 and the course will culminate on 21st October 2019. Concurrently, efforts are in hand to introduce two more courses, i.e., Carpenter & Air Conditioning/ Refrigeration Course from October 2019. Details of courses being organized are as under: -

- **a.** Domestic Electrician Course.
- **b.** Motor Winding Course.
- **c.** Welding Course.
- **d.** Instrument & Control Course.

Vocational Training of Women

FCCL Women Vocational Training Institute (FWVTI) was established at Plant in May 2015. Every year, hundreds of female students residing in near vicinity of the Plant get themselves registered to get free of cost and quality vocational training. Details of courses being run are as under:-

Basic Course (7 Months)

It includes the following:-

- **a.** Drafting, Cutting & Tailoring
- **b.** Hand Embroidery
- **c.** Zari Tila
- **d.** Fashion Designing
- **e.** Color Theory
- **f.** Home Management

Short Courses (2 – 3 Months)

It includes training in Drafting, Cutting & Tailoring as well as Hand Qurashia.

Five Courses of 6 months duration were conducted till August 2017 and 147 students were trained during this period.

It was affiliated with Fauji Foundation in August 2017 and after this affiliation, about 135 students have successfully completed their training till June 2019.

At the moment, a short course of 57 students is being conducted.

Fauji Model Secondary School (FMSS)

FCCL runs 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. Regular functions, social work and tree plantation initiatives are a continuing feature of the School, duly attended by the senior management and the local notables. This year, the main functions organized were; Independence Day on 14 August 2018, 23 March 2019 (Pakistan Resolution Day) and two tree plantation events. All this is aimed at creating awareness and inculcating national sprit amongst the students.

Collaboration with System Foundation for Education of Illiterate People (Adult Literacy)

In order to achieve the vision of educating completely illiterate young men and women between the age of 18 to 35 years, a NGO named "**System Foundation**", has started this program. The program equips illiterate people to obtain the Matric level degree in just Two Years. In collaboration with System Foundation, FCCL has started the classes for First Batch of 28 students since 1st April 2019 and the students will hopefully be able to qualify in the Matric standard examination by April 2021. This Project has been well received and appreciated by the community of the area.

Assistance Provided to Govt Schools / Surrounding Villages Jhang, Pind Bahadar Khan & Bahlot

FCCL regularly contributes towards uplift of local education facilities. In this regard, assistance provided to the Schools to improve their infrastructure includes classrooms, kitchen, wash rooms and Verandah for complete Building.

Medical Facility

A new Medical Dispensary, with better infrastructure and improved facilities, has started functioning since March 2019 at the Plant premises. A total of **19,463 patients** (including FCCL employees, Contractor's labor and surrounding village patients) were extended free medical treatment (including medicines) during the year. In addition, an ambulance service for evacuation of critical patients to the main hospitals is also available.

Provision of Water to Surrounding Villages

In line with the requirements of CSR, we regularly provide water to the neighboring villages for domestic and agriculture use.

Children Park

The recreational facility for the children of local community is being maintained in the best possible manner by the Horticulture Section of FCCL. Families & children from surrounding villages use this facility quite frequently.

Sports Gala

Sports Gala at Plant is a popular event which is being organised regularly. Its purpose is to create goodwill amongst local populace and to inculcate a culture of healthy sports among the employees and people living in close vicinity. It is well attended and covers a range of sports. The hallmark of the sports activities was the Flood Light Cricket Tournament organized during Ramadan 2019. Twelve teams participated in the tournament which included two teams from FCCL. Large number of people including notables witnessed various matches. The event was appreciated by the locals which was demonstrated by their overwhelming participation in the teams as well as attendance of matches.

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. There 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.

Risk Management and Business Continuity

The application of risk management and business continuity management remains the priority areas for the Company. These help in identifying, managing and mitigating the business and operational risks.

Risk Management is the process whereby the organization methodically identifies and manages the threats and opportunities that might exist within the Company activities. 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:-

a. Powerful Sandstorm sandboxing
b. Deep learning with artificial intelligence
c. Top performing IPS
d. Advanced threat and botnet protection
e. Web protection with dual AV, JavaScript emulation and SSL inspection
f. E-mail scanning with SMTP, POP3, and IMAP support
g. 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 providing instant access to data thus meeting the real time reporting needs of the company management.

Recently, 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. It is a privilege to announce that the 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.

HUMAN CAPITAL

Human Capital Management (HCM) philosophy relies on transformation of the traditional Human Resource (HR) functions into opportunities to drive engagement, productivity and business value. HCM considers the workforce as more than just a cost of doing business. It is a core business asset whose value can be maximized through strategic investment and management, just like any other asset. HCM bridges between the people and business strategy and relies on creating value through development of people. It involves the systemic analysis, measurement and evaluation of how people, policies and practices add value to the business. The concept of HCM is implemented through digitalization of HR and continuous process improvement to achieve excellence and create metrics to measure the success.

What Makes us the Proud Role Model in Creating the Team of Emotionally Inclusive Employees

We believe in mutual respect, internal equity and market competitiveness that attracts & retains the best talent in the industry who are willing to contribute in the delivery of concrete commitment, innovation based quality and excellence in customer services. We invest in the well-being, engagement, teamwork and empowerment of our human capital and foster an organizational culture where the professionalism, merit and transparency take preference in employing and developing people that we consider as our most valuable asset acting as the main driving force in achieving excellence and results beyond expectations. We aim to nurture a diverse and inclusive work environment that supports the high productivity, objective accountability and embracing change to face future challenges. We take pride in stepping towards the sustainability sweet spot aiming at people and environment where economic benefits surface as a bi-product of our strategy. We as a socially responsible organization, focus on the local community, provide technical education & implement skills development programs in creating the shared value.

FCCL has emerged as an 'employer of the choice' in the cement industry where employee's contributions are valued and compensated accordingly. The testimony to this fact is the decrease in Turnover Rate from 2.11% in 2017-2018 to 0.73% in 2018-2019 despite unprecedented market expansion.

HUMAN RESOURCE MANAGEMENT POLICY

FCCL is conscientious to retain the Company's market leadership by hiring and retaining the best manpower and developing them to be the best of the best. The Company recognizes its Human Capital as a core part of its business sustainability and growth.

FCCL endeavors to incessantly evolve and redefine its HR strategy, systems and proactively follows best practices anticipating, analyzing and responding to the emerging needs and challenges faced by the Company, while promoting diversity and a completely inclusive culture. With a long-term perspective in mind, the Company also ensures that competent personnel are available in each department and are ready to assume higher positions through a succession planning Policy, in terms of pre-defined criteria including an individual's potential, qualification, period of service and professional attitude among other factors. This succession plan is updated periodically in line with the Company's requirements and employee's career development objectives.

HEALTH CARE

The Company is concerned about the well-being of its employees and their families. We are providing state of the art health care facilities through panel hospitals at several locations.

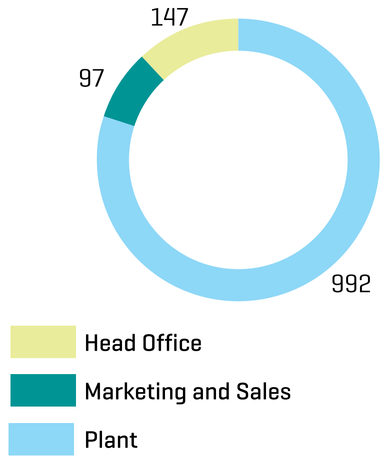
RETIREMENT / IN SERVICE DEATH BENEFITS

The Company places high emphasis on offering a holistic value to its employees which includes ensuring their financial security upon retirement / in service death including a contributory provident fund and also provides employment opportunities to their wards as well.

OCCUPATIONAL HEALTH AND SAFETY

FCCL is focused in maintaining a safe and healthy work environment. FCCL is OHSAS 18001:2007 certified Company but we go well beyond the compliance limits for the health & safety

EMPLOYEES DISTRIBUTION



of our workforce. 3,295,286 man-hours of safe operations (without LTI - Lost Time Injury) at our Plant site are a testimony to our concern.

"Be inspired, creative, mentored, respected.
Be a part of Fauji Cement Company Limited."

STATEMENT OF **VALUE ADDITION**

	2019		2018	
	PKR in '000	**%**	PKR in '000'	%
Wealth Generated				
Gross Sales/ Revenues	29,648,675	100	29,783,550	100
Wealth Distribution				
Bought-in-Material and services	12,505,674	42.18	12,207,908	40.99
To Employees				
Salaries, Benefits & other costs	2,008,002	6.77	1,809,982	6.08
To Government				
Income Tax, Sales Tax, Excise Duty & Others	10,783,000	36.37	10,914,000	36.64
To Society				
Donations	7,244	0.02	4,922	0.02
To Providers of Capital				
Dividend to Shareholders*	2,069,722	6.98	2,759,630	9.27
To Company				
Depreciation, Amortization & Retained Profit	2,275,033	7.67	2,087,108	7.01
	29,648,675	100	29,783,550	100

*This includes the final dividend of Rs.0.75 per share proposed by Board of Directors.

FORWARD LOOKING STATEMENT

With new expansions coming online and no worthwhile increase in consumption, considerable increase in domestic sales is likely to be tough, unless mega infrastructural development commences. All the major cement producers are presently striving to obtain more market share, thereby putting pressure on sale prices which has made it more challenging in terms of profit margins.

On the cost side, the devaluation of Pak Rupee, increase in excise duty & royalty, axle weight restrictions and increased cost of POL & electricity have impacted negatively on the cost of production. Though, devaluation in Pak Rupee is likely to help in achieving better retentions for exports but the main beneficiaries of this would be the Plants located in the South. FCCL will still endeavor to keep the cost of production to minimum by instituting various measures.

It is hoped that the present economic situation will improve, thereby increasing demand of cement for housing and infrastructure projects, along with CPEC related projects.

FCCL will continue to take all possible steps to ensure that its market share remains intact while paying special attention to the enhanced margins. Concurrently, the Company is constantly trying to be more innovative by working on new types of cements, introduction of value added products, modernization of Plant related equipment, launching of projects to reduce cost of fuel and power. Additionally, enhancing the capacity of the new Solar Plant from 12.5 to 15 MW has already commenced, which will further reduce the cost of production.

Under the able guidance of Board of Directors and with valued input of shareholders, we will not leave any stone unturned to achieve excellence in all future endeavors.

Acknowledgement

The Directors express their deep appreciation to the valued Shareholders, Customers, Financial Institutions/ Government Departments, Dealers, Contractors, Foreign and Local Suppliers for their cooperation and Company's Employees for their hard work and commitment, which has enabled the Company to achieve good operational results under challenging environment.

For and on behalf of FCCL Board

Lt Gen
Syed Tariq Nadeem Gilani, HI(M), (Retd)
Chairman Board of Directors FCCL
Rawalpindi
27th August 2019

Lt Gen
Muhammad Ahsan Mahmood, HI(M), (Retd)
Chief Executive/MD FCCL
Rawalpindi
27th August 2019

مستقبل کا جائزہ

۱۔ سیمنٹ انڈسٹری کی صلاحیت میں اضافہ اور سیمنٹ کی کھپت اور اس کی مقامی فروخت میں کوئی قابل ذکر اضافہ نظر نہ آنے کے باعث حالات کے سنگین ہونے کی توقع ہے، سوائے اس کے کہ انفراسٹرکچر کے بڑے منصوبوں پر کام کا آغاز ہو۔ سیمنٹ بنانے والے تمام بڑے ادارے مارکیٹ میں سے زیادہ کاروباری حصہ حاصل کرنے کی تگ و دو میں ہیں، جس کی وجہ سے قیمتوں پر دباؤ بدستور موجود ہے اور منافع کی شرح کو چیلنج درپیش ہے۔

۲۔ لاگت پر نظر ڈالیں تو پاکستانی روپے کی قدر میں کمی، ایکسائز ڈیوٹی اور رائلٹی میں اضافے، فی ایکسل وزن کی پابندیوں اور ایندھن اور بجلی کے بڑھتے ہوئے اخراجات نے پیداواری لاگت پر منفی اثرات مرتب کیے ہیں۔ تاہم، پاکستانی روپے کی قدر میں کمی کی وجہ سے سیمنٹ کی برآمدی قیمتیں بہتر ہونے کا امکان ہے لیکن اس سے زیادہ فائدہ اٹھانے والے پلانٹ وہی ہوں گے جو جنوب میں واقع ہیں۔ اس کے باوجود فوجی سیمنٹ پوری کوشش کرے گی کہ مختلف انتظامی اقدامات سے پیداواری لاگت کو کم سے کم کیا جا سکے۔

۳۔ امید کی جاتی ہے کہ موجودہ معاشی صورت حال میں بہتری آئے گی کیونکہ (CPEC) کے ساتھ منسلک پراجیکٹس، ملک کے اندر گھروں اور انفراسٹرکچر کی تعمیر کے منصوبوں کے لئے سیمنٹ کی طلب میں اضافہ ہوگا۔

۴۔ فوجی سیمنٹ تمام ممکن اقدامات کو بروئے کار لانے کا عمل جاری رکھے گی تاکہ بہتر منافع پر اپنی توجہ مرکوز کرتے ہوئے مارکیٹ میں اپنے حصے کو برقرار رکھا جا سکے۔ اس کے ساتھ ساتھ، کمپنی تسلسل کے ساتھ زیادہ سے زیادہ جدت پسندی کی طرف جاری ہے، جس میں سیمنٹ کی نئی اقسام کی تیاری، اضافی قدر کی مصنوعات متعارف کرانے، پلانٹ سے منسلک آلات کو جدید تر بنانے، ایندھن اور بجلی کے اخراجات کم کرنے کے لیے منصوبے شروع کرنے جیسے اقدامات شامل ہیں۔ مزید برآں، شمسی توانائی والے نئے پلانٹ کی پیداواری صلاحیت کو 12.5 سے 15 میگاواٹ تک بڑھانے کا کام پہلے سے شروع ہو چکا ہے جس سے پیداواری لاگت میں کمی آئے گی۔

۵۔ بورڈ کے ڈائریکٹرز کی رہنمائی اور شراکت داروں کے گراں قدر تعاون کے ساتھ، ہم آئندہ سرگرمیوں کی اعلیٰ ترین صورت میں انجام دہی میں کوئی کسر اٹھا نہ رکھیں گے۔

لیفٹیننٹ جنرل سید طارق ندیم گیلانی، ہلال امتیاز (ملٹری)، (ریٹائرڈ)
چیئرمین بورڈ آف ڈائریکٹرز، فوجی سیمنٹ کمپنی لمیٹڈ
راولپنڈی
۲۷ اگست ۲۰۱۹

لیفٹیننٹ جنرل محمد احسن محمود، ہلال امتیاز (ملٹری)، (ریٹائرڈ)
چیف ایگزیکٹو/ مینجنگ ڈائریکٹر، فوجی سیمنٹ کمپنی لمیٹڈ
راولپنڈی
۲۷ اگست ۲۰۱۹

STATEMENT OF **COMPLIANCE**
WITH THE CODE OF CORPORATE GOVERNANCE - 2017

Name of Company: **Fauji Cement Company Limited**
Year Ending: **30th June 2019**

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 Board is as follows:-

   a. Independent Directors

   (1) Mr Jawaid Iqbal

   (2) Mr Zafar Iqbal Sobani

   (3) Ms Jahanara Sajjad Ahmad

   b. Executive Director

   (1) Lt Gen Muhammad Ahsan Mahmood, HI(M), (Retd)

   c. Non Executive Directors

   (1) Lt Gen Syed Tariq Nadeem Gilani, HI(M), (Retd)

   (2) Maj Gen Tahir Ashraf Khan, HI(M), (Retd)

   (3) Maj Gen Kaleem Saber Taseer, HI(M), (Retd)

   (4) Mr Rehan Laiq

   (5) Mr Muhammad Amir Khan

   (6) Mr Syed Iqtidar Saeed

3. The Directors have confirmed that none of them is serving as a director on more than five listed companies, including this Company (excluding the listed subsidiaries of listed holding companies where applicable).

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. A complete record of particulars of significant policies, along with the dates on which they were approved or amended, has been maintained.

6. All the powers of the 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, recording and circulating minutes of meeting of Board.

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

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

   a. Mr Muhammad Amir Khan, Director FCCL

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

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

11. CFO and CEO 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)	Ms Jahanara Sajjad Ahmad	-	Chairperson
(2)	Mr Rehan Laiq	-	Member
(3)	Mr Muhammad Amir Khan	-	Member
(4)	Mr Jawaid Iqbal	-	Member

b. Human Resource and Remuneration (HR&R) Committee

(1)	Mr Zafar Iqbal Sobani	-	Chairman
(2)	Maj Gen Tahir Ashraf Khan, HI (M), (Retd)	-	Member
(3)	Mr Muhammad Amir Khan	-	Member
(4)	Mr Jawaid Iqbal	-	Member

c. Technical Committee

(1)	Mr Syed Iqtidar Saeed	-	Chairman
(2)	Maj Gen Kaleem Saber Taseer, HI(M), (Retd)	-	Member
(3)	Mr Rehan Laiq	-	Member

d. Investment Committee

(1)	Mr Rehan Laiq	-	Chairman
(2)	Mr Zafar Iqbal Sobani	-	Member
(3)	Mr Syed Iqtidar Saeed	-	Member
(4)	Mr Jawaid Iqbal	-	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 and Yearly) of the Committees for the year, which ended on 30th June 2019, were as per following:-

Ser	Name	Total Meeting Held
a.	Audit Committee	5
b.	Technical Committee	5
c.	HR & R Committee	2
d.	Investment Committee	1

15. The Board has set up an effective internal audit function. The auditors are considered suitably qualified and experienced for the purpose and are 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 ICAP and registered with Audit Oversight Board of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.

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 other requirements of the Regulations have been complied with, except for the exemptions provided in the Regulations.

Lt Gen
Syed Tariq Nadeem Gilani, HI(M), (Retd)
Chairman Board of Directors FCCL

Rawalpindi
27th August 2019

Lt Gen
Muhammad Ahsan Mahmood, HI(M), (Retd)
Chief Executive / MD FCCL

Rawalpindi
27th August 2019

FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

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, 2017 (the Regulations) prepared by the Board of Directors of Fauji Cement Company Limited for the year ended 30 June 2019 in accordance with the requirements of regulation 40 of the Regulations.

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

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

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions and also ensure compliance with the requirements of section 208 of the Companies Act, 2017. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried procedures to access and determine the Company's process for identification of related parties and that whether the related party transactions were undertaken at arm's length price or not.

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 2019.

KPMG Taseer Hadi & Co.
Chartered Accountants
Engagement Partner: Inam Ullah Kakra
Islamabad

27 August 2019

INDEPENDENT **AUDITOR'S REPORT**

To the Members of Fauji Cement Company Limited
Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of Fauji Cement Company Limited, which comprise the statement of financial position as at 30 June 2019, 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 explanations given to us, 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 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 2019 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *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 to note 3.9 and 22 to the financial statements)* The company is engaged in the production and sale of cement. The Company recognized revenue from the sales of cement of Rs 20,798 million for the year ended 30 June 2019. 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 and that during the year IFRS 15 "Revenue from contracts with customers" became applicable to the Company which requires an entity to recognize revenue to reflect the transfer of goods and services for the amount it expects to receive ,when the control is transferred to the purchaser.	Our audit procedures to assess the recognition of revenue included the following: • Obtaining an understanding of the process relating to recognition of revenue and assessing 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 orders and other relevant underlying documents; • Comparing a sample of revenue transactions recorded around the year end with the sales orders, sales invoices, delivery orders and other relevant underlying documentation to assess if the related revenue was recorded in the appropriate accounting period; • Comparing the details of a sample of journal entries posted to revenue accounts during the year, which met certain specific risk-based criteria, with the relevant underlying documentation;and • Assessing the impact of IFRS 15 "Revenue from Contracts with customers" on the Company in respect of revenue recognition.

Sr No.	Key audit matters	How the matters were addressed in our audit
2.	**Capitalization of Property, Plant and Equipment** *(Refer note 3.4 and 13 to the financial statements)* The company has made significant capital expenditure of Rs 1,975 million during the year. 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 capitalization of property, plant and equipment included the following: • Understanding the design and implementation of management controls over capitalization and performing tests of control over authorization of capital expenditure and accuracy of its recording in the system; • Testing, on sample basis, the costs incurred on project with supporting documentation and contracts; • 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 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; and • Assessing the useful life assigned by management including testing the calculation of related depreciation expense.

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 2019, 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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 to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our 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) No zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980)

The engagement partner on the audit resulting in this independent auditors' report is Mr. Inam Ullah Kakra.

KPMG Taseer Hadi & Co
Chartered Accountants
Islamabad
27 August 2019

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2019

	Note	2019 Rupees'000	2018 Rupees'000
SHARE CAPITAL AND RESERVES			
Share capital	4	**12,433,765**	12,433,765
Reserves		**8,464,797**	8,055,175
		20,898,562	20,488,940
NON - CURRENT LIABILITIES			
Long term borrowings	5	**317,835**	636,868
Provision for compensated absences	6	**71,216**	64,178
Deferred taxation	7	**3,925,740**	3,600,638
		4,314,791	4,301,684
CURRENT LIABILITIES			
Trade and other payables	8	**948,864**	1,024,758
Accrued liabilities		**834,816**	573,347
Security deposits	9	**219,704**	176,339
Advances from customers	10	**324,300**	245,133
Provision for compensated absences - current portion	6	**20,399**	17,107
Payable to employees' provident fund trust		**11,832**	9,534
Unclaimed dividend		**43,747**	111,561
Markup accrued		**39,021**	35,980
Short term running finance	11	**990,112**	1,638,886
Current portion of long term borrowings	5	**319,034**	426,177
		3,751,829	4,258,822
		28,965,182	29,049,446
CONTINGENCIES AND COMMITMENTS	12		

The annexed notes 1 to 38 form an integral part of these financial statements.

	Note	2019 Rupees'000	2018 Rupees'000
NON - CURRENT ASSETS			
Property, plant and equipment	13	**23,202,930**	22,624,413
Long term deposits	14	**86,601**	86,601
		23,289,531	22,711,014
CURRENT ASSETS			
Stores, spares and loose tools	15	**3,055,041**	3,067,684
Stock in trade	16	**944,022**	1,244,805
Trade debts	17	**947,046**	1,168,343
Advances	18	**36,176**	37,927
Trade deposits, short term prepayments and balances with statutory authority	19	**20,463**	66,669
Interest accrued		**398**	1,031
Advance tax - net		**261,998**	115,550
Other receivables	20	**7,660**	104,664
Cash and bank balances	21	**402,847**	531,759
		5,675,651	6,338,432
		28,965,182	29,049,446

CHIEF EXECUTIVE DIRECTOR CHIEF FINANCIAL OFFICER

STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019 Rupees'000	2018 Rupees'000
Turnover - net	22	**20,798,082**	21,160,878
Cost of sales	23	**(15,474,771)**	(16,124,517)
Gross profit		**5,323,311**	5,036,361
Distribution cost	24	**(210,335)**	(197,707)
Administrative expenses	25	**(415,979)**	(385,602)
Other operating expenses	26	**(326,689)**	(311,184)
Finance cost	27	**(106,758)**	(147,813)
Other income	28	**148,358**	104,094
Profit before taxation		**4,411,908**	4,098,149
Income tax expense	29	**(1,587,610)**	(668,685)
Profit for the year		**2,824,298**	3,429,464
Earnings per share - basic and diluted (Rupees)	30	**2.05**	2.49

The annexed notes 1 to 38 form an integral part of these financial statements.

CHIEF EXECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICER

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2019

	2019 **Rupees'000**	2018 Rupees'000
Profit for the year	**2,824,298**	3,429,464
Other comprehensive income for the year	**-**	-
Total comprehensive income for the year	**2,824,298**	3,429,464

The annexed notes 1 to 38 form an integral part of these financial statements.

CHIEF EXECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICER

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019 Rupees'000	2018 Rupees'000
Cash flows from operating activities			
Profit before income tax expense		**4,411,908**	4,098,149
Adjustments for:			
Depreciation	13.2	**1,520,457**	1,417,274
Provision for compensated absences	6	**45,653**	37,281
Workers' (Profit) Participation Fund including interest	8.1	**236,921**	220,770
Workers' Welfare Fund	26	**88,097**	89,292
Finance cost	27	**106,679**	147,435
Gain on disposal of property, plant and equipment	28	**(17,170)**	(23,225)
Interest income		**(55,411)**	(14,512)
		1,925,226	1,874,315
Operating cash flows before working capital changes		**6,337,134**	5,972,464
Decrease / (increase) in working capital			
Stores, spares and loose tools		**12,643**	(873,233)
Stock in trade		**300,783**	(172,835)
Trade debts		**221,297**	(19,725)
Advances		**1,751**	45,073
Trade deposits and short term prepayments		**46,206**	(13,295)
Other receivables		**97,004**	(100,249)
Trade and other payables		**(110,442)**	300,393
Accrued liabilities		**261,469**	34,262
Security deposits		**43,365**	38,435
Advances from customers		**79,167**	10,489
Payable to employees' provident fund trust		**2,298**	909
		955,541	(749,776)
Cash generated from operating activities		**7,292,675**	5,222,688
Compensated absences paid	6	**(35,323)**	(29,254)
Payment to Workers' (Profit) Participation Fund	8.1	**(290,470)**	(181,369)
Taxes paid		**(1,408,956)**	(1,792,765)
Net cash generated from operating activities		**5,557,926**	3,219,300
Cash flows from investing activities			
Additions in property, plant and equipment		**(2,104,621)**	(2,038,195)
Proceeds from disposal of property, plant and equipment		**22,817**	23,676
Insurance claim received		**-**	585,347
Interest received on bank deposits		**56,044**	16,144
Net cash used in investing activities		**(2,025,760)**	(1,413,028)
Cash flows from financing activities			
Repayment of long term finances		**(426,176)**	(426,177)
Dividend paid on ordinary shares		**(2,482,490)**	(2,537,172)
Finance cost paid		**(103,638)**	(155,446)
Net cash used in financing activities		**(3,012,304)**	(3,118,795)
Net increase / (decrease) in cash and cash equivalents		**519,862**	(1,312,523)
Cash and cash equivalents at beginning of the year		**(1,107,127)**	205,396
Cash and cash equivalents at end of the year	31	**(587,265)**	(1,107,127)

The annexed notes 1 to 38 form an integral part of these financial statements.

CHIEF EXECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICER

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2019

	Share capital		Revenue reserve	Total
	Ordinary shares	Discount on issue of shares	Un-appropriated profit	
	Rupees'000			
Balance as at 01 July 2017	13,798,150	(1,364,385)	7,247,360	19,681,125
Total comprehensive income for the year				
Profit for the year	-	-	3,429,464	3,429,464
Total comprehensive income for the year	-	-	3,429,464	3,429,464
Transactions with owners of the Company				
Distributions:				
Final dividend 2017 @ Rs. 0.90 per share	-	-	(1,241,834)	(1,241,834)
Interim dividend 2018 @ Rs. 1.00 per share	-	-	(1,379,815)	(1,379,815)
Total transactions with owners of the Company	-	-	(2,621,649)	(2,621,649)
Balance as at 30 June 2018	13,798,150	(1,364,385)	8,055,175	20,488,940
Balance as 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 as at 30 June 2019	**13,798,150**	**(1,364,385)**	**8,464,797**	**20,898,562**

The annexed notes 1 to 38 form an integral part of these financial statements.

CHIEF EXECUTIVE

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.

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) 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 IFRS, 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 15 'Revenue from Contracts with Customers' and IFRS 9 'Financial Instruments' have been applied. Changes to significant accounting policies are 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.

2.4.5 Impairment

2.4.5.1 Impairment of financial assets

The Company measures loss allowances for Expected Credit Losses (ECLs) on financial assets measured at amortised cost after considering the pattern of receipts from and future financial outlook of the counterparty and is reviewed by the management on regular basis. Any change in the estimates in future years might affect the carrying amounts of the respective items of assets with a corresponding effect on the profit or loss.

2.4.5.2 Impairment of non-financial assets

The carrying amounts of the Company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment loss. If any such indication exists, recoverable amount is estimated using criteria given in respective accounting standards to determine the extent of impairment loss, if any.

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

The following International Financial Reporting Standards (IFRS) 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 2019:

- IFRIC 23 'Uncertainty over Income Tax Treatments' (effective for annual periods beginning on or after 1 January 2019) clarifies the accounting for income tax when there is uncertainty over income tax treatments under IAS 12. The interpretation requires the uncertainty over tax treatment be reflected in the measurement of current and deferred tax. The application of interpretation is not likely to have an impact on Company's financial statements.

- IFRS 16 'Leases' (effective for annual period beginning on or after 1 January 2019). IFRS 16 replaces existing leasing guidance, including IAS 17 'Leases', IFRIC 4 'Determining whether an Arrangement contains a Lease', SIC-15 'Operating Leases- Incentives' and SIC-27 'Evaluating the Substance of Transactions Involving the Legal Form of a Lease'. IFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard i.e. lessors continue to classify leases as finance or operating leases. The application of new standard is not likely to have an impact on Company's financial statements.

- Amendment to IFRS 9 'Financial Instruments' – Prepayment Features with Negative Compensation (effective for annual periods beginning on or after 1 January 2019). For a debt instrument to be eligible for measurement at amortised cost or FVTOCI, IFRS 9 requires its contractual cash flows to meet the SPPI criterion – i.e. the cash flows are 'solely payments of principal and interest'. Some prepayment options could result in the party that triggers the early termination receiving compensation from the other party (negative compensation). The amendment allows that financial assets containing prepayment features with negative compensation can be measured at amortised cost or at fair value through other comprehensive income (FVTOCI) if they meet the other relevant requirements of IFRS 9. The application of amendment is not likely to have an impact on Company's financial statements.

- Amendment to IAS 28 'Investments in Associates and Joint Ventures' - Long Term Interests in Associates and Joint Ventures (effective for annual period beginning on or after 1 January 2019). The amendment will affect companies that finance such entities with preference shares or with loans for which repayment is not expected in the foreseeable future (referred to as long-term interests or 'LTI'). The amendment and accompanying example state that LTI are in the scope of both IFRS 9 and IAS 28 and explain the annual sequence in which both standards are to be applied. The amendments are not likely to have an impact on Company's financial statements.

- Amendments to IAS 19 'Employee Benefits'- Plan Amendment, Curtailment or Settlement (effective for annual periods beginning on or after 1 January 2019). The amendments clarify that on amendment, curtailment or settlement of a defined benefit plan, a company now uses updated actuarial assumptions to determine its current service cost and net interest for the period; and the effect of the asset ceiling is disregarded when calculating the gain or loss on any settlement of the plan and is dealt with separately in other comprehensive income. The application of amendments is not likely to have an impact on Company's financial statements.

- 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. 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.

- 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 crystallise. 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.

- Annual Improvements to IFRS Standards 2015–2017 Cycle - the improvements address amendments to following approved accounting standards:

  - IFRS 3 Business Combinations and IFRS 11 Joint Arrangement - the amendment aims to clarify the accounting treatment when a company increases its interest in a joint operation that meets the definition of a business. A company remeasures its previously held interest in a joint operation when it obtains control of the business. A company does not remeasure its previously held interest in a joint operation when it obtains joint control of the business.

  - IAS 12 Income Taxes - the amendment clarifies that all income tax consequences of dividends (including payments on financial instruments classified as equity) are recognized consistently with the transaction that generates the distributable profits.

  - IAS 23 Borrowing Costs - the amendment clarifies that a company treats as part of general borrowings any borrowing originally made to develop an asset when the asset is ready for its intended use or sale.

  The above amendments are effective from annual period beginning on or after 1 January 2019 and are not likely to have an impact on Company's financial statements.

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 for the changes as indicated below:

3.1 IFRS 9 'Financial Instruments'

In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments ("IFRS 9") that replaces IAS 39 Financial Instruments: recognition and measurement ("IAS 39") and all previous versions of IFRS 9. IFRS 9 brings together all three aspects of the accounting for financial instruments: classification & measurement, impairment and hedge accounting. IFRS 9 introduces a single approach to determine whether a financial asset is measured at amortized cost or fair value and replaces the multiple rules in IAS 39. The three principal classification categories under the new standard for financial instruments are: measured at amortized cost, fair value through other comprehensive income ("FVTOCI") and fair value through profit and loss ("FVTPL"). The classification of financial instruments under IFRS 9 is generally based on the business model in which a financial instrument is managed and its contractual cash flow characteristics. The previous categories under IAS 39 of held to maturity, loans and receivables and available for sale have been removed. For financial liabilities, IFRS 9 retains most of the requirements of IAS 39; however, where the fair value option is applied to financial liabilities, any change in fair value resulting from an entity's own credit risk is recorded in other comprehensive income.

The following table explains the original measurement categories under IAS 39 and new measurement categories under IFRS 9 for each class of the Company's financial assets and financial liabilities as at 1 July 2018.

	Original classification under IAS 39	New classification under IFRS 9
Financial assets		
Long term deposits	Loans and recievables	FVTPL
Trade debts	Amortized Cost	Amortized Cost
Trade deposits	Amortized Cost	FVTPL
Other recievables	Amortized Cost	Amortized Cost
Cash and Bank	Loans and recievables	Amortized Cost
Financial liabilities		
Long term borrowings	Amortized Cost	Amortized Cost
Trade creditors	Amortized Cost	Amortized Cost
Retention money	Amortized Cost	Amortized Cost
Other liabilities	Amortized Cost	Amortized Cost
Accrued liabilities	Amortized Cost	Amortized Cost
Security deposits	Amortized Cost	Amortized Cost
Unclaimed dividend	Amortized Cost	Amortized Cost
Short term running finance	Amortized Cost	Amortized Cost

There is no change in the carrying amounts of financial assets and financial liabilities at the initial application date of IFRS-9, except for a change in accounting classification under IFRS - 9 from category under IAS - 39 as disclosed in the above table.

None of the Company's financial instruments have been classified as FVTOCI and FVTPL except for long term deposits and trade deposits which does not meet "solely payments of principal and interests (SPPI)" test criteria.

There was no material expected credit loss recognized at initial application date and as at 30 June 2019.

The Company does not have any financial instruments eligible for hedge accounting, accordingly there was no impact to the Company as a result of adopting IFRS 9.

IFRS 9 replaces the "incurred loss" model in IAS 39 with an "expected loss" model. The new impairment model applies to financial instruments measured at amortized cost, and contract assets and debt investments measured at FVTOCI. Under IFRS 9, credit losses will be recognized earlier than under IAS 39. The standard also provides a simplified approach to measure expected credit losses using a lifetime expected loss allowance. The credit loss model groups receivables based on similar credit risk characteristics and days past due in order to estimate loss allowance.

3.2 IFRS 15 'Revenue from Contracts with Customers'

The IASB issued IFRS 15 Revenue from Contracts with Customers ("IFRS 15") in May 2014. This IFRS replaces IAS 18 Revenue, IAS 11 Construction Contracts and several revenue-related interpretations. IFRS 15 establishes a single revenue recognition framework which requires an entity to recognize revenue to reflect the transfer of goods and services for the amount it expects to receive, when control is transferred to the purchaser. The Company has reviewed its revenue stream i.e sale of cement and clinker and underlying contracts with the customers and, as a result of this review, the adoption of IFRS did not have a material impact on the Company's statement of profit or loss, statement of comprehensive income and financial position. However, the Company has expanded the disclosures in the notes to its financial statements as prescribed by IFRS 15, including disclosing the Company's disaggregated revenue streams in Note 22 and has reclassified freight and other charges from distribution expenses to cost of sales.

3.3 Income tax

Income tax expense comprises current and deferred tax. Income tax is recognized in profit and 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 also includes any tax arising from dividends. 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. During the year the Company has changed exports to sales percentage compared to prior year based on future projections. Had there been no change in estimate, defered tax liability would have been higher by Rs 218.1 million and profit after tax would have been lower by the same amount.

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.

3.4 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 13. 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 profit and loss account 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 profit and loss account.

3.5 Impairment

(i) Non - derivative financial assets

Policy applicable from 1 July 2018

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:

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.

Policy applicable before 1 July 2018

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognized in profit or loss. An impairment loss is reversed in profit or loss if the reversal can be related objectively to an event occurring after the impairment loss was recognized.

(ii) Non-financial assets

At each reporting date, the Company reviews the carrying amount of its non-financial assets (other than investment property, 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. Goodwill is tested annually for impairment.

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). Goodwill arising from a business combination is allocated to CGUs or groups that are expected to benefit from the synergies of the combination.

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.

3.6 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 balance sheet 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.

3.7 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.

3.8 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 balance sheet 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 balance sheet date. Exchange differences are included in the profit and loss account.

3.9 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 transfering 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 physcial 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 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 assoicated 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 or service.

3.10 Financial instruments

(i) Recognition and initial measurement

Trade debts are initially recognised when they are originated. All other financial assets and liabilities are recognized in the statement of financial position when the Company becomes a party to the contractual provisions of an instrument.

A financial asset (unless it is a trade debt without significant financing component) or financial liability is initially measured at fair value, plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition. A trade debt without a significant financing component initially measured at the transaction price.

(ii) Classification and subsequent measurement

(a) Financial assets - Policy applicable from 1 July 2018

On initial recognition, a financial asset is classified as measured at amortised cost, FVTOCI or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest of the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss.

Financial assets - Policy applicable before 1 July 2018

(b) The Company classified its financial assets into one or more of the following categories:

- FVTPL
- Loans and receivables

Loans and receivables and held to maturity financial assets were subsequently measured at amortised cost using effective interest method.

Financial liabilities-Classification and subsequent measurement

Financial liabilities are measured at amortised 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. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss.

(iii) Derecognition

(a) Financial assets

The Company derecognises 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 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.

(b) Financial liabilities

The Company de recognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of modified liability are substantially different, in which case a new financial liability is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid is recognised in profit or loss.

(iv) 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.

3.11 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.

3.12 Employees benefits

Salaries, wages and benefits are accrued in the period in which the associated services are rendered by employees of the Company and measured on an undiscounted basis. The accounting policies for other employee benefits are described below:

3.12.1 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 profit and loss account.

3.12.2 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 profit and loss account.

3.13 Earnings per share

The Company presents basic and diluted earnings per share (EPS). Basic EPS is calculated by dividing the profit and 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 and loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for the effects of all dilutive potential ordinary shares.

3.14 Provisions

A provision is recognized in the balance sheet 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 balance sheet date and adjusted to reflect current best estimate.

3.15 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.

3.16 Other income / finance cost

Other income comprises interest income on funds invested, deposit accounts and advances, dividend income on investment in marketable securities and gain on disposal of property, plant and equipment. 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 and Workers' Profit Participation Fund, exchange losses and bank charges.

3.17 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.

4 SHARE CAPITAL

4.1 Authorized share capital

Authorized share capital comprises of 1,500,000,000 (2018: 1,500,000,000) ordinary shares of Rs. 10 each.

4.2 Issued, subscribed and paid up capital

2019 Number '000	2018 Number '000		**2019 Rupees '000**	2018 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
Less: discount on issue of ordinary shares			**(1,364,385)**	(1,364,385)
Share capital - net of discount			**12,433,765**	12,433,765

4.2.1 Fauji Foundation, an associated company holds 543,650 thousand (2018: 543,650 thousand) ordinary shares of the Company at the year end. In addition Fauji Fertilizer Company Limited, Fauji Fertilizer Bin Qasim Limited and Fauji Oil Terminal & Distribution Company Limited, associated companies hold 93,750 thousand (2018: 93,750 thousand), 18,750 thousand (2018: 18,750 thousand) and 18,750 thousand (2018: 18,750 thousand) ordinary shares respectively of the Company at the year end. Whereas 11 thousand (2018: 648 thousand) shares are held by Directors of the Company.

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

5 LONG TERM BORROWINGS

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

Lender	2019	2018	Rate of interest per annum	Outstanding installments	Interest payable
	Rupees'000				
National Bank of Pakistan	**107,142**	321,429	6 month's KIBOR + 0.75% (2018: 6 month's KIBOR +0.75%)	1 semi annual installment ending 19 July 2019	Semi annual
MCB Bank Limited	**529,727**	741,617	6 month's KIBOR + 0.40% (2018: 6 month's KIBOR + 0.40%)	5 semi annual installments ending 21 July 2021	Semi annual
	636,869	1,063,046			
Less: current portion shown under current liabilities	**(319,034)**	(426,177)			
	317,835	636,869			

5.1 The above facilities are secured by way of creation of 1st pari passu mortgage over the immovable property of the Company and hypothecation charge over all current and future assets 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.

		Note	2019 Rupees'000	2018 Rupees'000
6	**PROVISION FOR COMPENSATED ABSENCES**			
	Balance at beginning of the year		**81,285**	73,258
	Add: charge for the year		**45,653**	37,281
			126,938	110,539
	Less: amounts paid during the year		**(35,323)**	(29,254)
		6.2	**91,615**	81,285
	Less: amount transferred to current liabilities		**(20,399)**	(17,107)
			71,216	64,178

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 3.17 million (2018: Rs 2.06 million) payable to key management personnel of the Company.

		2019 Rupees'000	2018 Rupees'000
7	**DEFERRED TAXATION**		
	Deductible temporary difference		
	Provision for slow moving spares	**(10,134)**	(9,222)
	Taxable temporary difference		
	Property, plant and equipment	**3,935,874**	3,609,860
		3,925,740	3,600,638

7.1 During the year deferred tax of Rs. 325.10 million has been charged (2018: Rs. 680.86 million was recognized as reversal) in the statement of profit or loss.

		Note	2019 Rupees'000	2018 Rupees'000
8	**TRADE AND OTHER PAYABLES**			
	Creditors		**310,154**	532,310
	Retention money		**318,225**	170,721
	Workers' (Profit) Participation Fund	8.1	**6,842**	60,391
	Workers' Welfare Fund		**107,440**	101,312
	Federal excise duty payable		**51,223**	16,326
	Sales tax payable (net)		**27,520**	-
	Withholding tax		**18,172**	24,855
	Other liabilities		**109,289**	118,843
			948,864	1,024,758

		2019 Rupees'000	2018 Rupees'000
8.1	**Workers' (Profit) Participation Fund (WPPF)**		
	Balance at beginning of the year	**60,391**	20,990
	Interest on funds utilized in the Company's business	**79**	378
	Allocation for the year	**236,842**	220,392
	Payment to the fund during the year	**(290,470)**	(181,369)
		6,842	60,391
	Allocation for the year is made up as follows:		
	Profit for the year before tax, WPPF and WWF	**4,736,847**	4,407,833
	Charge for the year at the rate of 5%	**236,842**	220,392

9 SECURITY DEPOSITS

This represents security deposits from customers and suppliers kept in separate bank account maintained for that purpose as required under Section 217(2) of the Companies Act, 2017. It has not been utilized by the Company.

10 ADVANCES FROM CUSTOMERS

This includes advance from related parties against sale of cement amounting to Rs. 2.8 million (2018: Rs. 0.76 million).

11 SHORT TERM RUNNING FINANCE (SECURED) - CONVENTIONAL AND ISLAMIC BANKS

The Company has short term running finance facility limits to the tune of Rs. 2,580 million (2018: Rs. 2,650 million) from banking companies. This includes facility of Rs. 500 million (2018: 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% (2018: 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 CONTINGENCIES AND COMMITMENTS

12.1 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) Case for Rs. 15.80 million was decided by the Honorable Supreme Court of Pakistan against the Company. Review Petition filed by the Company against the decision of Supreme Court of Pakistan has been dismissed. Thereafter the Custom Authorities sent a demand notice of Rs. 808.09 million for which a Petition was filed by the Company on 31 March 2014 before the 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 has 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) A claim for damages amounting to Euros 833,120 equivalent Rs. 151.15 million (2018: Rs. 117.63 million) was filed on 4 October 2010 in a tribunal of Arbitrators by the supplier of plant and machinery (M/S CEMAG GMBH Germany) against which the Company had filed a counter claim of Euros 410,914 equivalent Rs. 74.55 million (2018: Rs. 58.02 million) and Rs. 11.284 million (less the aggregate sum of equivalent Rs. 37.37 million previously recovered / adjusted by the Company). In the arbitration proceedings between the supplier and the Company, awards were passed by each arbitrator appointed by each party. As a result of the difference in opinion of the two arbitrators, the matter was referred to an umpire, on whose recommendations the supplier filed the award in the Court of Senior Civil Judge Islamabad, for the same to be made a rule of court. The Court dismissed the supplier's case in February 2014. The management believes that the Company has strong grounds to argue the case in the court and accordingly, no liability has been recognized in these financial statements.

c) 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. The Court has passed an order dated 24 August 2009 restraining CCP from taking any adverse action against the Company. An amended writ petition challenging applicability of Ordinance was filed on 01 October 2009 in the Court. 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.

d) The Company is contingently liable in respect of guarantees amounting to Rs. 470 million (2018: Rs. 444 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.

e) 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) and has not yet been adjudicated.

12.2 Commitments

12.2.1 The Company has opened letters of credit for the import of spare parts valuing Rs. 368 million (2018: Rs. 711 million).

12.2.2 The Company has capital commitments of Rs. 23 million (2018: Rs 286 million).

13 PROPERTY, PLANT AND EQUIPMENT

	Freehold land (Note 13.3)	Building on freehold land (Note 13.4)	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 13.5)	Total
	Rupees'000											
Cost												
Balance at 01 July 2017	153,223	5,314,096	25,582,943	33,688	18,892	72,318	98,737	41,416	186,014	27,855	1,559,170	33,088,352
Additions	66,661	-	148,486	-	362	12,960	6,135	1,528	48,042	-	1,754,021	2,038,195
Disposals	-	-	-	-	-	(324)	-	-	(36,924)	-	-	(37,248)
Transfers	-	1,286,307	1,846,898	-	-	-	-	-	22,223	-	(3,155,428)	-
Balance at 30 June 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
Balance as 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**
Accumulated depreciation												
Balance at 01 July 2017	-	2,027,950	8,692,363	17,383	11,528	62,737	87,592	25,997	131,004	27,855	-	11,084,409
Charge for the year	-	252,116	1,119,723	3,244	1,699	8,245	2,876	3,309	26,062	-	-	1,417,274
On disposals/written off	-	-	-	-	-	(242)	-	-	(36,555)	-	-	(36,797)
Balance at 30 June 2018	-	2,280,066	9,812,086	20,627	13,227	70,740	90,468	29,306	120,511	27,855	-	12,464,886
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**
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**
Carrying amounts - 2018	219,884	4,320,337	17,766,241	13,061	6,027	14,214	14,404	13,638	98,844	-	157,763	22,624,413
Rates of depreciation (per annum)	-	2%-15%	4%-20%	10%	15%	33.33%	10%-15%	15%	25%	10%		

13.1 Detail of property, plant and equipment disposed off:

	Cost	Book value	Sale proceeds	Mode of disposal
	Rupees'000			
Motor vehicle	1,794	1,525	1,754	Insurance claim
Motor vehicle	1,682	589	1,647	Insurance claim
Motor vehicle	14,073	2,586	5,650	Sale
Other assets with individual book value not exceeding Rs 500,000	23,803	947	13,766	
	41,352	5,647	22,817	

		Note	2019 Rupees'000	2018 Rupees'000
13.2	**Depreciation charge for the year has been allocated as follows:**			
	Cost of sales	23	**1,498,617**	1,395,569
	Distribution cost	24	**5,744**	4,662
	Administrative expenses	25	**16,096**	17,043
			1,520,457	1,417,274

13.3 Freehold land

Freehold land of the Company is located in village Jhang Bahtar, Tehsil Fateh Jang in district Attock measuring 4,483 kanals (2018: 4,298 kanals).

13.4 Building on freehold land

The building and immovable fixed assets of the Company are located as disclosed in note 13.3 of the financial statements.

		2019 Rupees'000	2018 Rupees'000
13.5	**Capital work in progress**		
	Plant and machinery	**287,638**	48,143
	Civil works and related expenses	**-**	101,628
	Others	**-**	7,992
		287,638	157,763
14	**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
15	**STORES, SPARES AND LOOSE TOOLS**		
	Stores (Including items in transit of Rs. 212 million (2018: Nil))	**765,544**	1,182,192
	Spares (Including items in transit of Rs. 176 million (2018: Rs. 113 million))	**2,325,115**	1,917,542
	Provision for slow moving spares	**(38,828)**	(38,828)
		2,286,287	1,878,714
	Loose tools	**3,210**	6,778
		3,055,041	3,067,684
16	**STOCK IN TRADE**		
	Raw and packing material	**212,849**	249,944
	Work in process	**524,636**	808,315
	Finished goods	**206,537**	186,546
		944,022	1,244,805

		Note	2019 Rupees'000	2018 Rupees'000
17	**TRADE DEBTS**			
	Unsecured			
	Considered good		**732,235**	776,177
	Considered doubtful		**3,281**	3,281
			735,516	779,458
	Secured - considered good		**214,811**	392,166
	Less: Provision for doubtful debts		**(3,281)**	(3,281)
			947,046	1,168,343
18	**ADVANCES**			
	Advances - considered good			
	To suppliers - non interest bearing		**34,348**	35,619
	To employees against expenditures - non interest bearing		**1,828**	2,308
			36,176	37,927
19	**TRADE DEPOSITS, SHORT TERM PREPAYMENTS AND BALANCES WITH STATUTORY AUTHORITY**			
	Trade deposits		**13,255**	12,062
	Prepayments	19.1	**7,208**	20,552
	Sales tax refundable (net)		**-**	34,055
			20,463	66,669

19.1 This includes prepayment to Fauji Foundation amounting to Rs. 1.4 million (2018: Rs. 1.3 million) in respect of office rent.

		Note	2019 Rupees'000	2018 Rupees'000
20	**OTHER RECEIVABLES**			
	Insurance claim		**-**	96,810
	Other receivables - considered good		**5,753**	5,947
	Margin on letter of guarantee		**1,907**	1,907
			7,660	104,664
21	**CASH AND BANK BALANCES**			
	Cash at bank			
	Deposit accounts - Conventional banks	21.1 - 21.4	**281,741**	202,385
	Deposit accounts - Islamic banks		**4,412**	102,092
	Current accounts - Conventional banks		**116,046**	227,071
	Current accounts - Islamic banks		**438**	1
			402,637	531,549
	Cash in hand		**210**	210
			402,847	531,759

21.1 Balances with banks include Rs. 220 million (2018: Rs. 176 million) in respect of security deposits received from customers and suppliers.

21.2 Deposits of Rs. 4 million (2018: Rs. 4 million) with banks are under lien for letters of guarantee issued on behalf of the Company.

21.3 Balance includes Term Deposit Receipts (TDRs) amounting to Rs. 215 million (2018: Rs. 150 million) having a maturity of one month ending on 26 July 2019.

21.4 Deposit accounts carry mark-up ranging from 7.44% to 11.2% (2018: 5.65% to 6.25%) per annum.

		2019 **Rupees'000**	2018 Rupees'000
22	**TURNOVER - NET**		
	Sales - Local	**28,236,791**	28,244,024
	- Export	**1,263,526**	1,435,432
		29,500,317	29,679,456
	Less: - Sales tax	**4,473,274**	4,549,060
	- Excise duty	**4,225,401**	3,965,877
	- Export development surcharge	**3,560**	3,641
		8,702,235	8,518,578
		20,798,082	21,160,878

22.1 Revenue recognised during the period includes Rs. 245.1 million (2017: Rs. 234.6 million) which was shown as advances from customers at the beginning of the period.

		Note	2019 Rupees'000	2018 Rupees'000
23	**COST OF SALES**			
	Raw materials consumed		**1,265,214**	1,208,780
	Packing material consumed		**1,170,925**	985,122
	Stores and spares consumed		**60,481**	56,626
	Salaries, wages and benefits	23.1	**1,515,009**	1,359,346
	Rent, rates and taxes		**25,309**	25,384
	Insurance		**48,286**	131,718
	Fuel consumed		**6,037,284**	5,188,496
	Power consumed		**2,256,696**	2,480,890
	Depreciation	13.2	**1,498,617**	1,395,569
	Repairs and maintenance		**789,212**	715,677
	Technical assistance		**60,242**	10,426
	Vehicle running and maintenance expenses		**20,155**	17,308
	Printing and stationery		**2,861**	3,316
	Travelling and conveyance		**46,116**	38,296
	Communication, establishment and other expenses		**45,763**	52,067
	Water conservancy charges		**336,748**	-
	Clinker purchases		**-**	2,463,082
			15,178,918	16,132,103
	Add: Opening work-in-process		**808,315**	693,604
	Less: Closing work-in-process		**(524,636)**	(808,315)
	Cost of goods manufactured		**15,462,597**	16,017,392
	Add: Opening finished goods		**186,546**	232,036
	Less: Closing finished goods		**(206,537)**	(186,546)
			15,442,606	16,062,882
	Less: Own consumption		**(6,999)**	(16,591)
	Add: Export freight and other charges		**39,164**	78,226
			15,474,771	16,124,517

23.1 This includes retirement benefits of Rs. 69.1 million (2018 : Rs. 59.6 million)

		Note	2019 Rupees'000	2018 Rupees'000
24	**DISTRIBUTION COST**			
	Salaries, wages and benefits	24.1	**173,320**	159,092
	Travelling and conveyance		**2,639**	5,652
	Vehicle running and maintenance expenses		**3,274**	2,980
	Rent, rates and taxes		**6,717**	6,068
	Repairs and maintenance		**616**	819
	Printing and stationery		**602**	1,258
	Depreciation	13.2	**5,744**	4,662
	Communication, establishment and other expenses		**5,883**	4,422
	Advertisement and sale promotion expenses		**11,007**	12,376
	Insurance		**533**	378
			210,335	197,707

24.1 This includes retirement benefits of Rs. 8.7 million (2018: Rs. 7.6 million)

		Note	2019 Rupees'000	2018 Rupees'000
25	**ADMINISTRATIVE EXPENSES**			
	Salaries, wages and benefits	25.1	**319,673**	291,544
	Travelling and conveyance		**11,021**	14,076
	Vehicle running and maintenance expenses		**7,438**	7,586
	Insurance		**1,713**	1,399
	Rent, rates and taxes		**11,488**	10,677
	Repairs and maintenance		**920**	1,248
	Printing and stationery		**4,097**	4,070
	Communication, establishment and other expenses		**20,695**	21,121
	Legal and professional charges		**15,594**	11,916
	Depreciation	13.2	**16,096**	17,043
	Donations		**7,244**	4,922
			415,979	385,602

25.1 This includes retirement benefits of Rs. 19.3 million (2018: Rs. 16.6 million)

		Note	2019 Rupees'000	2018 Rupees'000
26	**OTHER OPERATING EXPENSES**			
	Auditors' remuneration:			
	Annual audit		**1,219**	1,219
	Half yearly review		**180**	180
	Out of pocket expenses		**30**	30
	Other certifications		**321**	71
			1,750	1,500
	Workers' Profit Participation Fund	8.1	**236,842**	220,392
	Workers' Welfare Fund		**88,097**	89,292
			326,689	311,184
27	**FINANCE COST**			
	Interest and other charges on long and short term borrowings			
	- Conventional banks		**87,661**	119,534
	- Islamic banks		**836**	9,133
			88,497	128,667
	Interest on Workers' Profit Participation Fund		**79**	378
	Bank charges and commission - Conventional banks		**18,182**	18,768
			106,758	147,813
28	**OTHER INCOME**			
	Income from financial assets			
	Income from deposits, advance and investments			
	- Conventional banks		**45,357**	13,657
	- Islamic banks		**10,054**	855
			55,411	14,512
	Income from non financial assets			
	Gain on disposal of property, plant and equipment		**17,170**	23,225
	Others		**75,777**	66,357
			148,358	104,094

29	INCOME TAX EXPENSE	2019 Rupees'000	2018 Rupees'000
	Current		
	For the year	1,262,431	1,341,111
	Prior year	77	8,432
		1,262,508	1,349,543
	Deferred	325,102	(680,858)
		1,587,610	668,685
	Accounting profit for the year	4,411,908	4,098,149
	Applicable tax rate (%)	29%	30%
	Income tax at applicable rate	1,279,453	1,229,445
	Tax effect of income taxable at lower rates	(55,013)	(54,480)
	Tax effect of change in propotion of export sales to local sales	(218,097)	-
	Tax effect of change in tax rates	499,505	(640,889)
	Effect of super tax	81,447	121,919
	Tax effect of permanent differences	238	4,258
	Prior year charge	77	8,432
		1,587,610	668,685

29.1 Change in applicable income tax rate from 30% to 29% is due to change in relevant Income Tax laws.

30	EARNINGS PER SHARE (BASIC AND DILUTED)	2019 Rupees'000	2018 Rupees'000
	Profit after taxation	2,824,298	3,429,464
	Profit attributable to ordinary shareholders	2,824,298	3,429,464
	Weighted average number of ordinary shares (Numbers '000)	1,379,815	1,379,815
	Earnings per share - basic (Rupees)	2.05	2.49

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

31 CASH AND CASH EQUIVALENTS

Cash, cash equivalents and short-term borrowings (used for cash management purposes) include the following for the purposes of the cash flow statement.

	Note	2019 Rupees'000	2018 Rupees'000
Cash and bank balances	21	402,847	531,759
Short term running finance	11	(990,112)	(1,638,886)
		(587,265)	(1,107,127)

32 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	
	2019	2018	**2019**	2018
	Rupees'000			
Managerial remuneration	**17,966**	16,312	**204,569**	167,324
Bonus	**3,421**	2,975	**110,094**	97,692
Provident fund	**584**	508	**11,038**	9,803
Compensated absences	**1,133**	757	**7,215**	5,787
Utilities and upkeep	**3,050**	2,374	**44,089**	40,831
Gratuity	**1,923**	1,455	**-**	-
	28,077	24,381	**377,005**	321,437
Number of persons	**1**	1	**64**	51

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

32.2 Meeting fee of non-executive directors charged during the year was Rs. 2.4 million (2018: Rs. 2.8 million) while travelling and boarding expenses incurred were Rs 0.47 million (2018: Rs. 0.66 million). Number of non-executive directors at year end were 9 (2018: 8).

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

33 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).

33.1 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 2019								
Financial assets not measured at fair value								
Long term deposits	14	-	86,601	86,601	-	-	86,601	86,601
Trade debts - net of impairment loss	17	947,046	-	947,046	-	-	-	-
Trade deposits	19	-	13,255	13,255	-	-	13,255	13,255
Interest accrued		398	-	398	-	-	-	-
Other receivables	20	7,660	-	7,660	-	-	-	-
Cash and bank balances	21	402,847	-	402,847	-	-	-	-
		1,357,951	99,856	1,457,807	-	-	99,856	99,856
Financial liabilities not measured at fair value								
Long term financing (including current portion)	5	636,869	-	636,869	-	-	-	-
Creditors	8	310,154	-	310,154	-	-	-	-
Accrued liabilities		834,816	-	834,816	-	-	-	-
Retention money	8	318,225	-	318,225	-	-	-	-
Security deposits	9	219,704	-	219,704	-	-	-	-
Other liabilities	8	109,289	-	109,289	-	-	-	-
Unclaimed dividend		43,747	-	43,747	-	-	-	-
Short term running finance	11	990,112	-	990,112	-	-	-	-
		3,462,916	-	3,462,916	-	-	-	-

On-balance sheet financial instruments	Note	Carrying amount			Fair value			
		Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
30 June 2018								
Financial assets not measured at fair value								
Long term deposits	14	86,601	-	86,601	-	-	-	-
Trade debts - net of impairment loss	17	1,168,343	-	1,168,343	-	-	-	-
Trade deposits	19	12,062	-	12,062	-	-	-	-
Interest accrued		1,031	-	1,031	-	-	-	-
Other receivables	20	104,664	-	104,664	-	-	-	-
Cash and bank balances	21	531,759	-	531,759	-	-	-	-
		1,904,460	-	1,904,460	-	-	-	-
Financial liabilities not measured at fair value								
Long term financing (including current portion)	5	-	1,063,045	1,063,045	-	-	-	-
Creditors	8	-	532,310	532,310	-	-	-	-
Accrued liabilities		-	573,347	573,347	-	-	-	-
Retention money	8	-	170,721	170,721	-	-	-	-
Security deposits		-	176,339	176,339	-	-	-	-
Other liabilities	8	-	118,843	118,843	-	-	-	-
Unclaimed dividend		-	111,561	111,561	-	-	-	-
Provision for compensated absences		-	81,285	81,285	-	-	-	-
Markup accrued	8	-	35,980	35,980	-	-	-	-
Short term running finance	11	-	1,638,886	1,638,886	-	-	-	-
		-	4,502,317	4,502,317	-	-	-	-

33.2 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.

33.3 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.

33.4 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 and 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:

	2019	2018
	(Rupees' 000)	
From government institutions	**86,601**	86,601
Banks and financial institutions	**403,035**	532,580
Others	**967,961**	1,285,069
	1,457,597	1,904,250

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 inJternal credit ratings determined based on their historical information for any default in meeting their obligations.

Trade debts	2019	2018
	Rupees' 000	
Counterparties without external credit ratings with no default in the past	947,046	1,168,343

Impairment losses

The aging of trade debts at the reporting date was:

	2019		2018	
	Gross	Impairment	Gross	Impairment
	Rupees' 000		Rupees' 000	
Past due 1-30 days	648,455	-	688,012	-
Past due 31-60 days	83,970	-	275,984	-
Past due 61-90 days	74,190	-	94,809	-
Over 90 days	143,712	3,281	112,819	3,281
	950,327	3,281	1,171,624	3,281

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

	2019	2018
	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 09 'Financial Instuments' on trade debts at initial apJplication date and 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. 402.6 million at 30 June 2019 (2018: Rs. 531.5 million). Cash at bank is held with banks and financial institution, which are rated AAA to A based on PACRA rating.

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	2019	2018
		Rupees '000	
Long term deposits	14	**86,601**	86,601
Trade debts - net of provision	17	**947,046**	1,168,343
Trade deposits	19	**13,255**	12,062
Interest accrued		**398**	1,031
Other receivables	20	**7,660**	104,664
Bank balances	21	**402,637**	531,549
		1,457,597	1,904,250

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. 175 million (2018: Rs. 256 million) was outstanding and which is included in total carrying amount of trade debtors as at 30 June 2019.

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.

	2019	2018
	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	**13,255**	12,062
Interest accrued		
Counterparties with external credit ratings AAA	**398**	1,031
Other receivables		
Counterparties with external credit ratings AA+ to AA	**1,203**	97,058
Counterparties without external credit ratings	**6,457**	7,606
Bank balances		
Counterparties with external credit ratings from AAA to A-	**402,637**	531,549

33.5 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 12.2.1 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
2019			**Rupees '000**			
Long term loans and mark-up accrued	**675,890**	**695,934**	**360,379**	**335,555**	**-**	**-**
Trade and other payables	**737,668**	**737,668**	**737,668**	**-**	**-**	**-**
Accrued liabilities	**834,816**	**834,816**	**834,816**	**-**	**-**	**-**
Security deposits	**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 running finance	**990,112**	**990,112**	**990,112**	**-**	**-**	**-**
	3,513,769	**3,533,813**	**3,198,258**	**335,555**	**-**	**-**
2018						
Long term loans and mark-up accrued	1,099,025	1,147,636	475,804	343,507	328,325	-
Trade and other payables	821,874	821,874	821,874	-	-	-
Accrued liabilities	573,347	573,347	573,347	-	-	-
Security deposits	176,339	176,339	176,339	-	-	-
Payable to employees' provident fund trust	9,534	9,534	9,534	-	-	-
Unclaimed dividend	111,561	111,561	111,561	-	-	-
Short term running finance	1,638,886	1,638,886	1,638,886	-	-	-
	4,430,566	4,479,177	3,807,345	343,507	328,325	-

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

33.5.1 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.

33.6 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.

33.6.1 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.

	2019		2018	
	Rupees '000	**USD '000**	Rupees '000	USD '000
Trade and other payables	-	-	84,841	698

The following significant exchange rate applied during the year:

	Average rates		**Balance sheet date rate**	
	2019	2018	**2019**	2018
US Dollars	**140.58**	113.24	**159.60**	121.56
Euro	**161.31**	130.49	**181.43**	141.19

Transactional exposure in respect of non functional currency expenditures and revenues

Certain operating and capital expenditure is incurred by the Company in currencies other than the functional currency. Certain sales revenue is earned in currencies other than the functional currency of the Company. These currency risks are managed as part of overall risk management strategy.

Sensitivity

An increase of 3% in exchange rate at the reporting date would have decreased profit or loss by the amounts shown below.

	2019		2018	
	Profit or loss		Profit or loss	
	Gross exposure	Net of tax exposure	Gross exposure	Net of tax exposure
	Rupees '000			
Trade and other payables	-	-	2,545	1,782

A 3% decrease in exchange rate would have had an equal but opposite effect to the amount shown above.

33.6.2 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:

	2019	2018	2019	2018
	Effective interest rates		Carrying Amount Rupees '000	
Fixed rate instruments				
Financial assets	**7.44% - 11.2%**	5.65% - 6.25%	**286,153**	304,477
Variable rate instruments				
Financial liabilities	**1 month KIBOR to 6 month KIBOR + 0.25% - 0.75%**	1 month KIBOR to 6 month KIBOR + 0.40% - 0.75%	**1,626,981**	2,701,931

Fair value sensitivity analysis for fixed rate instruments

The Company is not exposed to interest rate risk on its fixed rate instruments.

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**
	2019	2018
	Rupees '000	
Cash flow sensitivity (net)		
Variable rate instruments	**(3,758)**	**3,758**
30 June 2019	**(3,758)**	**3,758**
Variable rate instruments	(4,714)	4,714
30 June 2018	(4,714)	4,714

33.7 Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the Company defines as net profit after taxation divided by total shareholders' equity and monitors that the Company has appropriate mix of capital and debt. The Board of Directors also monitors the level of dividend to ordinary shareholders. There were no changes to the Company's approach to capital management during the year and the Company is not subject to externally imposed capital requirements except for the maintenance of debt to equity ratios under the financing agreements.

34 RELATED PARTY TRANSACTIONS AND BALANCES

All subsidiaries and associated undertakings of Fauji Foundation are related parties of the Company. Below is the list of related parties with whom the Company has entered into transactions during the year:

Related party	**Basis of relationship**	**Percentage of shareholding %**
Fauji Foundation	Shareholder	39.40
Fauji Fertilizer Company Limited	Associated undertaking of Fauji Foundation	6.79
Fauji Fertilizer Bin Qasim Limited	Associated undertaking of Fauji Foundation	1.36
Fauji Oil Terminal and Distribution Company Limited	Associated undertaking of Fauji Foundation	1.36
Askari Cement Limited	Associated undertaking of Fauji Foundation	Nil
Askari Bank Limited	Associated undertaking of Fauji Foundation	Nil
Foundation University	Associated undertaking of Fauji Foundation	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 shown in note 4, 6.2, 10, 19.1 and 32 to the financial statements. Transactions and balances with related parties other than those disclosed elsewhere in these financial statements are as follows:

	2019 Rupees'000	2018 Rupees'000
Transactions and balances with related parties		
Fauji Foundation		
- Sale of cement	**15,314**	5,521
- Payment for use of medical facilities	**1,144**	1,175
- Payable on account of medical facilities	**-**	102
- Payment on account of clearance of shipments	**114**	193
- Payable on account of clearance of shipments	**215**	215
- Payment of rent and utilities	**15,585**	14,375
- Donation paid through Fauji Foundation	**4,000**	1,000
- Dividend paid on ordinary shares	**951,388**	1,032,935
Fauji Fertilizer Company Limited		
- Dividend paid on ordinary shares	**162,063**	178,125
Fauji Fertilizer Bin Qasim Limited		
- Dividend paid on ordinary shares	**32,812**	35,625
- Training fee paid	**-**	17
Fauji Oil Terminal and Distribution Company Limited		
- Dividend paid on ordinary shares	**32,812**	35,625
Foundation University		
- Payment for use of medical facilities	**-**	52
Askari Cement Limited		
- Payments to Askari Cement Limited for purchase of clinker	**-**	14,304
Askari Bank Limited		
- Balance in bank accounts	**3,182**	73
- Profit received on deposit accounts	**291**	182
Employees Funds		
- Payments made into the fund	**48,962**	44,445
Others		
- Remuneration to key management personnel (including cement sale) (other than Chief Executive)	**56,741**	49,785

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

	Liabilities			Equity		
	Short term running finance used for cash management purposes	**Long term loan**	**Accrued markup**	**Share capital**	**Retained earnings**	**Total**
	Rupees'000					
Balance at 01 July 2018	1,638,886	1,063,045	35,980	12,433,765	8,055,175	23,226,851
Changes from financing cash flows						
Repayment of loan	-	(426,176)	-	-	-	(426,176)
Finance cost paid for the year	-	-	(103,638)	-	-	(103,638)
Dividend paid	-	-	-	-	(2,482,490)	(2,482,490)
Total changes from financing cash flows	-	(426,176)	(103,638)	-	(2,482,490)	(3,012,304)
Other changes						
Liability related						
Decrease in short term running finance	(648,774)	-	-	-	-	(648,774)
Finance cost expense for the year	-	-	106,679	-	-	106,679
Total liability related other changes	(648,774)	-	106,679	-	-	(542,095)
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	990,112	636,869	39,021	12,433,765	8,464,797	22,564,564

		2019	2018
36	**PLANT CAPACITY AND ACTUAL PRODUCTION - CEMENT**	**Metric Tons**	Metric Tons
	Current installed capacity	**3,559,500**	3,503,640
	Actual production	**3,041,178**	3,399,807

Difference is due to demand supply situation of the market.

37 EMPLOYEES PROVIDENT FUND TRUST

	2019	2018
Size of the Fund (Rupees'000)	**783,542**	670,252
Cost of investments made (Rupees'000)	**633,831**	530,995
Percentage of investments made (%)	**80.89**	79.22
Fair value of investments (Rupees'000)	**665,046**	597,131

Breakup of cost of investment is as follows:

	2019		2018	
	Rupees'000	**% of full**	Rupees'000	% of full
NSC Saving certificates	**244,258**	**39**	227,893	43
Term finance certificates	**4,985**	**1**	4,985	1
Term deposit receipts	**324,692**	**51**	40,000	7
Mutual funds	**59,896**	**9**	258,117	49
	633,831	**100**	530,995	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.

38 GENERAL

38.1 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. 2,500 million (2018: Rs. 315 million and Rs. 2,200 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.

38.2 Number of persons employed	**2019**	2018
	Numbers	Numbers
Total employees of the Company at year end	**1,236**	1,211
Average employees of the Company during the year	**1,224**	1,214

38.3 These financial statements were authorized for issue by the Board of Directors of the Company in their meeting held on 27 August 2019.

CHIEF EXECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICER

SHAREHOLDERS' INFORMATION

PATTERN OF SHAREHOLDING

AS AT 30 JUNE 2019

No. of Shareholder	Shareholdings From	Shareholdings To	No of Share held	Percentage
440	1	100	17,330	0.0013
2175	101	500	1,036,479	0.0751
2466	501	1,000	2,429,694	0.1761
4912	1,001	5,000	14,877,950	1.0783
1813	5,001	10,000	14,955,031	1.0838
720	10,001	15,000	9,416,810	0.6825
517	15,001	20,000	9,699,129	0.7029
356	20,001	25,000	8,438,163	0.6115
245	25,001	30,000	7,018,044	0.5086
151	30,001	35,000	5,008,927	0.3630
151	35,001	40,000	5,876,070	0.4259
92	40,001	45,000	4,001,899	0.2900
198	45,001	50,000	9,791,781	0.7096
74	50,001	55,000	3,938,359	0.2854
69	55,001	60,000	4,068,403	0.2949
45	60,001	65,000	2,870,728	0.2081
43	65,001	70,000	2,961,690	0.2146
38	70,001	75,000	2,797,194	0.2027
35	75,001	80,000	2,758,716	0.1999
22	80,001	85,000	1,843,010	0.1336
23	85,001	90,000	2,025,045	0.1468
12	90,001	95,000	1,129,310	0.0818
155	95,001	100,000	15,456,633	1.1202
9	100,001	105,000	922,500	0.0669
20	105,001	110,000	2,186,000	0.1584
16	110,001	115,000	1,821,146	0.1320
20	115,001	120,000	2,366,000	0.1715
35	120,001	125,000	4,346,183	0.3150
17	125,001	130,000	2,176,701	0.1578
9	130,001	135,000	1,206,000	0.0874
8	135,001	140,000	1,106,000	0.0802
6	140,001	145,000	863,000	0.0625
21	145,001	150,000	3,139,500	0.2275
4	150,001	155,000	609,500	0.0442
8	155,001	160,000	1,267,167	0.0918
6	160,001	165,000	978,990	0.0710
8	165,001	170,000	1,351,964	0.0980
12	170,001	175,000	2,084,500	0.1511
9	175,001	180,000	1,616,850	0.1172
3	180,001	185,000	548,000	0.0397
4	185,001	190,000	755,500	0.0548
3	190,001	195,000	580,200	0.0420
43	195,001	200,000	8,595,800	0.6230
8	200,001	205,000	1,621,737	0.1175
9	205,001	210,000	1,876,000	0.1360

No. of Shareholder	Shareholdings		No of Share held	Percentage
	From	To		
6	210,001	215,000	1,285,500	0.0932
6	215,001	220,000	1,312,040	0.0951
8	220,001	225,000	1,791,646	0.1298
6	225,001	230,000	1,369,500	0.0993
3	230,001	235,000	696,000	0.0504
4	235,001	240,000	959,500	0.0695
1	240,001	245,000	243,000	0.0176
16	245,001	250,000	3,996,000	0.2896
2	250,001	255,000	510,000	0.0370
6	255,001	260,000	1,548,811	0.1122
2	260,001	265,000	526,000	0.0381
4	265,001	270,000	1,068,999	0.0775
3	270,001	275,000	824,000	0.0597
2	275,001	280,000	555,500	0.0403
2	280,001	285,000	567,000	0.0411
2	285,001	290,000	577,291	0.0418
3	290,001	295,000	878,500	0.0637
12	295,001	300,000	3,594,000	0.2605
2	300,001	305,000	606,000	0.0439
5	305,001	310,000	1,540,045	0.1116
2	310,001	315,000	625,500	0.0453
3	315,001	320,000	954,700	0.0692
2	325,001	330,000	660,000	0.0478
2	335,001	340,000	680,000	0.0493
1	340,001	345,000	345,000	0.0250
9	345,001	350,000	3,149,500	0.2283
1	350,001	355,000	355,000	0.0257
2	355,001	360,000	714,000	0.0517
2	360,001	365,000	725,500	0.0526
4	370,001	375,000	1,495,626	0.1084
1	375,001	380,000	375,500	0.0272
2	380,001	385,000	767,524	0.0556
2	385,001	390,000	778,500	0.0564
12	395,001	400,000	4,795,000	0.3475
2	400,001	405,000	806,000	0.0584
1	405,001	410,000	407,000	0.0295
4	420,001	425,000	1,698,500	0.1231
1	425,001	430,000	430,000	0.0312
5	445,001	450,000	2,244,621	0.1627
1	450,001	455,000	450,500	0.0326
1	455,001	460,000	460,000	0.0333
1	460,001	465,000	462,500	0.0335
1	470,001	475,000	475,000	0.0344
3	475,001	480,000	1,432,500	0.1038
1	490,001	495,000	492,000	0.0357

PATTERN OF SHAREHOLDING

AS AT 30 JUNE 2019

No. of Shareholder	Shareholdings From	Shareholdings To	No of Share held	Percentage
13	495,001	500,000	6,500,000	0.4711
1	500,001	505,000	505,000	0.0366
2	520,001	525,000	1,046,000	0.0758
2	530,001	535,000	1,068,700	0.0775
1	540,001	545,000	543,500	0.0394
3	545,001	550,000	1,646,350	0.1193
1	550,001	555,000	555,000	0.0402
2	555,001	560,000	1,119,500	0.0811
3	560,001	565,000	1,688,000	0.1223
3	570,001	575,000	1,720,500	0.1247
1	585,001	590,000	590,000	0.0428
1	590,001	595,000	590,500	0.0428
7	595,001	600,000	4,200,000	0.3044
2	605,001	610,000	1,217,500	0.0882
1	610,001	615,000	615,000	0.0446
2	615,001	620,000	1,238,500	0.0898
1	640,001	645,000	643,500	0.0466
2	645,001	650,000	1,300,000	0.0942
1	650,001	655,000	652,620	0.0473
1	655,001	660,000	657,500	0.0477
2	660,001	665,000	1,330,000	0.0964
1	665,001	670,000	670,000	0.0486
1	685,001	690,000	686,500	0.0498
1	690,001	695,000	694,000	0.0503
5	695,001	700,000	3,500,000	0.2537
1	705,001	710,000	707,500	0.0513
1	720,001	725,000	721,500	0.0523
1	730,001	735,000	735,000	0.0533
1	740,001	745,000	745,000	0.0540
4	745,001	750,000	2,990,064	0.2167
1	750,001	755,000	755,000	0.0547
1	790,001	795,000	791,000	0.0573
5	795,001	800,000	3,997,000	0.2897
2	800,001	805,000	1,604,078	0.1163
1	805,001	810,000	810,000	0.0587
1	810,001	815,000	811,000	0.0588
1	845,001	850,000	850,000	0.0616
2	865,001	870,000	1,738,890	0.1260
1	895,001	900,000	900,000	0.0652
1	900,001	905,000	900,100	0.0652
1	925,001	930,000	930,000	0.0674
1	940,001	945,000	943,000	0.0683
1	950,001	955,000	954,100	0.0691
1	975,001	980,000	980,000	0.0710
1	980,001	985,000	981,000	0.0711

No. of Shareholder	Shareholdings From	To	No of Share held	Percentage
6	995,001	1,000,000	6,000,000	0.4348
1	1,005,001	1,010,000	1,010,000	0.0732
1	1,010,001	1,015,000	1,015,000	0.0736
1	1,015,001	1,020,000	1,020,000	0.0739
1	1,025,001	1,030,000	1,027,500	0.0745
1	1,040,001	1,045,000	1,045,000	0.0757
1	1,045,001	1,050,000	1,050,000	0.0761
1	1,050,001	1,055,000	1,054,500	0.0764
1	1,090,001	1,095,000	1,093,250	0.0792
1	1,110,001	1,115,000	1,111,300	0.0805
2	1,145,001	1,150,000	2,300,000	0.1667
1	1,160,001	1,165,000	1,161,683	0.0842
2	1,170,001	1,175,000	2,346,500	0.1701
1	1,175,001	1,180,000	1,178,000	0.0854
1	1,195,001	1,200,000	1,200,000	0.0870
1	1,215,001	1,220,000	1,220,000	0.0884
4	1,245,001	1,250,000	5,000,000	0.3624
6	1,295,001	1,300,000	7,800,000	0.5653
1	1,345,001	1,350,000	1,350,000	0.0978
1	1,405,001	1,410,000	1,406,750	0.1020
1	1,455,001	1,460,000	1,459,500	0.1058
1	1,465,001	1,470,000	1,468,000	0.1064
1	1,475,001	1,480,000	1,476,000	0.1070
2	1,495,001	1,500,000	3,000,000	0.2174
1	1,595,001	1,600,000	1,600,000	0.1160
1	1,660,001	1,665,000	1,661,375	0.1204
1	1,665,001	1,670,000	1,669,000	0.1210
1	1,795,001	1,800,000	1,800,000	0.1305
1	1,935,001	1,940,000	1,937,807	0.1404
1	1,945,001	1,950,000	1,950,000	0.1413
1	1,995,001	2,000,000	2,000,000	0.1449
1	2,030,001	2,035,000	2,030,500	0.1472
1	2,130,001	2,135,000	2,135,000	0.1547
1	2,170,001	2,175,000	2,171,000	0.1573
1	2,195,001	2,200,000	2,200,000	0.1594
1	2,205,001	2,210,000	2,209,401	0.1601
1	2,285,001	2,290,000	2,286,000	0.1657
1	2,310,001	2,315,000	2,311,000	0.1675
1	2,600,001	2,605,000	2,603,500	0.1887
1	2,710,001	2,715,000	2,712,002	0.1965
1	2,860,001	2,865,000	2,863,750	0.2075
1	2,885,001	2,890,000	2,889,000	0.2094
1	2,890,001	2,895,000	2,895,000	0.2098
1	2,995,001	3,000,000	3,000,000	0.2174
1	3,075,001	3,080,000	3,079,000	0.2231

PATTERN OF SHAREHOLDING

AS AT 30 JUNE 2019

No. of Shareholder	Shareholdings From	Shareholdings To	No of Share held	Percentage
1	3,120,001	3,125,000	3,120,050	0.2261
1	3,295,001	3,300,000	3,300,000	0.2392
1	3,345,001	3,350,000	3,347,000	0.2426
1	3,660,001	3,665,000	3,663,000	0.2655
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	4,015,001	4,020,000	4,018,600	0.2912
1	4,025,001	4,030,000	4,029,352	0.2920
1	4,040,001	4,045,000	4,040,500	0.2928
1	4,210,001	4,215,000	4,213,100	0.3053
1	4,275,001	4,280,000	4,276,500	0.3099
1	4,280,001	4,285,000	4,283,500	0.3104
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	4,550,001	4,555,000	4,552,500	0.3299
1	4,755,001	4,760,000	4,756,000	0.3447
1	5,405,001	5,410,000	5,408,000	0.3919
1	5,840,001	5,845,000	5,841,901	0.4234
1	5,925,001	5,930,000	5,930,000	0.4298
1	6,995,001	7,000,000	7,000,000	0.5073
1	7,065,001	7,070,000	7,069,507	0.5124
1	7,500,001	7,505,000	7,501,500	0.5437
1	7,895,001	7,900,000	7,900,000	0.5725
1	9,785,001	9,790,000	9,790,000	0.7095
1	10,920,001	10,925,000	10,921,000	0.7915
1	12,580,001	12,585,000	12,582,500	0.9119
1	13,260,001	13,265,000	13,263,500	0.9613
1	14,145,001	14,150,000	14,150,000	1.0255
1	16,495,001	16,500,000	16,500,000	1.1958
2	18,745,001	18,750,000	37,500,000	2.7178
1	19,790,001	19,795,000	19,791,000	1.4343
1	21,730,001	21,735,000	21,734,250	1.5752
1	26,765,001	26,770,000	26,767,000	1.9399
1	32,695,001	32,700,000	32,700,000	2.3699
1	36,695,001	36,700,000	36,699,000	2.6597
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
15,380			1,379,815,025	100.00

CATEGORIES OF SHAREHOLDERS
AS AT 30 JUNE 2019

S/No	Categories of Shareholders		No. of Shareholders	No. of Shares Held	Percentage
1.	Directors, Chief Executive Officers, and their Spouse and Minor children		12	11,007	0.0008
2.	Associated Companies, undertakings and related parties		5	674,900,242	48.9124
3.	NIT and ICP		6	3,791,867	0.2748
4.	Banks Development Financial Institutions, Non-Banking Financial Institutions		18	726,000	3.8212
5.	Insurance Companies		16	15,468,434	1.1211
6.	Modarabas		7	274,500	0.0199
7.	Mutual Funds		18	5,855,225	0.4243
8.	**General Public**				
	a.	Local	14,996	447,300,290	32.4174
	b.	Foreign	26	223,542	0.0162
9.	**Other (to be Specified)**				
	a.	Investment Companies	06	2,481,500	0.1798
	b.	Joint Stock Companies	181	76,578,680	5.5499
	c.	Pension Funds	5	2,026,000	0.1468
	d.	Foreign Companies	28	87,259,901	6.3240
	e.	Other	56	10,917,837	0.7913
	Total		**15,380**	**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 – 2019-20

The Company's FY starts from 1st July and end at 30th June each year. Tentative schedule for announcement of quarterly financial results in 2019-20 is as under:-

a.	**Annual General Meeting**	-	**27th September 2019**
b.	First Quarter ending 30th September 2019.	-	Last Week of October 2019
c.	Half Year ending 31st December 2019.	-	Last Week of February 2020
d.	Third Quarter ending 31st March 2020.	-	Last Week of April 2020
e.	Annual Accounts year ending 30th June 2020.	-	Last week of August 2020

CATEGORIES OF SHAREHOLDERS

AS AT 30 JUNE 2019

Categories of Shareholding required under Listed Companies (Code of Corporate Governance) Regulation, 2017 as on 30th June 2019.

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	48,699,187	3.5294
3.	Fauji Fertilizer Bin Qasim Limited (FFBL)	18,750,000	1.3589
4.	Fauji Oil Terminal & Distribution Company Limited (FOTCO)	18,750,000	1.3589
5.	Fauji Fertilizer Company Limited (CDC) (FFC)	93,750,000	6.7944
	Total	**674,900,242**	**48.9124**
Mutual Funds (Name Wise Detail)			
1.	CDC - Trustee ABL Stock Fund (CDC)	300,000	0.0217
2.	CDC - Trustee AKD Index Traker Fund (CDC)	179,850	0.0130
3.	CDC - Trustee Askari Asset Allocation Fund (CDC)	15,000	0.0011
4.	CDC - Trustee Askari Equity Fund (CDC)	17,500	0.0013
5.	CDC - Trustee Faysal MTS Fund - MT (CDC)	122,000	0.0088
6.	CDC - Trustee Frist Capital Mutual Fund (CDC)	100,000	0.0072
7.	CDC - Trustee First Habib Income Fund - MT (CDC)	6,000	0.0004
8.	CDC - Trustee KSE Meezan Index Fund (CDC)	1,661,375	0.1204
9.	CDC - Trustee NAFA Islamic Active Allocation Equity Fund (CDC)	208,000	0.0151
10.	CDC - Trustee NAFA Islamic Stock Fund (CDC)	700,000	0.0507
11.	CDC - Trustee NAFA Stock Fund (CDC)	2,000,000	0.1449
12.	CDC - Trustee NBP Sarmaya Izafa Fund (CDC)	16,500	0.0012
13.	CDC - Trustee UBL Growth and Income Fund (CDC)	34,500	0.0025
14.	M C B F S L-Trustee Askari Islamic Asset Allocation Fund (CDC)	15,000	0.0011
15.	MC FSL Trustee JS - Income Fund - MT (CDC)	18,000	0.0086
16.	MCBFSL - Trustee ABL Islamic Stock Fund (CDC)	300,000	0.0217
17.	MCBFSL - Trustee Pak Oman Islamic Asset Allocation Fund (CDC)	31,500	0.0023
18.	MCBFSL - Trustee Pak Oman Islamic Asset Allocation Fund (CDC)	30,000	0.0022
	Total	**5,855,225**	**0.4243**

S/No	Name	Number of Shares Held	Percentage
Directors and their Spouse and Minor Children (Name Wise Detail):-			
1.	Lt Gen Syed Tariq Nadeem Gilani, HI(M), (Retd)	1	0.0000
2.	Lt Gen Muhammad Ahsan Mahmood, HI(M), (Retd)	1	0.0000
3.	Maj Gen Tahir Ashraf Khan, HI(M), (Retd)	1	0.0000
4.	Maj Gen Kaleem Saber Taseer, HI(M), (Retd)	1	0.0000
5.	Mr Syed Iqtidar Saeed	1	0.0000
6.	Mr Muhammad Amir Khan	1	0.0000
7.	Mr Jawaid Iqbal	7,500	0.0005
8.	Mr Zafar Iqbal Sobani	2,500	0.0003
9.	Mr Rehan Laiq	501	0.0000
10.	Ms Jahanara Sajjad Ahmad	500	0.0000
	Total	**11,007**	**0.0798**
Executives		-	-
Public Sector Companies & Corporations:		-	-
Banks, Development Finance Institutions, Non-Banking Finance Companies, Insurance Companies, Takaful, Modarabas and Pension Funds		70,494,934	5.1090
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 Zafar Iqbal Sobani	2500	0
2.	Ms Jahanaraq Sajjad Ahmad	500	0
3.	Mr Rehan Laiq	501	0
4.	Mr Muhammad Amir Khan	1	0
5.	Mr Syed Iqtidar Saeed	1	0
6.	Maj Gen Kaleem Saber Taseer, HI(M), (Retd)	1	0

Say No to Corruption

فوجی سیمنٹ کمپنی لمیٹڈ

اطلاع برائے 27واں سالانہ عام اجلاس

فوجی سیمنٹ کمپنی لمیٹڈ کے شراکت داروں کا **27**واں سالانہ عام اجلاس بروز جمعہ بتاریخ **27** ستمبر **2019**ء کو **1500** بجے بمقام ٹوپی رکھ آڈیٹوریم (Topi Rakh Auditorium) ایوب پارک، راولپنڈی مندرجہ ذیل امور کی انجام دہی کیلئے منعقد ہوگا۔

عمومی کارروائی

۱۔ دسویں غیر معمولی عام اجلاس منعقدہ 29 نومبر 2018ء میں کئے گئے فیصلوں کی توثیق کرنا۔

۲۔ 30 جون 2019ء کو ختم شدہ سال کیلئے کمپنی کے آڈٹ شدہ مالیاتی گوشواروں، آڈیٹرز (Auditors) اور ڈائریکٹرز (Directors) کی رپورٹوں پر غور وغوض کرنا، منظوری دینا اور ان کو اپنانا۔

۳۔ 30 جون 2020ء کو ختم ہونے والے سال کیلئے آڈیٹرز (Auditors) کا تقرر اور ان کے معاوضے کا تعین کرنا۔

۴۔ بورڈ آف ڈائریکٹرز کی سفارش کے مطابق 30 جون 2019ء کو ختم ہونے والے مالی سال کیلئے **0.75** روپے فی شیئر حتمی منافع (**Final Dividend**) پر غور وغوض اور اس کی ادائیگی کی منظوری دینا۔

دیگر امور

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

بحکم بورڈ آف ڈائریکٹرز، فوجی سیمنٹ کمپنی

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

راولپنڈی
6 ستمبر 2019ء

نوٹس

۱۔ کمپنی کی شیئر ٹرانسفر بکس (books) **21** ستمبر تا **27** ستمبر **2019**ء (بشمول دونوں ایام) برائے حصول حتمی منافع (Final Dividend) **0.75** روپے فی شیئر بند رہیں گی۔ اس کے دوران شیئر کی کسی منتقلی کو رجسٹریشن کے لئے قبول نہیں کیا جائے گا۔ جو ٹرانسفر (transfer) **20** ستمبر **2019**ء کاروباری اوقات کے اختتام تک کمپنی کے شیئر رجسٹرار آفس میسرز کارپلنک (پرائیویٹ) لمیٹڈ، ونگز آرکیڈ، K—1، 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 ممبر 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 کمپیوٹرائزڈ قومی شناختی کارڈ (CNIC) کی تصدیق شدہ نقل لازماً منسلک ہونی چاہیے۔ اس ضمن میں کمپنی ایکٹ 2017ء کے سیکشن **137** میں درج شرائط لاگو ہوں گی۔

۳۔ سی ڈی سی (CDC) اکاؤنٹ ہولڈر کو سیکوریٹیز 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 قواعد کے مطابق اپ لوڈ ہیں انہیں اجلاس میں شرکت کرتے وقت اپنا اصل کمپیوٹرائزڈ 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 (CDS) میں اکاؤنٹ نمبر فراہم کریں۔

(۳)۔ کارپوریٹ ادارے کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد/ مختار نامہ مع نامزد کردہ فرد کے نمونہ دستخط اور کارآمد کمپیوٹرائزڈ 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 قواعد 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 کمپیوٹرائزڈ قومی شناختی کارڈ نمبر بھی فارم پر درج ہوں۔

(۳)۔ اصل مالکان (Beneficial Onwers) اور پراکسی کے کمپیوٹرائزڈ 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 کمپیوٹرائزڈ قومی شناختی کارڈ یا اصل پاسپورٹ ملاحظے کیلئے پیش کریگا۔

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

۴۔ الیکٹرانک ڈیوڈنڈ ((Electronic Dividend کے وارنٹ پر کمپیوٹرائزڈ قومی شناختی کارڈ اور قومی آمدن ٹیکس نمبر لازمی ہے

الف۔ ایس آر او **831(1)**/ **2012** مورخہ **5** جولائی **2012** اور اس سے متعلقہ قوانین کے تحت ہدایت کی جاتی ہے کہ الیکٹرانک ڈیوڈنڈ کے وارنٹ/ وارنٹس پر رجسٹرڈ شیئر ہولڈر یا مجاز شخص کا کمپیوٹرائزڈ قومی شناختی کارڈ نمبر بھی موجود ہو ماسوائے نابالغ افراد اور کارپوریٹ شیئر ہولڈرز کے۔

ب۔ ایس آر او **1145(1)**/**2017** مورخہ **6** نومبر **2017** کی ریگولیشن **4** اور **6** کی شرائط کی تعمیل کے ضمن میں کارآمد کمپیوٹرائزڈ قومی شناختی کارڈ (CNIC) اور نیشنل ٹیکس نمبر (NTN) (کی عدم دستیابی کی صورت میں کمپنی کیلئے ڈیوڈنڈ (Dividend) کی ادائیگی کو روکنا ضروری ہوگا۔ لہذا ایسے شیئر ہولڈرز جنہوں نے ابھی تک اپنے کارآمد کمپیوٹرائزڈ قومی شناختی کارڈ (CNIC) اور نیشنل ٹیکس نمبر (NTN) جمع نہیں کرائے انہیں ایک مرتبہ پھر درخواست کی جاتی ہے کہ وہ اپنی یہ دستاویزات کمپنی کے شیئر رجسٹرار میسرز کارپلنک (پرائیویٹ) لمیٹڈ کو فوراً جمع کرا دیں۔ ان کا پتہ اس نوٹس کے آخر میں دیا گیا ہے۔

۵۔منافع (Dividend) کی الیکٹرانک طریقے سے ادائیگی لازمی ہے

الف۔ ایس ای سی پی سرکلر نمبر 18 / 2017 مورخہ یکم اگست 2017ء اور کمپنی ریگولیشن 2017 (ڈیوڈنڈ کی تقسیم) اور کمپنی ایکٹ 2017 میں تمام لسٹڈ کمپنیز (Listed Companies) کو یہ امر یقینی بنانے کی ہدایت کی ہے کہ یکم نومبر 2017 سے ڈیوڈنڈ صرف الیکٹرونک طریقے کے ذریعے ادا کیے جائیں گے۔ شیئر ہولڈرز سے درخواست ہے کہ یہ معلومات (۱) اکاؤنٹ کا ٹائٹل (۲) اکاؤنٹ نمبر (۳) IBAN نمبر (۴) بینک کا نام (۵) برانچ کا نام اور کوڈ فراہم کرتے ہوئے اپنے بینک مینڈیٹ کی تفصیلات کمپنی یا شیئر رجسٹرار کو فراہم کریں۔ ایسے شیئر ہولڈرز جو سی ڈی سی CDC) اکاؤنٹ رکھتے ہیں ۔انہیں سی ڈی سی کو اپنی معلومات فراہم کرنے کی ہدائت کی جاتی ہے۔

ب۔ براہ کرم یہ نوٹ کرلیں کہ کمپنی ایکٹ 2017 کی دفعہ 243(3) کے مطابق شیئر ہولڈرز کی جانب سے ضروری معلومات فراہم نہ کرنے کی صورت میں کمپنی ڈیوڈنڈ (Dividend) کی ادائیگی روکنے کی حقدار ہیں۔

ج۔ شیئر ہولڈرز کی سہولت کے لئے الیکٹرانک ڈیویڈنڈ مینڈیٹ فارم (**E-dividend Mandate Form**) کمپنی کی ویب سائیٹ www.fccl.com.pk پر دستیاب ہے

۶۔انکم ٹیکس آرڈیننس 2001 کی دفعہ 150 کے تحت منافع (Dividend) سے انکم ٹیکس کی کٹوتی

الف۔ ۳۰ جون 2019 کو ختم شدہ سال کے لئے فوجی سیمنٹ کمپنی نے اپنے حصص داران (Shareholders) کیلئے حتمی منافع **0.75** روپے فی حصص (Share) کا اعلان کیا ہے۔

ب۔ ایسے حصص داران (Shareholders) جن کے نام ایکٹو ٹیکس پیئرز لسٹ (Active Tax Payers List) میں شامل نہیں ہیں۔ انہیں ہدایت کی جاتی ہے کہ وہ فوری طور پر اپنے نام (ATL) لسٹ میں شامل کروالیں بصورت دیگر ان کے ڈیوڈنڈ (Dividend) پر ٹیکس کی کٹوتی قانون (Rules) کے مطابق ہوگی۔

ج۔ مزید براں (FBR) کی جاری کردہ وضاحت کے مطابق مشترکہ اکاؤنٹس کی صورت میں پرنسپل شیئر ہولڈرز (Prinicipal Shareholders) جو جوائنٹ شیئر ہولڈرز (Joint Shareholders) کا فائلر یا نان فائلر کی حثییت پر ود ہولڈنگ ٹیکس (with holding tax) کا تعین جداگانہ کیا جائے گا۔ یہ کٹوتی ان کی شیئر ہولڈنگ تناسب (Shareholding proporition) پر مبنی ہوگی۔

د۔ اس ضمن میں، تمام شیئر ہولڈر سے جو مشترکہ شیئرز کے حامل ہیں التماس ہے کہ وہ اپنے پاس موجود شیئرز کے ضمن میں پرنسپل شیئر ہولڈرز اور جوائنٹ ہولڈر / ہولڈرز کی شیئر ہولڈنگ تناسب ہمارے شیئر رجسٹرار کو مندرجہ ذیل تفصیلات کے مطابق تحریری طور پر فراہم کریں:۔

کمپنی کا نام	فولیو/سی ڈی سی اکاؤنٹ نمبر	مجموعی شیئرز	پرنسپل شیئر ہولڈرز		جوائیٹ شیئر ہولڈرز	
			نام اور سی این آئی سی نمبر	شیئر ہولڈنگ کا تناسب (شیئر کی تعداد)	نام اور سی این آئی سی نمبر	شیئر ہولڈنگ کا تناسب (شیئر کی تعداد)

ر۔ درجہ بالا معلومات نوٹس ہذا کی اشاعت کے بعد **10** دن کے اندر ہمارے شیئر رجسٹرار کو پہنچ جانی چاہیے۔ بصورت دیگر یہ سمجھا جائے گا کہ پرنسپل شیئر ہولڈرز اور جوائنٹ شیئر ہولڈر کے پاس مساوی (equal) شیئر (share) موجود ہیں۔

ڑ۔ کارپوریٹ شیئر ہولڈرز جو سی ڈی سی (CDC) اکاؤنٹس رکھتے ہیں، ان کیلئے ضروری ہے کہ وہ اپنے نیشنل ٹیکس نمبر (NTN) اپنے متعلقہ شرکاء (brokers) کے ساتھ اپ ڈیٹ کروالیں جبکہ کارپوریٹ فزیکل شیئر ہولڈرز اپنے این ٹی این (NTN) سرٹیفکیٹ کی ایک کاپی کمپنی شیئر رجسٹرار میسرز کارپلنک (پرائیویٹ) لمیٹڈ کو بھیج دیں۔ این ٹی این یا این ٹی این سرٹیفکیٹ بھیجتے وقت شیئر ہولڈرز لازماً کمپنی کا نام اور اپنے متعلقہ فولیو نمبر درج کریں۔

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

۸۔ <u>وڈیو کانفرنس کی سہولت</u>

الف۔ کمپنیز ایکٹ **2017** 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 وڈیو کانفرنس کے ذریعے سے اجلاس میں شرکت کرنے کی سہولت فراہم کی جاسکتی ہے۔ اس کی درخواست اجلاس کی تاریخ سے سات دن پہلے موصول ہونی چاہئے۔ درخواست موصول ہونے پر کمپنی متعلقہ شہر میں ویڈیو کانفرنس کا انتظام کرے گی بشرطیکہ اس شہر میں ایسی سہولت میسر کی جاسکتی ہو۔

ب۔ درجہ بالا شرائط کی رو سے اس سہولت سے استفادہ کرنے کیلئے شیئر ہولڈ اجلاس کی تاریخ سے سات دن پہلے اپنی معلومات پیرا 8 ج میں درج فارم پر تحریری طور پر کمپنی کے رجسٹرڈ ایڈریس پر ارسال کریں۔ مندرجہ بالا شرائط پوری ہونے پر ممبران کو عام اجلاس سے دو دِن قبل ویڈیو کانفرنس سے متعلق معلومات فراہم کی جاہیں گی۔

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

۹۔ <u>پتہ میں تبدیلی کیلئے</u>۔ 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۔ **<u>رجسٹرڈ آفس، فوجی سیمنٹ کمپنی لمیٹڈ</u>**

کمپنی سیکریٹری

فوجی سیمنٹ کمپنی لمیٹڈ، فوجی ٹاورز، بلاک۔ ۶۸۳ ٹیپو روڈ چکلالہ، راولپنڈی۔ پاکستان

ویب سائیٹ WWW.fccl.com.pk

فون نمبر 92-051-9280075

ب۔ **<u>شیئر رجسٹرار آفس، فوجی سیمنٹ کمپنی لمیٹڈ</u>**

میسرز کارپلنک (پرائیویٹ) لمیٹڈ، ونگز آرکیڈ، K-1، کمرشل، ماڈل ٹاؤن، لاہور۔ پاکستان

ای میل :Corplink786@gmail.com

ٹیلی فون نمبر 92-042-35916719:

فوجی سیمنٹ کمپنی لمیٹڈ

27واں سالانہ اجلاس عام ۔ 27 ستمبر 2019

پراکسی فارم

میں/ہم۔۔۔۔۔۔۔۔۔۔۔۔۔۔بحثیت فوجی سیمنٹ کمپنی لمیٹڈ کے رکن (اراکین)۔۔۔۔۔۔۔۔۔۔۔۔۔عام حصص بمطابق رجسٹرڈ فولیونمبر/سی ڈی سی اکاؤنٹ نمبر۔۔۔۔۔۔۔۔۔۔۔اپنی جانب سے محترم/محترمہ۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔اتقرر کرتا/کرتی ہوں۔ان کا مکمل پتہ۔۔۔۔۔۔۔۔۔۔اوران کی عدم موجودگی میں محترم/محترمہ۔۔۔۔۔۔۔۔۔۔۔۔کا تقرر کرتا/کرتی ہوں۔ان کا مکمل پتہ ۔۔۔۔۔۔۔۔رجسٹرڈ فولیونمبر/سی ڈی سی اکاؤنٹ نمبر(اگر ممبر ہے) ۔۔۔۔۔۔۔۔۔کو اپنی/ہماری عدم موجودگی میں کمپنی کے **27** ستمبر **2019** بروز جمعہ 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

۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔

دستخط پراکسی

آج بروز۔۔۔۔۔۔۔۔بتاریخ۔۔۔۔۔۔۔۔۔2019 کو دستخط کئے گئے

گواہان:۔

گواہ نمبر۔۱	گواہ نمبر۔۲
دستخط۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔	دستخط۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔
نام۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔	نام۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔
پتہ۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔	پتہ ۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔
شناختی کارڈ /پاسپورٹ نمبر۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔	شناختی کارڈ /پاسپورٹ نمبر۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔

اطلاع

۱۔ ایک رکن جو اجلاس میں حاضر ہونے اور ووٹ ڈالنے کا اہل ہے اپنی جگہ کسی اور شیئر ہولڈر کو اپنے نمائندے کے طور پر مقرر کرسکتا ہے جو ایسے حقوق جیسے حاضر ہونے، بات کرنے اور اجلاس میں ووٹ ڈالنے کیلئے اہل ہوجائیگا/گی جیسے حقوق ایک رکن کو دستیاب ہیں۔

۲۔ نمائندہ اجلاس میں حاضری کے وقت اپنی شناخت کا ثبوت اپنا کمپیوٹرائز قومی شناختی کارڈ یا اصل پاسپورٹ دکھا کر ظاہر کرے گا/گی اور فولیو نمبرز (اگر ممبر ہے) بھی ہمراہ لائے گا/گی۔

۳۔ پراکسی فارم موثر ہونے کی غرض سے فوجی سیمنٹ کمپنی لمیٹڈ، ہیڈ آفس، فوجی ٹاور، 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 کمپیوٹرائز قومی شناختی کارڈ یا اصل پاسپورٹ کی تصدیق شدہ نقول پراکسی فارم کے ہمراہ بھیجنے ہوں گے۔

۵۔ کارپوریٹ ادارے کی صورت بورڈ آف ڈائریکٹرز کی قرارداد/مختار نامہ مع نمونہ دستخط پراکسی (Proxy) فارم کے ساتھ کمپنی کو پیش کیا جائے گا۔

FORM OF PROXY

27TH ANNUAL GENERAL MEETING - 27TH SEPTEMBER 2019

The Company Secretary
Fauji Cement Company Limited
Fauji Towers, Block-3, 68 Tipu Road,
Chaklala,Rawalpindi

I / We _______________ of _______________ being a member(s) of Fauji Cement Company Limited, holding _______________ordinary shares as per Registered Folio No /CDC A/c. 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 **27th Annual General Meeting** of the Company to be held on **27th September 2019 (Friday)** and / or any adjournment thereof.

Signature on Rs. 50/- Revenue Stamp

____
Signature of Shareholder
(The signature should agree with the specimen registered with the Company)

Signed this _______________ day of _______________ 2019.

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 respects attending, speaking and voting at the meeting, as are available to a member.
2. Proxy shall authenticate his / her identity by showing his / her Computerised National Identity Card (CNIC) or original passport and bring folio number (if members) at the time of attending the meeting
3. In order to be effective, the instructions / Proxy Forms must be received at the Company's Registered Office address at FCCL Head Office, Fauji Towers, Block-3, 68 Tipu Road, Chaklala, Rawalpindi not later than **48 hours** before the meeting duly signed and stamped and witnessed by two persons with their signatures names, address, CNIC numbers given on the Form.
4. In the case of individuals attested copies of CNIC or passport of the beneficial owners and the proxy shall be furnished with the Proxy Form.
5. In the case of proxy by a corporate entity, Board of Directors resolution / power of attorney and attested copy of the CNIC or passport of the proxy shall be submitted along with Proxy Form.

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

Designed & Produced by ASTRAL HATCH INC +92 332 6222777